Integrated Report 2023

10 YEARS LISTED
ATTACQ

A decade of development and growth

Introduction

A decade of development and growth

Attacq Limited is a Real Estate Investment Trust (REIT), based in South Africa and listed on the Johannesburg Stock Exchange (JSE) and A2X Markets (A2X). Since listing 10 years ago, Attacq has been dedicated to developing and managing thriving precincts. We believed that this would significantly strengthen our ability to generate long-term value, living up to our purpose of creating smart, safe, and sustainable spaces. This is demonstrated by our quality real estate portfolio, the growth and engagement of our employees, and the support of our communities. The purpose and vision of Attacq, along with our identified material matters, serve as the guiding thread throughout this integrated report (IR).

Our most expansive precinct, Waterfall City, where we are the strategic developer, bears testament to this philosophy where we have created a city by controlling and managing the city's infrastructure roll-out. This differentiator has also assisted us in mitigating service delivery challenges, providing us with a defensive strategy.

Our Waterfall City transaction with the Government Employment Pension Fund (GEPF) has recently been approved by our shareholders and introduces a long-term partner with whom we will further drive the development of Waterfall City, extending its economies of scale and creating long-term value for all our stakeholders.

As we embark on our next decade of growth, we are excited about the opportunities that lie ahead and we believe that we are well equipped to demonstrate our resilience in continuing to navigate a challenging external operating environment. We remain committed to our purpose and vision as we strive to create value for our stakeholders and contributing to the sustainable development of our communities.

Panoramic view of Waterfall City

Table of contents

Lynnwood Bridge - retail-experience hub, Pretoria

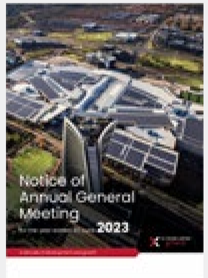
Our reporting suite for FY23

Our reporting suite provides us with an opportunity to share our achievements for the year ended 30 June 2023. This suite is supplemented by additional relevant information available on **www.attacq.co.za**

Integrated report

Group and company annual financial statements (AFS)

Notice of Annual General Meeting (AGM)



Feedback

Your feedback is important to us and we welcome your input to enhance the quality of our reporting. Please send your comments or suggestions to Brenda Botha *(Head of investor relations)*
Email: **brenda@attacq.co.za**
Tel: **+27 (0)12 010 3457**

For clarification of all abbreviations used in this report, refer to the **glossary** on **page 135**.

Navigating our report

This IR has been designed for an enhanced digital experience and ease of use.

The landscape layout supports readability on a range of devices, while the digital navigation capability in the report will assist you, the reader, to easily move between different sections or topics in the report by using the navigation bar at the top of each page or using the links indicated throughout the report.

The capitals

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

Strategic pillars (SP)

- Waterfall City, Rest of South Africa and Other investments
- Capital structure
- Our employees
- Environmental, Social and Governance (ESG)
- Business diversification (innovation)
- Technology

Material matters (MM)

- Strategic, long-term investment partnership in Waterfall City
- Business sustainability and operational efficiency
- Changing macro environment and socio-political conditions
- Infrastructure innovation for resilience and competitive advantage
- Transformation and uplifting our communities
- Employee development and wellness, creating the desired company culture
- Develop and manage smart, safe and sustainable precincts

Top residual risks

R **1 to 10**

Further information

This **page** reference icon is applied throughout the report to improve usability and shows the integration between relevant elements of this report

Additional information that can be found **online**

Key stakeholder groups

- Business and development partners (JVs)
- Clients, both actual and potential
- Community
- Our employees
- The environment
- Financiers
- Government, municipalities, regulators and industry bodies
- Media
- Property brokers
- Shareholders and investment analysts
- Shoppers
- Suppliers and contractors
- Waterfall City landowner

Performance overview

We listed on 14 October 2013, with a focus on offering shareholders access to sustainable capital growth through the development and ownership of a diversified portfolio of properties. In May 2018, we converted to a REIT, expanding our offering to deliver sustainable income and capital growth through a focused approach by investing in South Africa and beyond its borders. Our strategy has continued to evolve – we have become an innovative South African precinct-focused REIT with a clear purpose and vision. During FY23 we listed on the A2X Markets.

Shareholder value

DIPS
14.5% to 71.9 cents
(FY22: 62.8 cents)

DPS
16.0% to 58.0 cents
(FY22: 50.0 cps)

NAVPS
R17.65
(FY22: R17.49)

Capital structure

Gearing
37.3%
(FY22: 37.2%)

ICR
1.69 times
(FY22: 1.58 times)

R2.7bn investment in Waterfall City by **strategic investment partner, GEPF** is unconditional

DIPS: distributable income per share | DPS: dividend per share
NAVPS: net asset value per share | ICR: interest cover ratio

Waterfall City, Rest of Africa, and Other investments

Weighted average annual trading density growth
12.7%
(FY22: 12.6% increase)

Occupancy
92.5%
(FY22: 92.1%)

Collections
100.7%
(FY22: 97.8%)

Completed developments*
30 586m²
(FY22: 47 623m²)

Under development*
36 706m²
(FY22: 30 377m²)

Ellipse Waterfall, phase 3 launched
>40.0% pre-sold

ESG

1.8MWp rooftop PV systems installed generating **5.3%** of our total energy requirements
(FY22: 480kWp rooftop PV systems installed)

Successfully completed the LED lighting retrofit projects at our retail-experience hubs

Installed water monitoring loggers, supporting early leak detection and proactive demand management

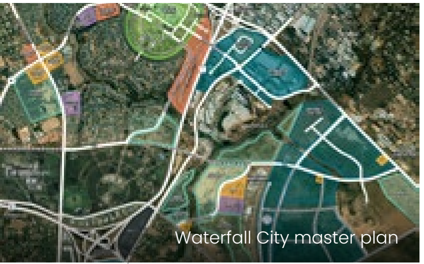
Installed automated generator controllers, decreasing total consumption of energy

B-BBEE rating
Level 1
(FY22: Level 1)

Employee well-being score 72%
Employee engagement score 83%
Employee satisfaction score 78%

* Total m² of gross lettable area (GLA), not effective m² of GLA
PV: photovoltaic | LED: light-emitting diode | B-BBEE: broad-based black economic empowerment

Our journey


Waterfall City master plan

2008

Acquired 75% of the Waterfall City development rights[1]


Listing on the JSE

2013

Listed on the JSE for the first time 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


Mall of Africa, Waterfall City

2016

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

2017

Internalised the development management function


PwC Tower, Waterfall City

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

2020

Commenced our first residential development in **Waterfall City, Ellipse Waterfall**

Completed the **Deloitte head office,** in which Attacq had a 50.0% interest


Vantage Data Centre

2022

Completed **Nexus Waterfall, building 1** – First Net Zero Carbon Level 1 building (GBCSA)

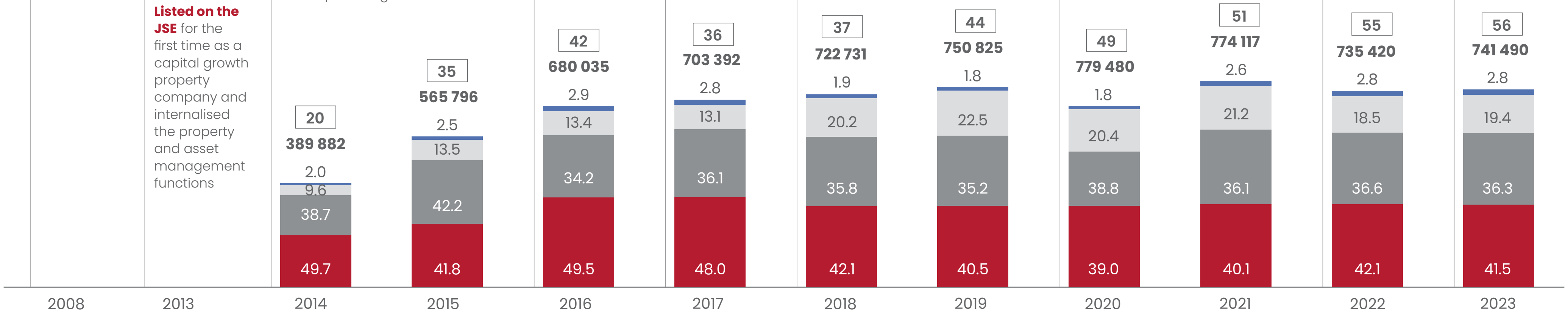
Signed our first **power purchase agreement** (PPA)

Completed **Vantage data centre** phase 1

Achieved **B-BBEE Level 1** for the first time

2023

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



Retail-experience hubs (% of total) Collaboration hubs (% of total) Logistics hubs (% of total) Hotels (% of total) Number of buildings **GLA (m²) from direct portfolio**

[1] Leasehold and development rights to develop and register long-term lease agreements against the title deeds of Waterfall City land parcels

About this report

Welcome to our integrated report

This report is one of our primary communications with our stakeholders.

The IR provides current and prospective providers of financial capital, as well as our key stakeholders, with the information they need to assess our ability to remain resilient, adapt to unanticipated challenges and create future enterprise value by providing a balanced, transparent and integrated review of our financial and non-financial performance for FY23 (1 July 2022 to 30 June 2023). It also sets out our approach to the preservation and creation of value in the short, medium and long term.

Report objective and scope

The content of this report is built on the interconnection of various internal and external factors and management's assessment of their impact on our ability to create sustainable value.

While the primary audience of this report are our providers of financial capital, we strive to provide information that is relevant to a wider stakeholder audience. Events after the reporting period and up to the date of approval of this report have been considered and included in this report where material. Unless indicated otherwise, information in this report refers to that of the group.

Reporting frameworks

This report is aligned to a range of relevant reporting standards, frameworks, guidelines, regulations and best practices, including:

- International Financial Reporting Standards (IFRS)
- International Integrated Reporting Framework (IR Framework) of the IFRS Foundation
- Listings Requirements of the JSE Limited (JSE Listings Requirements)
- King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)***
- SA REIT Best Practice Recommendation (BPR), 2nd edition
- South African Companies Act, 71 of 2008 (Companies Act)

We strive to bring in further sustainability disclosures over time, in line with the voluntary JSE Sustainability and Climate Change Disclosure Guidance as well as S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures.* We consider the United Nations (UN) Global Compact (UNGC) 10 principles as part of our approach to governance as well as the UN Sustainable Development Goals (SDGs), refer to page 38.

The key focus of this report is on the group's South African operations, MAS is considered a medium-term investment and we remain committed to our strategy to exit our Rest of Africa retail investments.

Reporting boundary#

(risks, opportunities and outcomes)

Attacq Limited[1]

Waterfall City	Rest of South Africa				Other investments
100% subsidiary^	100% subsidiary	100% subsidiary	100% subsidiary	Associates and investments	100% subsidiary
Attacq Waterfall Investment Company (Pty) Ltd^	Attacq Treasury Share Company (Pty) Ltd	Attacq Management Services (Pty) Ltd (AMS)	Lynnwood Bridge Office Park (Pty) Ltd Lynnaur Investments (Pty) Ltd Attacq Retail Fund (Pty) Ltd Brooklyn Bridge Office Park (Pty) Ltd	West Africa Asset Management (Pty) Ltd*	AIH International Limited
Mall of Africa (80%) Completed Waterfall City buildings$ Ellipse Waterfall, phases 2 and 3 Waterfall City leasehold land Waterfall City developments under construction	Attacq treasury shares	Development, property and asset management company	Brooklyn Mall (25%) Brooklyn Bridge Office Park Eikestad Mall (80%) Garden Route Mall Lynnwood Bridge precinct MooiRivier Mall		

Waterfall City		Other investments, MAS P.L.C.	Other investments, Rest of Africa retail investments	
23.6% associate	100% subsidiary	100% subsidiary	26.9% associate	25.0% associate
Waterfall JVCO 115 (Pty) Ltd	Attacq Ellipse (Pty) Ltd	AIM Investco (Pty) Ltd**	AttAfrica Limited (AttAfrica)	Gruppo Investment Nigeria Limited
Waterfall Junction	Ellipse Waterfall, phase 1	MAS P.L.C. (6.5%)	Accra Mall, West Hills Mall, Kumasi City Mall (Ghana)	Ikeja City Mall (Nigeria)

Our stakeholders

* Managed and reported as part of other investments
** Post year end, the subsidiary AIM Investco (Pty) Ltd was transferred from AWIC to Attacq Retail Fund (Pty) Ltd
*** Copyright and trade marks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved
^ Post year end, we sold 30% of AWIC (Pty) Ltd to the GEPF
[1] Attacq, the company or the group
Depicts reporting structure and not the statutory structure
$ Refer to the **AFS** for detailed disclosure of our completed Waterfall City buildings

Integrated report recognition

Attacq's 2022 IR was recognised as the winner in the top small cap category by the Chartered Governance Institute of Southern Africa.

These awards are the leading awards of their kind in the Southern African business fraternity and are co-hosted by the JSE Limited.

Reporting time frames

We use the following general classifications when making timeframe references in this report:

- **Short term:** Less than one year
- **Medium term:** One to three years
- **Long term:** Three to five years

Materiality

This report focuses on those issues, opportunities and challenges that may materially impact Attacq's business sustainability and its ability to consistently deliver value to stakeholders. Our material matters, as described on **page 17 and 18**, influence our strategy and inform the content of this report. We consider the concept of double materiality, which encompasses both internal and external factors that shape our value creation journey and delivery of enterprise value. This ensures that our stakeholders gain insights into the material factors driving our immediate operational success, as well as our strategic initiatives and investments that shape our medium- and long-term resilience, growth, and positive societal and environmental impacts.

The process we followed to determine our material matters this year includes identifying matters relevant to our operating context, prioritising matters according to impact and integrating these matters into our reporting disclosures.

The board of directors of Attacq Limited (board) are of the view that matters published in this report offer a balanced mix of information, allowing readers to assess Attacq's performance and prospects. The board and management confirm that to their knowledge, all reliable information has been disclosed and that there are no legal prohibitions to disclosing material information.

Combined assurance

Our combined assurance model ensures the information we provide, and our underlying processes, support the integrity of information used for internal decision-making, and the credibility and integrity of our reporting (see **page 113**).

Assurances are provided by management, our internal auditor (BDO), external auditor (EY), and other external assurance providers.

For the scope of services performed by our external auditor, refer to our **AFS online**

Specific non-financial indicators such as adherence to water-use licence conditions and occupational health and safety (OHS) regulations are externally assured and/or audited to ensure legal compliance or adherence to our governance standards.

The board, supported by the Audit and risk committee (ARC) and Transformation, social and ethics committee (TSE), is satisfied with the effectiveness of the group's internal controls and assurance for the year in review.

Forward-looking statements

This IR contains forward-looking statements which, unless indicated otherwise, reflect the group's expectations as at 18 October 2023. Actual results may differ from our expectations. The group cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on them. The group's external assurance providers do not review or report on the forward-looking statements in this document.

The group disclaims any intention and assumes no obligation to revise any forward-looking statement, even if new information becomes available, other than as stipulated by the JSE Listings Requirements and other applicable legislation and regulations.

Approval of the FY23 integrated report

The board, supported by the ARC and TSE, acknowledges its responsibility to ensure the integrity of this IR. Members of the ARC and TSE committees are of the opinion that this IR addresses all material matters and offers a balanced view of Attacq's strategy and how this relates to its ability to create and preserve value in the short, medium and long term. The report adequately addresses the use of, effects on, and availability of our capitals as well as how these impact the group's strategy and business model. The board believes this report has been prepared in accordance with the IR Framework and authorised it for release on 18 October 2023.

Executive directors

Jackie van Niekerk
CEO

Raj Nana
CFO

Non-executive directors

Pierre Tredoux
Independent chairperson

Hellen El Haimer
Lead independent

Fikile De Buck
Independent

Thabo Leeuw
Independent

Ipeleng Mkhari
Independent

Gustav Rohde
Independent

Stewart Shaw-Taylor
Independent

Allen Swiegers
Independent

Johan van der Merwe
Independent

Note: signatures are not included in this electronic report for security purposes.

This is Attacq

10 YEARS LISTED ATTACQ

Panoramic view of Waterfall City

Who we are

Attacq is an innovative REIT, based in South Africa and listed on the JSE and A2X, with a clear purpose and vision.

We strive to create smart, safe and sustainable spaces by embracing business disruption and finding value-creating opportunities through our purpose-driven approach to ESG.

Mall of Africa under development, Waterfall City

Mall of Africa, Waterfall City (2023)

Our spaces, collectively called hubs

Retail-experience hubs

Our shopping malls offer a remarkable retail-experience, where our shoppers are provided with the opportunity to interact with people and goods while enjoying a memorable shopping experience.

Collaboration hubs

Our office spaces are designed to be collaboration hubs in response to the evolution of the office environment.

Logistics hubs

Our logistics and distribution centres are safe, secure urban logistics hubs, fully integrating office and warehouse requirements into a single location, resulting in a hybrid asset class.

Our purpose

To create smart, safe and sustainable spaces providing remarkable experiences in our managed hubs.

Our vision

To create sustainable value for all stakeholders through our value-based strategy, ensuring a positive impact in our communities and the environment we operate in.

Our values

Accountability
We get stuff done

Collaboration
We have each other's back

Creativity
Everyone's ideas matter

Integrity
We do what we say

Sustainability
We focus on our future

What differentiates us

Over the past decade, we have positioned ourselves as a distinctive company recognised for our uniqueness, quality and value proposition.

Mall of Africa, Waterfall City

Through our focused investments in economic precincts, diversified throughout South Africa, we strive to deliver long-term sustainable total returns for our shareholders, while consistently offering a unique client experience that sets us apart from our peers.

Smart, safe and sustainable spaces, dominant in their precincts, underpin our quality real estate portfolio.

A diversified portfolio and client base across different asset classes and geographies in South Africa provides a resilient foundation, which enables value creation.

Waterfall City represents an exceptional development opportunity for Attacq due to its diversified development pipeline where clients can work, play and live within a smart, safe, and sustainable environment.

Agility, control and alignment of interests are assured through our asset, property and development management structure.

Our company culture is driven by our purpose and values. We focus on employee wellness including the opportunity for self development.

Business diversification and innovation are achieved by investing in innovative environmental opportunities as part of our plan to create long-term value, differentiate ourselves and remain competitive in an ever-changing environment.

We support and uplift the communities in which we operate by investing in training, education, contributing to economic development and campaigns in support our communities' needs.

Invest, engage and collaborate with the communities around our assets to create sustainable spaces that offer remarkable experiences, thereby creating destinations of choice.

Attacq's focus areas

Attacq's focus on:

SP

Waterfall City

comprising our completed real estate portfolio, developments under construction and leasehold land.

Rest of South Africa

comprising the remainder of our South African completed real estate portfolio.

Other investments

comprising a 6.5% interest in MAS and the Rest of Africa retail investments.

Going forward, business diversification will be the fourth focus area.

SP

Business diversification

is achieved by innovatively investing in opportunities complementary to our real estate portfolio.

Waterfall City

	DIPS	Value of portfolio	% of group DIPS	% of total assets
Total	71.9cps FY22: 62.8cps	R21.8bn FY22: R21.6bn	100.0% FY22: 100.0%	100.0% FY22: 100.0%
Waterfall City	41.2cps FY22: 32.3cps	R13.6bn FY22: R13.3bn	57.3% FY22: 51.4%	62.4% FY22: 61.6%
Rest of South Africa	21.2cps FY22: 20.7cps	R6.6bn FY22: R6.9bn	29.5% FY22: 33.0%	30.3% FY22: 31.7%
Other investments	9.5cps FY22: 9.8cps	R1.6bn FY22: R1.4bn	13.2% FY22: 15.6%	7.3% FY22: 6.7%

Smart, safe and sustainable hubs

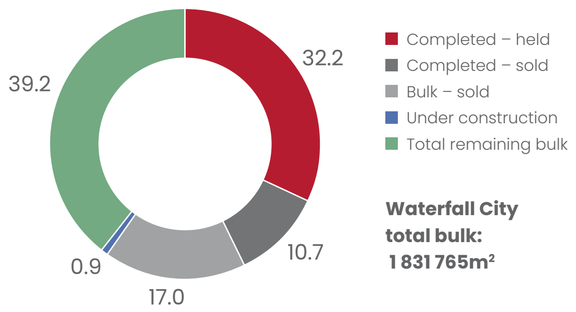
Waterfall City, Johannesburg

Effective GLA
473 423 m²
(FY22: 468 149m²)

Effective valuation
R11.3 billion
(FY22: R11.0 billion)

Waterfall City developable bulk

Waterfall City total bulk (%)



Waterfall City total bulk:
1 831 765m²

Our interest

100% as at 30 June 2023, reduced to 70% post the implementation of the Waterfall City transaction with the GEPF

Waterfall City has evolved into our flagship precinct, going from concept to a space that offers clients a work, play and live lifestyle in a safe, secure and sustainable environment

Mall of Africa

Mall of Africa is a super-regional mall located in the heart of Waterfall City

Voted "coolest" mall in South Africa
Mall of Africa was voted "coolest" mall in South Africa by the *Sunday Times* Gen Next survey for the sixth year running (September 2023)

Business resilience
100% of Mall of Africa's GLA is backed up with generators

Up to two days' emergency water supply

PV systems
5 466MWp of installed capacity, producing 13.6% of total energy use

Green certification
4 Star GBCSA – EBP[2] v1

Key properties

Mall of Africa | pwc | Vantage Data Centers | Cotton:On | Nexus Waterfall

[1] CBD: central business district
[2] EBP: existing building performance

Refer to page 57 and 73, for more information about the sustainability and resilience of our portfolio.

Lynnwood Bridge precinct, City of Tshwane

Total GLA
83 039m²

Valuation
R2.2 billion
(FY22: R2.3 billion)

Our interest
100%

Business resilience
86.0% of GLA backed up with generators at Lynnwood Bridge, retail

Up to two days' emergency water supply

PV systems
852kWp (FY22: 852kWp) producing 14.2% (FY22: 10.8%) of total energy usage

Lynnwood Bridge precinct in City of Tshwane has evolved into a space offering a diverse experience, from its unique mixture of exclusive stores and dining to theatre

Anchor clients
Safari Outdoor, Dis-Chem Pharmacies, planet fitness, Woolworths, City Lodge, Adams & Adams, Shoprite Checkers

Garden Route Mall, George – Regional retail-experience hub

Total GLA
53 970m²

Valuation
R1.4 billion
(FY22: R1.3 billion)

Our interest
100%

Business resilience
100% of GLA backed up with generators

Up to two days' emergency water supply

PV systems
990kWp (FY22: 990kWp) producing 6.5% (FY22: 12.7%) of total energy usage

Garden Route Mall is conveniently located on the Garden Route between George and Wilderness and attracts shoppers from a wide catchment area with its comprehensive range of retail offerings

Anchor clients
Dis-Chem Pharmacies, Woolworths, Pick n Pay, iStore, Van Rensburg Foods

MooiRivier Mall, Potchefstroom – Regional retail-experience hub

Total GLA
50 438m²

Valuation
R1.2 billion
(FY22: R1.2 billion)

Our interest
100%

Business resilience
100% of GLA backed up with generators
Up to two days' emergency water supply

PV systems
1 004kWp (FY22: 1 0004kWp) producing 11.9% (FY22: 11.7%) of total energy usage

Our newly upgraded retail-experience hub, MooiRivier Mall offers a convenient lifestyle shopping experience where the local community spirit of Potchefstroom can be experienced overlooking a scenic riverfront

Anchor clients

Eikestad Mall, Stellenbosch – Regional retail-experience hub

Effective GLA
38 279m²

Effective valuation
R843.1 million
(FY22: R828.7 million)

Our interest
80% (20% held by our business partners)

Business resilience
100% of GLA backed up with generators
Up to two days' emergency water supply

PV systems
Newly installed system of 630kWp, producing 6.1% of total energy usage

Eikestad Mall, situated in the heart of Stellenbosch, offers trendy shopping with a range of clothing brands, supermarkets and restaurants attracting students, community members and tourists

Anchor clients

Operating context

10 YEARS LISTED ATTACQ

Eikestad Mall, Stellenbosch

Our material matters

We remain focused, agile and responsive to deliver the next decade of growth by taking into account matters which could substantively impact our ability to create value in the short, medium or long term.

Our approach to materiality

We followed a three-phased approach to identify our material matters, which included:

1. Identify relevance

Internal review

We reviewed internal documents, our risk and opportunity register, and our strategic objectives and targets, as well as considering issues we reported on in FY22.

External review

We reviewed the socio-economic impact of our operating context, and issues identified in the market. We also considered all new issues raised by our stakeholders, as well as emerging property trends in South Africa and abroad.

2. Prioritise impact

Prioritise

Identified material matters were prioritised and validated according to their impact on enterprise value *(inward-focused financial materiality)*, as well as their impact on society, communities, and the environment *(outward-focused impact materiality)*.

3. Guiding our disclosure

Integrated

Material matters were then used to guide disclosures for our reporting. The matters below were, approved by the board, and helped guide them in assessing what material information to include in this report.

MATERIAL MATTER 1

Strategic, long-term investment partnership in Waterfall City

Importance to our business

Our strategic partnership with the GEPF is a value enhancing transaction that will further drive the development of Waterfall City and long-term growth for Attacq.

Our strategic response

- Reducing debt and thereby improving financial ratios
- Achieving an optimal capital structure to unlock further growth opportunities
- Securing a long-term strategic investment partner for future investment

The capitals

Strategic pillars

Stakeholders

Risks

R 8

Time frame: Short, medium, and long term

The prioritised matters that are expected to have a significant influence on value creation in the short, medium and long term are as follows:

MATERIAL MATTER 1
Strategic, long-term investment partnership in Waterfall City

MATERIAL MATTER 2
Business sustainability and operational efficiency

MATERIAL MATTER 3
Changing macro environment and socio-political conditions

MATERIAL MATTER 4
Infrastructure innovation for resilience and competitive advantage

MATERIAL MATTER 5
Transformation and uplifting our communities

MATERIAL MATTER 6
Employee development and wellness, creating the desired company culture

MATERIAL MATTER 7
Develop and manage smart, safe and sustainable precincts

MM

MATERIAL MATTER 2

Business sustainability and operational efficiency

Importance to our business

For long-term business sustainability, it is imperative for us to manage and optimise a sustainable capital structure, create operational resilience and efficiencies, ensure effective real estate management and development and build strong relationships with our stakeholders.

Our strategic response

- Precinct-focused South African portfolio, offering sustainable community space in established nodes
- Develop Waterfall City into a smart, safe, sustainable city through sustainable partnerships
- Manage and optimise a sustainable capital structure, by entering into a strategic partnership with the GEPF and exiting our Rest of Africa retail investments
- Drive business diversification through integrating ESG, business innovation and technology

The capitals

Strategic pillars

Stakeholders

Risks

R 1 to 10

Time frame: Short, medium, and long term

MM

MATERIAL MATTER 3

Changing macro environment and socio-political conditions

Importance to our business

Our business is affected by the South African economy which is currently challenged by social unrest, infrastructure failures and unreliable service delivery.

Low business and consumer confidence, escalating costs, rising inflation, and interest costs impact shoppers' affordability and constrain discretionary spending.

Our strategic response

- Continuously assess our strategy and positioning in the market in response to the macro environment and socio-political conditions
- Remain focused on our purpose and vision as we navigate and make strategic decisions through the changing macro environment and socio-political conditions

The capitals

Strategic pillars

Stakeholders

Risks

R 1 to 10

Time frame: Short to medium term

MM

MATERIAL MATTER 4

Infrastructure innovation for resilience and competitive advantage

Importance to our business

Building climate change resilience, responsible energy and water consumption, reducing waste to landfill, and improving biodiversity are integral to us being a responsible corporate citizen. This also reduces the cost of occupancy and supports business sustainability, thereby future-proofing business growth and enhancing our competitive advantage.

Our strategic response

- Drive business enhancement and diversification through business innovation
- Improve energy efficiency and resilience through Attacq Energy (PPA, additional PV systems, and integrate these with backup diesel generation)
- Water demand management (efficiency and resilience)
- Ensure a positive impact within our environment by improving our carbon emissions each year

The capitals

Strategic pillars

Stakeholders

Risks

R 1, 2, 6, 7, 9
Emerging risk – climate change

Time frame: Short, medium, and long term

MM

MATERIAL MATTER 5

Transformation and uplifting our communities

Importance to our business

Our transformation focus includes sustainable and impactful solutions for our employees, suppliers, partner networks and the communities we serve. In so doing, we transform and meet the requirements of B-BBEE regulations.

Our precincts play a key societal role in serving and uplifting the surrounding communities.

Our strategic response

- Continue to promote transformation in the interest of all citizens through various training and development initiatives, e.g. Property Point
- Pursue impactful, supportive and uplifting community initiatives through the Attacq Foundation
- Strengthen community relationships to achieve long-term measurable socio-economic and mutual benefits
- Develop and manage Waterfall City, a mixed-use development where people can work, live and play in a safe and socially cohesive environment

The capitals

Strategic pillars

Stakeholders

Risks

R 4, 5

Time frame: Short, medium, and long term

MM

MATERIAL MATTER 6

Employee development and wellness, creating the desired company culture

Importance to our business

Our employees are paramount to our long-term value-creation journey.

Their expertise and specialist skills drive the sustainability, efficiency and relevance of our real estate portfolio.

Our strategic response

- Effective human capital practices by creating a work environment where all Attacq Sky-risers feel safe, respected, valued, fully engaged, and equipped with all the necessary tools to perform their duties to their best ability
- Our head office relocated to Nexus 1, Waterfall City which is a showcase of our collaboration hubs. Our approach to how we work shifted during lockdown and our new collaboration hub caters for our changed working behaviour

The capitals

Strategic pillars

Stakeholders

Risks

R 10

Time frame: Short, medium, and long term

MM

MATERIAL MATTER 7

Develop and manage smart, safe and sustainable precincts

Importance to our business

Our most expansive precinct, Waterfall City bears testament to our philosophy where we control and manage the city's infrastructure roll-out, thereby influencing our clients' and shoppers' experiences. This differentiator has also assisted us in mitigating service delivery challenges by local government and has provided us with a level of resilience and defensive strategy.

Our strategic response

- Develop Waterfall City into a smart, safe, sustainable city through sustainable partnerships by:
  1. introducing a strategic investment partnership through the GEPF transaction
  2. building the community through the Ellipse Waterfall residential development
  3. bulk optimisation and urban re-design being continuously reassessed
  4. increasing our investment in Waterfall Junction to 50.0%
  5. continuing to complete developments and creating a development pipeline
  6. deepening awareness of the Waterfall City brand (purpose led brand)

The capitals

Strategic pillars

Stakeholders

Risks

R 2, 4, 5, 7

Time frame: Short to medium term

External operating environment and our response

By demonstrating our agility in response to key external factors, we position ourselves strongly for the upcoming decade of growth.

Attacq is proactive in a dynamic operating environment that is constantly being re-shaped by various global and local drivers, as well as the macroeconomic factors that are specific to South Africa. While we may have limited direct control over these factors, we carefully analyse the trends to inform our strategic decisions and enable our responses in order to capitalise on opportunities that contribute to our long-term sustainability and value creation.

General macro environment

Unpacking the context

Business operations and social impact

- Geopolitical risks
- Corruption and social unrest
- Inflationary pressures
- Interest rate hiking cycle
- Rising municipal rates and taxes
- High unemployment rate and skills shortage
- Business and consumer spend under pressure
- Projected South African gross domestic product (GDP) growth rate of around 0.3%[1] in 2024

Our response

Financial resilience

- Ongoing business diversification through investing in opportunities complementary to our real estate portfolio and in line with our strategy
- Recycling capital to create a sustainable capital structure, including our transaction with the GEPF
- Adopting flexible leasing plans for our clients

Social impact

- Our precincts continue to play a key role by serving the surrounding communities
- Ongoing upliftment of our communities through various corporate social investment (CSI) projects
- We engage with communities where we operate to understand their needs
- Our skills development strategies contribute to building a pipeline of skilled talent within the industry
- Our partnership with Property Point supports the growth of small, medium and micro-enterprises (SMMEs) in the property sector, which in turn creates jobs and drives transformation in the industry

Related material matters

Strategic pillars

Risks

R 2, 4, 5, 6, 7, 9

Macro and industry environment specific to environmental resources

Unpacking the context

Unreliable service delivery and loadshedding

Macro trends

- Unreliable service delivery
- Loadshedding disruptions
- Failing water infrastructure, water quality and availability

Industry trends

- Slow development approval processes
- Slow energy solution approval processes

Our response

- Ongoing development of efficient and sustainable buildings which will mitigate client cost of occupancy
- Planning for energy resilience at all our buildings which includes generators and battery backup solutions, as well as green energy solutions, e.g. PV systems
- Our proactive water management strategy focuses on opportunities to secure water supplies, improve water efficiencies, manage consumption, and enhance resilience
- Concerted effort required to obtain regulatory approvals

Unpacking the context

Climate change and our low carbon journey

Macro trends

- Impact of climate change
- Lowering carbon emissions with businesses targeting net zero emissions by 2050[2]

Industry trends

- Client and consumer requests for green buildings
- Transitioning to more efficient and sustainable buildings
- Generate green energy

Our response

- We continue to develop buildings that are efficient and sustainable
- Increased focus on green energy solutions through implementation of our PPA agreement, completing the retrofitting of LED lights and rapidly deploying PV systems in response to unreliable energy supply
- We target year-on-year improvements in performance against our energy and water baselines

Related material matters

Strategic pillars

Risks

R 1, 2, 4, 5, 6
Emerging risk – climate change

[1] International Monetary Fund | World Economic Outlook, July 2023 update
[2] South Africa's net zero target | https://climatepromise.undp.org/what-we-do/where-we-work/south-africa

Industry environment per sector

Unpacking the context

Retail-experience hubs
- Customer flight to dominant, quality retail offerings
- Increase in spending on social experience offerings such as restaurants, movies and outdoor events
- Need for greater connectivity between physical and online retail client experience
- Continuous shift to digital, including online shopping by consumers
- Operational disruptions due to loadshedding

Collaboration hubs
- Oversupply of office space
- Businesses are focusing on attractive collaboration interiors
- Clients require smaller and more agile spaces
- Heightened trend of a return to the workplace

Logistics hubs
- Focus on developing scalable logistics hubs that cater for large-scale sustainable initiatives
- Global supply chain shortages within the procurement process
- Increased cost of construction
- Increased demand for logistics and warehouses, with a focus on last-mile distribution to support omnichannel retail

Residential
- Increased demand for modern, safe spaces that are close to amenities
- Increasing inflation and cost of living
- Increasing interest rates hampering buying power and demand for residential offerings
- Residential rental products more in demand

Development
- Slow down in development activity
- Escalating building material costs

Our response

Retail-experience hubs
- Our retail-experience hubs are dominant as regional shopping destinations
- Our retail-experience hubs offer space for communities to meet, allowing our shoppers to interact with people while enjoying a memorable shopping experience
- We use our understanding of shopper behaviour, obtained through experience and behavioural analytics, to remain relevant and become the link between online and physical presence
- All our retail-experience hubs have generator backups and therefore remain fully operational during loadshedding

Collaboration hubs
- We focus on client-led developments
- We negotiate flexible leases where required
- Our hubs provide the opportunity for physical interaction, engagement and collaboration
- We provide space planning solutions to meet client requirements

Logistics hubs
- Ongoing procurement efficiencies, open book deals
- Our fully integrated office and warehouse solution results in a hybrid asset class
- We continue to provide safe and secure urban logistics hubs

Residential
- We will continue with further developments in Waterfall City aimed at different target markets as demand for safe work, live, and play spaces continues

Development
- We focus on client-led developments
- Speculative development is only considered where our buildings do not reach our desired target and where financially viable
- Our well-established Waterfall City continues with development momentum
- We strive to develop buildings that are efficient and resilient

Related material matters

Strategic pillars

Risks

R 7

Leadership reviews

Lynnwood Bridge precinct, City of Tshwane

10 YEARS LISTED ATTACQ

Chairperson's review

> "Amidst global and distinct local challenges, Attacq's portfolio is strategically positioned to leverage opportunities as the Waterfall City precinct further establishes itself as South Africa's economic hub. Guided by our strategic priorities, ongoing innovation, and astute capital allocation, Attacq has the resilience and agility to navigate change and, indeed, to flourish within it."

In the face of the challenging economic climate, political and social difficulties, Attacq has continued to focus on delivering its strategic objectives and core competencies. Through a decade of unwavering commitment to our clients, sustainability, resilience, and prudent allocation of capital, we have not only weathered these challenges but positioned Attacq for long-term prosperity, benefiting our shareholders and key stakeholders.

The relentless focus on strengthening our balance sheet has resulted in the successful culmination of the Waterfall City transaction with the GEPF. This transaction enhances our liquidity position, strengthens our capital structure, and significantly improves our debt metrics and future investment capacity. The transaction strategically aligns with our future development needs and will significantly enhance shareholder returns.

Attacq's quality South African portfolio has once again demonstrated its resilience and defensiveness, despite multiple crises and challenges in the operating environment. With the weakening economy and failure of the Government to provide basic services and infrastructure, our strategic advantage lies in Waterfall City, situated in the rising economic hub of South Africa with brand new infrastructure.

The success of our portfolio amidst these adversities is evidenced by the strong international brands that have chosen to partner with us. Our management team's adept utilisation of our assets showcases our ability to navigate challenges in the South African economy, turning them into opportunities for further value creation. Our innovative spirit fuels our drive to emerge even stronger from these challenging times. This is where Attacq has a unique opportunity to establish itself as a major supplier of energy to Waterfall City, potentially creating a solar farm so that we can ensure a supply of electricity for our clients.

We recognise the gravity of the energy crisis and comprehend that uninterrupted electricity access is pivotal for business operations. To this end, we have committed resources and capital towards implementing solutions that ensure minimal disruption for both our clients and our own operations. Our strategic pursuit of self-sufficient energy production, facilitated by ample space for implementation, positions us uniquely within the market.

Looking back on our 10-year journey

Looking back over the past decade, I am reminded of the journey that unfolded since the decision for Attacq to list on the JSE and more recently a secondary listing on A2X. It all began with the recognition of Waterfall City's unparalleled potential, a realisation that laid the foundation for a transformative chapter in Attacq's history. As we commenced on this path, I recall the initial leasehold right secured by the Atterbury Group. The vision for Waterfall City prospects were vast, but the scale of capital required to realise its full potential surpassed the capacity of a privately owned property developer. Thus, the decisive moment in October 2013 when the decision was made to go public – to harness the power of institutional capital, broaden our shareholder base, and unlock the potential within Waterfall City.

The journey we embarked upon was exceptional. We had the privilege of developing a city from scratch, transforming barren land into a modern unique environment.

The context in which this occurred is significant, particularly within the South African landscape where government service delivery has often been less than optimal. Attacq's achievements resonate as a game changer, showcasing what can be accomplished beyond the limitations of traditional approaches.

With Waterfall City centrally located and close to retail hubs, distribution hubs, highways, transport nodes and the Gautrain station, bus routes and within 31km of three airports, it provides a gateway to the African continent for international enterprises, seeking a base within a secure and modern environment.

Macroeconomic environment

The global economy remains in constant flux, influenced by various factors, including geopolitical tensions, supply chain disruptions, high inflation, and rising interest rates. These challenges result in increased living costs and complexities for businesses, consequently impacting consumer purchasing power worldwide.

In South Africa, the economy faces its own set of challenges. Rising interest rates aimed at curbing inflation amidst an ongoing electricity crisis, a depreciating currency, and escalating food prices. Instability, inadequate municipal services, the potential of social unrest and persistent electricity problems continue to hinder economic growth.

GDP growth is expected to be modest at 0.3% this year, however, the uncertainty caused by electricity shortages remains a significant factor in forecasting currency movements and economic growth.

Overall, the global and South African economies grapple with numerous challenges, demanding cautious and proactive measures to navigate through the complexities and foster stability and growth.

Strategic alignment for sustainable success

Our board and executive management committee (exco) maintain a strategic alignment and have fostered a robust working partnership founded on trust and constructive dialogue. Our shared objective is to achieve relevance and long-term sustainability.

The board concentrates on governance, providing strategic direction, prudent capital allocation, risk management and guidance to the management team. Key Performance Indicators (KPIs) meticulously track our strategic progress and ensure we stay on course to achieve our strategic objectives.

The board has complete faith in our management team whose passion, dedication, and sound decision-making abilities coupled with their collaborative approach and high-performance culture, ensure the successful implementation of Attacq's strategic objectives. The inspiring and energising leadership of our CEO, Jackie van Niekerk ensures a motivated team that is responsible for the Attacq's growth and success.

Performance in FY23

Attacq's strong financial and operational performance confirms our competitive position. Notable improvements were achieved in DIPS and DPS, gearing through effective capital and debt management, trading densities and occupancy levels.

DIPS 14.5% to 71.9 cents	**DPS** 16.0% to 58.0 cents	**Trading density** 12.7%
Occupancy levels 92.5%	**Collection rates** 100.7%	**Gearing** 37.3% from 37.2%

Attacq's development pipeline remains strong with a compelling value proposition and a strengthening capital structure to fund future growth.

Read **page 23** and **26** our CEO and CFO reviews for further information about our financial performance.

Approach to governance and ethics

Our approach to corporate governance and leadership supports our overall value-creation process.

We firmly embed sound corporate governance practices in our values, culture, and business procedures, underpinned by agility and well-considered decision-making, fostering innovation and a resolute commitment to leadership fundamentals. All internal controls are thoughtfully designed to promote good governance and cultivate a keen awareness of risk and compliance.

Our board comprises a diverse mix of expertise and experience, championing ethical conduct to ensure transparency and uphold the principles of good corporate citizenship. In line with the board's succession plan, Fikile De Buck and Gustav Rohde were appointed to the board during the year under review. They each bring unique experience and expertise to the board. Fikile has been appointed to the ARC while Gustav has joined the TSE committee. A further change during the year was the appointment of Allen Swiegers as the chairperson of the ARC.

The board also requested Stewart Shaw-Taylor to delay his intended retirement planned for end of 2023 by one year. Stewart will step down from the ARC at the end of the year, but will remain on the board and the Investment Committee (IC). This will ensure that the board has the appropriate expertise to fulfil its oversight role in the implementation of the GEPF transaction.

Our ethics initiative, the "Journey to Authenticity", is making strides in advancing and fortifying ethical practices within Attacq, aiming to nurture growth and aiming to foster integrity across the group. Learn more on **page 109**.

Our focus on ESG

As a responsible corporate citizen, we have intensified our efforts to address ESG risks and implement our integrated ESG plan, ensuring that our sustainability initiatives are thoughtfully balanced to maintain a positive return to shareholders. This comprehensive strategy aims to minimise our environmental impact, enhance community engagement, and strengthen our competitive advantage through innovative sustainability initiatives, exemplified by our ability to generate our own electricity and control supply and infrastructure at Waterfall City. Our holistic environmental plan encompasses essential elements such as carbon emissions reduction, energy efficiency, water management, waste reduction, biodiversity preservation, and responsible land use. To read more about our Environmental Plan, preservation initiatives and the progress thereon, see **page 75**.

Moreover, our commitment to creating sustainable value for our community stakeholders is demonstrated through our active contributions to upliftment, positive impacts in the regions we operate, and the invaluable role played by the Attacq Foundation's social investment programmes in strengthening relationships and delivering measurable socio-economic benefits over the long term. Read more about our community initiatives on **page 95**.

By integrating sustainability into our core business practices, we take responsibility for the importance of addressing societal challenges while offering our clients solutions to mitigate similar issues, all with a steadfast dedication to creating lasting positive impacts for the environment, society, and our esteemed stakeholders.

Outlook

We covered considerable distance this financial year, buoyed by a strategic new partnership that will drive the development and diversification of Waterfall City, enhance our competitive advantage and create substantial long-term value for our stakeholders. Due to this progress, I am confident that Attacq is on the right path to pursue opportunities that will strengthen our returns and optimise the future development of Waterfall City – ensuring we continue to reap the rewards from our strategic decisions.

Our entrepreneurial flare and core strengths of capital allocation, balance sheet optimisation, development and operating expertise will drive our future growth. We look forward to our next decade of growth with a quality portfolio, engaged and energised management and employees, and stronger relationships with our stakeholders.

We expect high inflation and interest rates, escalating municipal rates and the continuation of unreliable service delivery. Despite these challenges, we know the resilience of our portfolio and the introduction of a strategic partnership will position Attacq for future growth, stability and certainty, thereby ensuring we can exceed our commitments to stakeholders and achieve our purpose.

Our focus remains on enhancing our capital structure, repurchasing shares and pursuing accretive developments within Waterfall City which will contribute positively to our overall financial position.

We anticipate that Attacq will deliver DIPS growth of between 8.0% and 10.0% in FY24 and that we will successfully navigate the current operating challenges.

In appreciation

My sincere appreciation is extended to all Attacq employees and management for their hard work, dedication and commitment to our business and our clients. You once again managed to deal with all the challenges and many curve balls in pursuit of our vision to create sustainable value for all our stakeholders. Attacq's success is a result of you and what you do every day. Thank you.

The inspirational leadership of our CEO, Jackie van Niekerk, her strategic foresight, and commitment to execution, together with the management team's ability to challenge the norm and develop innovative solutions, enables Attacq to deal with the unique challenges experienced in South Africa. Your unwavering commitment, resilience and remarkable agility is inspiring and deeply appreciated.

A very sincere thank you also to my fellow board members for your dedication, valuable insights, robust debates, willingness to challenge and contribute to Attacq's future. I am confident that the board and management have the ability and passion to deliver future growth for our shareholders.

Finally, I want to express my heartfelt gratitude to all our stakeholders, including shareholders, clients, partners, suppliers, our community, and others, for your steadfast support and trust in Attacq. I look forward to continued engagement and the opportunity to further strengthen our relationships.

Pierre Tredoux
Chairperson

18 October 2023

Note: signatures are not included in this electronic report for security purposes.

CEO's review

"Reflecting on our extraordinary 10-year journey, we have confronted many unique challenges and navigated difficult decisions with the utmost consideration for all our stakeholders. These experiences and our transparent engagement have fostered the growth and maturity of our culture and our people and how we have reshaped our approach to investments as a business."

Reflections on the past year

As I reflect on the past year, I am proud of Attacq's achievements of the strategic objectives and how each team member is committed to achieving our purpose and executing on our strategy. We acknowledge and celebrate significant successes, but we must also confront the challenges created by strong macro headwinds. Our country is experiencing the aftermath of the Covid-19 pandemic, which has led to a series of knock-on effects. Throughout the year, we faced an upsurge in loadshedding, interest rate increases, high inflation rates, deteriorating value of our currency and substantial job losses. The socio-political landscape in South Africa is under pressure, a fact further compounded by failing infrastructure and a lack of service delivery.

Despite the volatile and ever-changing operating environment, Attacq's high-quality South African portfolio has demonstrated its resilience and we are refocusing ourselves to further grow and mature our business for long-term business sustainability. To mitigate the challenges of these multiple crises, we continue to exert our efforts on what we can control in our business fundamentals – improving operational efficiencies and offering an unmatched client experience, to manage the impacts of uncontrollable factors. Our employees continue to push through the tough operating environment with resilience and courage – aligned on executing on the strategy and delivering on our purpose.

FY23 will be remembered as the year in which Attacq announced the GEPF transaction, which is a significant highlight in our business and a boost to our future growth prospects. The introduction of a new strategic partner to AWIC will enhance long-term value for our stakeholders and enable future development growth within Waterfall City.

Delivering on our strategy

Our execution of strategy throughout FY23 revolved around our four value drivers which are dedicated to bolstering precinct resilience and operational efficiencies and ultimately delivering an exceptional client experience in alignment with our purpose to navigate through the uncontrollable.

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

We continue to entrench the hub strategy through the portfolio, whereby we create smart, safe and sustainable spaces in our retail-experience, collaboration and logistics hubs. Noteworthy achievements for the year under review are:

- 12-month average trading density growth of 12.7%, with improved turnover performance from our retail clients.
- Great success with our collaboration hubs, as evident in our fully let Lynnwood Bridge precinct in Pretoria with a unique mixture of exclusive stores, entertainment and dining. Additionally, Waterfall City continued to attract international clients such as Estée Lauder, Dell, CipherWave, AbbVie, Cisco and DP World.
- We continue to innovate within our portfolio with Sook opening at the Mall of Africa, which will enable a dynamic way for clients to get short-term retail space on demand.

Notable initiatives, innovating, creating resilience and efficiencies were implemented within our portfolio through:

- Accelerated PV system installations in response to loadshedding
- Roll-out of LED light retrofits at Eikestad Mall, Glenfair Boulevard and Mall of Africa
- Efficient monitoring of water consumption with early detection of water leaks
- Improved water back-up through our water resilience project
- Digitalising compliance and OHS management
- Appointing internal utility management resources

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

Waterfall City remains an exceptional development opportunity, providing a diversified development pipeline for the creation of stakeholder value while offering clients a work, play and live lifestyle within a safe, secure and sustainable environment. Building the right infrastructure with suitable partners, gives Attacq a distinct competitive advantage. Our most notable milestones during the year under review include:

Town Square, Mall of Africa, Waterfall City

- Waterfall City urban re-design has been completed, to ensure we continue to evolve Waterfall City into a smart, safe and sustainable city.
- The Plumblink head office and distribution centre – a joint venture with Bidvest Properties – has been completed together with a 250kWp rooftop PV system. This was built on the last piece of sizeable logistics land available for development outside of Waterfall Junction.
- Our logistics hub land at Waterfall Junction is being activated through the development of infrastructure and we are in the process of increasing our shareholding from 23.57% to 50%. This will increase our logistics hub bulk to 300 000m^2 from 141 420m^2.
- We celebrate the completion of the second phase (third tower) of the Ellipse Waterfall residential development with 174 units of bankable sales to date of which 169 units have transferred (98.9% of units have sold at a total sales value of R561.3 million).
- We launched the last phase of the Ellipse for which sales are encouraging. Construction commenced before year end.
- We have improved the smart city offering by improving our building designs and infrastructure roll-out to embrace resilience and efficiency, thereby providing suitable long-term solutions for our clients.

3 Manage and optimise a sustainable capital structure

We have grown and matured as a business over the last 10 years, maintaining a healthy capital structure to build long-term sustainable growth. There has been renewed interest in Attacq from existing and potential investors following the announcement of the GEPF transaction.

Initiatives going forward to manage and optimise our capital structure include:

- Concluding and implementing the GEPF transaction ensuring a robust capital structure
- MAS indicated that there will be no dividend payout in the short term which will negatively impact our income return. MAS shares remain a short- to medium-term hold while management evaluate the capital allocated to this investment.
- Continuing to implement our exit strategy for Rest of Africa retail investments
- Restructuring and refinancing debt as per our debt reduction plan with a decrease of cost of debt as an intended outcome of the GEPF transaction
- Accelerate the PV system roll-out within the portfolio
- Continue to drive an efficient company overhead structure
- Implementing our share repurchase programme.

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

Our focus and drive in business innovation and technology by investing in opportunities complementary to our real estate portfolio will provide real benefits to our communities and ultimately enhance business value.

As part of our Attacq Energy business diversification plan, we are committed to investing in feasible renewable energy projects to improve the resilience of our real estate portfolio, reduce our carbon footprint and lower our operational costs. Our goal is to achieve up to an estimated 20% reduction in grid energy consumption by FY30.

During the year we have added 1.8MWp in rooftop PV systems and 5.3% of our energy mix now comes from renewable sources. To mitigate the impact of increased diesel usage during loadshedding, we have taken proactive measures.

From a social standpoint, I take immense pride in the Sky-risers Care team, who have voluntarily risen to the occasion, embracing the responsibility of caring for our communities and one another.

An Attacq Foundation standout is the Rise Against Hunger campaign, in which we annually participate in support of Mandela Day. With support from our client communities, we surpassed our initial goal of packing 120 000 meals and packed an incredible 273 522 meals, benefiting early childhood development (ECD) centres in the regions in which we operate. This remarkable effort exemplifies our dedication to making a positive difference in our communities and building a better South Africa.

We continue to promote transformation in the interest of all citizens and were delighted to achieve our first Level 1 B-BBEE rating in 2022 and again in 2023.

Business technology and innovation are vital to our business resilience and efficiency. The implementation of the Attacq modern data platform helps drive improvement in our business efficiency and data analytics improves the qualitative analyses of our business. In addition, procurement systems were implemented to automate and streamline our procurement processes.

Future prospects

With a capable and dedicated team in place, we are well positioned to build upon our current momentum of creating smart, safe and sustainable spaces that foster collaboration and offer remarkable experiences for all key stakeholders. We will continue to unlock opportunities and remain steadfast in delivering on our strategy, ensuring that we are strategically equipped to address the rapidly changing environment in which we operate. This solid foundation along with our new strategic investment partner will further future proof the business and position us for sustainable value creation.

The Attacq strategy aims to offer clear direction and confidence to all our key stakeholders. Our dynamic plan keeps us focused on our strategic objectives while remaining agile to adapt to the ever-changing landscape.

Our approach is reinforced by providing the necessary resources and empowering our dedicated team members at Attacq to prioritise the right aspects while streamlining our processes through the Attacq digital journey.

"It is not the critic who counts, not the one who points out how the strong man stumbled or how the doer of deeds might have done them better. The credit belongs to the man who is actually in the arena, whose face is marred with sweat and dust and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who, if he wins, knows the triumph of high achievement; and who, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

The Man In The Arena, Theodore Roosevelt, from a speech at the Sorbonne Paris, France, 23 April 1910

Appreciation

To all our employees, thank you for your continuous efforts and for putting your heart into driving the achievement of Attacq's purpose. Let us be brave when we choose to step into the arena in the coming year and let us do it with grace, kindness and humanity.

We thank Pierre Tredoux, our board chairman, for his guidance and stewardship of the board over the last decade. We also acknowledge the efforts of our experienced board for providing direction and strategic leadership to our management teams.

To our loyal clients and returning shoppers, thank you for your continued support. To our appreciative communities, thank you for being an integral part of our journey.

To our committed shareholders, thank you for your unwavering trust and investment in Attacq. Together, let us look forward to a future of shared achievements and continued growth.

To our joint venture (JV) partners, who have walked the journey with us over the years, thank you for the trust you have placed in us.

Our relationship with the Waterfall City landowner has been synonymous with our success and we value the confidence and pride you have in this ongoing journey of developing and growing this iconic Waterfall City.

As we commemorate our 10-year JSE listing, I would like to pay tribute to the founders, Francois van Niekerk and Louis van der Watt, as well as the two previous CEO's of Attacq, Morne Wilken and Melt Hamman, each having been instrumental in shaping Attacq into the company it is today.

Jackie van Niekerk
CEO

18 October 2023

Note: signatures are not included in this electronic report for security purposes.

How we create, preserve and measure value

10 YEARS LISTED ATTACQ

Panoramic view of entering Waterfall City

Our strategy and business model

Over the past decade, we have consistently focused on strategic decision-making to strive for long-term value for Attacq stakeholders.

Our strategy at a glance

Our strategy is guided by our purpose and vision, while also taking into account the present operational challenges we face. When formulating our strategy, we embrace a continuous process that ensures our plans remain dynamic and adaptable to the ever-changing business landscape. We remain focused on delivering long-term growth, through all of the challenges we face.

Our ultimate objective is to grow our distributable income through the development of Waterfall City and the management of our precinct hubs and, through our precinct hub focus, differentiate Attacq from our industry peers. By adopting this approach, we can continuously enhance our competitive advantage and drive sustained value creation for our stakeholders. Attacq is a distinctive company recognised for its unique and quality South African-based portfolio and simplicity in its strategy.

Our business model demonstrates a decade of prudent allocation of capital that enables our value adding business activities.

Our strategic pillars and business activities

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

what we do

- **Create spaces** – Create smart, safe and sustainable spaces
- **Manage** – Delivering exceptional client service and remarkable shopper experiences
- **Lease** – Leasing is the catalyst in our business. We strive to provide flexible leasing solutions
- **Invest** – Invest in real estate opportunities
- **Recycle** – Recycle capital by disposing of assets
- **Develop** – Unlock unique opportunities in Waterfall City

enabled by

- Capital structure
- Our employees
- Business diversification (innovation)

underpinned by

- Environment
- Social
- Governance
- Technology

Our business model serves as the framework we use to allocate our capital inputs in our day-to-day business operations through to how we generate value-driven outcomes. It plays a crucial role in ensuring that we realise our strategic priorities and provides clear direction to our employees and stakeholders. In order to consistently create and preserve value, we closely monitor the interdependencies among our inputs and adjust our business plans to mitigate any changes in the availability, quality or affordability of these inputs.

To drive business success and remain sustainable, we consider how our business activities transform the inputs into outputs *(what we generate from our value adding activities)* and our desired outcomes *(benefits or impacts of our activities on the capitals)*, discussed in the strategic performance scorecard from **page 33** and the capitals sections from **page 48**. Our decisions are made with the best interests of our stakeholders in mind requiring strategic trade-offs to ensure that we position our business for growth and resilience. Key to this process is ensuring the trade-offs between capitals are positive for stakeholders, or that any negative impact is mitigated as far as possible to preserve value and ensuring that we are transparent in our engagements and communications with them.

Our strategic pillars form the basis of our business activities (see above) and are delivered through strategic objectives. We measure the success of our strategic objectives through our KPIs (see strategic performance scorecard on **page 33**). In each capital section, we have outlined the strategic pillar's intended outcomes, KPIs and actions for FY24 and beyond.

Capital inputs

Capital	Inputs	Outcomes	Desired outcome
Financial capital The funds we receive as equity, debt and proceeds from capital recycling activities as well as internally generated funds	• Total drawn facilities FY23: **R8.4 billion** (FY22: R8.3 billion) • Available liquidity FY23: **R1.4 billion** (FY22: R1.9 billion) • Gearing FY23: **37.3%** (FY22: 37.2%) • Total equity FY23: **R12.4 billion** (FY22: R12.3 billion)	• Market capitalisation FY23: **R6.4 billion** (FY22: R4.2 billion) • DIPS FY23: **71.9cps** (FY22: 62.8cps) • DPS FY23: **58.0cps** (FY22: 50.0cps)	Long-term sustainable growth
Manufactured capital The spaces we manage and our pipeline of future spaces	• GLA FY23: **741 490m²** (FY22: 735 420m²) • Development under construction FY23: **36 706m²** (FY22: 30 377m²) • Remaining effective developable Waterfall City bulk FY23: **860 655m²** (FY22: 900 361m²)	• Asset value of Rest of South Africa FY23: **R6.4 billion** (FY22: R6.9 billion) • Asset value of Waterfall City FY23: **R13.2 billion** (FY22: R13.3 billion) • Investment in Other investments of FY23: **R1.6 billion** (FY22: R1.4 billion)	Smart, safe and sustainable spaces Creating a destination of choice by developing a unique work-live-play environment
Environmental capital Land, water, fossil fuels, raw natural products and air used to develop buildings and run operations	• Energy usage FY23: **155 971MWh** (FY22: 159 093MWh) • Water usage FY23: **683.7Mℓ** (FY22: 704.5Mℓ) • Investment in environmental sustainability initiatives	• Carbon emissions FY23: **160 508 tCO_2e*** (FY22: 173 680 tCO_2e), translating to 10.4% reduction • Reduced waste-to-landfill by 11.9% to **1 314 tonnes**	Ensure a positive impact within our environment
Human capital Our employees, whose skills and wellness ensure the optimal running of our business	• **159** employees (FY22: 156) which include **10** (FY22: 10) disabled learners on 12-month contracts • Diverse workforce by gender, race, age and tenure • Employee remuneration FY23: **R85.1 million** (FY22: R76.7 million) • Training expense FY23: **R1.4 million** (FY22: R1.1 million)	• Employee wellbeing score **72%** • Employee engagement score **83%** • Employee satisfaction score **78%**	Purposefully embed our company culture to encourage diversity and thriving employees
Social and relationship capital Our relationships with external stakeholders (directly or indirectly) enable us to fulfil our purpose	• Developing strong stakeholder relations • B-BBEE FY23 **Level 1** (FY22: Level 1) • Total CSI spend FY23: **R7.0 million** (FY22: R8.1 million) • Raise Against Hunger FY23: **154 000 packed meals** (FY22: 90 000 packed meals)	• CSI spend FY23: **R7.0 million** (FY22: R8.1 million)	Contribute meaningfully to our communities
Intellectual capital Our brand and reputation, as well as the innovative ways in which we use information and technology	• Registered co-owned trademarks, including Waterfall City and Mall of Africa • The Attacq experience through our CX journey, or stakeholder experience journey • Attacq Energy • SHÔPING app • Digital transformation journey and digital platform • Innovative data-driven analytics and client relationship management (CRM) for competitive advantage	• Business diversification strategy through our environmental plan • Developing a smart, safe and sustainable Waterfall City	Unlock opportunities and generate growth in an innovative and agile way

Our **strategic pillars** and **business activities** (see page 30)

Outputs

What we produce

Our core output is quality real estate assets:

- Smart, safe and sustainable spaces
- Unique work-live-play environments
- Efficient, cost-effective and sustainable green buildings
- Retail-experience hubs, collaboration hubs and logistics hubs
- Remarkable experiences for our clients and shoppers
- Through our business activities of investing, creating spaces, leasing and managing our assets, as well as recycling assets, we aim to create value across our capitals

Our waste and emissions

- Waste generated FY23: 3 765 tonnes (FY22: 1 237 tonnes)
- Carbon emissions FY23: 160 508 tCO_2e (FY22: 173 680 tCO_2e)

FY23 outputs and outcomes are our FY24 inputs

* tCO_2e - tonnes of carbon dioxide equivalent

Capital trade-offs

Trade-off indicators: ▲ Positive ▼ Negative

Capitals: **FC** Financial **MC** Manufactured **NC** Natural **HC** Human **SCR** Social and relationship **IC** Intellectual

Capital	Trade-off	Indicator	Capital
Financial capital	The board has determined a payout ratio of 80% of distributable income resulting in a dividend of 58.0cps, after taking future capital expenditure requirements into account.	▲	SC (shareholders)
		▼	FC
Manufactured capital	Proceeds from selling 30% of Waterfall City, including income-generating properties, to the GEPF will be used to reduce debt and in doing so strengthen the balance sheet and improve the debt ratios. A healthy balance sheet will allow us to invest in opportunities as and when they arise.	▲	FC
		▼	MC
	Investment in the infrastructure of Waterfall City, to develop a smart, safe and sustainable city, is long-term, which is generally non-income yielding. In addition, we continue to roll-out new developments and revamp/retrofit existing buildings to support value creation and preservation.	▼▲	FC
		▲	MC
Environmental capital	Our environmental sustainability initiatives this year focused on efficiency and resilience solutions for both energy and water which will provide financial returns over the long-term through reduced consumption, mitigate municipal supply constraints and reduce the cost of occupancy for us and our clients.	▲	EC
		▲	MC
		▼	FC
Human capital	Additional investment to upskill our employees provides us with a significant return over the long term as it keeps employees engaged, strengthens the internal talent pipeline and helps us take our business forward.	▲	HC
		▼	FC
Social and relationship capital	Our strategic partnership with the GEPF will support us as we continue to develop Waterfall City.	▲	SC (business partnership), FC
		▼	MC
	Supporting and uplifting our communities through CSI spend via the Attacq Foundation.	▲	SC (community)
		▼	FC
Intellectual capital	Investing management time in innovation and technology led to the creation of Attacq Energy and other initiatives to leverage from a changing environment, as well as to support business operations and our CX journey.	▲	IC
		▲	EC
		▼	HC (management's time)


Waterwheel at MooiRivier Mall, Potchefstroom

Strategic performance scorecard

✓ Achieved — In progress ✗ Not achieved **n/a** Not applicable

Over the last decade, our strategic pillars have provided clarity and focus as a deliberate and effective means to set strategic objectives, monitor progress and measure our performance through KPIs.

Strategic pillar	Strategic objectives	KPIs	FY22 results	FY23 KPIs	FY23 results		FY24 target KPIs
Capital structure	Using our capital structure as the enablement to build long-term sustainable growth	FY22: Growth in DIPS (%) FY23: Growth in DPS (%)	34.2	**9.0% DPS growth based on an 80% payout ratio**	16.0% DPS growth based on a 80.7% payout ratio	✓	8.0% DPS growth based on an 80.0% payout ratio
		Total shareholders return (TSR) (%)	43.2% lower than our peer group	**Equal to our selected peer group's TSR**	12.6% higher than our peer group	✓	Equal to our selected peer group's TSR
		Gearing ratio (%)	37.2	**<38.0**	37.3	✓	≤30.0%
		ICR (times)	1.58	**>1.65**	1.69	✓	2.0
		Reduction in overhead costs	n/a	**Reduce overhead costs by R17.5 million**	R13.7 million	✗	n/a
		Reduce finance cost	n/a	**New and refinanced debt of R1.0 billion to be at 50 basis points (bps) lower margin than expiring debt**	R1.1 billion at 65bps saving	✓	n/a
		Share buy-back	n/a	n/a	n/a	**n/a**	R100.0 million
Waterfall City, Rest of South Africa and Other investments	Creating smart, safe and sustainable spaces in our South African precinct focused portfolio	Occupancy rate (%)	92.1	**≥ 95.0**	92.5	✗	≥95.0
		Collection rate (%)	97.8	**>98.0 excluding Cell C**	100.7	✓	>98.0
		Trading density growth (%)	12.6	**Equal to peers (MSCI SA Annual Property Index)**	12.7	✓	Equal to peers (MSCI SA Annual Property Index)
	Develop Waterfall City into a smart, safe and sustainable city through sustainable partnerships	Waterfall City bulk roll-out (m^2) – annual average over rolling three-year period	33 679	**30 000**	20 105	✗	30 000m^2
		Number of residential units sold	82	**Launch Ellipse Waterfall, phase 3**	Ellipse Waterfall, phase 3 launched	✓	n/a
		New business development (m^2)	44 852	**>45 000**	46 004m^2	✓	New development commenced within Waterfall City of ≥45 000m^2

✔ Achieved — In progress ✘ Not achieved n/a Not applicable

Strategic pillar	Strategic objectives	KPIs	FY22 results	FY23 KPIs	FY23 results		FY24 target KPIs
Business diversification (innovation)	Unlock opportunities, generate growth, create value and leverage from a changing environment	Attacq Energy	Signed a PPA and approved the roll-out of another 7MWp rooftop PV systems	**Implementation of 15MWp PPA** **Install four rooftop PV systems** **R17 million retrofits to be installed**	More conditions precedent (CP) finalised to the 15MWp PPA 1.8MWp of PV systems installed LED lighting retrofit complete	✔	Complete four new PV systems Finalise outstanding CPs to the 15MWp PPA Improve the procurement process and system
Technology	Strengthen Attacq's agility through technology, improving our operational management and ensuring a seamless CX journey	Implementation of technology	First phase of the modern data platform has been completed	**CX journey: stakeholder relationship management platform**	CX journey: functional requirements established per team	—	Develop CRM Develop a utility monitoring system Develop a procurement system
Environmental	Ensure smart, safe and sustainable spaces through innovation and resilience resulting in a positive impact within our environment	Environmental plan	In line with our EE plan	**Reduce our carbon emissions to meet our 46.2% reduction target by 2030**	17.6% carbon emission reduction from our FY19 baseline	✔	Complete four new PV systems
Our employees	Purposefully embed our company culture to encourage diversity and all employees to be "Sky-risers"	Employee diversity (employee complement as per employment equity (EE) plan)	In line with our EE plan	**Meet transformation levels in the submitted EE plan**	In line with our EE plan	—	Meet transformation levels in the submitted EE plan
Social	Contribute meaningfully to our communities	Transformation (B-BBEE level)	Level 1	**Level 2**	Level 1	✔	Level 1
Governance	Protects the interest of the company, shareholders and other stakeholders	Continue with good corporate governance practices	Initiatives implemented	**Implementation of initiatives to improve corporate governance**	Initiatives implemented	✔	Implementation of initiatives to improve corporate governance

Cummins South African Regional Office, Waterfall City

Key relationships overview

Over time, we have proactively engaged with our stakeholders, prioritising quality interactions and mutually beneficial value creation and improved experiences to drive long-term growth.

Establishing robust stakeholder relationships is essential for our success, as they significantly contribute to value creation across the short, medium, and long term. Our commitment to continually build and maintain strong stakeholder relationships is evident in our CX journey, ensuring a remarkable experience at every touch point of Attacq. As such, stakeholder engagement is seamlessly integrated into all aspects of our business operations. Read more about our stakeholder engagement in relationship capital **page 101** and **online.**

Our key stakeholders

Business and development partners

>12 business and development partners

Sustainable partnerships enable leveraging of resources, expertise, and opportunities, so that we can introduce new quality developments driving long-term growth and success.

Employees

159 employees

Our passionate and dedicated employees are our most valuable asset and play a significant role in delivering exceptional client experiences. By investing in their development, well-being, and engagement, we create a workplace that inspires collaboration, driving long-term success and growth.

Clients, both actual and potential

>900 clients

Maintaining positive client relationships is essential for our long-term sustainable growth and profitability. We create smart, safe and sustainable spaces providing remarkable experiences in our managed hubs, where we put people first, embrace business disruption and find mutually beneficial opportunities.

Environment

The environment as impacted by our actions

We prioritise reducing our carbon footprint and preserving the environment by fostering climate change resilience in our planning, design, and operations. This includes embracing energy efficiency and resilience through Attacq Energy and other green initiatives aligned with our business and ESG strategies.

Community

Communities around our two precincts and four hubs

We take responsibility to create sustainable value for the communities in which we operate. We acknowledge the support we receive from these communities and are dedicated to making a positive impact on their well-being. By actively contributing to their upliftment, we strive to create lasting social and economic benefits.

Financiers

More than six South African-based funders

By partnering with financiers who exhibit a strong willingness to provide funding, we can realise opportunities for expansion and development. Our collaboration with reliable financiers empowers us to execute our vision efficiently, maximising property potential, and strengthening our position in the market.

Government, municipalities, regulators and industry bodies

Compliance with all applicable legislation and regulatory requirements is fundamental to our operations. We actively participate in key industry bodies, aiming to foster meaningful engagement with municipalities and regulators to positively impact the communities we serve. In pursuit of fair and sustainable business practices, we engage in active lobbying efforts to help contain municipal rates, ensuring the equitable and efficient allocation of resources to the benefit of all stakeholders.

Media

Our proactive media engagement ensures that we maintain an active and positive presence in the media landscape. By nurturing these relationships, we aim to reinforce the reputation of our organisation and promote a fair and balanced understanding of our efforts, ensuring that our stakeholders and the public are well-informed about our contributions to the communities we serve.

Property brokers

>60 property brokers

Property brokers across our portfolio play an instrumental role in originating new deals and negotiating renewals on behalf of our valued clients, who are much more than tenants. Proactive engagement ensures that we are well-recognised among the top property brokers, empowering us to stay at the forefront of the real estate market.

Shareholders and investment analysts

7 795 shareholders, predominantly based in South Africa

Through regular one-on-one meetings, results, and ESG presentations, as well as our AGM, we ensure transparent communication, providing a holistic view of our business.

In line with our dedication to creating value for our shareholders, we aim to build a more diverse shareholder base, increasing share liquidity and market understanding of Attacq's business.

Shoppers

>44 million shoppers visit our six retail-experience hubs annually

Our six retail hubs prioritise exceptional shopping experiences. Leveraging shopper behaviour insights and analytics, we create relevant and engaging retail spaces, meeting both consumer needs and major retailers' requirements. This proactive approach ensures our retail hubs remain destinations of choice.

Suppliers and contractors

>900 suppliers and contractors

Our suppliers and contractors are important in the value chain thereby ensuring that we can provide exceptional experiences for our clients and shoppers. We conduct performance evaluations against service level agreements (SLAs), prioritising value for money and high service levels. By collaborating with reliable suppliers, we maintain a commitment to health and safety compliance, safeguarding the well-being of all stakeholders.

Waterfall City landowner

Our relationship with the Waterfall City landowner is built on mutual benefit, grounded in respect and appreciation for the value of this unique asset. Together, we ensure the sustained growth and development of Waterfall City as a premier destination.

Environmental, social and governance

Our approach to ESG

Our commitment to ESG

Our vision over the last 10 years has consistently been our driving force to create sustainable value for all our stakeholders through a value-based strategy, ensuring a positive impact in our communities and the environment we operate in.

By integrating ESG factors into our group strategy, daily operations and performance management, we can act in the best interests of society and the natural environment. By mitigating ESG risks and identifying related opportunities, we unlock our full potential to create and preserve sustainable value for our stakeholders, including financial value.

This section provides an overview of our approach to ESG, the frameworks that guide us, and the steps we are taking in our ESG journey to deliver long-term sustainability.

Governance of ESG

What we do today affects the future of our employees, our communities and our planet. Our ESG operational plan informs our interactions with our stakeholders and is intended to build trust and increase meaningful social engagement through our value chain.

The board is accountable for our ESG strategy and its performance, while relevant oversight duties are delegated to the TSE committee. Management is responsible for the design and implementation of our ESG operational plan.

Through understanding of the long-term effects of our ESG related decisions, we are better equipped to manage our impact. Management regularly reviews the strategic objectives and intended outcomes for ESG to ensure they are fit for purpose. The board and exco are committed to accurate and meaningful ESG reporting and KPIs for executive management are in place to ensure ESG remains an integral part of our business strategy.

To ensure focus, collaboration and execution of our ESG operational plan, three senior management members, supported by the collective effort of all employees in the company, are tasked with the responsibility for every element of ESG:

E	S	G
Head of sustainability, land and infrastructure (standing invitee to exco)	Social executive (exco member)	Company secretary, legal and compliance executive (exco member)

Read more in environmental capital **page 73**, human capital **page 84**, social capital **page 93** and governance **page 104**. Our TCFD statement is included on **page 136**.

FTSE Russell ESG rating

Our FTSE Russell ESG rating was assessed as 3.1 (FY22: 3.2) out of 5.0 by FTSE Russell. We are pleased that our reporting has outperformed the global sub-sector and industry averages.

A breakdown of our FTSE Russell ESG ratings, including our sub-sector and industry averages, is detailed below:

FY23	E	S	G	Total
FY23 Attacq's results	**2.6**	**2.6**	**4.3**	**3.1**
FY23 Diversified REITs (sub-sector average)	2.2	2.2	3.9	2.7
FY23 Financials (industry average)	2.0	2.2	3.5	2.6
FY22 Attacq's results	2.4	2.9	4.3	**3.2**

UNGC principles

The UNGC is a voluntary initiative to implement universal sustainability principles and to take steps to support the UN goals. The UNGC encourages the adoption of their 10 principles to establish a culture of integrity. We consider these principles as part of Attacq's value system and as a principles-based approach to doing business. These principles are categorised under human rights, labour, environment and anti-corruption.

UN SDGs

The following 10 UN SDGs can be aligned to our strategy and intended outcomes:

Enablers of sustainable enterprise value

Our contribution to the UN SDGs

The UN SDGs present a unified vision to achieve a better and more sustainable future for all. As an urgent global call to action to end poverty, reduce inequality and prevent further harm to the planet, the 17 SDGs define global priorities and goals.

Our purpose guides us to deliver on our group strategy, which includes our integrated ESG plan, through an approach that positively impacts our stakeholders and aligns with the SDGs. By executing our purpose and our commitment to operating responsibly, we can measure the positive contribution Attacq makes toward the achievement of the SDGs. In the table below, we have aligned the way we do business with the objectives of the SDGs.

We have prioritised 10 SDGs where we can make the most meaningful contribution. Our strategic objectives, intended outcomes and KPIs align with these SDGs.

Goal	SDG target number supporting the goal	Attacq intended outcomes
6 Clean water and sanitation	**6.3** Improve water quality by reducing pollution and increasing recycling **6.4** Increase water-use efficiency and ensure a sustainable supply of freshwater	Water: Managing demand while ensuring efficiency and resilience
7 Affordable and clean energy	**7.2** Increase the share of renewable energy in the global energy mix **7.3** Double the global rate of improvement in energy efficiency	Energy: Improve efficiency and resilience Energy: Increase renewable energy through PV installations, PPA and generator integration
12 Responsible consumption and production	**12.2** Sustainable management and efficient use of natural resources **12.5** Reduce waste generation through prevention, reduction, recycling and reuse	Carbon emissions: Proactively manage and reduce our footprint through our integrated ESG plan Waste: Reduce waste to landfill
13 Climate action	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters	Manage climate change-associated risk to our real estate portfolio and infrastructure
11 Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable **11.6** By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Biodiversity: Protect and enhance our environment Attacq is pursuing a Green Star Sustainable Precinct Rating for Waterfall City CBD (Phase 1)
15 Life on land	**15.1** Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems	

Goal	SDG target number supporting the goal	Attacq intended outcomes
3 Good health and well-being	**3.4** Prevention, treatment and promote mental health and well-being	Wellness: Continue to offer employee wellness programmes
4 Quality education	**4.2** Ensure all girls and boys have access to quality early childhood development	Development: Support employee development and ongoing succession planning
	4.4 Substantially increase the number of youth and adults who have relevant skills for employment	Transformation: Continue to promote transformation in the interest of all citizens (our communities)
8 Decent work and economic growth	**8.6** Substantially reduce the proportion of youth not in employment, education or training **8.5** Achieve full and productive employment and decent work for all women and men	Transformation: Recruit and maintain a diverse workforce
10 Reduced inequalities	**10.2** Empower and promote the economic inclusion of all **10.3** Ensure equal opportunity and reduce inequalities of outcome	Attacq's procurement policy: driving equal opportunity

Risks and opportunities

Over the past decade, we have made significant strides in maturing the risk and assurance practices throughout our operations.

Risk and opportunity management underpins our value creation process

We align our risk and assurance management processes with the principles of King IV and ensure that it is fit-for-purpose given the nature and complexity of our business.

This process spans across all types of risk, including compliance, environmental (which includes climate change), social, governance and technology risks.

It involves acknowledging that risk management is not merely about identifying and mitigating risks but also entails seizing potential opportunities that may arise. In this context, an opportunity is defined as the sustainable competitive advantage derived from effective risk management, leading to both a diminished residual risk level (downside risk) and the identification of advantageous possibilities (i.e. opportunities) resulting from managing potential downsides.

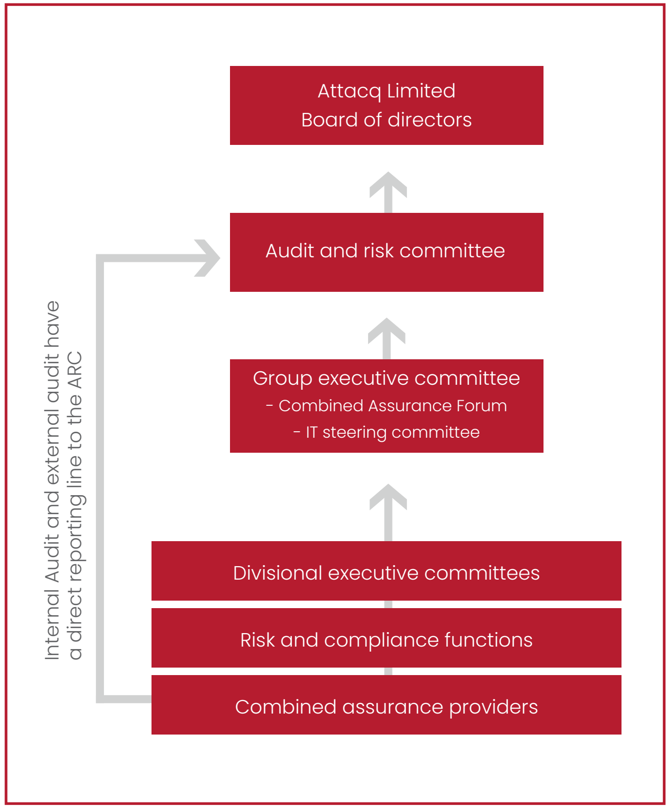
Progress on our risk management journey

In the decade following our JSE listing, our risk management has shifted from informal discussions to structured systems that integrate risk and assurance. Responsibility and ownership for risk management are evident, backed by the oversight of ARC and the combined assurance forum (CAF). ARC involves non-executive directors, while CAF includes exco members, senior management, internal audit (BDO), and external auditor (EY). This model ensures that there are strong internal controls and governance across all levels of the group. Through this combined assurance approach, ARC evaluates risk management and assurance efficacy. Our combined assurance model is described on page 113.

Delegation of risk management

The organisational diagram presented below reflects how we have structured our business to execute our risk management and combined assurance responsibilities.

Governance structure



Within the structure depicted above, we have embedded clear accountability and ownership of risk, as follows:

Board of directors as well as the ARC
Our board sets the tone for risk management and assumes ultimate accountability, but delegates oversight to the ARC, and the day-to-day risk management activities to our management.

Executive management
Our management is charged with the responsibility for taking appropriate risk, within the risk framework approved by the board. Management is also responsible for ensuring that enterprise risk management is effective in addressing our group risk profile. Progress oversight on the execution of this mandate is provided quarterly through the CAF.

Our ARC receives bi-annual risk reports detailing the status of existing and emerging risks, and provides the board with updates.

Risk owners
Our risk owners comprise our employees who are directly accountable for ensuring risks are managed effectively by implementing actions to mitigate the risks.

Although our risk owners are directly accountable, all our employees contribute to effective risk management as per Attacq's employee contribution plans.

Risk and compliance function reporting to the CFO
While our risk and compliance officer, with the support of our CFO, designs and implements policies and procedures for managing risk and promoting a culture of risk awareness and control across our business, they are not owners of risk, but rather custodians of the risk management and combined assurance processes.

Rating of top residual risks

In our risk management programme, all identified risks undergo comprehensive analysis to understand their context, drivers, and potential consequences. Each risk is assessed and rated at both an inherent level (prior to implementing controls) and a residual level (after controls are in place). The risk level is determined based on its impact on our business and its likelihood of occurrence.

Risks with a residual risk score equal to or greater than nine out of 25 are reported in the table below:

2023 rank	Top residual risks
1	Bulk infrastructure
2	Unreliable electricity supply
3	Emerging markets
4	Civil unrest
5	Community activism
6	Unreliable water supply
7	Evolving space utilisation
8	Development delivery
9	Escalating rates and taxes
10	Legal and regulatory compliance

2022 rank	Top residual risks
1	Bulk infrastructure
2	Emerging markets
3	Community activism
4	Civil unrest
5	Cybersecurity
6	Evolving space utilisation
7	Increasing municipal rates and taxes, and deteriorating service delivery
8	Legal and regulatory compliance
9	Development delivery

Colour legend

High risk | Medium – high risk | Medium risk

Our business's primary emerging risk is climate change. Our management examines various climate-related scenarios within our business context to identify and analyse specific risks relating to climate change that could threaten the achievement of our goals, including Attacq's impact on the environment and the effects of severe weather events on our assets.

Movement in residual risks

Our risk profile evolves over time. Some changes are driven by changes to the risk itself, its context, or the effectiveness of its mitigation. As such, risks reflected in our top risk profile are expected to change over time. Our FY23 top risk profile reflects four changes to the risks disclosed in our FY22 top risk profile. They are elaborated on below:

Risk and status	Motivation
Cybersecurity (reduced residual risk)	The risk remains material to our business, but we have made significant progress in enhancing our cybersecurity measures to lessen the residual risk. Our controls have been assured as effective and we continue to monitor this risk.
Unreliable energy supply	Worsening Eskom electricity reliability affects our value proposition to clients and climate goals. Previously included within "increasing municipal rates and taxes", it Is now considered a stand-alone risk.
Unreliable water supply	Water availability is a growing risk for the business due to access and cost for daily operations. Municipal infrastructure deterioration and water supply scarcity increases this risk. Previously included within "increasing municipal rates and taxes", it is now a stand-alone risk.
Escalating rates and taxes (redefined risk)	The risk entitled "increasing municipal rates and taxes, and deteriorating service delivery" in our FY22 top risk profile was unbundled into significant component parts in FY23. The impact of deteriorating infrastructure is now presented separately under the risks "unreliable electricity supply" and "unreliable water supply".

Trend year-on-year: Risk increased year-on-year | Risk unchanged year-on-year | NEW New risk

R1 Bulk infrastructure

Commissioning bulk infrastructure is vital to our development plan. The risk lies in third party performance, mainly for water, energy, and road access, impacting our growth strategy.

Potential impact

- Delay or inability to service land timeously
- Inability or strained ability to roll out further bulk
- Investment value at risk
- Increased cost of invested capital
- Overrun of approved budgets

FY23 key risk developments

Strain on Eskom's capacity to supply energy and inadequate bulk water are key risks. We are building distribution infrastructure, but limited upstream reservoirs hinder progress.

Privatising reservoirs and "off-grid" projects will be considered, yet uncertainty remains due to municipal infrastructure regulations.

Residual risk rating

High risk

Risk movement

Controls

- Development exco, exco, and IC oversight
- Delegation of authority through the development mandate
- Contractual risk transfer to development consultants and contractors
- Monthly works certification by development consultants
- Potential private investment into infrastructure capacity development

Control enhancement projects

- **Attacq energy initiative:** alternative off-grid solutions (see environmental capital, page 73)
- **Research project:** analysis of the legislative process for Section 29(1) certificate issuance for application optimisation

Opportunity

Sustainable development solutions may enable shorter lead-times for the issuance of Section 29(1) certificates, resulting in more efficient use of capital

Competitive advantages:

- Return on invested capital
- Improved sustainability ratings of buildings
- Improved resilience and efficiency of completed assets

The capitals | **Strategic pillars** | **Material matters**

R2 Unreliable electricity supply

Increasing financial strain to provide sufficient electricity to our clients in order to meet minimum viable asset criteria.

Potential impact

- Erosion of our clients' and shoppers' experience which is critical to our value proposition
- Increased cost of occupancy eroding net rental income
- Risk of personal injury and security threats

FY23 key risk developments

Eskom's electricity generation capacity has come under severe pressure resulting in a material increase in loadshedding. We expect this downward trajectory in energy availability to persist in the near term.

Residual risk rating

Medium - high risk

Risk movement

Controls

- Energy efficient solutions like LED lighting
- Backup energy solutions through PV systems and generators
- Automated generator controllers to optimise generator use
- PV systems to reduce load required from Eskom and generators
- Preventative maintenance programmes for generators

Control enhancement projects

- **Research project:** alternative off-grid solutions (see environmental capital, page 73)
- **Research project:** Optimisation of generator use (see manufactured capital, page 57 and environmental capital, page 73)

Opportunities

- Uninterrupted delivery of Attacq's value proposition to our clients and shoppers
- Greener or more sustainable value proposition offering to our clients
- Reduced cost of operation for our buildings

Competitive advantages:

- Differentiating value offering
- Low cost of occupancy advantage (for equal value offerings)

The capitals | **Strategic pillars** | **Material matters**

Trend year-on-year: Risk increased year-on-year | Risk unchanged year-on-year | NEW New risk

R3 Emerging markets

Value erosion of the Rest of Africa's investment.

Potential impact

- Erosion of investment values, capital growth, and revenue potential
- Contribution of additional capital to capital expenditure (capex), debt service, client installations

FY23 key risk developments

Ghana and Nigeria have battled economic challenges. Ghana has used austerity and financial controls for inflation, while Nigeria has been dealing with corruption, inflation, currency issues, and political tensions over elections and the removal of the fuel subsidy. Unemployment further strained Nigeria's consumer base.

Residual risk rating

Medium-high risk

Risk movement

Opportunity

Enhanced liquidity as exiting assets will allow for the redeployment of capital to better-performing assets.

Controls

- Maintain alignment between shareholders and asset management to preserve the value
- Asset management focus on filling vacancies and collecting rentals
- Deployment of in-country assets management personnel
- Board representation for AttAfrica (Ghana assets) and direct investment representation (Nigeria)
- External debt refinanced with lighter covenants at asset level, fully hedged for interest rate changes throughout the remaining term

Control enhancement projects

- Maintaining shareholder alignment with continued action to dispose of assets

The capitals | **Strategic pillars** | **Material matters**

R4 Civil unrest

Unlawful and/or violent action by large groups within/on our assets or at the transport routes resulting in damage of our assets.

Potential impact

- Loss of life and/or injuries (to our clients, shoppers or employees)
- Reputational damage as our managed hubs might be perceived as unsafe
- Vandalism, destruction and theft of our client/Attacq assets or national and local key infrastructure
- Unlawful occupation of our premises
- Closure of facilities with associated loss of foot count and trade, resulting in our clients requesting rental relief
- The insurance provider cannot pay out claims

FY23 key risk developments

- South Africa's socio-economic well-being worsens in a near-recession economy with growing unemployment, higher interest rates and inflation
- Escalating crime and corruption compounded by 2024's impending general elections, raising the risk of civil unrest

Residual risk rating

Medium risk

Risk movement

Opportunities

Developing a deeper relationship with our communities as we work together in creating smart, safe and sustainable spaces (see Social and relationship capital pages 84 and 93)

Controls

- Operational security processes, technology, and contracted support
- Collaboration with law enforcement and intelligence groups
- Business continuity management programme
- Insurance, including South African Special Risks Insurance Association (SASRIA) and commercial insurance

Control enhancement projects

- None

The capitals | **Strategic pillars** | **Material matters**

Trend year-on-year: Risk increased year-on-year | Risk unchanged year-on-year | NEW New risk

R5 Community activism

Pressure on businesses to provide more support to local suppliers and service providers.

Potential impact

- Failure to deliver on the client value proposition
- Vandalism of building sites
- Negative media coverage and reputational damage
- Pressure on our supply chain (procurement)
- Potential escalation to land invasion, development non-delivery, and civil unrest

FY23 key risk developments

- Change in behaviour, strong SMME Forums to engage with
- Collaboration through new Business Forums

Residual risk rating

Medium risk

Risk movement

Controls

- Community engagements with Community Liaison Officers and Ward councillors to understand the needs of the community and to manage expectations
- Procurement policy with preferential treatment for historically disadvantaged suppliers and B-BBEE scorecard tracking
- Enterprise Development programmes to assist historically disadvantaged suppliers and gain community goodwill
- Monitoring and patrolling our sites, coupled with access control to ensure safety and security
- Community-based entrepreneurial programme
- Facilitating discussions between community forums and contractors
- Refer to page 42 "Civil unrest" controls

Control enhancement projects

- None

Opportunity

Competitive advantage:

- Strong reputational upside and greater community support of assets and our clients

The capitals | **Strategic pillars** | **Material matters**

R6 Unreliable water supply

Deteriorating availability of water supply, including water at the required pressure and quality.

Potential impact

- Failure to meet OHS requirements
- Inadequate fire suppression capability (volume and pressure of available water)
- Increase in cost of water
- Inability to meet our clients' and shoppers' water requirements
- Decrease in water quality

FY23 key risk developments

- Water quality from South Africa's municipal supply is concerning
- Distribution efficiency worsens due to infrastructure neglect and municipal financial mismanagement

Residual risk rating

Medium risk

Risk movement

NEW

Controls

- Water monitoring loggers for leak detection at bulk level rolled out on all properties. Read more about our water efficiency initiatives page 80
- Backup water tanks, or water-shipping arrangements in place
- SLAs and SLA monitoring practices
- Two-day water redundancy plan per property

Control enhancement projects

- Project to increase water resilience from around two-day water redundancy to five-days where necessary

Opportunities

Competitive advantage:

- solidifying our reputation as the landlord of choice with uninterrupted utility solutions
- Strengthening our facilities as the shopping destinations of choice

The capitals | **Strategic pillars** | **Material matters**

Trend year-on-year: Risk increased year-on-year | Risk unchanged year-on-year | NEW New risk

R7 Evolving space utilisation

Alignment drift between asset characteristics and collaboration hub clients' and shoppers' requirements.

Potential impact

- Failing to meet affordability criteria of our clients, often reflected in changing space requirements (both in size and length of lease agreements)
- Clients struggling to get their employees back into older generation office fit outs
- Decrease in occupancies resulting in loss of rental income and footfall
- Significant capital expenditure requirements to realign to our client/shopper needs

FY23 key risk developments

- As more businesses return to office workspaces after Covid-19, our collaboration hub space usage has risen. Additionally, the 2023 loadshedding schedule encourages employees to work from offices
- Retailers are increasingly using their premises to support online sales operations
- Office designs increasingly take employee welfare into consideration, resulting in improved space utilisation

Residual risk rating

Medium risk

Risk movement

Unchanged

Controls

- Aligning our assets to our purpose
- Adopting flexible leasing plans that allow our clients to adjust space requirements and tenure of their lease agreements
- Ongoing engagement with our clients regarding their evolving requirements
- Providing strategies for our clients' emerging sustainability requirements and demand for greener buildings
- Utilising shopper behaviour analytics to optimise our value proposition
- Maintenance and upgrading programme for our retail-experience hubs

Control enhancement projects

- Continued deployment of the SHÔPING application at our assets

Opportunities

Competitive advantages:

- Differentiated value proposition to our clients and shoppers to ensure their continued support by offering: smart, safe, and sustainable spaces, adjustable lease arrangements (flexibility), and contributions to client's sustainability endeavours
- Low cost of occupancy advantage (for equal value offerings)
- Initiatives to increase turnover and engagement through our retail-experience hubs

The capitals | **Strategic pillars** | **Material matters**

R8 Development delivery

Developments delivered late or over budget.

Potential impact

- Developments delivered late or over budget

FY23 key risk developments

Despite our robust project management practices, external factors continued to deteriorate, including:

- Building cost pricing pressure through a global and local inflationary increase
- Municipal service delivery relating to infrastructure
- Municipal approvals on unproclaimed land parcels

Residual risk rating

Medium risk

Risk movement

Unchanged

Controls

Cost management, which includes:

- Accounting for contingencies and escalation in the feasibility study
- Monthly project reports
- Development exco and exco oversight
- Capex linked yield transactions

Supply risk management, which includes:

- Feasibility adjustment for contingencies and escalation
- Proactive ordering taking lead-time and availability into account
- Procurement management approach of fixing cost for long lead-time inputs

Project management, which includes:

- Contractual risk transfer
- Monthly project reports
- Feasibility adjustment for contingencies and escalation
- Development exco and exco oversight
- Refer to **page 41** "Bulk infrastructure" controls.

Control enhancement projects

- None

Opportunities

There is no undue pressure in the timing of developing the land, thus allowing for sound long-term decision making.

The capitals | **Strategic pillars** | **Material matters**

Trend year-on-year: Risk increased year-on-year | Risk unchanged year-on-year | NEW New risk

R9 Escalating rates and taxes

Escalating rates and taxes erodes our value proposition to clients and hence profitability.

Potential impact

- Not all rates and taxes are recoverable from clients, impacting our profitability
- Rates and taxes that are recoverable will increase the cost of occupancy for our clients, reducing the overall value proposition

FY23 key risk developments

The disparity between the rate of increases in rates and taxes and the perceived value of the services delivered remains unacceptably large, and in some cases, is widening.

Residual risk rating

Medium risk

Risk movement

Unchanged

Controls

- Service level agreement with a reputable service provider to assist in monitoring of rate changes (and handling objections on behalf of Attacq)
- Active lobbying through the South African Property Owners Association (SAPOA) to contain municipal rates

Control enhancement projects

None

Opportunity

Reduced cost of occupancy.

The capitals | **Strategic pillars** | **Material matters**

R10 Legal and regulatory compliance

Non-compliance with legal and regulatory requirements.

Potential impact

- Reputational damage
- Withdrawal of licence to operate
- Fines and penalties (including employee/director imprisonment)

FY23 key risk developments

South Africa's legislative landscape remains vast and ever-changing, becoming increasingly complex to navigate.

Residual risk rating

Medium risk

Risk movement

Unchanged

Controls

Change management

- Active monitoring and flagging of legislative change
- Awareness dashboard showing potential changes to current legislation, shared it with management and oversight bodies (i.e. CAF, ARC, TSE)
- Change tracker for legislation, overseeing proactive and compliance-related actions for enacted changes
- Ongoing obligation management
- Compliance Risk Management Plans (CRMP) giving management a strong platform for managing key legislative obligations
- Quarterly attestation programme active across all applicable legislation
- Legislative compliance reports to oversight structures CAF, ARC and TSE committee

Control enhancement projects

- Deployment of software to improve the effectiveness and efficiency of our CRMPs

Opportunities

No sustainable competitive advantage to be gained other than reduction of the risk level.

The capitals | **Strategic pillars** | **Material matters**

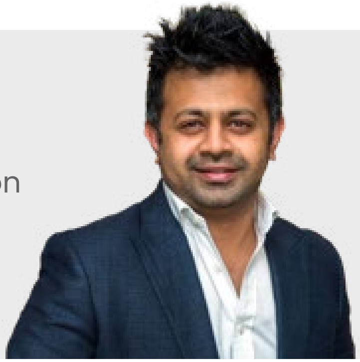
Performance and outlook

Gateway building, Waterfall City

10 YEARS LISTED ATTACQ

CFO's review

> "A key highlight of FY23 was the announcement of the Waterfall City transaction with the GEPF which became unconditional post year end and the proceeds of which will reduce interest-bearing debt by approximately R2.9bn."



Financial results

Our distributable income per share increased by 14.5% to 71.9 cents mainly due to higher net operating income from our 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 156 Ellipse Waterfall units and one Waterfall Point sectional title unit.

Attacq uses distribution per share as its relevant measure of financial performance from a JSE Listings Requirements perspective. The board approved total dividends of 58.0 cents per share for the financial year ended 30 June 2023, equating to a payout ratio of 80.7%. We expect to grow DIPS in FY24 by between 8.0% and 10.0% with a dividend pay-out ratio of 80.0% subject to key assumptions as detailed in our short-form announcement of 28 September 2023.

Refer to Attacq's AFS, which are available **online**, for detailed disclosure of key SA REIT BPR ratios.

Capital structure

For the financial year, our interest cover ratio improved to 1.69 times from 1.58 times, with gearing increasing marginally to 37.3% (FY22: 37.2%).

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.

A key highlight of FY23 was the announcement of the Waterfall City transaction with the 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.

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 approximately R2.9 billion, being approximately R2.2 billion in AWIC, R500.0 million in the Attacq Retail Fund Proprietary Limited and Lynnwood Bridge Office Park Proprietary Limited syndicated loan, and R200.0 million in Lynnaur Investments Proprietary Limited.

Appreciation

Thank you to the entire Attacq team for going above and beyond during a challenging year.

Raj Nana
CFO

18 October 2023

PwC Tower and Waterfall Park bridge, Waterfall City

Note: signatures are not included in this electronic report for security purposes.

Financial capital

A decade of value creation

The strategic objective of our financial capital is to use our capital structure to create shareholder value and build long-term sustainable growth.

Celebrating 10 years of growth and development

Transitioning from a capital growth property company

Attacq listed on the JSE in October 2013 as a capital growth property company. At listing, Attacq, had 20 properties and had completed only 13.7% of bulk developments at Waterfall City, with a substantial pipeline to roll-out. By 2018, the 130 000 m² Mall of Africa together with 23 other properties were completed and operational in Waterfall City and the development of the PwC Tower had commenced.

Converting to a REIT

With the direct property portfolio growing significantly since listing and listed real estate investors being accustomed to and having a preference for dividend-paying property companies providing both income and capital returns, Attacq converted to a REIT in May 2018.

Refining our investment strategy

We refined our strategy – focusing on direct investment that we owned, the majority of which we controlled, and divesting of minority direct property investments and other non-core assets. We made our main focus Waterfall City and potential expansions to our Rest of South Africa properties. We internalised the development function in 2017 to drive the roll-out of the Waterfall City development.

Prudent capital allocation

Becoming a dividend-paying property company with a significant development pipeline meant that capital management became increasingly crucial. During Covid-19, we prudently managed our balance sheet, including our gearing, and recycled capital from the sale of our interest in the Deloitte head office and a portion of our investment in MAS.

New strategic partnership

Waterfall City and the Attacq shareholders will be benefiting from the introduction of the GEPF as a 30% strategic partner over the next decade.

Mall of Africa, Waterfall City

Key elements	Effectively manage financial capital structure				Shareholder value
Strategic objective	Using our capital structure as the enablement to build long-term sustainable growth				Sustainable shareholder value
FY23 and FY24 intended outcomes	▪ Maintaining an optimal capital structure to unlock further growth opportunities				▪ Improve total shareholder return
FY23 KPIs	▪ Improve ICR cover to >1.65 times	▪ Reduce the weighted average cost of new and refinanced debt by 50 bps	▪ Maintain gearing ratio at <40.0%	▪ Manage our debt expiry profile to a weighted average debt term of 2.75 years (minimum threshold 2.5 years)	▪ Full-year DIPS growth of between 8.0% and 10.0% with an 80.0% payout ratio ▪ Management of operating expense budget and reduction of group overheads
FY23 performance	▪ ICR improved to 1.69 times from 1.58 times	▪ R1.1 billion of debt refinanced at a reduction of 64 bps	▪ 2.9 years weighted average term of debt	▪ Gearing increased marginally to 37.3% from 37.2%	▪ DIPS growth of 14.5% ▪ DPS of 58.0 cps ▪ TSR of 66.7%
FY24 KPIs	▪ Improve ICR cover to >2.0 times	▪ Refinance all of the group's debt with the implementation of the Waterfall City transaction with the GEPF	▪ Manage our debt expiry profile to a weighted average debt term of 2.75 years (minimum threshold 2.5 years) maintaining the 70% hedge profile	▪ Achieve and maintain a gearing ratio of <30.0%	▪ Full-year DIPS growth of between 8.0% and 10.0% with an 80.0% payout ratio


Attacq Waterfall City employees (2016)

Distributable income

DIPS increased by 14.5% to 71.9 cps for the year ended 30 June 2023. A breakdown of distributable income per focus area is tabled below:

	FY23 R'000	FY23 cps	FY22 R'000	FY22 cps	Change in 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**

Our distributable income is closely aligned with cash generated from operations, adjusted for non-recurring income.

DIPS from **Waterfall City** increased by 27.6% to 41.2cps (FY22: 32.3cps), due to higher net operating income and lower finance cost, 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 and lower finance costs 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 office unit at Waterfall Point of R26.4 million (FY22: R68.1 million) has been excluded from distributable income due to its trading nature.

Premier House, Maxwell Office Park, Waterfall City

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 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.

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.

	FY23 R'000	FY22 R'000
Gross revenue	**2 436 389**	**2 521 573**
Rental income	2 332 250	2 172 184
Straight-line lease income adjustment	760	64 624
Sale of sectional-title units	103 379	284 765
Gross property expenses	**(901 065)**	**(1 038 896)**
Property expenses	(891 768)	(791 607)
ECL on trade and other receivables	67 668	(30 625)
Cost of sales of sectional-title units	(76 965)	(216 664)
Net profit from property operations	1 535 324	1 482 677
Other income	16 231	204 097
Operating and other expense	(307 219)	(288 316)
Operating profit	**1 244 336**	**1 398 458**
Fair value adjustments	81 883	647 424
Investment properties	(4 277)	254 975
Derivative financial liabilities	86 160	392 449
Net loss from associates	(79 219)	(23 735)
Investment income	162 518	138 521
Finance costs	(815 879)	(828 586)
Profit before taxation	**593 639**	**1 332 082**
Income tax expense	(73 353)	(152 522)
Profit for the year	**520 286**	**1 179 560**
Other comprehensive profit	138 470	55 980
Total comprehensive profit for the year	**658 756**	**1 235 540**

Fair value adjustments

	FY23 R'000	FY22 R'000
Completed buildings	(24 343)	448 088
Right-of-use asset	(26 792)	(23 683)
Developments under construction	779	(30 655)
Waterfall City leasehold land	46 079	(138 775)
Other financial assets and liabilities	86 160	392 449
Total	**81 883**	**647 424**

Investment income

Other interest relates mainly to interest earned on the loan extended to PwC Waterfall Property Partnership.

	FY23 R'000	FY22 R'000
Dividend income	69 605	68 604
Loans to associates	20 646	-
Bank	28 911	24 636
Other interest	43 356	45 281
Total	**162 518**	**138 521**

Finance costs

Finance costs comprises:

	FY23 R'000	FY22 R'000
Long-term borrowings	(704 067)	(520 615)
Derivative financial liabilities	(87 936)	(285 884)
Lease liability	(23 494)	(21 919)
Other	(382)	(168)
Total	**(815 879)**	**(828 586)**

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%).

	FY23 %	FY22 %
	Normalised ratios*	
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* have been excluded for the purpose of this calculation.

Cummins head office and distribution centre, Waterfall City

Financial position

	FY23 R'000	FY22 R'000	Change %
Waterfall City	13 196 770	12 924 255	2.1
Rest of South Africa	6 401 633	6 647 229	(3.7)
Head office – South Africa	696 293	654 785	6.3
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**
Total equity	**12 443 160**	**12 329 135**	**0.9**
Net asset value per share	**R17.65**	**R17.49**	**0.9**

The group's net asset value (NAV) increased by 0.9% to R12.4 billion (FY22: R12.3 billion).

Waterfall City increased due to the newly completed Plumblink head office and distribution centre, as well as net positive fair value adjustments on investment properties

Rest of South Africa reduced due to net negative fair value adjustments on investment properties

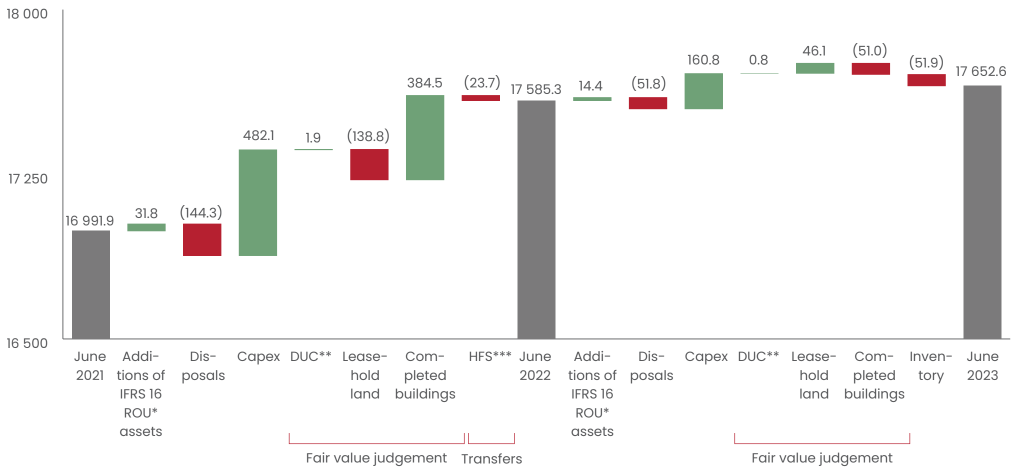
Other investments increased due to MAS' share price increase to R21.20 from R19.85, additional funding of R81.1 million extended to AttAfrica to settle external debt and forex movement, offset against the change in AttAfrica building valuations

Total liabilities increased due to movement in RCF facilities, netted off by the settlement of two facilities

Investment properties movement

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

Investment properties movement (R'million)



* ROU: Right-of-use
** DUC: Developments under construction
*** HFS: Held for sale

Vantage data center, Waterfall City

Valuations

	FY23 R'000	FY22 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)
Completed buildings	**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)
IFRS 16 right-of-use assets	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	95 265	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.

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/m²	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 midi-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 m² 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 m² of serviced bulk, reduced by future costs of servicing and leasehold liability

Inventory

Inventory, held at cost, increased to R67.1 million (FY22: R48.8 million) with the completion of Ellipse Waterfall, phase 2, netted off by the transfer of 156 Waterfall Ellipse units, and one office unit at Waterfall Point during FY23.

Zimmer Biomet, Waterfall City

Capital structure

Reallocation of capital

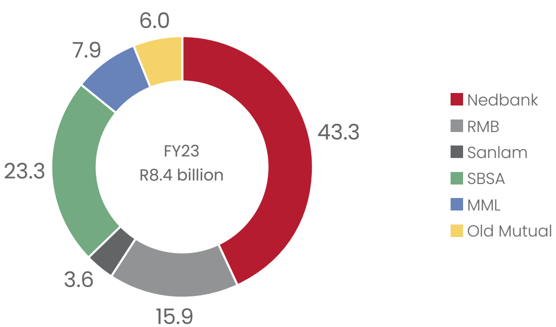
During FY23, Attacq entered into a transaction for the disposal of 30.0% of AWIC to the GEPF. Attacq shareholders approved the transaction at a General Meeting on 18 September 2023, resulting in it becoming unconditional with an expected implementation date of 17 October 2023. Shareholders are referred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

Liquidity	FY23 R'000	FY22 R'000
Unrestricted cash balances	606 534	604 224
Prepaid access facilities	550 000	960 808
Undrawn committed facilities	240 000	310 000
Available liquidity	1 396 534	1 875 032

Funding mix (%)



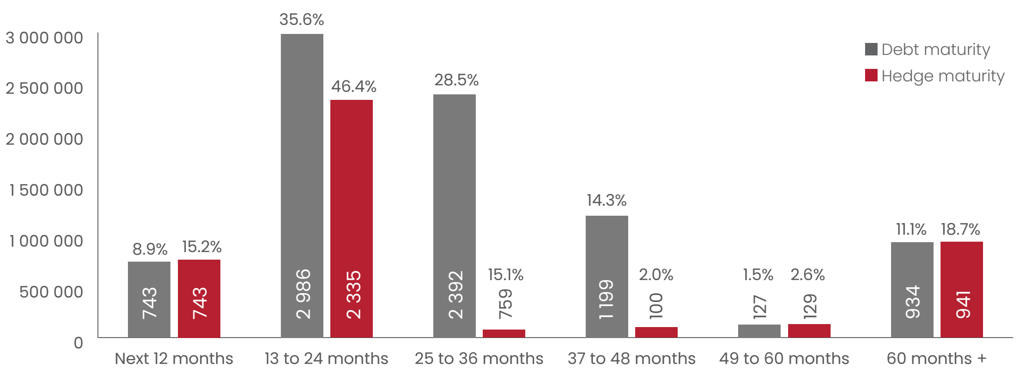
Interest-bearing borrowings

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 four years. In this respect, credit approved term sheets have been received from lenders and accepted.

The group 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%).

Debt and hedge maturity (R'million)



Interest-bearing borrowings	Units	FY23	FY22
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

Cost of debt

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

Debt	Units	FY23	FY22
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).

Cash flow

Cash flow	FY23 R'000	FY22 R'000
Cash flow from operating activities	686 483	612 132
Cash flow from investing activities	(195 836)	932 435
Cash flow from financing activities	(485 564)	(1 920 416)
Total cash movement for the year	**5 083**	**(375 849)**
Cash at the beginning of the year	717 121	1 092 915
Foreign currency effect on cash and cash equivalent	691	55
Cash and cash equivalents at the end of the year	**722 895**	**717 121**

Our cash flow generated from operating activities was R686.5 million (FY22: R612.1 million) and provided a strong underpin to the group's distributable income.

Garden Route Mall interior, George

Manufactured capital

A decade of significant development

Over the past ten years, we have built and maintained a high-quality real estate portfolio. Our commitment to developing and maintaining such a unique portfolio reflects our dedication to meeting the evolving needs by incorporating technology and sustainable practices.

Celebrating 10 years of growth and development

Strategic focus on South Africa

Our manufactured capital comprises the spaces we own and manage and our pipeline of future spaces which has significantly evolved over the last decade.

We have deliberately narrowed the focus of our investment strategy to concentrate on ownership of assets in South Africa and create stakeholder focused precincts, with the largest one being Waterfall City this required the disposals of various minority stakes in assets to align with this strategy.

Investing for long-term value

The investments we make are with the future in mind and for long-term value creation. This is simply prudent business given the significant amounts we spend on precinct infrastructure, the quality of the buildings and on sustainable elements to ensure their long-term efficiencies.

Precinct-focused strategy

A precinct focused strategy elevates our offering including control of the stakeholder experience outside of the buildings in our precincts.

It embodies our determination to use our infrastructure for creating communities. The success of our portfolio is evidenced by the strong international brands that partner with us. Our management team's adept utilisation of our assets showcases our ability to navigate through challenges in the South African economy.

Community building

In creating a smart, safe and sustainable Waterfall City, we have created employment opportunities, built communities and changed the behaviour of these communities in a dynamic urban environment. Community events include the Waterfall Parkrun, the Waterfall City Athletics Club and annual events in the park.

Data-driven decisions

Over the last decade we have fostered a culture of using technology within the portfolio, to drive decision making (refer to intellectual capital)

Dominant retail experience hubs

Our focus also continues to be on maintaining our dominant retail-experience hubs to deliver a unique shopper and client experience.


Waterfall City (2013)


Waterfall City (2023)

Manufactured capital overview

Key elements	Operational sustainability		Community focus	Client experience and integrated digital platform	Innovative development design and transaction focus	Infrastructure focus
	Waterfall City and Rest of South Africa's completed real estate portfolio				(Developing Waterfall City)	
Strategic objective	Creating smart, safe and sustainable spaces in our South African precinct-focused portfolio				Develop Waterfall City into a smart, safe and sustainable city through sustainable partnerships	
FY23 intended outcomes	▪ Generate and grow rental income by tenanting our spaces and collecting rental income	▪ Creating sustainable and efficient buildings	▪ Creating exceptional retail spaces and experiences for our shoppers	▪ Build on our client experience (CX journey)	▪ Creating a destination of choice by developing a unique work-live-play environment	• Developing smart, safe and sustainable hubs, supported by modern infrastructure
FY23 KPIs	▪ >95% occupancy rate ▪ 104.3% collection rate ▪ Leasing 50% of the Waterfall Circle building ▪ New business development of >40 000m^2 ▪ Further reduce exposure to Cell C	▪ Roll-out of R17.0 million in retrofits as per the approved environmental plan	▪ Trading density growth equal to peers (MSCI SA Annual Property Index) ▪ Client surveys – Frequently asked questions ▪ Micro retailer strategy ▪ Data-driven retail leasing tool ▪ SHÔPING app: more vendors to be signed up at Mall of Africa	▪ >75% client retention rate	▪ Beneficial occupation on 45 000m^2 of new development transactions ▪ Launch phase 3 of Ellipse Waterfall and achieve the necessary threshold of bankable sales to commence with development ▪ Launch a new residential scheme ▪ Urban redesign and bulk reallocation strategy to be completed and approved by IC	
FY23 performance	▪ 92.5% occupancy rate ▪ 100.7% collection rate ▪ 31.6% of Waterfall Circle was let subsequent to year end ▪ 46 004m^2 of new business development	▪ Lighting retrofit projects rolled out at Eikestad Mall, Glenfair Boulevard and Mall of Africa ▪ See Environmental capital, page 73	▪ Trading density growth of 12.7% (MSCI SA Annual Property Index - 8.6% growth) ▪ Launching first Sook in Africa ▪ Data-driven retail leasing tool in use at Mall of Africa from January 2023 ▪ SHÔPING app: more vendors were signed up during the year	▪ 82.2% client retention rate	▪ Beneficial occupation on 46 004m^2 of new development transactions ▪ Ellipse Waterfall, phase 3 launched in November 2022 and is currently under construction ▪ Alternative residential developments are being investigated	▪ We are continually reviewing and updating the Waterfall City's urban space
FY24 KPIs	▪ >95% occupancy rate ▪ >98% collection rate ▪ New business development of >35 000m^2 ▪ Reduce and mitigate exposure to Cell C	▪ See Environmental capital, page 73	▪ Trading density growth equal to peers (MSCI SA Annual Property Index) ▪ Launching first Sook in Africa with a 60% average occupancy	▪ >75% client retention rate	▪ Conclude water connection on Waterfall Junction ▪ Complete ≥25 000m^2 of GLA of Waterfall City developments ▪ Total development activity of ≥60 000m^2 of GLA	

We consider targets under SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable.

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including waste management

Waterfall City and Rest of South Africa's completed real estate portfolio

Our 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.

Our most expansive precinct, Waterfall City, is evidence of the success of its precinct focus strategy. We have uniquely created a smart, safe, and sustainable city through the control and management of the Waterfall City's infrastructure development roll-out and energy and water resilience initiatives (refer to environmental capital, page 73 for detail on our energy and water initiatives on all our precincts). This differentiator provides the ability to mitigate service delivery challenges by local government, providing us with a level of operational resilience.

The diversified nature of our real estate portfolio resulted in the group not being overly exposed to any single sector, client or geographical area.

GLA evolution	FY23 GLA m²	FY22 GLA m²
Opening balance	735 420	774 117
Recycling of assets	(2 860)	(65 236)
Newly developed buildings (effective share)	7 576	27 438
Reconfigurations	1 354	(899)
Closing balance	**741 490**	**735 420**

	Based on GLA				Based on GMR			
	FY23			FY22	FY23			FY22
Sectoral profile	Waterfall City (%)	Rest of South Africa (%)	Total (%)	Total (%)	Waterfall City (%)	Rest of South Africa (%)	Total (%)	Total (%)
Retail-experience hubs	25.1	68.1	40.6	41.0	38.4	64.5	48.4	49.7
Collaboration hubs	39.1	28.9	35.4	35.9	40.0	31.0	36.5	36.1
Logistics hubs	33.3	–	21.3	20.4	18.3	–	11.4	10.4
Hotel	2.5	3.0	2.7	2.7	3.3	4.5	3.7	3.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Gauteng	100.0	46.8	80.8	80.6	100.0	52.1	81.8	80.7
Western Cape	–	34.4	12.4	12.6	–	31.6	12.0	12.5
North West	–	18.8	6.8	6.8	–	16.3	6.2	6.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

GMR: weighted average gross monthly rental

Operational sustainability

Generate rental income by tenanting our spaces and collecting rental income

Occupancy

We achieved a portfolio occupancy rate of 92.5% (FY22: 92.1%).

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, 4 876m² of which relates to the retail-experience hubs . The upgrade at Waterfall Circle was completed by 30 June 2023 and subsequent to year end, DP World Logistics FZE Inc (DP World), signed a lease for 7 697m² of GLA.

	FY23				FY22			
Sector occupancy	**Waterfall City (%)**	**Rest of South Africa (%)**	**Total (%)**	**Occupied GLA (m²)**	**Waterfall City (%)**	**Rest of South Africa (%)**	**Total (%)**	**Occupied GLA (m²)**
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
Adjusted portfolio occupancy	**94.1**	**95.8**	**94.7**	**702 305**	**92.3**	**95.5**	**93.5**	**687 200**

Sector	**Total expired GLA (m²)**	**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

Space management

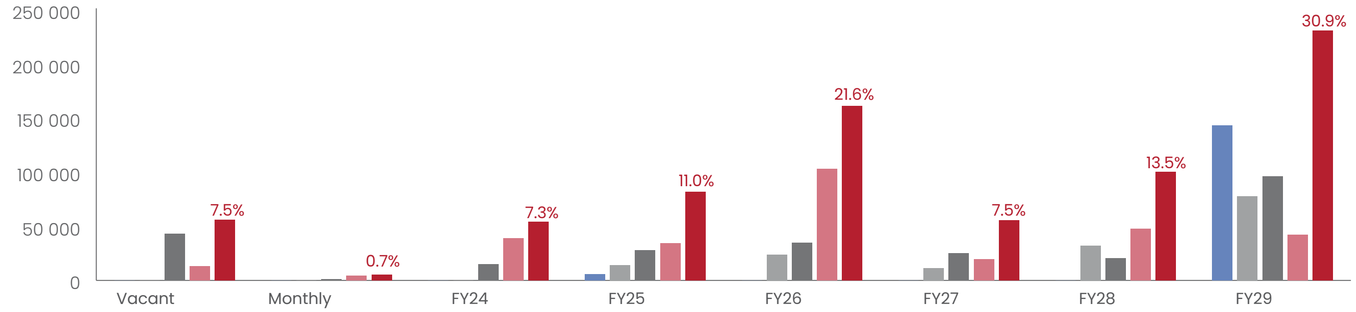
The portfolio's weighted average lease expiry (WALE) increased to 4.5 years (FY22: 3.4 years) with 51.9% of leases, based on GLA, expiring in FY27 and beyond. Our largest 10 clients account for 33.6% of the total effective gross rental income and 33.3% of the total effective GLA.

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, we 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.

Summarised below are further key elements of our lease agreements:

Sector	Weighted average gross monthly rental by GLA (R/m²) 2023	2022	Historical average annualised property yield (%) 2023	2022	Weighted average rental escalations based on GLA (%) 2023	2022
Retail-experience hubs	243	231	7.1	6.6	6.4	6.5
Collaboration hubs	243	228	9.3	7.4	7.3	7.2
Logistics hubs	104	94	7.8	7.9	6.4	6.4
Hotel	272	255	8.4	9.5	7.0	7.0
Total	**212**	**201**	**7.9**	**7.0**	**6. 8**	**6.8**

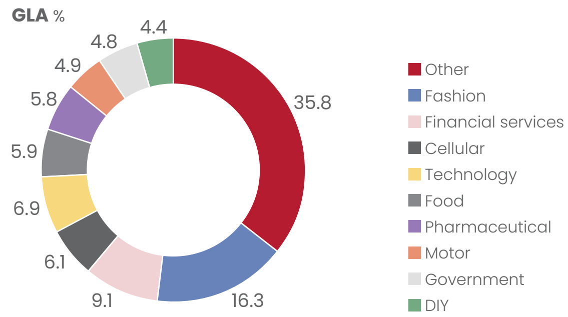
Lease expiry profile – GLA (m²)



	Vacant	Monthly	FY24	FY25	FY26	FY27	FY28	FY29
Retail-experience hubs	12 863	4 224	38 881	34 237	102 302	19 427	47 361	41 973
Collaboration hubs	42 929	1 106	14 974	27 780	34 702	24 796	20 521	95 758
Logistics hubs	–	–	–	13 780	23 399	11 107	31 987	77 416
Hotel	–	–	–	5 744	–	–	–	14 223
Total	**55 792**	**5 330**	**53 855**	**81 541**	**160 403**	**55 330**	**99 869**	**229 370**

Diverse client base

Sectoral profile



Quality clients

Given the prime space in our collaboration hubs and stringent selection criteria, we are able to secure high-quality clients. We have graded our client profile across A-, B- or C-grade clients. The high credit quality of clients in our portfolio is reflected in the high percentage of A-grade clients.

Our clients are categorised as:

- **A-grade:** large international and national clients, large listed entities and government or major franchises make up 75.8% (FY22: 73.1%) of our tenancy based on GLA.
- **B-grade:** smaller international and national clients, listed clients, franchisees and medium to large professional firms make up 17.8% (FY22: 20.8%) of our tenancy based on GLA.
- **C-grade:** smaller clients and sole proprietors make up 387 or 6.4% (FY22: 363 or 6.1%) of our tenancy based on GLA.

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

	Monthly	FY24	FY25	FY26	FY27	FY28	FY29
Retail-experience hubs	1 300	11 957	8 619	25 101	5 308	11 667	6 225
Collaboration hubs	339	3 685	6 480	8 825	5 088	4 222	24 719
Logistics hubs	–	–	1 141	2 186	1 229	3 501	8 401
Hotel	–	–	1 203	–	–	–	4 223
Total	**1 639**	**15 642**	**17 443**	**36 112**	**11 625**	**19 390**	**43 568**
%	**1.1**	**10.8**	**12.0**	**24.9**	**8.0**	**13.3**	**29.9**

Retail-experience hub performance

	12-month average trading density*			12-month average rent to turnover#	12-months average effort ratio^
Centre	**FY23 R/m²**	**FY22 R/m²**	**Growth (%)**	**FY23 (%)**	**FY22 (%)**
Super-regional	4 244	3 617	17.3	7.6	9.2
Mall of Africa	4 244	3 617	17.3		
Regional	3 141	2 878	9.1	8.2	n/a
Brooklyn Mall	3 177	2 904	9.4	6.2	8.0
Eikestad Mall	2 947	2 605	13.1	5.8	7.2
Garden Route Mall	3 422	3 157	8.4	6.7	8.3
MooiRivier Mall	2 917	2 708	7.7		
Convenience	5 875	5 434	8.1	4.9	6.2
Glenfair Boulevard	5 117	4 885	4.7	3.3	4.6
Lynwood Bridge	6 836	6 166	10.9		
Neighbourhood	5 319	4 459	19.3	4.1	5.6
Waterfall Corner	5 319	4 459	19.3	7.6	9.2
Portfolio (weighted average)	**3 823**	**3 392**	**12.7**		

* Reported client 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)

Community focus

Our vision is to provide spaces that positively impact our communities. Refer to social capital page 93 for more information on our community projects.

Creating exceptional retail spaces and experiences for our shoppers

Trading densities

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.

Waterfall City – a world class city

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 an international client. Waterfall City has secured a quality rental income stream underpinned by the high proportion of international commercial clients, including Estée Lauder, Dell, CipherWave, AbbVie and Cisco.

Technology

DECISION INC.
ERICSSON
LINTEGFIBRE
dimension data
VANTAGE DATA CENTERS
CipherWave
AWS
catalytic
CISCO
sage
TFORGE
DELL Technologies
DASSAULT SYSTEMES
centrafin

Health and pharmaceuticals

abbvie
SKINrenewal
Boehringer Ingelheim
NOVARTIS
Hytera
Cipla
Pfizer
ESTĒE LAUDER
Dis-Chem PHARMACIES
reckitt
ZIMMER BIOMET

Other

SPACES.
amrod
Premier
COTTON:ON
PSG Wealth
insight
RMB
CITY LODGE
HONDA
accenture
PLUMBLINK
pwc
wood.
NORTHAM
wsp


Fit Night Out, Mall of Africa, Waterfall City

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 us 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 AWIC, a 100% subsidiary of Attacq at year end. 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.

Waterfall City comprises 2 200ha of leasehold land. At 30 June 2023, we had 719 235m² (30 June 2022: 900 360m²) of development rights remaining.

We are continually reviewing and updating Waterfall City's urban plan, responding to ever-shifting client requirements and an evolving economic climate.

Client experience and integrated digital platform

Build on our client experiences (CX journey)

Our proactive approach to leasing and client-experience focus, ensured that our portfolio remained resilient with minimal vacant space post the Waterfall City rebrand, there has been a heightened focus on stakeholder engagement. Our CX journey is the sum total of the interactions a client has with us, from the first time they learn about the company to the after-leasing services they receive. It includes all of the touch points a client has with us, both online and offline. Refer to the Relationship capital on **page 100**.

WATERFALL CITY

The Waterfall City brand

Waterfall City was rebranded in October 2022, by formally renaming Waterfall to include "City" in our name, we now emphasise the true purpose of the precinct, which is to bring communities together. The revised brand incorporate the elements of developing a smart, safe and sustainable city.

www.waterfallcity.co.za

To experience the rebranding, click on the following link: **online**

The brand is based on its four cornerstones:

A City of Connection

Waterfall City is a place where you can connect all aspects of your life, be it living, business or leisure.

Locality | Infrastructure | Technology | Travel

A City of Care

Waterfall City is a stable, robust environment where business and communities can flourish and where we care for our people and the planet.

Safety | Sustainability | Smart City | Health

A City of Commerce

Waterfall City, located in the economic hub of Gauteng, is home to international and local blue-chip brands in leading industries.

Commercial | Retail | Logistics | Hospitality

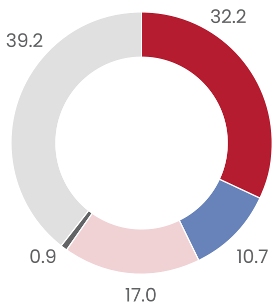
A City of Community

Waterfall City is home to multiple residential estates in an inclusive community, where we celebrate diversity and encourage learning and community building.

Multi-generational Living | Education | Lifestyle
Destination Waterfall City Cares

Our interest in Waterfall City

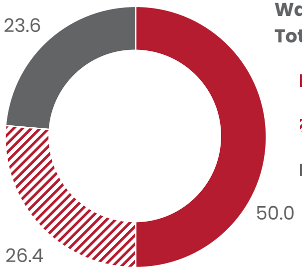
Waterfall City bulk (m²)	
Retail-experience hubs	52 692
Residential	29 898
Collaboration hubs	529 137
Hotel	56 868
Logistics hubs	50 640
Total	**719 235**



Waterfall City (%)
Total bulk: 1 831 765m²

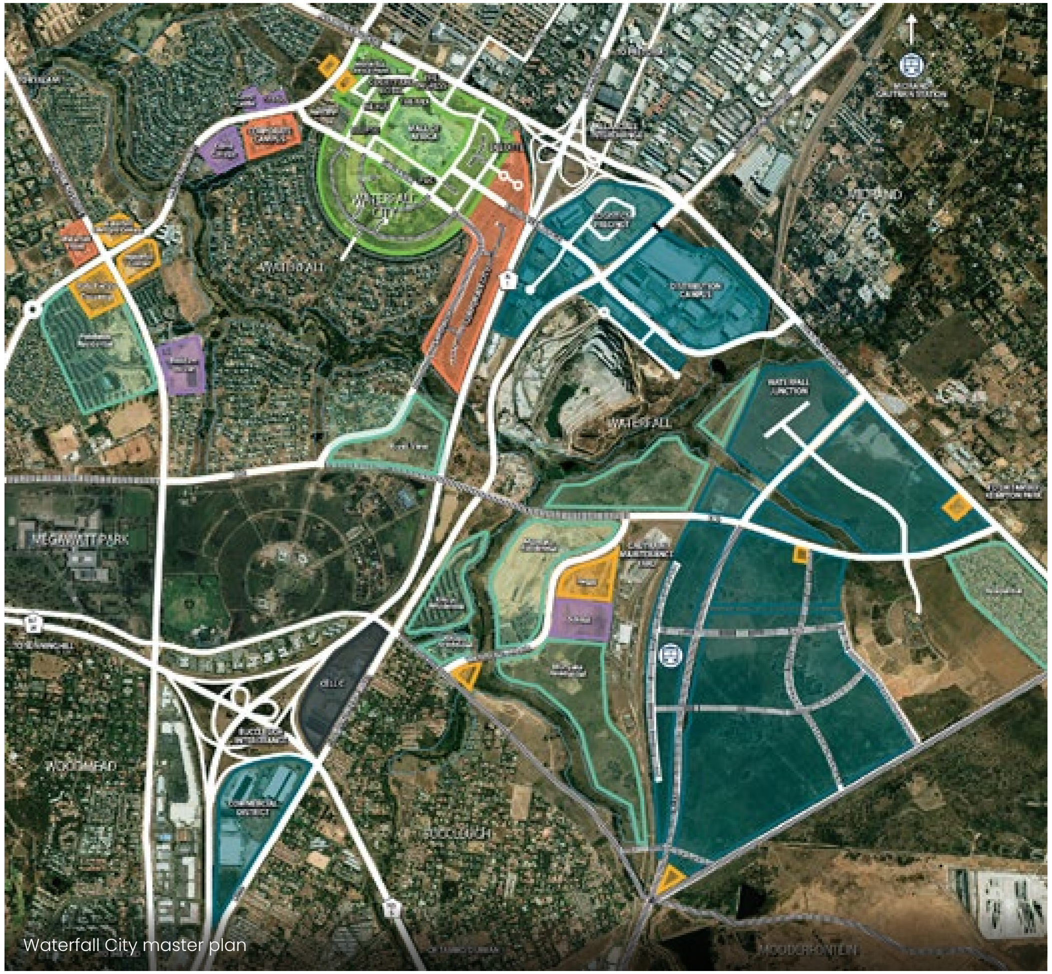
- Completed – held
- Completed – sold
- Bulk – sold
- Under construction
- Total remaining bulk

Waterfall Junction bulk (m²)	
Industrial m²	600 000
Attacq owns (%)	23.57
Total	**141 420**



Waterfall Junction (%)
Total bulk 600 000m²

- Sanlam Life Insurance's interest
- Attacq's increase in interest
- Attacq's interest


Waterfall City master plan

Map key

- Mixed use
- Collaboration hub
- Retail
- Education
- Logistics hub
- Residential

Waterfall Junction

We, through a joint venture between Sanlam Life Insurance Limited and AWIC, have 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. We have exercised our call option to increase our interest in Waterfall Junction from 23.57% to 50.0%, the increase is awaiting the requisite Competition Commission approval.

Waterfall Junction logistics hub development, Waterfall City

Creating a destination of choice by developing a unique work-live-play environment

Newly completed developments

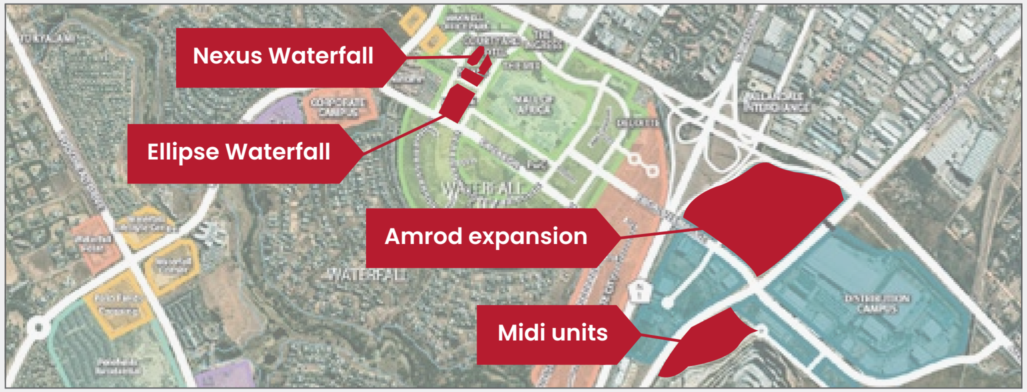
During the year, the Plumblink head office and distribution centre and Ellipse Waterfall, phase 2 were completed. In total, 30 586m² of GLA was added to Waterfall City of which 10 663m² represents Attacq's effective share.

Newly completed developments	PC date	Total GSA/GLA m²	Effective GSA/GLA m²	Occupancy % based on GLA
Waterfall City – Residential				
Ellipse Waterfall, phase 2^	Q4 FY23	15 434	3 087	>95.0
Waterfall City – Logistics hubs				
Plumblink head office and distribution centre*	Q4 FY23	15 152	7 576	100.0
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
PC: practical completion

Developments under construction

Developments under construction at year end comprised the following projects:



Developments under construction	Anticipated PC date	Total GSA/GLA* m²	Effective GSA/GLA* m²	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

Ellipse Waterfall Luna Club

Value creation with Ellipse Waterfall: Our success story

Anticipating the increasing demand for luxury urban living, Attacq, in partnership with Tricolt Proprietary Limited (Tricolt), embarked on a visionary venture starting in 2018 — the creation of Ellipse Waterfall. The success of this residential high-rise has surpassed all our expectations, with the construction of the third and final phase (Galileo Tower) set to commence later this year.

The Ellipse Waterfall residential development forms part of the larger Waterfall City roll-out plan contributing to the work, play, live design. Located on a prime city gateway site opposite Mall of Africa, Ellipse Waterfall on completion will comprise of four deluxe high-rise towers, named after celebrated astronomers: Newton, Kepler, Cassini, and Galileo. The project is designed to set new standards in luxury living, architectural beauty, and environmental advancements in the heart of Waterfall City - where living works. Residents will contribute to densifying the City and become Mall of Africa shoppers, promoting Waterfall City as a safe, walkable city.

To support sales, a mock-up unit was setup in the parking area of Mall of Africa.

In March 2021, the phased development exceeded R1.0 billion in sales with 337 units in Newton, Kepler and Cassini Towers already sold. A new mock-up unit was set up inside the Mall of Africa to support the sales of the final phase, Galileo Tower. Sales have continued notwithstanding the increase in interest rates, resulting in price per m^2 increases.

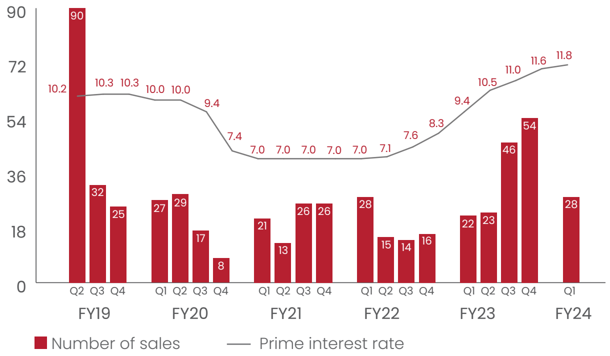
The success of the Ellipse development is illustrative of the demand for high quality and secure community living in Johannesburg, with investors willing to invest in Waterfall City – a city that works, despite the high interest rate environment.

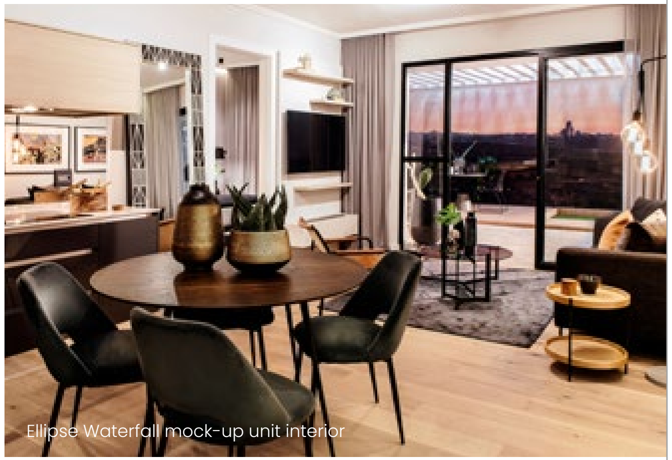
A summary of the development, including the sales to date, is provided in the table below:

Ellipse Waterfall phases	Partnership	Number of units and gross sellable area (GSA)	Bankable sales and number of units transferred to date	GBCSA Green Building Certification
Phase 1 **Newton and Kepler Towers** **Completed during FY21**	50.0% interest in undivided share JV with Tricolt	270 units GSA: 17 044m^2	264 units transferred to date, 98.0% of units sold at a total sales value of R676.2 million	4-star multi-unit (by design) rating achieved
Phase 2 **Cassini Tower** **Completed Q4 FY23**	20.0% interest in undivided share JV with Tricolt	182 units GSA*: 15 434m^2	169 units transferred with 174 units of bankable sales to date, 98.9% of units sold at a total sales value of R561.3 million	4-star multi-unit (by design) rating achieved
Phase 3 **Galileo Tower** **Construction commenced end FY23**	20.0% interest in undivided share JV with Tricolt	196 units GSA*: ±13 386m^2	124 units sold with 82 units of bankable sales to date, 63.2% of units sold at a total sales value of R280.3 million	4-star multi-unit (by design and as built) rating anticipated

* Estimated GSA of development, subject to change on final re-measurement post completion

Robust sales (number) **in a rising interest cycle** (%)




Ellipse Waterfall mock-up unit interior

In an already well secured Waterfall City, the focus on security is evident, with advanced access control, 24-hour CCTV camera surveillance supported by reaction services from a central management office.

To read about more about this development, please visit **ellipsewaterfall.co.za**

Developments in the logistics hubs space

Plumblink head office and distribution centre

During the year, we 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. The development JV is in the process of applying for a four-star GBCSA certification (by design and as built).

Plumblink head office and distribution centre

Developments in the logistics hubs space continued

Amrod head office and distribution centre expansion

The Amrod head office and distribution centre (37 938m^2, 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 435m^2 of GLA is currently under construction. The rental income from the expansion is based on a return 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.

Midi units logistics development

In 2019, we 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 and we are speculatively developing an additional three midi units (between 4 500m^2 and 5 500m^2). 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 641m^2.

Plumblink's and Amrod's head office and distribution centres, Waterfall City

Developing smart, safe and sustainable hubs, supported by modern infrastructure

During the year, progress has been made on the infrastructure for the Waterfall Junction phase 1, which, once completed, will activate the site.

For further information on modern infrastructure initiatives, refer to the Environmental capital, page 73 and the Intellectual capital, page 70.

Other investments

Investment in MAS

We hold 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 utilised by AttAfrica to settle external debt, and the depreciation of the rand against the US dollar, offset by a decrease in underlying property valuations.

Our strategy, which is aligned with that of our 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 funds by the prospective purchaser coupled with the continued US dollar liquidity constraints in Nigeria. Notwithstanding this, a conditional sale agreement remains in place to dispose of our interest in Gruppo. The delays in implementing the disposal, coupled with 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.

Intellectual capital

A decade of innovation

In an ever changing world, the last 10 years have demonstrated our agility to embrace change by prioritising innovative thinking to help build business resilience and to give us a competitive advantage.

Celebrating 10 years of growth and development

Fostering a culture of innovation

Over the past 10 years we have continued to adapt and evolve, fostering a culture of innovation and continuous improvement. Employees are empowered to propose solutions that enhance our business and benefit our stakeholders. Our innovation strategy includes building our brand and utilising data analytics integral to our digital journey. Centralising and harnessing data is critical to ensure proactive decision-making and enhancements to our operations.

Information, communication and technology (ICT)

Our ICT division is evolving from a support role to an integral digital enabler. Our digital journey has both an inward view and an external outlook. This includes the automation of business processes, as well as real-time data integration and data analysis to understand the drivers and hindrances within our operations, both of which support our decision-making process.

MyBuildings app – innovation

An illustration of internal innovation is the MyBuildings app, a concept originating from our operations manager in George. Traditional methods of assessing our service delivery to buildings and clients were prone to errors, lacking real-time insight into the status of our operations. To overcome this, we piloted the app at the Garden Route Mall. It has transformed existing data into actionable insights and we have extended it across our portfolio. It furnishes live information instantaneously to efficiently address operational and facilities management tasks.

Using data to shape decision-making

Looking externally, we acquired a 50% stake in fATTi in 2015, an emerging analytics company specialising in analytics-enabled Wi-Fi networks. We were early adopters of these Wi-Fi capabilities within our retail-experience hubs, which enabled us to use mobile device tracking to analyse store visits and shopping durations to shape decision making. We sold the fATTi business as we are investigating new opportunities.

Using data analytics, to cater to shopper needs

We modernised money/voucher systems in retail as traditional methods involve manual processes and physical cards, which are susceptible to fraud. We integrated this concept into our SHÔPING app using data analytics sourced from our client surveys to cater to shopper needs, rendering the app more shopper-centric and enhancing our value proposition.

An eco-analytics dashboard

Another effective use of data is through our Attacq Energy initiative using an eco-analytics dashboard that monitors daily energy and water consumption, enhancing building performance and efficiency.

Pride in our brand

In optimising our brand, we set out to differentiate ourselves and changed our corporate colours from blue to red in 2016. In addition, we recently rebranded Waterfall to Waterfall City, thereby encompassing vital cornerstones: Connection, Commerce, Care, and Community. Their articulation in a brand strategy underpins a common set of values and ambitions for the community. As a result, Waterfall City has positioned itself as a mindful partner in Gauteng's residential and commercial ecosystem.

Evolving language to differentiate ourselves

As the world and our business have evolved, so too has our journey to further differentiate ourselves. Our malls are not just shopping centres, they are retail-experience hubs. Our offices have become collaboration hubs and industrial premises are referred to as logistics hubs. This has been premised on our purpose of offering remarkable client experiences and responding to their changing needs.

Intellectual capital overview

We recognise that innovation and adaptation are critical to succeeding in the real estate industry – where the pace of disruption is increasingly resulting in the need to continuously update the business model to remain relevant.

Our focus remains on thinking differently about our business and delivering a service that results in a remarkable experience for our clients. We achieve this by embedding curiosity, asking questions and improving our offering. By embracing new challenges, leveraging our expertise and responsible innovation, we adopt new ideas, new ways of thinking and new ways of doing.

We are committed to investing in modern technology, systems and specialised skills that improve our efficiency and deliver a premium CX journey for all our stakeholders. Our ongoing development of Waterfall City as a smart, safe and sustainable city is a good example of this and in doing so, we create sustainable value over the long term. The opportunities to optimise our existing offerings exist when innovative thinking is combined with our real estate expertise.

Key elements	**Business diversification and innovation**	
Strategic objective	Unlock opportunities, generate growth, create value and leverage from a changing environment	
FY23 and FY24 intended outcomes	**Innovation enabled by technology** Innovation for value creation, growth and leverage from a changing environment	
Key projects FY23 and ongoing	**Attacq Energy** ▪ Through our business diversification strategy, the Attacq Energy initiative is focused 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 total consumption of the total energy mix	▪ We are finalising outstanding CPs of the signed PPA for 15MWp energy (see Environmental capital on **page 73**) ▪ We are accelerating the planned roll-out of 7MWp rooftop PV (see Environmental capital on **page 73**) ▪ Our generator optimisation is being achieved through the installation of automated generator controllers
	Water resilience ▪ Our water consumption monitoring loggers enable early leak detection	▪ Following the completed water resilience studies conducted to understand the water demand and supply profiles for Waterfall City and our retail-experience hubs, we implemented water consumption monitoring loggers at municipal supply points and on internal networks (see Environmental capital on **page 73**) ▪ We are engaging with local council to assist with bulk storage and network enhancement at a precinct level (in Waterfall City)
	Waste reduction and recycling ▪ We remain committed to reducing the amount of waste sent to landfill by supporting the Waterfall City Waste Project, overseen by the Waterfall Environmental Management Forum (WEMF)	▪ Waterfall City has its own in-vessel composter machine (IVC) that helps reduce our waste to landfill quantities (see Environmental capital on **page 73**)
	Safe spaces ▪ Through active urban design and utilising technologies, we create safe spaces throughout our precincts to enhance the safety of our communities	▪ Our security is continuously being enhanced by complementing it with technology such as number plate and facial recognition as well as drones for larger surveillance coverage and their infrared capabilities, enabling night-time surveillance ▪ We are incorporating and optimising security software for virtual security management ▪ We have appointed a dedicated and specialist security company to optimise and standardise our approach to security across our portfolio
	Branding our Attacq portfolio ▪ All marketing and advertising of our assets will incorporate an Attacq logo with an appropriate tag line, e.g. Proudly Attacq, Proudly developed by Attacq or Proudly owned and managed by Attacq. This initiative will be rolled out during FY24	▪ All marketing and advertising of our assets will incorporate an Attacq logo with an appropriate tag line, e.g. Proudly Attacq, Proudly developed by Attacq or Proudly owned and managed by Attacq. This initiative will be rolled out during FY24
	SHôPING ▪ The smartphone app provides our customers services like mall navigation, promotions as well as a retailer loyalty programme and digital gift cards	▪ We are in the process of rolling our the SHôPING app nationally with new business partners.

Key elements	Technology	
Strategic objective	Strengthen Attacq's agility through technology, improving our operational management and ensuring a seamless CX journey	
FY23 intended outcomes	Digital transformation journey and digital platform	
Key projects FY23 and ongoing	▪ ICT that improves our operational management	**Modern data platform** Broll (our property management system) data is now fully represented on the modern data platform, which provides a dashboard for various aspects of our business **Attacq Vantage vendor portal** We have implemented a vendor portal to streamline vendor onboarding and invoice submission, effective 1 July 2023 **AMS general ledger to Broll** AMS, our management company, has transitioned its accounting function to the Broll general ledger software as the first step in standardising the accounting function on Broll **Central storage system project** We have commenced with a central storage system for Attacq. We plan to complete this project during FY24 **Supporting our human capital function** Personal development plans and the annual review process are now captured on Sage, streamlining our human capital processes **Expanding the team** We are expanding the team with a business analyst and data analyst to deliver the ICT plan and to provide greater focus on key organisational metrics
	▪ Attacq CX journey ▪ We map our stakeholders through data analytics and a client management system	**Data-driven leasing tool data analytics** ▪ We have built a "client profiling tool" in collaboration with a South African financial institution. The tool uses customer spending data and creates pre-defined shopper populations at Attacq retail-experience hubs. The tool then identifies retailers outside of our retail-experience hubs where a given shopper population is active (either in terms of frequency or quantum of spend). This allows us to invite a retailer to our retail-experience hubs based on their interaction with our existing shopper base **CRM** ▪ In a very competitive commercial property market, it is essential to be informed about and proactively manage all our existing and potential customer interactions. The implementation of a CRM system will assist our dealmaking and property management teams to enhance the CX journey. The plan is to roll this out during FY24
	▪ Smart buildings enabled through wireless solutions, e.g. automated generator controllers and our eco-analytics dashboard	▪ We are investing in wireless meters and devices to monitor our operations. Consolidating this data into a dashboard will allow us to monitor and control the technology (e.g. air conditioners, lifts, escalators) virtually and centrally, in our retail-experience hubs, as well as standardise our reporting and ultimately support decision-making. Over time, this solution may become a predictive tool for maintenance ▪ We have installed automated generator controllers mainly at our retail-experience hubs for remote control and to override automatic activation of our generators to reduced diesel and maintenance costs as a result of loadshedding ▪ Our eco-analytics dashboard (utility management portal) centralises and monitors our daily energy and water consumption per building, allowing us to improve building performance and enhance efficiencies and resilience (see page 75)

Environmental capital

A decade of growth through responsible development

We continue to demonstrate efficiency and resilience across our real estate portfolio and positively impact our environment.

Celebrating 10 years of growth and development

A shifting perspective in a growing economy

A decade ago, Attacq in a growing economy, concentrated solely on construction and the resulting development returns.

In the subsequent years, our perspective has undergone a profound shift, recognising the crucial role of operational data in evaluating building and precinct performance. We have embraced a comprehensive approach, monitoring metrics such as water and energy usage, enabling us to proactively manage resource demand and energy composition, which includes backup generators and renewable energy generation, while ensuring both business continuity and environmental consciousness.

Proactive strategies for design, development and construction

The continuous evolution of our unique methodology over this period has found tangible expression in our CX journey as the cost of occupancy of our buildings is significantly influenced by our proactive strategies encompassing the detailed design, development and construction phase, and management of our buildings' and precincts' water and energy efficiencies. This transformation was enabled through the establishment of unique roles that were non-existent a decade ago such as the appointment of a sustainability and a utility manager and in the near future the appointment of a data and business analyst which will reinforce our ongoing growth and expansion in this critical area of our business.

Creating smart, safe and sustainable spaces

This decade-long transformative journey reflects our commitment to develop responsibly alongside the environment, sustainable growth, value creation and operational excellence and stand as a testament to Attacq's purpose of creating smart, safe and sustainable spaces through innovation and resilience.

Maxwell Office Park: Our first collaboration hub development in Waterfall City

Environmental capital overview

The key elements of our environmental capital are carbon emissions, energy, water, and waste, as well as biodiversity and land-use. We target year-on-year improvements in performance against our energy and water baselines through sustainable and operational initiatives. We strive to improve the portfolio's efficiency and resilience to offer all our stakeholders long-term sustainable value.

Key elements	Carbon emissions	Energy	Water	Waste	Biodiversity and land-use
Strategic objective	Ensure smart safe and sustainable spaces through innovation and resilience resulting in a positive impact within our environment				
FY23 and FY24 intended outcomes	▪ Proactively manage and reduce our footprint through our integrated ESG plan	▪ Improve efficiency and resilience	▪ Manage quantity, efficiency, and resilience	▪ Reduce and recycle	▪ Protect and enhance our environment
FY23 KPIs	▪ Reduce our carbon emissions in line with our ambition to meet our Science-Based Targets initiative (SBTi)-approved 46.2%* reduction target by 2030	▪ Continue with the roll-out of 7MWp rooftop PV systems ▪ Obtain Energy Performance Certificates (EPC) where required ▪ Roll-out of R17 million retail-experience hubs retrofit projects ▪ Reduce energy consumption in line with the SBTi reduction target ▪ Finalise outstanding CPs to the PPA for 15MWp ▪ Increase renewable energy through PV installations	▪ Implement proactive leak detection measures and actively manage demand	▪ Reduce waste-to-landfill in line with the SBTi reduction target	▪ Continue with the implementation of the Biodiversity Management Plan through the WEMF
FY23 performance	▪ Total emissions decreased by 10.4% to 160 508 tCO_2e	▪ 1.8MWp of additional total rooftop PV systems installed ▪ EPC certificates obtained for all G1 buildings ▪ Lighting retrofit projects rolled out at Eikestad Mall, Glenfair Boulevard and Mall of Africa ▪ Automated generator controllers installed at all our retail experience hubs ▪ More CPs to the 15MWp PPA finalised. PPA on track estimated to commence end 2024 ▪ Total consumption decreased by 11.7% to 137 717KWh	▪ Water consumption monitoring logging project phase 1 completed, allowing for early leak detection and proactive demand management ▪ Further demand management and reliance projects in feasibility and procurement phases ▪ Total consumption decreased by 2.9% to 683Mℓ (FY22: 704Mℓ)	▪ The Waterfall City Waste Project, led by the WEMF achieved notable success through the onsite IVC as a proof-of-concept initiative ▪ Reduce waste to land-fill and improve recycling	▪ Biodiversity Management Plan presented to operational and maintenance teams as well as Environmental Compliance Officers (as refreshers) to ensure its implementation on a day-to-day basis
FY24 KPIs	▪ Continue to reduce our carbon emissions in line with our ambition to meet a 46.2% target by 2030 ▪ To re-evaluate our carbon emission approach and methodology ▪ Maintaining and enhancing our utility data reporting through our eco-analytics dashboard to ensure ongoing data assurance and accuracy	▪ Continue with the targeted 7MWp roll-out of rooftop PV systems with the remaining 5.2MWp ▪ Finalise the last outstanding CPs to the PPA for 15MWp ▪ Continue with the roll-out of automated generator controllers at our collaboration hubs ▪ Investigate battery energy storage solutions at our retail-experience hubs ▪ Continue to reduce our energy consumption in line with the SBTi reduction target	▪ Increase resilience (backup water capacity) throughout the portfolio (capex approvals in place) ▪ Bulk infrastructure roll-out at Waterfall City amended to accommodate and include (future) bulk water storage ▪ Continue to reduce our water consumption and intensity in line with the SBTi reduction target	▪ Support the IVC machine and Materials Recovery Facility (MRF) initiative through SLAs and not through direct ownership and management control ▪ Continue to reduce waste-to-landfill in line with the SBTi reduction target	▪ Enhance biodiversity by continuing to implement the Biodiversity Management Plan through the Waterfall Environmental Management Forum

* Our SBTi carbon emissions baseline, in FY19, was calculated according to the SBTi methodology, in alignment with the Paris Agreement goal to limited global warming to 1.5 °C compared to pre-industrial levels.

We consider targets under SDG 13:
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Our environmental plan

Over the past 10 years we have developed and refined our Environmental Plan, which focuses on the E of ESG, to ensure efficiencies and resilience across our real estate portfolio. Executing on our Environmental Plan allows us to deliver on our purpose of providing remarkable experiences, while mitigating the impact of unreliable electricity and water supply.

The plan further supports our business strategy through balancing the management and development of future-proofed real estate within the parameters of our operating context and compliance imperatives.

We are currently implementing enhanced measuring and reporting processes to proactively monitor the performance of our buildings. Our goal is to regularly compare our daily results, leveraging our eco-analytics dashboard, with industry benchmarks to improve our performance.

A utility expert has been appointed to further interpret data, identify variances and anomalies to build efficiencies and allow management to make informed decisions to enhance energy management and refine sustainability reporting. This resource will apply best practice in relation to the management of utilities on all levels and help mitigate financial risks.

We achieve the objectives of our environmental plan by:

1. Setting carbon emission reduction targets
2. Developing key initiatives or requirements for existing buildings and future developments
3. Investigating the feasibility of environmental capital initiatives and its potential impact on Attacq and our stakeholders
4. Implementing environmental capital initiatives, evaluating our impact, and reviewing our approach
5. Maintaining our ambition to meet a 46.2% SBTi carbon reduction target by 2030 for Scope 1 and 2, while enhancing business continuity for Attacq and our clients

Science-Based Targets initiative

Science-based targets provide companies with a clearly defined path to reduce greenhouse gas (GHG) emissions in line with the Paris Agreement, thereby helping prevent the worst impacts of climate change and future-proof business growth. In FY24 we will reassess our carbon methodology focusing on carbon emission intensities and restating our FY19 baseline accordingly.

Waterfall Environmental Management Forum

The objective of the WEMF is to ensure alignment throughout Waterfall City on all environmental matters, value-creating initiatives and to ensure that Attacq remains compliant with all legal and regulatory requirements.

The Environmental Management System is implemented on all Attacq developments and infrastructure projects in Waterfall City.

We consider targets under SDG 12:
12.2 Sustainable management and efficient use of natural resources

Carbon emissions

Proactively manage and reduce our footprint

Our carbon emission reduction plan combines our energy, water, and waste initiatives.

Our carbon footprint year-on-year

10.4%

FY23: 160 508 tCO_2e
FY22: 179 051 tCO_2e

Our carbon footprint against our FY19 baseline

17.6%

FY19: 194 580 tCO_2e

Our carbon emissions emanating from diesel generation (Scope 1) increased by 275.1% to 6 258 tCO_2e mainly due to the increased use of generators during loadshedding. We did however achieve our objective of ensuring business continuity for our clients.

Scope 2 emissions increased by 18.7% to 15 529 tCO_2e. Scope 3 emissions decreased by 15.5% to 137 512 tCO_2e mainly due to grid unavailability caused by loadshedding.

The out-of-scope emissions reduced by 18.8% to 1 209 tCO_2e, the net effect being an overall reduction of 10.4% to 160 508 tCO_2e. (FY22: 179 051 tCO_2e). When compared to our FY19 SBTi baseline (194 580 tCO_2e), our emissions reduced by 17.6%. Our carbon footprint intensity (expressed in tonnes per m^2 GLA) reduced by 9% to 0.19 tCO_2e/m^2 (FY22: 0.21 tCO_2e/m^2).

Refer to the detailed reporting on energy **page 77**, water **page 80** and waste **page 81**.

Operational control approach

Carbon emissions are calculated by using the operational control approach, defined as "having the ability to introduce and implement operating and/or environmental policies and measures."

Using this approach, emissions from any asset under Attacq's direct control are included in its direct emissions and classified as Scope 1, where emissions (wholly or partially not controlled, e.g. investments or leased assets) are excluded from direct emissions and included under Scope 3. Scope 2 emissions are classified as indirect emissions as it comes from the generation of purchased electricity consumed by Attacq.

Operational boundaries, as per the GHG inventory guidance documents (see **online**), define the specific emissions sources that are included in our Scope 1, Scope 2, and Scope 3.

Operational boundaries

		FY23 tCO_2e	FY22 tCO_2e	Movement	Summary of data included
Direct control	Scope 1	6 258	1 668	275.1% +4 590 tCO_2e	• Mobile combustion • Product use: refrigerant gases (Kyoto protocol) • Stationary combustion
Indirect control	Scope 2	15 529	13 088	18.7% +2 441 tCO_2e	• Attacq purchased energy
	Scope 3	137 512	162 805	15.5% (25 293 tCO_2e)	• Downstream leased assets: purchased energy (client emissions) • Attacq employee commute, including business travel and purchased goods and services • Fuel and energy-related activities • Waste generation in operations
	Out-of-scope	1 209	1 490	18.8% (281 tCO_2e)	• Refrigerant gases (non-Kyoto protocol)

We consider targets under SDG 7:
7.2 To increase the share of renewable energy in the global energy mix
7.3 To double the global rate of improvement in energy efficiency

Energy

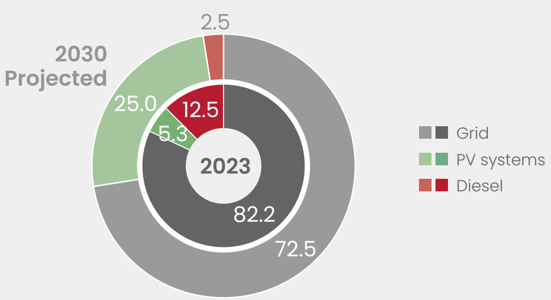
Improve efficiency and resilience

Through Attacq Energy and with an innovative approach, we are committed to investigate and implement, where feasible, energy efficient and resilient projects. When correctly designed and implemented, these projects improve the resilience of our real estate portfolio, manage the carbon footprint of our portfolio, and our operational costs.

Our energy mix

During the year our consumption from renewable energy was 5.3% of our total energy requirements, mainly due to the unavailability of grid rooftop PV systems during loadshedding. We are aiming to increase our renewable energy consumption to 25% of our total energy requirements by FY30. We are also planning to integrate these renewable energy sources with our diesel generators to ensure production during periods of loadshedding and grid unavailability. See Intellectual capital for more about our smart buildings (**page 70**).

Energy mix (%)



How we measure energy consumption

Real-time metering

We are implementing real-time metering throughout our portfolio and have set this as the standard for all new developments.

Through this, we are able to track consumption per building and compare the results with the baseline (FY19 results) to identify performance trends (building and client). This information may be used to determine which building and client will benefit most from energy efficient and resilient initiatives.

Building Management System (BMS)

To further improve the measurement and management of energy efficiency in our properties, we installed BMSs in our larger properties and we are considering the feasibility of extending these across the portfolio.

Impact of loadshedding

Uninterrupted power supply to our buildings during loadshedding, negatively impacting our carbon emissions.

During FY2023 we created a sustainable operating environment for our clients and other stakeholders by ensuring business continuity during unprecedented grid interruptions.

Diesel consumption increased by 507.7% to 1 862 229 litres (FY22: 306 437 litres), due to power outages caused by loadshedding. Our diesel consumption highlights the continued and significant impact that loadshedding has across our portfolio at an asset level, as well as the risk that it presents to our clients and the environment.

Automated generator controllers that manage the starting and running times of our generators have been implemented at all our retail-experience hubs; this helps us avoid running generators at night or during periods that require less energy capacity. We are in the process of implementing automated generator controllers at our collaboration hubs, while at the same time, investigating the requirements to integrate our rooftop PV systems with these generators, to further reduce our diesel consumption during loadshedding.

The generators of our properties are metered, allowing us to effectively manage them, including their running times, maintenance schedules, operating requirements, performance expectations, and compliance requirements. We will continue with installing meters on our generators at all our properties during FY24.

The impact of loadshedding can further be quantified as a 10.1% reduction in our grid energy consumption.

Our energy consumption and intensity

Our energy consumption year-on-year

11.7%

FY23: 137 717.5 MWh
FY22: 155 971.0 MWh

Our energy intensity year-on-year

8.0%

FY23: 165.7 kWh/m²
FY22: 180.2 kWh/m²

During the year, our overall energy usage decreased by 11.7% to 137 717.5MWh (FY22: 155 971MWh) which resulted in a decrease in intensity of 8.1% to 165.70KWh/m² (FY22: 180.24KWh/m²). See impact of loadshedding page 77.

	FY23	FY22	FY19 (SBTi baseline)	FY22 to FY23 actual consumption % movement	FY19 to FY23 actual consumption % movement
MWh p.a.	137 717.5	155 971.0	175 582.1	(11.7)	(21.6)

Sector	FY23 Intensity (kWh/m²)	FY22 Intensity (kWh/m²)	FY19 (SBTi baseline) Intensity (kWh/m²)
Retail-experience hubs	275.0	263.5	357.4
Collaboration hubs	100.5	134.9	141.3
Logistics hubs	90.6	68.0	71.5
Portfolio	**165.7**	**180.2**	**222.9**

Despite the marginal year-on-year increase in our retail-experience hubs' energy intensity, we remain 23.1% below our FY19 baseline. In our collaboration hubs portfolio, our improved operating procedures were implemented during the year, resulting in a reduction of 28.9% compared to our FY19 baseline. The intensity of our logistics hubs increased by 26.7% and can be attributed to alternative high-intensity developments such the Vantage data centre.

Energy efficiency and resilience projects

Attacq Energy (see Intellectual capital page 70) is our initiative to diversify our business and generate revenue to create long-term value for our stakeholders. The implementation of additional PV systems and the implementation of a PPA is part of this initiative which will help us achieve our objective of 25% renewable energy consumption by 2030 (page 79 and graph on page 77).

1 PV systems

During the year 1.8MWp of rooftop PV systems were added.

During the year we completed the installation of rooftop PV systems at Eikestad Mall (630kWp), Waterfall Corner (850kWp) and Waterfall Lifestyle (330kWp) and assisted with the installation of the client-owned PV systems at the Plumblink head office and distribution centre (250kWp) as well as Cummins SA Regional Office (900kWp). We are currently assessing the feasibility of various retail-experience hub, collaboration hub and logistics hub PV systems to accelerate our plan of rolling out a total of 7MWp PV systems into FY24 and FY25.

We ensure that where possible, our rooftop PV systems are integrated with our backup diesel generators to further reduce our diesel consumption. This was successfully implemented at Eikestad Mall, Stellenbosch and Waterfall Corner, Waterfall City.

The table below indicates the breakdown of owned and managed rooftop PV systems for each sector in our portfolio:

Total PV systems installed per sector	FY24 projected (kWp)	FY23 actual (kWp)	FY22 actual (kWp)
Retail-experience hubs	11 411	9 411	7 601
Collaboration hubs	1 463	481	663
Logistics hubs	300	240	240
Total	**13 174**	**10 312**	**8 504**
Energy generated by PV systems (kWh)	15 000	8 280	10 348
Total energy requirement generated by PV systems (%)	9.0	5.3	6.5

2 Retrofit projects

LED lighting retrofits at some of our retail-experience hubs (Eikestad Mall, Glenfair Boulevard and Mall of Africa) were completed to further improve energy efficiencies and reduce consumption by an estimated 12%.

3 Power purchase agreements

During FY22, Attacq signed a 15MWp PPA with the expected commencement date being late 2024.

The PPA agreement forms part of the Attacq Energy plan (page 71). This green energy initiative is in line with our environmental plan to reduce our carbon emission and cost of energy at Waterfall City. The project will reach financial closure during FY24. Construction of the project is planned to commence during Q3 FY24 with the commissioning date estimated to be towards the end of Q3 FY25.

We have successfully certified the required G1 (i) and G1 (ii) SANS occupancy class collaboration hubs ensuring we are compliant with SANS 1544:2014.

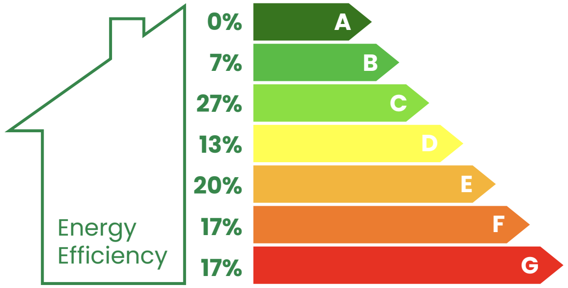
SANS occupancy class	Occupancy class explained
G1 (i)	Large multi-storey office buildings, banks, consulting rooms and similar uses with lifts and energy consuming services that operate on a typical daytime occupancy
G1 (ii)	Stand-alone blocks and/or campus of buildings that form an office park but operate separately

4 Energy performance certificates

A total of 28 EPCs were obtained for our G1 category buildings.

EPCs are issued in accordance with the South African National Standard (SANS 1544:2014) Energy Performance certificates for buildings and indicates how much energy is being used to operate a building. To obtain an EPC, a building must undergo an evaluation by an accredited inspection body recognised by the South African National Accreditation System (SANAS). The inspection body submits the necessary documents to the South African National Energy Development Institute (SANEDI) on behalf of the owner. Buildings are categorised according to Class of Occupancy and Energy Zones.

As a result of our EPC certification process, our G1 office buildings obtained the energy performance certification as depicted in the graphic below:



We are incorporating the EPC certification methodology into our enhanced measuring and reporting processes to proactively monitor and improve our energy performance of these G1 buildings. A total of 28 buildings covering an area of 210 544m^2 (GLA) have successfully obtained EPC certification.

Rooftop PV system, Eikestad Mall, Stellenbosch

We consider targets under SDG 6:
6.3 Improve water quality by reducing pollution and increasing recycling
6.4 Increase water-use efficiency and ensure a sustainable supply of freshwater

Water

Managing quantity, efficiency and resilience

Our proactive demand management strategy focuses on opportunities to secure water supplies and improve water efficiencies, consumption and resilience. Over the past 10 years, we have developed our monitoring and demand management approach, as described below.

As a result of this proactive demand management strategy, our overall water consumption decreased

Demand management and active leak detection enhances resilience and efficiency at a building level. On average our buildings can operate for 48 hours without water, subject to consumption.

Going forward, we are developing our buildings to operate for up to five days without water, subject to consumption. Please refer to page 82 biodiversity and land use for indigenous and water-wise initiatives.

Our water consumption decreased by 2.9% to 683.7 Mℓ (FY22: 704.4Mℓ) and our water intensity decreased by 5.1% to 0.82 kℓ/m² (FY22: 0.86 kℓ/m²), due to our active demand management initiatives.

Water consumption and intensity

Our water consumption year-on-year	Our water intensity year-on-year
2.9%	5.1%
FY23: 683.7 Mℓ	FY23: 0.82 kℓ/m²
FY22: 704.4 Mℓ	FY22: 0.86 kℓ/m²

	FY23	FY22	FY19 (SBTi baseline)	FY22 to FY23 actual consumption % movement	FY19 to FY23 actual consumption % movement
Mℓ p.a.	683.71	704.46	773.94	(2.9)	(12)

Sector	FY23 Intensity (kℓ/m²)	FY22 Intensity (kℓ/m²)	FY19 (SBTi baseline) Intensity (kℓ/m²)
Retail-experience hubs	1.18	1.117	1.222
Collaboration hubs	0.49	0.572	0.709
Logistics hubs	0.58	0.653	0.723
Portfolio	**0.82**	**0.86**	**0.94**

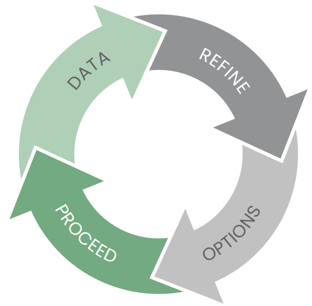
How we measure and manage our water demand, efficiency and resilience

DATA: We installed water monitoring loggers at our municipal supply points to monitor our water consumption accurately. We have linked our water monitoring loggers to a portal which allows us to view real-time water flows, pressure, and consumption data per site. Comparing our consumption data with detailed consumption profiles, we can predict potential issues with our water supply. To aid in early leak detection, we generate weekly reports that illustrate constant water flows occurring after-hours. This valuable information helps our site teams pinpoint areas where water leaks may be occurring, leading to potential cost savings by preventing water loss. We also use our water consumption data to ensure our municipal invoices are accurate.

REFINE: Based on the successes achieved, we are now in the process of expanding the implementation of water monitoring loggers to include our fire lines, fire hoses, irrigation systems and elsewhere as deemed necessary. Understanding our water consumption helps us with demand management and plans for backup supply.

OPTIONS/PROCEED: Our water resilience project, to ensure buildings can operate without municipal water supply for more than five days, is planned for Garden Route Mall, Glenfair Boulevard, MooiRivier Mall and Waterfall Corner.

In addition to the above, we have established water-wise and indigenous landscaping (refer to biodiversity page 82). These initiatives have reduced our water consumption (demand management) and intensity (efficiency) in support of our ambition to meet our SBTi target.



We consider targets under SDG 11:
Make cities and human settlements inclusive, safe, resilient, and sustainable

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including waste management

We consider targets under SDG 12:

12.2 Sustainable management and efficient use of natural resource

12.5 Reduce waste generation through prevention, reduction, recycling, and reuse

Waste

Reduce and recycle

As part of our commitment to reduce waste-to-landfill, we will continue to manage waste through our SLA at a building level. We are committed to accurately monitoring waste-to-landfill and onsite recycling by evaluating the impact of key initiatives.

Integrated waste management plan

During FY23, our recycling of mainstream recyclables (paper, plastic, glass and metal) increased by 6.3% to 1 314 tonnes (FY22: 1 237 tonnes). The reduction in landfill waste amounted to 1 945 tonnes, marking an 11.5% decrease compared to FY22 of 2 197 tonnes. The recycling rate was maintained to ensure we reduce waste-to-landfill.

Waste-to-landfill against our FY19 baseline

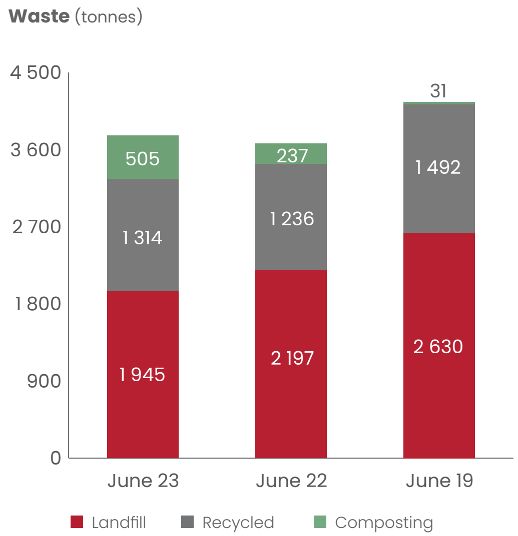
26.0%

FY23: 1 945 tonnes
FY19: 2 630 tonnes

The Waterfall City waste project

The Waterfall City waste project was implemented by the WEMF in FY22. The project involves the continued operation of the onsite IVC machine. The waste to compost project has achieved notable success and processed a total of 505 713 tonnes of wet waste (Attacq's contribution being 50% tonnes). Attacq remains committed to supporting this initiative as part of our commitment to reduce waste-to-landfill (as a percentage of waste generated onsite).

The feasibility study for a materials recovery facility (MRF) was completed during FY23. The study focused on dry waste (separable at source), with the outcome being that the MRF be implemented by the WEMF.



Entrance to Waterfall Corporate Campus, Waterfall City

We consider targets under SDG 15:
15.1 Ensure the conversation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems

Biodiversity and land use

Protect and enhance our environment

We are intent on continuous protection and enhancement of our environment throughout our real estate portfolio and development activities.

The WEMF oversees the implementation of the Environmental Management System, which ultimately influences our Biodiversity Management Plan. The Environmental Management System is being implemented at all new Attacq developments and infrastructure projects in Waterfall City.

Our Biodiversity Management Plan focuses on landscaping and beautification works, as well as watercourse and wetland preservation and stormwater management. During the year, Biodiversity Management Plan refresher presentations were presented to operational and maintenance teams and the externally appointed Environmental Compliance Officers (ECO) to ensure its daily implementation.

Landscaping

We have adopted an updated landscaping and beautification standard in Waterfall City in line with the implementation of the Biodiversity Management Plan. The goal is to establish natural habitat and indigenous, water-wise landscaping aligned to the Biodiversity Management Plan and Waterfall City's landscaping framework and policy guidelines, as well as the relevant implementation guidelines.

Wetlands

The wetlands in Waterfall City act as highly efficient filtration and stormwater management systems, which function in unison with our engineering solutions in the city. Maintaining and preserving these ecosystems and watercourses support our long-term sustainability and Waterfall City's environmental approach. We also use indigenous plants for best results as they adapt to local environmental conditions and are more resilient.

*Including Logistics hubs.

Sustainable precinct design and certification

We incorporate green elements at the design and development phases to enhance the performance of our buildings, with a focus on meeting a high standard of efficiency and resilience.

We have developed optimal-performance specifications for integrating environmentally-friendly features into our buildings with operational efficiency and resilience in mind. These specifications serve as a guideline during the detailed design, planning and operationalisation.

1 Eligibility to obtain a GBCSA Sustainable Precincts Rating for Waterfall City (Phase 1)

Attacq is pursuing a Green Star Sustainable Precincts Rating for Waterfall City CBD (Phase 1), following confirmation from the GBCSA in November 2021 that the development met the eligibility criteria. The next step is to certify our mixed-use precinct development in terms of its sustainable governance, liveability, economic and environmental attributes already in place and planned for future roll out.

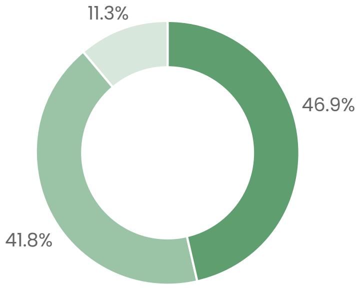
2 Purposely designed green buildings

All new buildings are purposely designed. In designing our buildings, we ensure at a minimum compliance with SANS 10400 design standards, (equivalent to 4-Star GBCSA certification). Where appropriate and subject to client requirements we pursue building certifications, and interior certifications. Attacq is in the process of obtaining a GBCSA Interiors Certification for our new office in Nexus building 1 Waterfall City.

Post year end we obtained 4-Star GBCSA EBP at Garden Route Mall and MooiRivier Mall (totalling 104 356m^2 of effective GLA) and have designed a technical road map identifying initiatives to further improve performance.

The pie chart below illustrates that the majority of our portfolio consists of green certified properties and properties in the process of being rated. Non-certified buildings include green elements (refer to the table on the right). We pursue ratings where appropriate and subject to client requirements.

Green certified properties (%)



Green elements

The remainder of our portfolio, which is not certified, includes some of the following green elements:

Key elements	Description of green initiatives
Carbon emissions	Carpool parking, electric vehicle parking, bicycle parking, bus stops or taxi drop-off facilities
Energy	Onsite renewable energy, LED lighting and motion sensors, BMS, efficient heating, ventilation, and air conditioning (HVAC), heat pumps, roof insulation, façade shading or overhangs, and high-performance glazing
Water	Real time metering and leak detection through the installation of water consumption loggers, allowing for demand management, low flow fittings on faucets, efficient dual-flush toilets, rainwater harvesting, treatment and use of water from non-municipal sources
Waste	Waste management service level agreements for onsite or off-site recycling
Biodiversity	Xeriscaping, a practice incorporating indigenous plants, aids in water conservation

Refer **online** for detail of our green certifications per property.

3 Partnering with our clients to create sustainable collaboration hubs

We are pleased that our Adams & Adams collaboration hub in Lynnwood Bridge, Pretoria received the 4-Star GBCSA rating using the Green Star EBP v1 tool.

This rating comes from collaborating with our client after we implemented our Building User Guide.

Adams & Adams collaboration hub, Lynnwood Bridge precinct, Pretoria

To obtain this rating, we confirmed the accurate measurement of the building's energy and water consumption which included an audit on indoor air quality, lighting comfort and thermal comfort. A key focus for our audit, in partnership with our client, also included an Occupant Comfort Survey. Following this comprehensive audit, a Maintenance Management Plan was introduced to optimise the building's efficiency performance. Furthermore, the results of a Transportation Modes Survey were shared with all occupants to promote commuting to work.

Greendesign, a green star accredited professional and sustainability consultant, nurtured through our Property Point programme (see social capital **page 93**), was appointed to conduct the audit and assist with the subsequent rating.

Human capital

A decade of empowering our employees

Our business is shaped by our dedicated employees who have grown and matured our real estate portfolio or contributed through shared corporate services over the past decade. Our human capital plan empowers employees to live our values and to deliver exceptional client experiences now and into the future.

Celebrating 10 years of growth and development

Most valued asset in executing strategy

We have always recognised that our most valued asset in the execution of our strategy has been our dedicated employees. Aligning our people with our strongly entrenched company values is essential in creating stakeholder value.

A culture of diversity and inclusion

Our last 10 years have seen the evolution of our culture into one where we are all driven by a common purpose.

From establishing our values and defining our unwritten ground rules, to creating our voluntary Sky-riser programme in 2021, the culture of Attacq has also evolved. In particular, we have embraced the imperative of diversity and inclusion. This reflects in our transformation efforts which have increased our representation of ACI (African, Coloured, Indian) employees from 37.0% to 72.3% of the workforce. From our employee base of 41 at the time of listing, we have grown to a healthy team of 159 employees.

Rewards linked to purpose and performance

During our evolution into a REIT, we formalised our strategy to include clearly defined performance measures and KPIs which are linked to rewards, thereby ensuring that all our employees are aligned to our overarching purpose. A new remuneration model was implemented in 2021, which provides for an objective, transparent and fair process of rewarding employees. We recently digitalised our performance management processes, empowering our employees to track their development and performance progress more seamlessly.

Continued investment in our employees' development and growth

The distinction of our employees in the competitive landscape of the real estate sector serves as a testament to the calibre of our employees and we will continue to invest significantly in nurturing their development and growth. There are multiple examples of employees who have journeyed alongside Attacq over the past 10 years and have experienced a range of roles, promotional opportunities and career advancements.

Learning and development objectives have seen the introduction of the graduate and internship programmes, as well as the training of our employees and equipping them with skill sets that keep them prepared for and adaptable to the ever-changing world in which we operate. Over the last decade we have contributed to the education of our employees, including the provision of bursaries and various short course qualifications.. Most recently we have introduced a progressive leadership development programme to foster elite leadership within the business.

The importance of employee wellness and engagement

During the COVID-19 pandemic, our human capital practices evolved rapidly to ensure that we could continue operating and that our employees were supported from a wellness point of view. We were able to swiftly adjust to a hybrid model of work and, more recently, our employees moved into our new collaboration hub, which enables them to enjoy a place of convergence, where ideas, similarities, and differences have intersected to deliver exceptional employee and client experiences. This has further improved our employee engagement levels and enhanced our culture, enabling our employees to truly live out Attacq's purpose.


Employees celebrating Attacq Day 2023

Human capital overview

Our vision is to create a work environment where all Attacq Sky-risers feel safe, respected, valued, fully engaged, and equipped with all the necessary tools to perform their duties to their best ability.

Key elements	Diversity	Wellness	Culture	Training and development
Strategic objective	Purposefully embed our company culture to encourage diversity and all employees to be "Sky-risers"			
FY23 and FY24 intended outcomes	▪ Develop and maintain a diverse workforce	▪ Focus on employee wellness, health and safety, and engagement	▪ Embed the desired culture and Attacq values, including effective communication	▪ Support employee development and ongoing succession planning
FY23 KPIs	▪ Employee complement as per 2023 EE plan	▪ Implement and monitor holistic wellness, including team capacity ▪ Employee satisfaction survey ▪ Zero health and safety-related incidents	▪ Monthly CEO and Sky-riser updates ▪ Enhancement of the Sky-riser programme ▪ Implementation of second annual Attacq Day	▪ Implementation of Elite Leadership programme ▪ Digitise the performance management system ▪ Launch the Attacq internship/graduate blueprint
FY23 performance	▪ 72.3% ACI employees as at 30 June 2023 ▪ 92% of new appointments were ACI candidates	▪ Achieved an employee well-being score of 72%, an employee satisfaction score of 78% and an employee engagement score of 83% ▪ Skill base has been widened with the introduction of new competencies, e.g. IT skills to improve our digital strategy ▪ Zero health and safety-related incidents	▪ Continued with monthly CEO and Sky-riser updates and introduced the new Sky-riser Care pillar ▪ Hosted the second annual Attacq Day which increased team collaboration and celebrated key achievements ▪ Successful implementation of "Attacq On The Move"	▪ Elite Leadership programme introduced to enhance functioning and relationships between teams ▪ Performance management system successfully digitised with further improvements ▪ Attacq Graduate Programme implemented to create a pipeline of competent real estate professionals
FY24 KPIs	▪ Meet employee compliment as per EE plan ▪ Optimise employee organisation structure	▪ Implementation, monitoring and enhancement of holistic wellness programme ▪ Increase participation rate in the annual employee wellness and satisfaction survey and reduce risk areas identified ▪ Zero health and safety related incidents	▪ Conduct monthly CEO and Sky-riser updates and drive Sky-risers programme ▪ Entrench values and leadership principles across the company ▪ Continue with the annual Attacq Day	▪ Implementation of next phase of Elite Leadership programme and measuring the effectiveness of training interventions ▪ Further improvements to the digitalisation of full performance management system ▪ Finalisation of succession plan mapping across the company ▪ Grow and improve the Graduate Programme

Our three-year HC plan progression, as part of our Social strategy

FY22 – #2020DO
Taking action

In FY22, the focus was on getting the basics right and ensuring that the right teams were in place to support the delivery on our strategy.

FY23 – #2020BE
Embedding processes and measuring effectiveness

The goal for FY23 was to pause, embed our processes, and measure the effectiveness of all HC-related initiatives.

FY24 – #2020MORE
Enhancing progress

Further enhancements will be made to our HC plan and new initiatives will be introduced, based on the outcome of the measurement of the effectiveness of all initiatives.

We consider targets under SDG 8:
8.5 Achieve full and productive employment and decent work for all women and men

We consider targets under SDG 10:
10.2 Empower and promote the economic inclusion of all
10.3 Ensure equal opportunity and reduce inequalities of outcome

Diversity

Develop and maintain a diverse workforce

An inclusive and diverse workplace builds a healthy corporate culture where a wide range of perspectives and ideas are encouraged, thereby promoting business resilience, and driving business performance.

Attacq embraces and upholds the principles outlined in the EE Act. EE-related initiatives and progress made is overseen by our EE, TSE and remuneration and nomination (remco) committees. Our goal is for our employees to reflect the demographics of the country's Economically Active Population (EAP) by appointing ACI candidates through the attrition cycle of employees. Improving EE representation is a strategic KPI and is measured and tracked against our EE plan to ensure that progress aligns with our broader transformation objectives.

All our employees are based in South Africa and our employee headcount increased to 159 employees (FY22: 156 employees) with eight vacancies open at 30 June 2023. 92% of the vacancies filled during the year were ACL. During FY24, three vacancies will arise due to the widening of our skill base due to the introduction of new competencies in Attacq. This is aligned to our approach in ensuring we have adequate and relevant resourcing practices that will enable us to execute our business strategy.

On 12 December 2022, Attacq hosted its first Inclusion Day. The purpose of this initiative was to commemorate World Aids Day and International Day of Persons with Disabilities. The day included training sessions on Aids and Disability Awareness as well as a very insightful unconscious bias training session. Positive feedback was received from employees, and this will become an annual event commemorated in the Attacq calendar.

We continued our one-year learnership programme, with a specific focus on upskilling learners with disabilities. During the year a new group of ten learners commenced their one-year learnership programme in which they obtained valuable on-the-job working experience and the completion of a formal national qualifications framework (NQF) qualification.

Employee profile

Our employee profile includes full-time, part-time, and fixed-term contract employees.

Sector	FY23	FY22
Total employees	159	156
Percentage of permanent employees (%)	87.3	87.3
Percentage of fixed-term employees (>90 days) (%)	12.7	12.7
Total temporary employees (<90 days)	0	0
Percentage of people belonging to a trade union (%)	0	0

Lynnwood Bridge employees supporting Bok Friday for the 2023 Rugby World Cup

Attacq continues to show improvement in terms of increasing EE representation, with a 4.4% improvement in total ACI employees between FY22 and FY23. Our progress over the past two years is illustrated below:

Employment equity (%)	African	Coloured	Indian	White	Foreign
National EAP	78.8	9.6	2.7	8.9	–
Target 31 December 2023	53.5	10.2	9.5	26.8	0
FY23 actual	52.5	10.8	8.9	27.2	0.6
FY22 actual	45.5	12.8	9.6	31.4	0.6

Our workforce represents an appropriate mix of age groups, with over 64% (FY22: 61.5%) of our employees under 40 years old. Mentorship and succession planning is ongoing to ensure proactive transfer of skills and knowledge from experienced employees to the new generation of employees.

Workforce – breakdown by age group (%)	FY23	FY22
Under 30 years	15.8	14.7
30 – 40 years	48.7	46.2
41 – 50 years	24.7	28.2
51 – 60 years	10.1	9.6
>60 years	0.6	1.3
Average age of workforce (years)	38.3	38.4

Employee turnover

Understanding and proactively managing employee turnover rates is an important part of ensuring we maintain a stable workforce and deliver consistent levels of service to our clients.

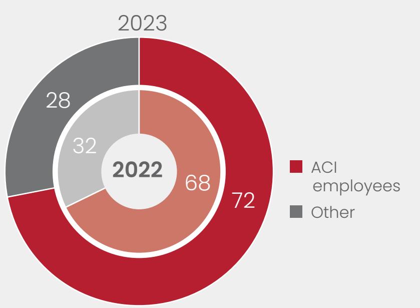
As part of the process of understanding our turnover rates and the associated reason driving the rate, we keep abreast of trends related to the future workforce such as immigration patterns, new ways of working, generational preferences, etc. Where appropriate, insights gained are utilised to adapt our employee processes.

Our total employee turnover rate reached 14.6% (FY22: 10%), an increase of 4.6% from the previous year. Our voluntary turnover rate is, however, 11%. We remain comfortable with our employee turnover rate and will continue to monitor this rate and drive initiatives to retain our employees.

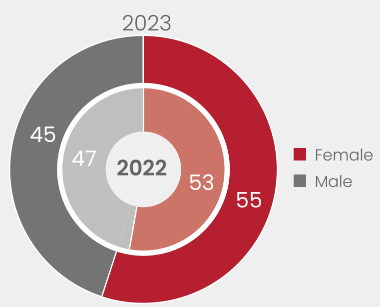
We are specifically proud about the overall tenure of our employees and the long service achieved by employees during the year. During the year, 13 employees were recognised and rewarded for long service, five for 10-year and eight- for five-year recognition. 8.9% of our employees have served Attacq for longer than 10 years.

10-year long service award	5-year long service award
Martin Alberts	Tumi Ngwaze
Mi-Jean van Heerden	Lunga Nkosi
Karin Retief	Shelan Amaidas
Phillip De Vos	David Moagi
Johanna van Heerden	Christy Hobson
	Pierre le Roux
	Delisia Ramokgopa
	Yasmeen Lorgat

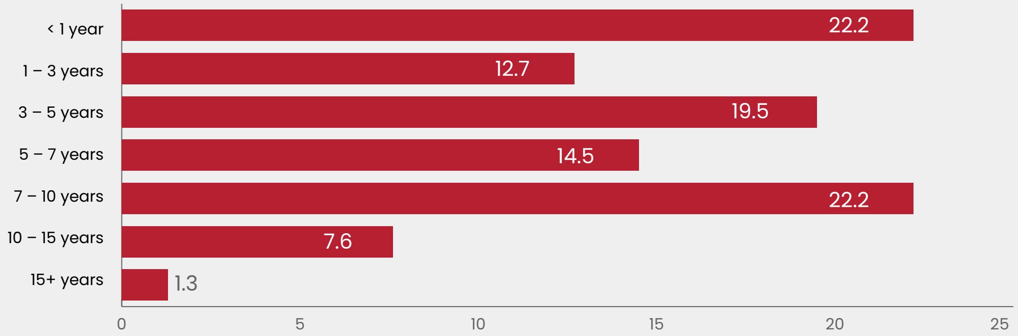
ACI employees (%)



Gender (%)



Employee tenure (%)



We consider targets under SDG 3:
3.4 Prevention, treatment and promote mental health and well-being

Wellness

Focus on employee wellness, health and safety and engagement

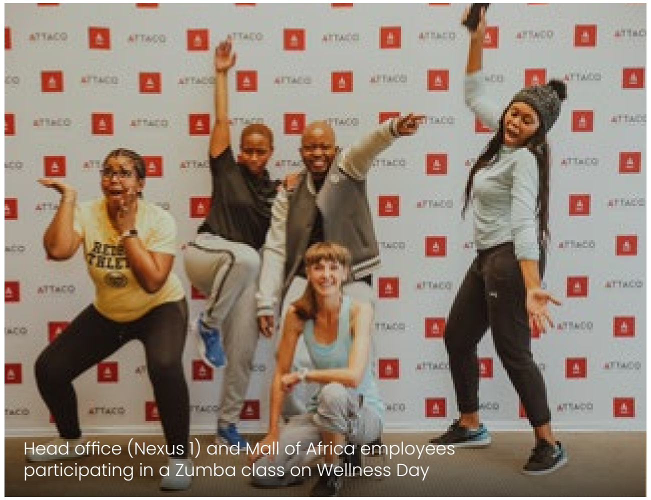
We create a safe and engaging working environment that promotes positive employee well-being. Employee wellness is a central pillar in our overall employee development approach. We aim to develop healthy and fully engaged employees and support them in thriving in all aspects of their lives.

Our wellness initiatives

We hosted our annual Wellness Day on 31 March 2023.

The event was attended by our employees across all regions and focused on a holistic approach to wellness, focusing on the following elements:

- **Financial health** with financial planning advice provided by Sanlam Private Wealth
- **Physical health** with Zumba classes, medical screening checks and healthy eating/cooking demonstrations
- **Mental well-being** with a stress management course and yoga session


Head office (Nexus 1) and Mall of Africa employees participating in a Zumba class on Wellness Day

Employee well-being score	Employee satisfaction score	Employee engagement score
72%	78%	83%

Employee wellness and satisfaction survey

Our employee satisfaction survey is a confidential and anonymous survey facilitated by Headspace (EAP provider) which aims to gather data from employees on their overall level of well-being, engagement, and satisfaction with Attacq.

The survey asked employees to assess their overall rate of health through questions related to their eating habits, exercise routines, sleep patterns and stress levels. All feedback received was welcomed by management. This will be used as an opportunity to engage with our employees, share feedback and prioritise solutions in response to their concerns. Furthermore, we will identify additional opportunities and interventions to increase employee well-being.

The FY23 results will set the baseline for our annual wellness and satisfaction survey. The social team's KPI for FY24 has been set to improve the survey participation rate and to address the risk areas identified in the survey.

Employee assistance programme

We continued with our Employee Assistance Programme in FY23, which supports holistic wellness among our employees. Using a toll-free helpline, it gives employees access to a range of specialised wellness support services including medical care, psychological support, legal assistance, and school assistance for children from Grade 4 to Grade 12.

Aligned to our strategic focus for FY23 on measuring the effectiveness of our various HC initiatives, we included questions regarding employees' usage and overall level of satisfaction with the Employee Assistance Programme in the annual satisfaction survey. We were pleased to see that 70.4% of employees are currently using the service and are satisfied with the service provided.

In addition to the toll-free helpline, over the past year, Headspace has facilitated a Mental Health series which offers monthly webinar sessions for our employees to attend. Positive feedback has been received on this series.

Attacq On The Move

We recently embarked on an exciting journey to relocate our Waterfall City-based employees from Maxwell Office Park to Nexus 1 – a Net Zero Carbon Level 1 GBCSA certified building. This was no ordinary move; it was a strategic change management project designed to ensure a smooth transition while enhancing employee safety, engagement, and motivation.

Called "Attacq On The Move", the project was carefully designed to address employees' needs, cater for the new generation, foster productivity and attract talent. Our goal was to create a new way of working, reflecting the changes brought about by the pandemic, while providing a space that encourages positive collaboration and innovation.

The project unfolded in three phases, each contributing to the overall success of the transition. Initially, we encouraged employees to "Reflect and Declutter" as we packed up and moved out of Maxwell Office Park. This process allowed us to let go of the old and embrace the new with a fresh perspective.

In the second phase, employees experienced life as clients at our Waterfall Corporate Campus for three months. This immersive experience provided insights into our clients' journey and fostered a deeper understanding of our clients' needs.

Finally, the moment arrived to "Embrace a New Beginning" as we settled into our new, beautifully designed space, tailored to meet the needs of our diverse workforce. The collaboration hub became a place of convergence, where ideas, similarities, and differences intersected to deliver exceptional client experiences.

Through this change management project, we have witnessed an improvement in our employee engagement levels and an enhancement to our culture. The new collaboration hub represents our achievements over our 10-year journey, who we are and what we do as an organisation. Our employees are able to truly live out Attacq's purpose.

A key priority was to minimise disruptions to our employees, achieved through effective and transparent communication. Regular updates on milestones and timelines, along with clear expectations, were instrumental in the project's success.

As we move forward, we embrace our new beginning with optimism and excitement. "Attacq On The Move" exemplifies our commitment to adaptability, innovation, and creating a workplace that inspires collaboration, growth and purpose.

To view our new home, click **here**

Jackie van Niekerk cutting the ribbon with Miron Naidoo and Raj Nana

Nexus Waterfall, Nexus 1 Attacq's new head office

Culture

Embed the desired culture and Attacq values, including effective communication

Our Sky-risers bring our culture and social experience touchpoints together under one exciting programme.

Through our Sky-riser programme, we instil the desired organisational culture encouraging all employees to embody Attacq's values and purpose.

It is run by passionate and dedicated employees, with increasing representation from across our various hubs. Each team meets monthly, and updates are provided to the broader organisation during the monthly CEO and Sky-riser update meetings.

During FY23, 36 of our employees volunteered to drive the Sky-riser initiatives (FY22: 34 employees volunteered).

Jackie van Niekerk handing over the Employee of the Year award to Natalie Gifford

Sky-risers:
Care

Our Sky-risers changed their focus from the CX journey pillar (discussed further in relationship capital on page 100) to a new pillar, called Care.

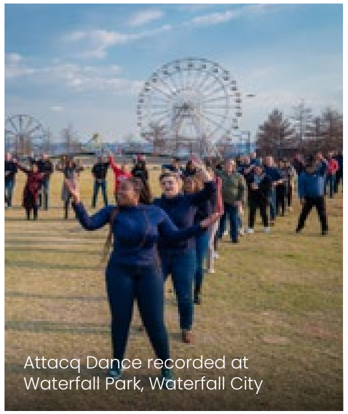
Our Care pillar incorporates both an internal and external focus.

- **Internally focused:** The Care team offers a support programme to employees facing personal challenges and those in need of additional support.
- **Externally focused:** The Care programme focuses on assisting where help is required, such as assisting our Attacq communities through our Attacq Foundation with the donation of uniforms to Phuthumani Primary School and stationary donations to Kaalfontein Secondary School.

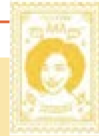
Sky-risers:
Fun

Our Fun team ensures that the social heartbeat of Attacq is maintained by celebrating all our achievements and bringing some light-heartedness into the workplace.

- Various connectivity events took place across the regions.
- Examples of fun events include monthly braais, teambuilding events, celebration of key holidays and the annual Attacq Day party.
- To view the Attacq Dance, click here



Attacq Dance recorded at Waterfall Park, Waterfall City



Sky-risers:
Culture

The Culture programme helps to embed the Attacq values by:

- Recognising unsung heroes through our Employee of the Month and Employee of the Year awards
- Ensuring early adoption of our values through new employee onboarding training during the induction process and the assignment of buddies to new hires to ensure a smooth transition process
- Celebrating key achievements through a unique Attacq celebration dance that our employees perform each time a key milestone or achievement has been accomplished. Over the past year, the celebration dance has been fully integrated and adopted across the group and has proven to be a great teambuilder.

Sky-risers:
Growth

Our Growth programme delivers quality learning opportunities to all employees and encourages personal development and continuous growth.

Our goal is to ensure all employees achieve their full potential through:

- Formal and informal training to prioritise growth, embed values and develop scarce skills
- The introduction of a job shadowing programme to expose employees to the operations of various departments across Attacq
- We hosted a Career Day for Grade 11 students on Youth Day to equip them with knowledge about the real estate industry and to develop the future generation of leaders

We consider targets under SDG 4:
4.2 Ensure all girls and boys have access to quality early childhood development

Training and development

Support employee development and ongoing succession planning

Our success is directly linked to the skills and capabilities we attract and retain, thus supporting our employees in developing their full potential is a critical priority for us.

Our employees enable us to meet our stakeholders' needs and create great stakeholder experiences. It is imperative that we attract and retain quality talent to help us grow and retain our client base. By investing in skills development, we can ensure our talent remains future-fit. Developing capabilities among our employees is also integral to our succession planning and capacity-building process.

We consider operational needs and each individual's capability before training commences. This ensures training spend is fit for purpose and creates mutual value for the business and our employees.

By creating opportunities to strengthen capabilities, we not only develop employees' careers, but also our business. We ensure all employees have equal opportunity to receive training (as approved by their line managers).

Formal and informal training follows the 70/20/10 principle:

70% is on-the-job training

20% is channelled through mentorship

10% is addressed by customised formal training

Each business unit identifies its training needs. Our HC department then develops a training budget and specific solutions to address these needs. The table below provides a summary of our training investment for the year of the group R2 870 572 (FY22: R1 074 925).

All our employees receive some form of training every year. Training spend was a key driver in the achievement of our B-BBEE Level 1 rating for FY23 (FY22: Level 1 rating).

Customised training	FY23	FY22	FY21
Total training spend (R)	2 870 572	1 074 925	658 915
Training spend per employee* (R)	16 886	6 890	4 105

* Calculation based on average number of employees for the year
^ Training hours include time that employees invest in their studies outside of work where we have paid for these courses

Training and development initiatives

The key training and development initiatives implemented in FY23 included:

Bursaries awarded
Attacq awarded bursaries to 15 employees (FY22: nine employees) to complete formal qualifications including MBA, MPhil, BCom and finance-related qualifications.

Job shadowing programme
Our job shadowing initiative aims to educate and expose employees to the daily operations of each department while offering cross-functional upskilling opportunities.

Financial assistance
16 employees received financial assistance for their children's school fees (FY22: 14 employees).

Unconscious bias training
Training was provided to all employees on unconscious bias and the influence it has on our decision-making processes. This was particularly valuable to all those that conduct interviews and performance reviews.

Tertiary Education Support (TES) programme
We supported two students under the Attacq TES programme, which offers financial aid to children and dependents of qualifying employees for tertiary education. This initiative aligns with the UN SDG goals, aiming to provide quality education and educational spaces for youth, preparing them for school and equipping older learners with relevant skills.

Advanced negotiating skills training
To develop negotiation skills, 12 employees attended an advanced negotiating skills course as it has been identified as a key skill which needs further development within our organisation.

Elite team development

A leadership programme has been attended by various teams which has added a great deal of value over the functioning and relationships between teams. It also enabled teams to gain an understanding of each member's strengths and behavioural preferences. The programme consisted of team workshops, psychometric assessments, a 360-degree-feedback process and individual leadership coaching.

As an outcome of this programme, key actions were identified to address the further enhancement of the Attacq culture. One of these actions included the development and introduction of new Attacq Leadership principles. These principles were communicated and discussed with our employees at Attacq Day on 12 July 2023. These principles include seven leadership behaviours which we desire all employees to display and embed in their daily practices.

Internship programme for graduates

Four unemployed graduates began a 12-month programme to gain knowledge, skills, and exposure in the property industry. It aims to create a pipeline of competent real estate professionals for Attacq and the industry. The graduates have been assigned to the dealmaking, retail, developments, and leasing departments. They will also pursue a property practitioners qualification with the Property Practitioners Regulatory Authority. After completion, they may join Attacq or receive our support in securing permanent employment in the broader property industry.

Promotions and succession planning

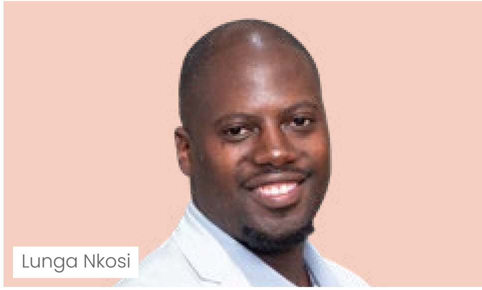
In addition to training, we prioritise the career advancement of our employees through internal promotions and appointments. We celebrated four promotions in the company during the year (FY22: eight promotions). We wish to congratulate the following employees:

Employee	New job title	Previous job title	Date of promotion
Lunga Nkosi	Junior property manager	Operations assistant	1 August 2022
Danny Vermeulen	Transformation and human capital manager	Transformation manager	1 October 2022
Shoky Poto	Transformation consultant	Transformation practitioner	1 October 2022
Ryno Meiring	General manager	Marketing manager	1 December 2022

Our succession planning focuses on securing and developing future talent, while achieving our EE targets.

With Attacq being the size that it is, there is not an extensive capacity reserve to draw from, however, the exco applies their mind to scenarios for planned and unplanned succession and is confident that the necessary depth of knowledge and experience exists within teams and that caretaking of some critical roles is possible in the short term where needed.


Interns from the new Attacq Graduation Programme (Mmalethabo Sedibe, Lerato Phoolo, Zafar Tayob, Luleka Mashazi)


Lunga Nkosi


Danny Vermeulen


Shoky Poto


Ryno Meiring

Social capital

A decade of care

During the past decade we have been on a growth journey to create sustainable value which includes contributing to the upliftment of our surrounding communities and positively impacting the communities we operate in – in acknowledgement of their support.

Celebrating 10 years of growth and development

Our transformation journey: from Level 5 B-BBEE to Level 1

Our transformation journey is an ever-evolving story of growth and maturity that has developed to focus on sustainable and impactful solutions for our employees, suppliers, partner networks and the communities we serve. This has resulted in a remarkable improvement from a Level 5 B-BBEE rating at the time of listing to attaining a B-BBEE Level 1 in 2022 and again in 2023.

Empowering communities: the birth of Attacq Foundation

The Attacq Foundation was established in 2015 as the primary mechanism through which Attacq drives positive change in its communities and through which it achieves its goal of being a good corporate citizen. Our employees have played a key role in executing the Attacq Foundation's initiatives within our respective communities. True to the Foundation's purpose, we have invested in education, training, and job creation, contributing to fulfilling the needs of our communities.

During the difficulties of the pandemic, we launched the Attacq Cares programme through the Attacq Foundation to provide meals to our communities affected by lockdowns.

Expanding horizons: early childhood education and tackling hunger

Over time, the Attacq Foundation's focus expanded, embracing early childhood education and tackling hunger. A standout example of our collaborative community efforts is the Rise Against Hunger campaign, which has grown significantly year after year, thanks to our partnership with local communities and the willing participation of our corporate clients.

Empowering emerging entrepreneurs: Attacq's partnership with Property Point

Recognising the vital role of small businesses in a thriving economy, the Attacq Foundation solidified a partnership with Property Point, an initiative by Growthpoint aimed at empowering emerging black entrepreneurs.

Catalysing job creation: a remarkable impact

Since 2015, Attacq has supported 55 Property Point beneficiaries, resulting in more than R370 million in revenue being generated with a 62.35% average median revenue growth rate among participants. It was also the catalyst to create more than 450 sustainable jobs with a 303% average increase from 2015 baseline.

Attacq employees packing meals at our July 2023 Rise Against Hunger campaign

Social capital overview

Key elements	Community focus	Transformation		
Strategic objective	Contribute meaningfully to our communities			
FY23 intended outcomes	Supporting and uplifting our communities	Socio-economic development (SED) Continue to promote transformation in the interest of all citizens	Enterprise Supplier Development (ESD)	Skills development
FY23 KPIs	▪ Pack 120 000 meals during annual Rise Against Hunger campaign in October 2022 and 200 000 in July 2023 ▪ Partner with clients and the community on CSI projects ▪ Determine the next project for Phuthumani Primary School	▪ Achieve a minimum Level 2 B-BBEE rating (as we are expecting further amendments to the Amended Property Sector Codes and Scorecard that will have a negative impact on Attacq's B-BBEE scorecard)		
FY23 performance	▪ 154 000 meals were packed during the Rise Against Hunger event in October 2022 ▪ Post year end, 273 522 meals were packed on 18 July 2023 during the Rise Against Hunger campaign ▪ 1 189 children benefit on an ongoing basis with five meals per school week provided through Rise Against Hunger ▪ Garden Route partnered with Eden FM and raised R11 200 towards the "Walk a Child to School" campaign and handed out over 78 pairs of school shoes ▪ Implementation of a community-based entrepreneurship programme	▪ Procurement per company policy, driving equal opportunity ▪ Provided interest-free loans to suppliers ▪ 18 SMMEs benefited through enterprise development programmes hosted through Property Point, and rental discounts provided to select beneficiaries at the MoA ▪ Revenue generated by Property Point beneficiaries during FY23 of R135.8 million ▪ Successful partnership with Property Point to support growth of SMMEs creating employment and driving transformation ▪ Achieved a Level 1 B-BBEE rating		▪ Provided 23 external bursaries for students attending tertiary educational institutions ▪ Provided learnerships to ten persons with disabilities ▪ Provided on-the-job training to previously disadvantaged individuals
FY24 intended outcomes	▪ Invest in education and training and provide meals to support healthy nutrition via the Attacq Foundation ▪ Further support the Phuthumani Primary School and implement initiatives as identified in the Measurement and Evaluation (M&E) project, dependent on agreement by all stakeholders ▪ Renovation project/s for classrooms ▪ Collaborate with Government, Dept of Education and parents to overcome challenges with a decline in academic performance	▪ Improve alignment of procurement to align with the requirements of the Attacq procurement policy with stringent requirements set for certain sectors ▪ Continue to provide interest-free loans to upcoming suppliers ▪ Continue to promote enterprise development and support of Property Point	▪ Proactively manage our scorecard in line with amendments to the current property sector scorecard and monitor implementation ▪ Review baseline metrics for all beneficiaries to track the multi-level impact that the programmes have achieved thus far	▪ Provide bursaries and learnerships for tertiary education ▪ Provide learnerships and on-the-job training to previously disadvantaged individuals, including disabled learners ▪ Implement extension of Attacq and Property Point Green Intake
FY24 KPIs	▪ Pack 400 000 meals for the annual Rise Against Hunger campaign, hosted on Mandela Day (18 July 2024) and raise R1.0 million in funding for the campaign ▪ Increase partnerships with clients and the community on CSI projects ▪ Determine the next project for the Phuthumani Primary School	▪ Achieve a minimum Level 1 B-BBEE rating and raise funding for the Attacq Foundation to the value of R500 000		

B-BBEE compliance, fair labour practices and CSI are key elements within the Attacq focus on transformation. We create value in the way we function within our communities, through:

- Fair labour practices and equal opportunities (see our employees **page 84**)
- Preferential procurement strategies and the broadening of our supply chain (**page 98**)
- Skills development strategies that contribute to the building of a skilled pipeline of talent within the industry
- CSI that contributes positively to the communities in which we operate, specifically through the Attacq Foundation (**page 95**)

Community focus

Supporting and uplifting our communities

We are proud of the willingness of our communities to partner with us and our employees who also volunteer their time to support and uplift our communities. Together, our social capital endeavours underpin our Attacq purpose in action.

Attacq Foundation

The Attacq Foundation is the primary means through which we demonstrate our active involvement in communities. It is the primary mechanism through which we achieve our goal of being a good corporate citizen and drive our social investment programmes. The Foundation focuses on youth education, empowering people with skills that will enhance their potential for employment, ESD and the provision of goods in terms of the Foundation's transformation objectives.

The Foundation functions independently from Attacq as an independent not-for-profit company. It has its own board and governance structures, 66.7% of whom are independent trustees chosen for their skills and experience, and the remaining 33.3% are drawn from our management team.

The Foundation's social investment programmes help strengthen community relationships and achieve long-term measurable socio-economic impact and realises mutual benefits. Through effective stakeholder collaboration, the legitimate needs of community members are considered and solutions are then offered to ensure mutual value is created for all.

The Foundation aligns its activities to Attacq's purpose and values, while working towards contributing to identified UN SDGs (*SDG4: quality education and SDG8: decent work and economic growth*) to which we can make a meaningful contribution by aligning the needs of our surrounding communities to our business.

In FY23, these social investment initiatives contributed to Attacq's B-BBEE certification (as per the Attacq FY23 group KPIs).

The Foundation's future focus remains investing in the education sector – ranging from infrastructure-related projects to investments aimed at the improvement of academic performance of learners and teachers alike.

	FY23	FY22
Direct beneficiaries	3 433	2 342
Rand amount spent (R'million)	7.0	8.1
Voluntary employee hours	228	412
Non-governmental organisation partners	30	31
Number of provinces	3	3

Our CEO, Jackie van Niekerk, helping at the Rise Against Hunger campaign

Rise Against Hunger campaign

Attacq Foundation tackles hunger to facilitate childhood education and skills development. The Foundation believes the link between educational achievement and hunger merits attention and pursues many causes beyond real estate. Eradicating child hunger to facilitate learning is one of those causes and provides meal packs for ECD centres in our communities.

The Attacq Foundation and its client partner Sage Foundation, with the support of the Balwin Foundation, Pfizer, Mix 93.8 FM, EOH, and Astute partnered with Rise Against Hunger to provide meal packs. The meal collection and packing campaign event took place on 18 July 2023, packing 273 522 meals that benefited the ECD Centres in the regions where we operate. Link to video **online**

Our Rise Against Hunger success hinges on our communities partnering with us both financially and offering their time, with a total sponsorship raised of R1.1 million (including our contribution).

FY23
On 21 and 22 October 2022

Attacq employee volunteering hours for this event **exceeded 104 hours**

Volunteers
453
FY22: 550

Meals
154 000
FY22: 90 000

5
meals per school week for a year

723
children fed

FY24
On 18 July 2023

Attacq employee volunteering hours for this event **exceeded 220 hours**

Volunteers
1 353

Meals
273 522

5
meals per school week for a year

1 189
children fed


Attacq employees packing meals at our July 2023 Rise Against Hunger campaign

We will again be hosting a meal packing event on 18 July 2024 where we will aim to pack 400 000 meals with the aim to benefit more than 1 700 children.


Phuthumani Primary School learners

Our third year partnering with Phuthumani Primary School

Good relationships with communities in which we operate create opportunities for shared solutions to long-standing issues.

Education remains a key socio-economic problem in South Africa. The Attacq Foundation, in partnership with Sage Foundation, formalised a three-year "adoption" agreement with Phuthumani Primary School which started in 2021.

Journey of learning

- **3-year adoption programme**
- **R1.6 million** each – Attacq Foundation and Sage Foundation
- **197** smart tablets
- Engaging with school and Education Department on the next step

Phuthumani Primary School: Back to School campaign
In addition to the various back to school campaigns held in FY23, Attacq and Sage Foundation handed over 90 uniforms and school shoes to learners of Phuthumani Primary School. An additional 90 uniforms and pairs of shoes were delivered to Gideon Rambuwani Primary School.

Gift of the Givers and Reddam High School joined the handover and delivered stationery.

Our continued focus on the establishment of long-term and sustainable partnerships have resulted in discussions between Curro Waterfall City and Phuthumani Primary School. The two schools met in May 2023 to discuss skills transfer opportunities. We will implement the learnings from the M&E project at Phuthumani Primary School and utilise the M&E tools for other CSI projects.

We consider targets under SDG 4:
4.4 Substantially increase the number of youth and adults who have relevant skills for employment

Transformation

Continue to promote transformation in the interest of all citizens

Our transformation journey centres around offering sustainable solutions that contribute to the transformation of our society, including our suppliers, partner networks and employees.

We successfully achieved a B-BBEE Level 1 certification for a second year running. Key contributors to our B-BBEE level include 5.44 EE points (FY22: 6.00), skills development at 17.81 (FY22: 18.39), ESD at 39.04 (FY22: 38.18) and SED at 1.56 (FY22: 1.61).

Going forward, we will proactively manage our scorecard in line with amendments to the current property sector scorecard and will monitor its implementation. We will review baseline metrics for all beneficiaries to track the multi-level impact that the programmes have achieved thus far.

Our B-BBEE status demonstrates our commitment to our country, and positively contributes to our competitive edge and credibility.

Economic development relates to the various development activities that we undertake.

Attacq B-BBEE scorecard	FY23	FY22
Ownership	26.00	26.00
Management and control	7.15	7.00
EE (see Human capital page 84)	5.44	6.00
Skills development (see Human capital page 84 and below)	17.81	18.39
ESD	39.04	38.18
Procurement	22.04	22.18
Supplier development	11.00	10.00
Enterprise development	6.00	6.00
SED (discussed under the Attacq Foundation)	1.56	1.61
Economic development (our initiatives also form part of ESD and are discussed under ESD)	5.00	5.00
Total points (property sector adjusted)	102.00	102.18
B-BBEE level achieved	Level 1	Level 1
Date certificate issued	29 Sep 2023	29 Sep 2022

Skills development

Our external skills development programmes intend to offer a meaningful and sustainable contribution to education for our communities and other stakeholders.

Bursary contributions

Our bursary contributions for FY24 are aligned to the anticipated revision of the Property Sector Codes which aims to address industry-specific tertiary education challenges. During FY23 we issued bursaries totalling R1.8 million (FY22: R2.0 million) via intakes with SAPOA Bursary Fund Scheme, University of Pretoria, South African Institute of Black Property Practitioners (SAIBPP) and the TES programme.

We align our bursary contributions to the targets set in the Property Sector Codes for bursaries, that are industry-specific and lead to a professional qualification.

Our annual participation and support includes:

- The SAPOA tertiary bursary scheme, providing full bursaries to students studying towards a property-specific career. We contributed **R162 922 towards tertiary education bursaries** (FY22: R300 000 contributed), allocated through the Atterbury Foundation.
- **R871 200** (FY22: R600 000) was allocated to the SAPOA tertiary bursary scheme.
- We supported **University of Pretoria students**, by contributing **R319 171** (FY22: R309 000 contributed).
- We supported **SAIBPP with R306 448** (FY22: R240 000).

We consider targets under SDG 4:
4.4 To substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills for employment, decent jobs, and entrepreneurship

We consider targets under SDG 8:
8.6 To substantially reduce the proportion of youth not in employment, education, or training

Bursary programme	FY23 R'000	FY22 R'000
Women in Property Network	0	421
Atterbury Foundation	163	300
SAPOA	871	600
University of Pretoria	319	309
SAIBPP	306	274
Attacq TES programme	150	112
Total	**1 809**	**2 016**

ESD

We believe that an investment into SMMEs is an investment into our supply chain, providing opportunities for SMMEs to learn and apply their skills in areas that they would often struggle to enter.

Our partnership with Property Point stretches back to 2015 when we launched our first intake of SMMEs into a bespoke entrepreneurial development programme. To date we have enrolled 55 entities on various enterprise and supplier development programmes.

We have provided the following **interest-free loans**

Long-term interest-free loans
R3.1 million
(Granted in FY17)

Additional long-term interest-free loans
R6.3 million
(Granted in FY21)

Preferential procurement

Attacq aims to meet all preferential procurement targets. Preferential procurement includes a preference towards black-owned and black women-owned suppliers.

Our procurement policy includes a well-formulated procurement process that defines the minimum requirement for all procurement to be a B-BBEE Level 4.

We remain committed to creating sustainable opportunities for black-owned and black woman-owned businesses in our supply chain. During the year, 32.87% (FY22: 37.25%) of our total measured procurement spend was attributed to entities that are at least 51% black-owned, and 20.88% (FY22: 28.83%) on entities that are at least 30% black woman-owned.

We diligently manage all facets of our supply chain to promote social inclusion; this includes forecasting, planning and procurement.

We continue to engage SMMEs from all Attacq communities and facilitate engagement to encourage participation and to broaden the Attacq supply chain, which includes SMME supplier development to encourage their growth.

Supplier development

Access to capital is most often a limiting challenge for all SMMEs. To address this challenge, Attacq assesses the performance and needs of its enterprise development beneficiaries, and where appropriate will consider the provision of interest-free loans and other forms of support to qualifying beneficiaries.

We monitor performance of current supplier development beneficiaries and **identify opportunities to assist SMMEs** to become procurement ready, which may include the extension of interest-free loans or other support to graduating businesses.

We continue to explore opportunities to increase the participation of SMMEs from our various ESD programmes, and partnerships with Property Point.

Attacq's consolidated procurement scorecard

Scorecard indicator	Property Sector Codes Scorecard Target %	FY23 %	FY22 %
Spend on empowering suppliers	80.0	105.57	94.11
Spend on qualifying small enterprise suppliers	15.0	3.99	2.66
Spend on exempt micro enterprise suppliers	15.0	7.02	2.84
Spend on 51% black-owned suppliers	40.0	32.87	37.25
Spend on 30% black woman-owned suppliers	12.0	20.88	28.83
Spend on 51% black-owned property service providers*	40.0	78.30	111.08
Bonus: spend on 51% black designated group suppliers	2.0	18.88	12.43

* All services that are deemed to be property service providers

We consider targets under SDG 4:
4.4 Substantially increase the number of youth and adults who have relevant skills for employment

Enterprise development

We commit to transformation and economic inclusion beyond our core business with a commitment to fostering sustainable enterprise and supplier development.

In recognition of the important role that SMMEs play in unlocking broad-based participation, employment and economic growth in society, we partnered with Property Point in 2014 to establish a bespoke and ground-breaking entrepreneurial development programme, the first of which commenced during January 2015 and resulted in five additional programmes. Together, we have been able to develop enterprise development solutions comprising of training, mentorship and funding mechanisms which provides sustainable support to SMMEs within the property-related sectors, including construction, facilities management, contract cleaning and renewable energy.

For almost seven years Attacq has partnered with Property Point (the property and construction industry's leading enterprise and supplier development programme) to support the growth of small property-related businesses in the community. Another eight small businesses graduated from the two-year programme.

During the two years, the eight small and growing participating businesses in Waterfall City **generated a combined revenue of over R29 million and created 14 full-time jobs.**

The SMMEs grew on average at more than 11% and were able to access contracts worth over R960 000.

Property Point graduation ceremony - May 2023

The Green Intake programme affords SMMEs with a green value proposition, and the opportunity to gain experience and establish themselves in a developing and important industry.

During FY22, Attacq and Property Point concluded its sixth intake of SMMEs (Green Intake). This focuses on SMMEs who are augmenting their existing value proposition and aligning their services and businesses with the green economy. Following a successful year, it was agreed that their programme will be extended by an additional year. During this year SMMEs will refine their value proposition and focus on programmes aligned to the implementation of quality management systems, sustainable business planning and strategy, sustainable supply chain management and compliance environmental regulations and standards. It will equally ensure that they are registered with the relevant accreditation bodies.


Sixth Property Point intake of SMMEs (Green Intake)

Relationship capital

A decade of collaboration

Investing in stakeholder engagement to build relationship capital over the past 10 years has been instrumental in fostering a strong network of relationships built on trust, mutual respect and effective communication.

Celebrating 10 years of growth and development

Foundations of partnerships and relationship building

Looking back over the last decade, the formation and evolution of Attacq has been influenced by our commitment to developing partnerships and nurturing relationships. Forged good relationships with our stakeholders has been essential in our success.

Our relationship with the Waterfall City landowner has been built on mutual benefit, grounded in respect and appreciation for the value of this unique asset. Together, we ensure the sustained growth and development of Waterfall City as a premier destination.

From our very first endeavour, the development of Maxwell Office Park, realised through a partnership with Moolman Group, signifies an early demonstration of the trust vested in us.

Our relationships outside Waterfall City

We focus on direct investments that we own, the majority of which we control, and divesting of minority direct property investments and other non-core assets.

Our journey has been marked by growing partnerships, each contributing to our collective achievements.

Our people deliver exceptional client experiences

Our dedicated employees are our most valuable asset and play a significant role in delivering exceptional client experiences. By investing in their development, well-being, and engagement, we create a workplace that inspires collaboration, driving long-term success.

Creating exceptional experiences

We view our tenants as our clients who are integral to our business. We have developed and implemented our vision for client engagement aimed at ensuring a remarkable experience. When our stakeholders interact with us, we want them to experience a distinctive Attacq experience, not just a great experience.

Engaging, learning and responding

Our engagement philosophy embodies key behaviours of listening, collaborating, offering a versatile multichannel approach, and embracing innovation. This guides our CX journey. Our relationships with external stakeholders enable us to drive and fulfil our purpose as we continue to engage, learn and respond.

Responsive solutions during the pandemic

Most importantly, we listen to our clients to understand their issues in order to devise responsive solutions. During the pandemic, our management team worked closely with clients to determine their specific needs and develop appropriate solutions, from flexible lease restructuring options to rental discounts or deferrals. This has considerably strengthened the quality of our relationships with our clients.

Developing long-term relationships built on mutual trust

The challenges faced during these testing times have brought us closer to our stakeholders as we continue to build strong long-term relationships with our clients.

The value of building mutual trust has culminated in the GEPF transaction. This starts the journey of a mutually beneficial relationship enabling the future development of Waterfall City.

Stakeholder event, Attacq in the Park

Our approach to stakeholder engagement

Our approach to stakeholder engagement and collaboration is a fundamental pillar of our future growth, enabling us to gather valuable insights that inform our strategic decision-making process. By forming partnerships and fostering collaboration with our key stakeholder groups, we are able to successfully navigate challenges while deepening our understanding of their concerns, needs and expectations and thereby respond appropriately to their legitimate concerns and requirements. This concerted effort allows us to create significant long-term mutual value for the benefit of all involved while also providing key stakeholders with all the relevant information they need to accurately assess our performance and prospects.

We understand that our ability to deliver value depends on the contribution and activities of a range of different stakeholders and how we communicate with them. Through our CX journey, we focus on improving our stakeholders' experience with us, for example by introducing creative ways of communicating and onboarding all our clients within our precincts. We map material moments by each key stakeholder group to ensure that each stakeholder's experience meets expectations. We regularly review our engagement matrix to ensure all Attacq's relationships remain inclusive.

During the year, we hosted an "Attacq Day in the Park" event as an opportunity to reconnect with our stakeholders. It is our way to show our appreciation for their support and gives us an opportunity to demonstrate how we deliver on our promises. Attendees included financiers, analysts, shareholders, media, business partners, employees, and clients. We are planning to celebrate our 10-year listing anniversary with our key stakeholders in October 2023.

How we rate the quality of our stakeholder relationships

We rate the quality of our relationships against the following four categories:

1 Developing relationships
Relationships are still in their infancy, initiating two-way communication

2 Connected relationships
Two-way communication; company acts independently of stakeholder

3 Good relationships
Collaborative engagement with joint learning, decisions, and actions

4 Strong relationships
Integrating stakeholders into governance, strategy and operations management through meaningful collaboration

We discuss the stakeholder groups who have a substantive impact on our ability to create value, outlining their contribution to value creation, our means of engaging with them, and our response to their needs, concerns, and expectations to deliver value. We have also provided our internal assessment of the quality of our relationships.

Refer to our website for more information on those stakeholders mentioned on page 35 and not discussed here.

Our employees

159 employees across six offices

Quality of relationship: Good to strong 3 4

Indicators that substantiate a high level of overall employee satisfaction:
- Wellness survey result of 72%
- Employee satisfaction score of 78%
- Employee engagement score of 83%

Financiers

Six South African-based funders

Quality of relationship: Strong 4

- A strong willingness to provide funding to our organisation

Frequency and method of engagement
- Regular meetings and communication
- Requests for proposals
- Communicating compliance with financial covenants and information undertakings
- Bi-annual roadshow after results presentations
- Site visits

Enhancing value through managing our environment
- Support our business strategy
- Develop and maintain strong partnerships

Needs and expectations
- Real estate fundamentals
- Waterfall City development pipeline
- Understanding Attacq's ESG strategy
- Attacq's credit quality

Our response to needs and expectations
- Updates on the performance of the various properties
- Outlining our Waterfall City development pipeline
- Provide an understanding of our approach to ESG
- Provide clarity on Attacq's credit quality

Outlook
- Continued engagement and maintenance of strong relationships

Clients, both actual and potential

> 1 000 clients

Quality of relationship: Good to strong 3 4

- A trust relationship has developed due to continuous good communication and long-term business dealings
- Positive feedback through face-to-face engagements and client questionnaires

Frequency and method of engagement

- Website and newsletters
- Client roadshows and events
- MyBuildings app
- One-on-one meetings
- Client onboarding with on-site support team
- Intentional annual engagement through a scheduled calendar of events (e.g. Attacq in the Park)

Enhancing value through engagement

- Client retention, consolidation, and expansion
- Convert potential clients to actual clients
- Improving collection rate and early renewals
- Structured and flexible leasing on new deals and renewals
- Clients are the core of the communities within our hubs
- Community interaction initiatives

Needs and expectations

- Cost of occupancy, including cost related to loadshedding
- Client experience
- Flexible leasing terms to accommodate client requirements
- Incentives
- Maintaining continuity in utilities

Our response to needs and expectations

- Client-experience-focused
- Creative dealmaking, flexible leases and incentives
- Lowering the cost of occupancy initiatives
- Smart, safe, and sustainable building principles
- Quick turnaround times on requests and queries
- Partnering and finding synergies with clients (e.g. our cooperation with the Sage Foundation on Rise Against Hunger initiatives) page 96

Outlook

- Negotiate leases to protect long-term value
- Remain accessible and responsive to client needs and the ever-changing business landscape throughout the lease term
- Providing business continuity solutions (backup water and energy)
- Multi-channel approach to embedding the client experience journey

Community

Communities in our South African portfolio's retail-experience hubs

Quality of relationship: Good 3

- Positive engagement with communities – community participation in projects

Frequency and method of engagement

- Outreach programmes
- CSI initiatives
- ESD through the local community in the Waterfall City precinct
- Learnership programmed launched
- Business forums

Enhancing value through engagement

- Understand the community's needs
- Remain relevant
- Job creation, social upliftment, investing and hunger relief for children
- Focus areas are education, skills development and training and support of SMMEs
- School renovation, provision of school clothing and educational support

Needs and expectations

- Procurement process for Waterfall City developments
- Community projects launched through the Attacq Foundation

Our response to needs and expectations

- Local economic development programme incorporating enterprise development around Waterfall City
- Community projects
- Promote enterprise development, including support of Property Point
- All procurement to meet the Attacq minimum policy requirements
- Interest-free loans to suppliers
- Participation in the Rise Against Hunger initiative

Outlook

- Bursaries and learnerships for tertiary education
- Learnerships and on-the-job training for previously disadvantaged individuals including disabled learners
- Graduate/internship programme
- ESD, including the Property Point initiative
- Continue to support Phuthumani Primary School

Government, municipalities, regulators and industry bodies

South African government, municipalities, regulators and industry bodies

Quality of relationship: Connected 2

- Ongoing collaboration with local government and municipalities in the interests of sustainable development and improved service delivery

Frequency and method of engagement

- *Ad hoc* formal reports as required
- Gain firsthand knowledge of impending legal changes through representation of industry bodies, preparing the business for proposed implementations. Lobbying supports business interests during challenges
- Continuous engagement with employees on compliance through the Sentinel alerts and platform and annual compliance legislation training for all employees

Enhancing value through managing our environment

- Streamline approval processes
- Ensure compliance with applicable laws
- Municipalities: providing utilities and services as well as building approvals
- Active lobbying through SAPOA to contain municipal rates

Needs and expectations

- Local council: timely receipt of approvals and bulk utility services
- Infrastructure, including detailed traffic impact assessments, water and electricity
- Water-use licence approval process

Our response to needs and expectations

- Comply with all applicable legislation
- Represented certain key industry bodies to enhance engagement with municipalities and regulators
- Use of reputable service providers as experts to assist us in complying with legislation

Outlook

- Continue with engagement as necessary

Shareholders and investment analysts

7 795 shareholders, predominantly based in South Africa

Quality of relationship: Good 4

- Support of strategic decisions

Frequency and method of engagement
- Regular one-on-one meetings
- Results and ESG presentations
- AGM
- IR, website, SENS announcements, pre-close updates
- "Walk the City" tour of Waterfall City and other site visits

Enhancing value through managing our environment
- Creating a more diverse shareholder base to increase share liquidity
- Enhance market understanding of Attacq's business
- Ultimately ensure trading at a fair share price

Needs and expectations
- Market conditions
- Real estate performance
- Attacq's response to energy and water resilience and the rising cost of occupancy
- Waterfall City transaction with the GEPF and the impact thereof on balance sheet and earnings
- Potential share buy-back
- Distributions and yield

Our response to needs and expectations
- Clarity on Waterfall City transaction with the GEPF and the way forward
- Direct and honest feedback
- Annual "Walk the City" tour of Waterfall City and other site visits

Outlook
- Provide a multi-year outlook to shareholders regarding the earnings profile
- Explain Attacq's long-term strategy and progress, with a focus on ESG
- Obtaining direct feedback on how we can improve the quality of our relationships
- Build strong relationships with our new shareholders following the Waterfall City transaction with the GEPF

Shoppers

>44 million shoppers visit our six retail-experience hubs annually

Quality of relationship: Connected 2

- We leverage shopper behaviour insights, gained from experience and behavioural analytics, to stay relevant and enhance shopping experiences

Frequency and method of engagement
- Mall events and community work, social media
- Retail-experience hubs websites
- Help desks and complaints line
- Media house partnerships
- Formal shopper focus groups
- Formal shopper profile surveys every three years via Urban Studies
- Wi-fi captive portal (free mall WI-FI) used for shopper surveys
- SHŌPING app

Enhancing value through managing our environment
- Understanding shopping patterns, consumer experience and requirements
- Consumer behaviour and its impact on the value of our buildings
- Understanding major retailers' businesses and outlook, and meeting their needs with space in our retail-experience hubs

Needs and expectations
- New experiences, understanding shopper needs and enhancing convenience
- Communication with shoppers
- Health and safety measures

Our response to needs and expectations
- Provision of safe and secure retail experiences
- Brand and marketing initiatives
- Monitor and share shopper behaviour
- SHŌPING app
- Retail-experience hub strategy

Outlook
- Digital communication
- Remaining relevant
- Safeguard the longevity of our retail business models
- Safety and security of our shoppers

Waterfall City landowner

Waterfall City

Quality of relationship: Strong 4

- Mutually beneficial relationship based on respect and appreciation of the importance of sustaining the valuable asset

Frequency and method of engagement
- Ad hoc one-on-one engagement
- Monthly monitoring meeting
- Urban design committee
- WEMF

Enhancing value through managing our environment
- Retain and continue to build the relationship across all levels (marketing, legal, developments, property management) of the business

Needs and expectations
- Roll-out and management of Waterfall City precinct
- Urban design
- Leasehold payments
- Proposed developments
- Waterfall City to remain relevant to changing markets
- Security procedure within Waterfall City
- Problem resolution in a dynamic environment

Our response to needs and expectations
- Monthly monitoring meetings
- Alignment of approach
- Proactive management
- Common services agreement
- Standard operating procedures
- Collective branding and marketing efforts to align
- Deeper collaboration to source mutually beneficial solutions

Outlook
- Continue with frequent in-person engagements, maintaining our strong relationship

Governance

A decade of being a good corporate citizen

The practice of good corporate governance underpins our value-creation process and helps us establish and maintain trust with all our stakeholders.

Celebrating 10 years of growth and development

Commitment to governance excellence

Our commitment to sound corporate governance and effective leadership stands as a cornerstone of our value-creation process. Throughout the past 10 years, we have consistently enhanced our governance processes with best practices, encompassing the Companies Act, JSE Listings Requirements, and King IV.

Governance structure enhancements

Recently, our governance structure underwent a review through the Journey to Authenticity initiative, which includes a review of the code of ethics and conduct. We refined the terms of reference for our board committees and redefined our delegation of authority policy. These adjustments have streamlined our decision-making processes, ensuring operational efficiency within the bounds of our regulatory governance framework.

Driving transformation and diversity

During this same period, our board has demonstrated commitment to transformation and diversity by appointing non-executive directors representing a diverse range of backgrounds and demographics, including race, gender and expertise.

Maturing governance practices

As we reflect on our experiences, we have gained valuable insights which have been instrumental in fostering maturity within our governance practices, and cultivating a foundation of ethics. This journey has revealed that building a trust-based relationship between management and the board can only be established upon sound governance principles and ethical conduct. Attacq's investment in quality, transparent reporting, and attention to detail - particularly within board packs - mirrors our commitment to excellence, integrated thinking and sound decision-making.

The diligence with which we approach governance, ethics, and decision-making demonstrates that Attacq is a responsible corporate citizen.

Our executive management team: Front: Raj Nana, Jackie van Niekerk, Wyna Modisapodi, Peter de Villiers Back: Michael Clampett, Janine Palm, David Oosthuizen

Governance overview

The board is our custodian of governance. It uses its board and committee meetings to discharge its duties in terms of the board charter, the Companies Act, the JSE Listings Requirements, King IV and legislation regulating our industry, always ensuring adherence to the highest ethical standards, and best international corporate governance practices.

A culture of good governance is embedded throughout the organisation and across all occupational levels. Our governance framework, policies and processes, risk and opportunity management, and approach to sustainability and remuneration support our overall value-creation process and complement our entrepreneurial approach to conducting business.

The board and executive management are guided by Attacq's values in all their decision-making and their actions are driven by Attacq's purpose and vision (see **page 10**).

Delegation of authority

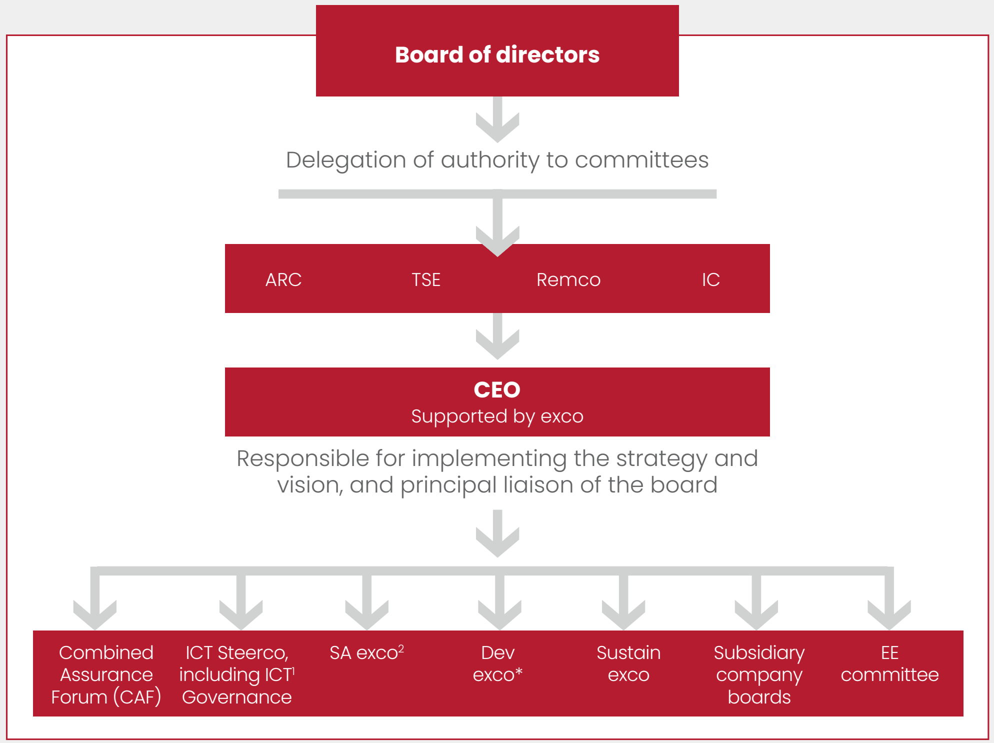
The structure of the board and its committees - and the allocation of responsibilities in terms of the approved delegation of authority policy – enables each of the key functions of the board to be carried out by the board members with the expertise and authority required to do so. The board prioritises the achievement of an actual balance of power, ensuring no individual director has undue influence on board processes or decision-making.

The board committees, being the ARC, TSE, remco and IC, are appropriately constituted according to all legislative requirements and clearly documented terms of reference that set out their scope, delegated responsibilities and powers of authority. We completed a review of our committees' terms of reference during the reporting year to ensure continuous adherence to best corporate governance practices.

The board delegates the management and implementation of Attacq's strategy to exco, led by the CEO, in line with clear KPIs that have been set and that are monitored by remco.

Governance framework

Our governance framework (as detailed below) provides a solid foundation for the application of King IV and enables us to achieve our strategic objectives in corporate governance.



* Dev exco: development executive committee
[1] ICT Steerco: ICT steering committee
[2] SA exco: South African portfolio exco

Key elements	Good governance practices	Ethical culture	Remuneration governance	Board and executive management	Transparency and disclosures
Strategic objective	Act to protect the interest of the company, shareholders and other stakeholders				
FY23 intended outcomes and KPIs	▪ Continue to embed an efficient and effective governance framework and continue to fully comply with all relevant legislation and regulations ▪ Implement targeted digital Compliance Risk Management Plan integration throughout the business	▪ Complete Phase 2 of the Journey to Authenticity, Ethics Programme, focusing on formulating and implementing an ethics framework	▪ Proposed changes to the remuneration policy to be tabled for remco's consideration and subsequent implementation of approved recommendations	▪ Consider board non-executive director (NED) and exco succession planning ▪ Consider new board appointments to meet diversity targets as set out in the board diversity policy	▪ Continue with open communication and transparent disclosures ▪ Assess recommendations of the voluntary JSE Sustainability and Climate Disclosure Guidance, June 2022
FY23 performance	▪ Continuous enhancement of governance practices and procedures in accordance with changes in regulatory requirements ▪ Deployment of risk software to assist with compliance in progress (see Legal and regulatory compliance risk, **page 45**)	▪ Completed Phase 2 of the Journey to Authenticity, Ethics Programme (see **page 109** for more information) ▪ Commenced with the final phase (Phase 3) of the Journey to Authenticity, Ethics Programme (see **page 109** for more information)	▪ Received approval for, and implemented, proposed changes to the remuneration policy (see Remuneration report on **page 121** for more information) ▪ Benchmarking exercises are completed on a departmental basis and subsequent salary adjustments made where required	▪ Appointed two independent non-executive board members (see **page 112**) ▪ Completed board and committee performance evaluation (see **page 112**) ▪ The appointment of a number of NEDs is envisaged in the next 18–24 months to align with the board's skills requirements and pending retirements ▪ Board approved the exco succession plan on recommendation by remco	▪ Continue with open communication and transparent disclosures ▪ Continue to assess the recommendations of the voluntary JSE Sustainability and Climate Disclosure Guidance, June 2022
FY24 intended outcomes and KPIs	▪ Digital compliance regulatory environment implementation ▪ Focused training for board where appropriate	▪ Complete the final phase (Phase 3) of the Journey to Authenticity, Ethics Programme and monitor the implementation thereof	▪ Continual engagement of remuneration policy and implementation report with relevant stakeholders ▪ Alignment with Proposed Companies Act Amendment Bills of 2021 and 2023	▪ Continue to monitor the improvement areas as recommended in the 2023 board and sub-committees' performance evaluation and improve communication with NEDs ▪ NED and executive succession planning to remain a key focus area	▪ Continue with open communication and transparent disclosures in line with regulatory requirements ▪ Consider implementing recommendations of the voluntary JSE Sustainability and Climate Disclosure Guidance, June 2022

Our leadership

Independent NEDs

Pierre Tredoux (66)

Appointed: February 2005, January 2012 (board chairperson)

Qualifications: CA(SA)

External directorships*: Barnstone Group (executive), Atterbury Property Holdings (Pty) Ltd

Hellen El Haimer (49)

Appointed: August 2013, September 2017 (lead independent, TSE chairperson)

Qualifications: BSocSc, LLB, Hons (strategic management), Advanced diploma in property investment

External directorships: FM Institute (Pty) Ltd, Rhyco Risk Projects (Pty) Ltd

Fikile De Buck (63)

Appointed: February 2023

Qualifications: BA (Economics and Accounting), FCCA

External directorships: Mercedes-Benz South Africa Ltd, AECI Ltd

Thabo Leeuw (60)

Appointed: February 2021

Qualifications: BCompt (Hons), Management Advancement Programme

External directorships: Thesele Group (Pty) Ltd (executive), Hulamin Ltd, Rhodes Food Group Ltd, MandG Investments South Africa, Vexila (Pty) Ltd

Ipeleng Mkhari (49)

Appointed: March 2018

Qualifications: BSocSc (Psychology and Industrial Psychology), Executive Development Program

External directorships: Motseng Investment Holdings (Pty) Ltd (CEO), Revego Africa Energy Ltd, iBuild (Pty) Ltd

Gustav Rohde (62)

Appointed: February 2023

Qualifications: PhD (Civil Engineering)

External directorships: Zutari (Pty) Ltd, Advisory BEE Board of the University of Cape Town, Engineering Advisory Board of the University of Stellenbosch

Stewart Shaw-Taylor (71)

Appointed: November 2012

Qualifications: CA(SA)

External directorships: Newpark REIT Ltd

Allen Swiegers (62)

Appointed: January 2021, February 2023 (ARC chairperson)

Qualifications: CA(SA)

External directorships: Red Sun Hortitech (Pty) Ltd, Council member and member of the Audit Committee of the University of Pretoria

Johan vd Merwe (58)

Appointed: May 2008 (remco chairperson)

Qualifications: CA(SA), MCom (tax), MPhil (finance)

External directorships*: Co-CEO of African Rainbow Capital Investments Ltd

Key to committees

- **ARC:** Audit and risk committee
- **TSE:** Transformation, social and ethics
- **Remco:** Remuneration committee
- **IC:** Investment committee

* For full disclosure of all directorships refer online

Key to committees

- **ARC:** Audit and risk committee
- **Remco:** Remuneration committee
- **TSE:** Transformation, social and ethics
- **IC:** Investment committee

Our executive management

Executive directors

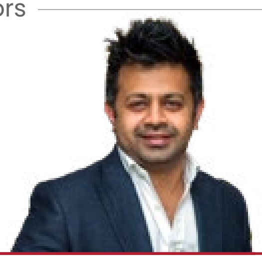
Jackie van Niekerk (40)

CEO

Appointed: April 2017 (COO), June 2018 (board member), May 2021 (CEO)

Qualifications: BCom (General)

External directorships: SAPOA



Raj Nana (40)

CFO

Appointed: April 2014, June 2018 (CFO)

Qualifications: CA(SA)

Wyna Modisapodi (49)

Company secretary, legal and compliance executive

Appointed: June 2022

Qualifications: BProc, LLB, LLM, Postgraduate Diploma (Tax Law and International Tax)

Michael Clampett (42)

Property and asset management executive

Appointed: July 2015, July 2021 (current role)

Qualifications: CA(SA), Corporate Innovation Certificate

Janine Palm (40)

Social executive

Appointed: October 2021

Qualifications: BCom Hons (Industrial and Organisational Psychology), MPhil (Corporate Strategy)

Standing invitees to exco

Debbie Theron (56)

Head of property and asset management – mixed-use and commercial

Appointed: May 2014

Qualifications: BA (Law)

Lourens du Toit (37)

Head of sustainability, infrastructure and land

Appointed: November 2018, May 2022 (current role)

Qualifications: BEng, MBA

Leemisa Tsolo (37)

Head of Asset Management – Retail

Appointed: January 2022

Qualifications: MSc (Building: Property Development and Management)*

Peter de Villiers (45)

CIO

Appointed: July 2013

Qualifications: CA(SA), CFA

David Oosthuizen (40)

Development executive

Appointed: June 2017, May 2022 (current role)

Qualifications: BSc (Property) Hons, MRICS

* For full disclosure of all qualifications refer online

Our board

Ethical leadership

Ethical leadership is key to our ability to deliver on our value-creation commitments. The board is committed to the three principles outlined below:

Accountability
We believe our activities must withstand scrutiny by all stakeholders, including shareholders, the communities in which we operate, clients, suppliers, media, our employees, regulatory bodies and other stakeholders.

Integrity and fairness
These are our key principles in dealing with all stakeholders, including fellow directors, shareholders, our employees, our clients, our suppliers, residents in the communities in which we operate, our JV partners, financiers and other stakeholders.

Transparency
We maintain an environment of openness and transparency that gives confidence to all our stakeholders.

Attacq's code of ethics and conduct policy

The board adheres to the directors' code of ethics and conduct policy, which is updated from time to time to consider changes in legislation, other legal requirements and codes of best practice adopted by Attacq.

The code of ethics and conduct for directors is underpinned by an extensive and well-established framework of policies and processes, which set out the board's responsibility to shareholders and other stakeholders of the company. All board members are required to submit a director's declaration of interest annually, or as necessary, in line with the requirements of the Companies Act. The responsibility for monitoring our ethical culture has been delegated to the TSE, in line with the requirements of the Companies Act. The TSE oversees both the code of conduct for directors and the code of ethics and conduct for employees. The ARC monitors ethical culture from a risk and compliance perspective.

Ethics programme

We commissioned a leading independent corporate governance firm to help us improve and support our ethics programme, the "Journey to Authenticity". This programme consists of three phases.

Phase 1 was focused on aligning Attacq's stated mission, values and how we foster ethical behaviour. We completed this phase in FY22, during which the board, exco and Sky-riser volunteers were interviewed to further develop and mature ethical practices in Attacq.

Phase 2 was completed during this year and included a gap analysis on our existing documentation. Following the gap analysis, recommendations to strengthen and redesign our ethics framework were suggested.

Phase 3 commenced in June 2023 and focused on revising the code of ethics and conduct, adopting a fit-for-purpose ethics risk profile, developing KPIs to monitor compliance, assessing ethics management risks and implementing the recommendations.

Whistle-blowing

An independent whistle-blowing facility with anonymous tip-off reporting is in place at Attacq. The TSE approved the appointment of Deloitte Tip-Offs Anonymous Proprietary Limited as the new service provider with effect from 25 January 2023, with the resultant mandatory training and awareness campaign to all employees, and necessary updates of the whistle-blowing policy. All breaches of the code of ethics and whistle-blowing policy are investigated. Zero whistle-blowing incidents have been reported during the period under review.

Waterfall Corporate Campus - building 7, Waterfall City

Key leadership roles

There is a clear distinction between the roles of the chairperson of the board and the CEO, as defined in the board charter. This separation of roles promotes an appropriate balance of power and authority on the board to ensure no one director has unfettered powers in decision-making in line with the JSE Listings Requirements, paragraph 3.84(a) and 3.84(b) as well as King IV.

Chairperson

The chairperson presides over meetings of the board and leads the board so as to ensure it is effective in setting and monitoring the implementation of Attacq's strategy. The chairperson remains responsible for upholding the integrity and effectiveness of the board, its committees and board governance processes.

Lead independent director

The board has voluntarily elected to appoint a lead independent director in terms of King IV and paragraph 3.84(b) of the JSE Listings Requirements. The lead independent director chairs the board in the absence of the chairperson or if the independence of the chairperson is considered impaired. The lead independent director also directs the performance appraisal of the chairperson, and presided over the re-election of the board chairperson at the November 2022 AGM.

CEO

The CEO is responsible for the operational management of Attacq, in line with the approved delegation of authority, and for implementing the strategy and vision, as approved by the board. The board sets clear KPIs for the CEO, which are aligned with the approved strategy of Attacq at the board strategy session held on 4 and 5 May 2023, and are monitored by remco. The CEO is the principal liaison between management and the board with the support of the company secretary, where necessary.

Company secretary

Wyna Modisapodi is appointed as company secretary and acts as the governance advisor to ensure the board is aware of its fiduciary duties and responsibilities and kept abreast of relevant changes in legislation and governance best practice. She acts as company secretary to the board and its committees. The board has unfettered access to the company secretary. The board assessed the company secretarial function for the review period, as required by the JSE Listings Requirements and confirms that the company secretary continues to demonstrate the requisite level of knowledge and experience to carry out her duties.

The board is also satisfied that she is independent of management; does not have executive duties and responsibilities, aside from the core responsibilities of a company secretary; is not a material shareholder of Attacq and is not party to any major contractual relationships with Attacq.

The certificate that the company secretary is required to issue in terms of section 88(2)(e) of the Companies Act is on our **website** as part of the AFS.

Board diversity

Board diversity is prioritised and viewed as a key lever for value creation. To this end, the board has adopted a policy to promote broader diversity at board level, specifically focusing on diversity of gender, race, culture, age, field of knowledge, skills and experience.

When appointing new board members, diversity targets are considered, e.g. at least 50% of the directors should be from previously disadvantaged groups and at least 50% of the directors must be female, in support of the board's commitment to diversity. Notwithstanding the absence of specific targets, the board's commitment to diversity extends to all aspects of diversity as mentioned.

Board independence

An assessment of the independence of directors serving for a period longer than nine years is conducted annually, as recommended by King IV. Accordingly, the board considered and confirmed the independence of Pierre Tredoux, Hellen El Haimer, Stewart Shaw-Taylor and Johan van der Merwe and confirmed that they remain suitably independent to continue to serve on the board in line with Principle 7 of King IV.

Board leadership and performance

The board ensures that the company achieves its strategic objectives and creates value for stakeholders over time. Furthermore, the board proactively assesses and monitors the company's risk environment to make informed decisions to ensure the future sustainability and long-term success of Attacq.

The composition of the board reflects the board's prioritisation of appointing ethical, experienced, diverse and independent leadership to safeguard the legitimacy of its authority and decisions. The collective efforts of the executive directors and NEDs enable comprehensive board discussions centred around innovation, differentiation and continuity in managing the business.

A stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders, in line with principle 16 of King IV, has been adequately considered and implemented.

Board competence, skills and experience

Our board possesses the relevant skills and experience required to fulfil our purpose and achieve our strategic outcomes.

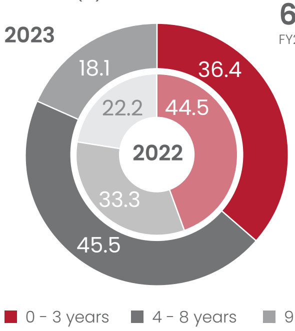
The board has sufficient working knowledge of the organisation, its industry, its operating context, the capitals it uses and allocates, as well as the laws, rules, codes, and standards applicable to the group. The board is satisfied that its diversity in the age, race, tenure and gender of its directors, as well as their varied qualifications, skills and experience, allows for robust discussion and considered decision-making in the formulation, implementation and monitoring of Attacq's strategy.

Remco regularly reviews the possible need to strengthen and balance the knowledge, skills, experience, diversity and independence of the board and its committees. Where required, independent experts are consulted to assist remco.

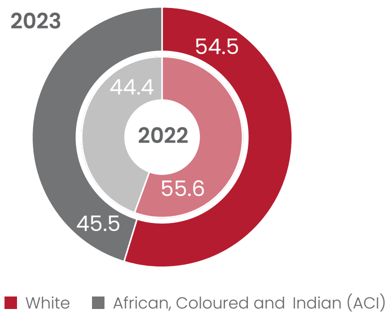
Skills	Financial capital		Manufactured capital		Environmental capital	Human capital		Social capital			Intellectual capital		Governance		
Board members	Financial accounting, reporting, taxation	Financial markets/ funding	Property development	Property management	Environmental sustainability	Human resources	Remuneration and rewards	Corporate social responsibility, transformation	Health and safety	Stakeholder relationships	Technology and cyber-security	Investment and asset management	Risk and opportunity management	Corporate governance	Legal
Pierre Tredoux	■	■	■	■			■	■		■		■	■	■	
Hellen El Haimer			■	■	■	■		■	■		■		■	■	■
Fikile De Buck	■	■					■	■				■	■	■	
Thabo Leeuw	■	■				■	■				■	■	■	■	
Ipeleng Mkhari			■	■		■	■	■		■		■	■		
Gustav Rohde	■	■			■	■	■	■	■	■	■		■	■	
Stewart Shaw-Taylor	■	■	■	■			■			■		■	■	■	
Allen Swiegers	■	■				■		■		■			■	■	
Johan van der Merwe	■	■	■				■			■		■			
Jackie van Niekerk			■	■	■			■	■	■	■	■			
Raj Nana	■	■	■				■			■		■	■	■	

Tenure (%)

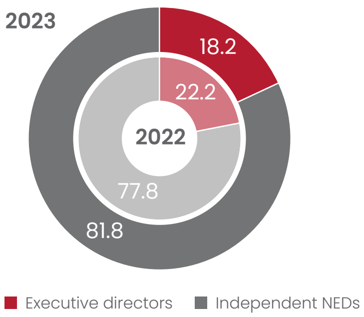
Average 2023
6.6 years
FY22: 7 years



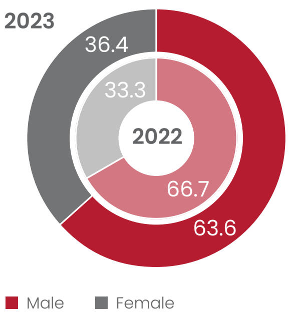
Racial diversity (%)



Independence (%)

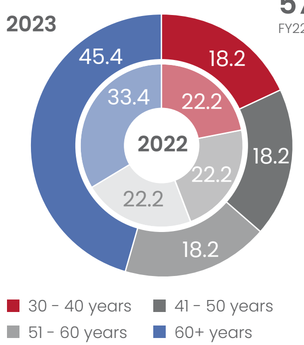


Gender diversity (%)



Age (%)

Average 2023
57 years
FY22: 54.9 years



Board appointments, resignations, retirement and re-election

Appointments	Allen Swiegers was appointed as the ARC chairperson with effect from 1 February 2023. Fikile De Buck and Gustav Rohde were appointed as independent non-executive directors with effect from 1 February 2023. Fikile serves as a member of the ARC, and Gustav serves as a member of the TSE.
Resignations	Allen Swiegers resigned from the TSE committee on 1 February 2023 to focus on his functions as the newly appointed ARC chairperson (1 February 2023).
Retirements	To ensure the successful implementation of Waterfall City transaction with the GEPF, the board has agreed that Stewart Shaw-Taylor will not step down from the board at the end of the 2023 calendar year, as was communicated in the SENS published 23 October 2023, given his extensive experience in property development, strong corporate memory and in-depth business understanding. However, he will resign from the ARC and focus solely on IC matters. Stewart has agreed to avail himself and will resign from the board at the 2024 AGM. For the same reasons above, the board chairperson, Pierre Tredoux, will also not be resigning from the board at the end of the 2024 calendar year and will continue to serve as the board chairperson and chairperson of IC until his rotation which falls due at the 2025 AGM. Consequently, in light of the extended tenure of Pierre Tredoux and Stewart Shaw-Taylor, the recruitment of new NEDs will only commence towards the end of 2024. The extended tenure of Pierre Tredoux will also assist in the smooth transition and successful handover of chairmanship to the new incumbent once identified.
Re-election	In terms of the company's Memorandum of Incorporation (MOI), one-third of directors retire by rotation each year and are eligible for re-election by shareholders at the AGM. After due consideration, the board has recommended the re-election of Hellen El Haimer, Thabo Leeuw and Allen Swiegers. The tenure of directors is reviewed individually by the board. The re-election of long-serving directors namely: Pierre Tredoux, Stewart Shaw-Taylor, Hellen El Haimer and Johan van der Merwe is on the recommendation of remco, following a review of their independence.

The retirement age for NEDs is 70 years. The MOI provides that directors who have reached retirement age may remain on the board, subject to annual performance reviews. Due to the anticipated retirement of certain board members in the near future, a staggered approach to ensure a successful handover and to maintain continuity will be implemented. Spencer Stuart has been engaged to develop a board succession plan specifically for this process, particularly as the forthcoming exits will also include the board chairperson. Board appointments to be made will consider the appropriate mix of skills, experience and diversity in terms of this succession plan.

Board and committee evaluations

The board

An independent board and committee evaluation was conducted by an independent service provider during FY23 and feedback was provided to the board in 16 November 2022. The evaluation included board culture, committee and individual style surveys and questionnaires, followed by face-to-face interviews.

The overall results of the evaluation indicated that the board and each of its committees are "highly effective", an improvement from the "effective" rating received in 2020. All subcategories of the evaluation indicated a "highly effective" score with the "composition of the board" and the "boardroom behaviours" categories rated as "effective".

Positive insights and improvements from the previous board evaluation in 2020 include that:

- the board effectively manages the current business and has incorporated an increased focus on the future and sustainability of the business; and
- although already congenial, the relationship between the chairperson and the CEO has significantly improved, which implies improved working relationships, alignment and communication between the board and management.

The following key themes emerged as focus areas for improvement, based on a combination of lowest rankings and greatest divergence between executive and non-executive perspectives:

- **Boardroom behaviours:** focus on providing and receiving feedback on a more regular basis, to ensure that directors' behaviours positively contribute to the functioning of the board, increased engagement and contribution by members.
- **Succession planning:** communicate succession planning and processes for both the board and CEO more formally with the broader board.
- **Committee effectiveness:** committees are effective and specific areas for focus have been identified during the evaluation, lifting from a detail orientation to strategic perspectives and providing strategic oversight while managing appropriate boundaries with management.

The chairperson has, subsequent to this board evaluation, formally communicated succession planning and processes for both the board and CEO to the broader board. Two NEDs have been appointed on 1 February 2023 as part of the succession planning for the board.

Other risks and compliance matters

Combined assurance

Attacq has adopted a combined assurance model to further strengthen the internal control environment and enhance the assurance obtained from management, and internal and external assurance providers. A combined assurance governance framework is in place.

Combined Assurance Forum

Combined assurance is overseen and implemented through the Combined Assurance Forum (CAF) with assistance from the ARC. CAF supports the board in embedding combined assurance in the business. The terms of reference of CAF (aligned to the ARC terms of reference where necessary) are approved and noted at ARC. CAF members comprise exco, identified senior management, a representative from internal audit (BDO), and a representative from our external auditor (EY).

CAF concern themselves with risk, governance, assurance and compliance matters in accordance with the approved Combined Assurance Plan.

Attacq's response to risks affecting it is arranged according to the three lines of the defence model, as outlined below:

	1st line of defence	2nd line of defence	3rd line of defence
Risk	Management	Corporate functions	Independent assurance providers
Control	Maintain an effective internal control structure	Consultation to, and collaboration with 1st line on risk mitigation	Risk and control consultation on approved scope
Assurance	Periodic attestations based on control self-assessment	Periodic attestations based on inspections, reviews and assessments	Provision of independent and objective assurance
Oversight	Provide ongoing monitoring of control performance	Monitor the effectiveness of internal processes and Attacq's compliance therewith	Timely execution of assurance activities

The board is satisfied that the combined assurance model incorporates and optimises the various assurance services and functions so that, taken as a whole, they support the achievement of the objectives for assurance.

The board assumes responsibility for the integrity of external reports issued by the organisation by setting the direction for how assurance of these should be approached and addressed, considering legal requirements in relation to assurance. The board is satisfied that the combined assurance model is effective and sufficiently robust for stakeholders to be able to rely on the underlying statements made by the board concerning the integrity of the organisation's external reports.

The board, on recommendations from ARC, assesses the output of our combined assurance and the degree to which an effective control environment has been achieved.

Magwa House, Maxwell Office Park, Waterfall City

Compliance with applicable laws

Attacq has remained compliant with all applicable laws, particularly with reference to the incorporation provisions as set out in the Companies Act and has operated in conformity with the company's MOI during the year under review.

Dealing in securities

Attacq has adopted a policy on trading in securities in line with the Companies Act, read together with the JSE Listings Requirements and Financial Markets Act of 2012.
Our closed periods are in effect from 1 January until the publication of interim results and from 1 July until the publication of year-end results.

Closed periods also include any period where Attacq is trading under a cautionary announcement. All directors' dealings, including prescribed officers and associate dealings where the director has control of securities as defined in the Financial Market Acts, No 19 of 2012, or voting rights, require the prior approval of the chairperson, CEO or CFO.

Annual compliance certificate

Attacq has complied with the JSE Listings Requirements, specifically the disclosure requirements prescribed therein. The annual certificate confirming the company's compliance was completed and submitted to the JSE on 18 October 2022.

Sponsor

Attacq maintains a good working relationship with its sponsor, Java Capital Trustees and Sponsors (Pty) Ltd. The board is satisfied the sponsor has fulfilled its obligations for the year under review as per the JSE Listings Requirements.

Access to information

Board members have direct access to Attacq's external auditor, internal auditor, company secretary and all members of exco. The MOI, the board charter and committees' terms of reference provide for any director to obtain independent, external professional advice at the cost of the company on matters within the scope of their duties.

Application and implementation of King IV

Attacq has adopted the principles and recommended practices of King IV. The King IV application register is available on our **website**

Rotation of auditors

EY have been our external auditors since FY21, and our outsourced internal audit function has been managed by BDO since FY22.

Governance of ICT

The board approved the ICT governance framework during FY23. Our ICT Steerco monitors the adherence to the ICT governance framework and the progress against the ICT plan. ARC reviews the progress made on the ICT plan and updates the board. For more information on the roll-out of our ICT plan, refer to Intellectual Capital, **page 70**.

Sustainability-related governance

Attacq as a responsible corporate citizen has a stakeholder-inclusive policy to ensure the interests and expectations of our stakeholders are considered in accordance with Principle 16 of King IV. The TSE, as delegated by the board and in accordance with its terms of reference, is responsible to address all sustainability-related matters.

Climate-related risks and opportunities

The board is responsible for climate-related issues. The board's climate-related responsibilities include assessing the identified climate-related risks and opportunities and the effectiveness of the management thereof and reviewing the resilience of the business strategy considering identified climate-related risks and opportunities.

The board, through the TSE and ARC, reviews climate-related information at its meetings, including information regarding material risks and opportunities that could result from climate change.

The board delegates responsibility for people matters and ESG issues to executive management who is tasked with monitoring the integration of ESG into daily business practices. The CEO is responsible for the management of climate-related issues within the group with climate-related responsibilities that include:

- Oversight of the process to identify and manage climate-related risk and opportunities
- Operationalisation of the business strategy considering the climate change risks and opportunities
- Oversight of the implementation of the environmental plan

Board and committee focus areas

Attendance at board meetings

The board demonstrated overall meeting attendance of 98.5% (FY22: 97.2%), which affirms the board's commitment to their responsibilities to group.

The board and committees meet quarterly, except for the IC, which meets when necessary. These meetings are scheduled annually in advance. In addition, a two-day board strategy session was held on 4 and 5 May 2023 for the board to set strategy that aims to navigate the current challenging operating environment in which the company finds itself.

The board established a working committee, comprising ARC members and the board chairperson, to review the documents regarding the proposed Waterfall City transaction with the GEPF (including the JSE Circular). The working committee held two *ad hoc* meetings.

Name	Board	ARC	TSE	Remco	IC
Meeting attendance (%)	97.5	100.0	95.0	100.0	100.0
Pierre Tredoux	4/4	-	-	4/4	5/5
Helen El Haimer	4/4	4/4	5/5	-	-
Fikile De Buck*	1/2	2/2	-	-	-
Thabo Leeuw	4/4	-	-	-	5/5
Ipeleng Mkhari	4/4	-	4/5	4/4	-
Gustav Rohde*	2/2	-	2/2	-	-
Stewart Shaw-Taylor	4/4	4/4	-	-	5/5
Allen Swiegers*&	4/4	4/4	3/3	-	-
Johan van der Merwe	4/4	-	-	4/4	5/5
Jackie van Niekerk#	4/4	4/4	5/5	4/4	5/5
Raj Nana^	4/4	4/4	-	4/4	5/5

Standing invitee of TSE (4/4), ARC (4/4) and remco (4/4)
^ Standing invitee of ARC (4/4) and remco (4/4)
* Allen resigned from the TSE on 1 February 2023. Fikile and Gustav were appointed as non-executive directors on 1 February 2023
& Allen's attendance of the February 2023 TSE, post his resignation from the TSE, was due to handover to Gustav

Matters considered by the board during FY23, up to the date of publishing this report

The board is satisfied it has fulfilled its responsibilities for the reporting period in terms of its newly approved charter.

Key matters **considered**

- Reviewed alignment of board committees
- Enhancement of the board committees' respective terms of reference
- Reviewed succession planning
- Reviewed annual assessments of board independence
- Board culture feedback (including CEO impact assessment)
- Confirmation of directors' annual declaration
- Reviewed group strategy
- Noted board committee feedback
- Group capital structure and allocation of capital
- Business update and asset disposal plan
- Confirmation of group insurance cover
- Enterprise risk management reports
- IT governance report
- ESG plan
- Reviewed the FY23 IR theme and material matters
- Confirmation of REIT compliance
- Legislative and regulatory compliance report
- Stakeholder engagement matrix
- Annual review of company branding and marketing

Key matters **resolved** and **approved**

- Approval of the board charter, delegation of authority and the committees' revised terms of reference
- Approval to list on the A2X
- Updated strategy of the company
- Interim financial results and annual financial results, including dividend declaration and payout ratio approval

Key matters reviewed and recommended to the board for approval:

- Remuneration policy
- Relation with shareholders and other stakeholders
- Approved the publication of the FY22 integrated report, based on the ARC's and TSE's recommendations
- Approval of asset valuations, including leasehold land, by external property valuers
- Approval of the refinement of the Attacq strategy
- Budget for FY24
- Cash flow forecast, covenant sensitivities, solvency and liquidity statement and Section 45 financial assistance
- Approval of interim and final dividend
- Approval of the distributable income guidance
- Approval of the GEPF's 30% acquisition in AWIC and supporting transaction documents
- Appointment of two NEDs to the board and committees

Report on committees of the board

ARC

The ARC is satisfied it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Composition: Allen Swiegers (appointed as chairperson on 1 February 2023), Stewart Shaw-Taylor (resigned as chairperson on 1 February 2023), Hellen El Haimer and Fikile De Buck (appointed on 1 February 2023)

Raj Nana and Jackie van Niekerk are standing invitees with no voting powers. Representatives of internal audit (BDO) and external audit (EY) are also standing invitees with no voting powers. Wyna Modisapodi (company secretary) is a standing invitee to all meetings. Also refer to the ARC report contained in the AFS, which is available **online**

Matters considered by ARC during FY23, up to the date of publishing this report

Key matters **considered**

- Key matters considered
- Significant judgements and estimates in the preparation of the financial statements
- Going concern and liquidity
- Debt exposures and refinancing updates
- Valuation of investment property, leasehold land and developments under construction
- New and existing IFRS statements and guidelines and the impact thereof on the AFS
- Key risks and mitigation strategies and procedures
- Annual insurance cover including cover by SASRIA SOC Ltd
- Litigation report
- Insurance claims
- Status of Companies and Intellectual Property Commission and South African Revenue Service filings
- Progress and ongoing suitability of BDO in the internal audit function
- Internal audit findings
- Internal audit charter
- Combined assurance plan
- Internal Financial Controls
- ICT governance and processes
- Independence and appropriateness of the expertise and experience of the external auditor
- Annual meeting with internal and external auditors without the CFO being present
- JSE accreditation in respect of external auditor
- JSE proactive monitoring document
- Changes proposed by the OHS Bill and OHS Act compliance
- REIT compliance certificate

Key matters **resolved** and **approved**

Confirmed:

- To the board the ongoing solvency and liquidity of the company as required from time to time
- The suitability of the level of expertise, resources and experience of the company's finance function and the suitability of the expertise of the CFO

Approved:

- The internal audit plan and budgeted fees, and reviewed progress reports
- The scope of work and approach of the external auditor for interim and year end as well as the budgeted fees thereof
- The trading statement and the long-form SENS announcements
- EY as independent reporting accountant in respect of the JSE Circular (Waterfall City transaction with GEPF)
- Adopted the risk register and procedures implemented to mitigate risks

Key matters **reviewed** and **recommended** to the board for approval

- The adoption by the board of the valuations carried out by external property valuers on investment property, developments under construction and leasehold land
- The risk management and combined assurance policy and framework
- ARC terms of reference
- Interim and annual financial results
- The JSE Circular (Waterfall City transaction with the GEPF)
- This IR

Focus for **FY23** and **beyond**

- Key matters and financial reporting
- Combined assurance plan
- Monitor that the necessary training is provided to relevant employees once the OHS Amendment Bill 2023 is effective (until then employees are to attend Hazard Identification and Risk Assessment and Applying Safety, Health and Environment Principles and Procedures courses which will address some of the key changes of the OHS Amendment Bill 2023)

TSE

The TSE is satisfied it has fulfilled its mandate in accordance with its terms of reference for the reporting period.

Composition: Hellen El Haimer (chairperson), Ipeleng Mkhari, Gustav Rohde (appointed on 1 February 2023), Allen Swiegers (resigned on 1 February 2023)

Jackie van Niekerk is a standing invitee with no voting powers. Wyna Modisapodi is the secretary of the meeting and attends as company secretary.

Note from the chairperson

The TSE plays a pivotal role in guiding Attacq to fulfil its purpose and vision underpinned by our value-based strategy and with a focus on positively impacting our communities and the environment we operate in.

The TSE has provided focused and dedicated advice and support to Attacq's executive management over the last 10 years.

The performance of key activities, some mentioned across this report, demonstrates Attacq's commitment to being a responsible corporate citizen.

The TSE oversees the governance of environmental, social, and ethical matters relating to the group in addition to its statutory duties. The TSE assists the board in setting the tone for an ethical corporate culture and the ongoing commitment to developing the communities in which Attacq operates.

We have seen improvements in key focus areas, including ethics and corporate culture and the reporting thereof, employee change management, environmental sustainability matters and the overall diversity and transformation agenda within Attacq.

The TSE will continue to drive the integration of ESG elements (group strategy) into Attacq's core business to promote a sustainable future for Attacq and our key stakeholders.

Transformation

We continue to explore innovative and positive mechanisms of supporting transformation within Attacq and across our stakeholders. Our genuine commitment to inclusion and transformation was evidenced in our achievement of a B-BBEE Level 1 rating for FY23 (FY22: Level 1). Refer to social capital on **page 93** for more detailed information.

Social

The TSE oversees and monitors the implementation of key activities and projects to promote sustainable social investment, ensuring that there is effective measurement of the impact for recipients. A few notable activities for the year under review include:

1. Attacq, Attacq ESD and Property Point Green Intake entering another year of the Property Point Local Economic Development Programme (see **page 99**).
2. Attacq Foundation and Sage Foundation continued its joint collaboration with the Phuthumani Primary School, with a focus on digital learning tools.

   The Rise Against Hunger campaign held on 18 July 2023 signified the strength of partnerships as this year's event included notable Waterfall City clients, such as Pfizer, Astute and MIX 93.8FM who realised the impact of the programme, joined and contributed as additional partners. Notable other organisations included OUTsurance and EOH (see **page 96**).

Ethics

Attacq adopts a robust and effective legislative compliance awareness process. This process is monitored by the TSE (refer to the governance report on **page 104**).

The TSE supports the recommendation by exco to roll out and implement Phase 3 of the Journey to Authenticity, Ethics Programme during FY24. This includes a revised code of ethics and conduct policy for NEDs and employees; a fit-for-purpose ethics risk profile of structured KPIs to enable the board and management to monitor compliance with ethics policies and procedures; and employees' change management.

The TSE reviewed the employee wellness and satisfaction survey results and supports the continued assessment of the Attacq corporate culture.

Environment

The TSE welcomes Attacq's fit-for-purpose approach to sustainability and its overall commitment to compliance with the suite of environmental legislative.

The TSE supports Attacq's innovative energy, water and waste solutions which are a testament to the continued commitment to integrated and sustainable solutions aligned with the overall strategy (see **page 74**).

The role of the committee

The committee's roles and responsibilities include:

- Planning, guiding and monitoring the group's strategy for transformation
- Monitoring compliance with legislation
- Monitoring employment equity and fair labour practices
- Monitoring good corporate citizenship and the group's contribution to the development of communities
- Driving environmental responsibility and sustainability matters

Matters considered by TSE during FY23, up to the date of publishing this report

Key matters **considered**

- General discussion on PPA as part of the environmental plan and Attacq Energy

Monitored:

- SED and ESD spend
- Attacq's performance level in terms of B-BBEE
- Attacq's standing in respect of the EE Act and EE Plans; considering the amendments to the EE Amendment Act 4 of 2022, particularly the impact of industry codes
- Employment Equity and fair labour practices
- SED and ESD spend
- Corporate social responsibility initiatives
- The environmental compliance of the company
- The group sustainability matters
- Attacq's environmental sustainability and carbon footprint and noted updates in, and additions to, the global framework regarding sustainability disclosures
- Environmental risks and opportunities
- Attacq's standing in respect of the Organization for Economic Cooperation and Development recommendations and UNGC 10 principles
- Compliance with initiatives to combat fraud, bribery and corruption (anti-corruption measures, insider trading, declaration of interest disclosures, ethical corporate culture)
- The gift register
- Ethics, governance, good corporate citizenship and contribution to the development of
- Communities
- Compliance with legislation, regulations and industry codes
- Compliance with the marketing policy and trademark policy
- The board strategy particularly in respect of areas with the TSE mandate, through the North Star document

Reviewed:

- Proposed B-BBEE ownership structures
- The attestation of Attacq Foundation
- Quarterly and annual employees' and NEDs' declarations
- Section 16.1 Health and Safely Act compliance attestation
- Performance of the current whistle-blowing external service provider and requested that alternative whistle-blowing support be investigated and appointed
- The FTSE Russell ESG rating
- The voluntary JSE Sustainability and Climate Disclosure Guidance, June 2022

Noted:

- The Deloitte Standard of Directors Conduct
- The 2022 PwC NED Report

Key matters **resolved** and **approved**

- Reaffirmed the appointment of the B-BBEE verification agent
- Deloitte Tip-Off Anonymous (external whistle-blowing service provider)
- Employment Equity Plan and Report
- SBTi targets (carbon emissions)
- Gift policy
- Whistle-blowing policy

Key matters **reviewed** and **recommended** to the board for approval

- Reviewed the Attacq and Property Point Green Intake, with the view to extend the programme
- Graduate Programme launch
- Stakeholder Management policy
- Revised terms of reference

Focus for **FY23** and **beyond**

- Evaluate and monitor initiatives to determine whether value is created for the recipients (our communities around Attacq's assets)
- Continue to monitor the alignment of governance with the core aspects of the business
- Drive transformation and B-BBEE, specifically focusing on innovative and collaborative opportunities, and structures with the new proposed B-BBEE sector codes
- Achieve a B-BBEE Level 1 scorecard as per the Attacq KPIs
- Proactively manage our B-BBEE scorecard in line with amendments to the current property sector scorecard and monitor its implementation
- Support initiatives aimed at transforming the communities in which we operate through investing in education, training and economic development which will further strengthen the position of the Attacq Foundation
- Oversee the continued alignment of the environmental plan with the company strategy, purpose, and vision
- Monitor the implementation of the Graduate Programme
- Continue to monitor the Attacq Ethics Programme
- Continue to monitor the implementation of key human capital policies to promote an inclusive Attacq culture
- Monitor the establishment of sustainable business partnerships by Attacq
- Increase the brand awareness through effective partnerships and continuous improvements on our overall communication strategies
- Consider improving our disclosure as recommended by the voluntary JSE Sustainability and Climate Disclosure Guidance, June 2022

Remco

The remco is satisfied it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Composition: Johan van der Merwe (chairperson), Ipeleng Mkhari, Pierre Tredoux

Raj Nana and Jackie van Niekerk are standing invitees with no voting powers. Wyna Modisapodi (company secretary) is a standing invitee to all meetings as company secretary.

Matters considered by remco during FY23, up to the date of publishing this report

Key matters **considered**

- The remuneration policy and objectives
- Identification and nomination of two new directors for approval by the board
- The board and committees' performance evaluation report by Spencer Stuart
- Diagnostic of the culture of the executive management team and updated executive director development plan independently performed by Spencer Stuart
- Annual review of market-related remuneration
- Employees' annual leave balance and provision
- Status report on human capital policies
- Annual re-election of directors retiring by rotation as per the MOI
- Annual review of market-related NED fees
- The group's board structures, the size and composition of the various board committees and making recommendations
- The performance management system
- Impact of the proposed Companies Amendment Bill 2021
- ISS proxy analysis and benchmark policy voting recommendation

Key matters **resolved** and **approved**

- The independently developed board succession plan focusing on NED and chairperson succession
- Annual guaranteed total package (GTP) for executive directors, prescribed officers and company secretary
- STI KPIs for FY23 and FY24
- 2023 and 2024 STIs
- LTIs (actual vesting percentage for 13 October 2023) and performance conditions for share options to be maturing on 14 October 2024 and 14 October 2025 and the number of share options to be awarded
- EE Plan and report (in conjunction with TSE)
- Remco reports, which include the remuneration policy and remuneration implementation report) for submission to shareholders at the AGM on 16 November 2023
- Evaluated the long-term incentive scheme for executive directors after receiving the percentage of votes endorsing the remuneration policy at the 2022 AGM

Key matters **reviewed** and **recommended** to the board for approval

- Nominated two new directors for approval by the board
- Succession planning
- The board diversity policy
- NED fees

Focus for **FY23** and **beyond**

- Focus on further streamlining all remuneration policies and methodologies throughout the company

IC

The IC is satisfied it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Composition: Pierre Tredoux (chairperson), Stewart Shaw-Taylor, Thabo Leeuw, Johan van der Merwe (appointed from April 2022), Jackie van Niekerk, Raj Nana

Peter de Villiers is a standing invitee with no voting powers. Wyna Modisapodi is the secretary of the meeting and attends all meetings as company secretary.

Matters considered by IC during FY23, up to the date of publishing this report

Key matters **considered**

- The group's investment strategy and residential strategy
- Current targets
- South African real estate portfolio vacancies
- All investment cases recommended by management
- Monitored progress and risks on existing developments
- Weighted average cost of capital analysis and peer review
- Monitoring the investment in MAS and Rest of Africa
- Monitoring the group's debt maturity profile
- Monitoring the group's debt reduction plan
- Attacq Energy
- Annual asset performance review

Key matters **resolved** and **approved**

- Strategic investments
- Proposed discount and deferred consideration mechanisms of the proposed Waterfall City transaction with the GEPF
- Relaxation of minimum group hedge ratio
- Additional capex in respect of the Plumblink project
- The spec development of three new midi-units
- The impact of the associated bulk adjustments, as well as alternative massing models for two partially serviced sites
- Updated bulk services reticulation and beautification costs
- Developments valued at R20.6 million
- PPA with Solar Africa and the tripartite agreement between Attacq, Vantage and Solar Africa
- The marketing and development of Ellipse Waterfall, phase 3
- The annual infrastructure budget

Key matters **reviewed** and **recommended** to the board for approval

- Proposed transaction with the GEPF

Focus for **FY23** and **beyond**

- Evaluate opportunities brought to the committee in a balanced manner, giving regard to the approved strategy of the group

Remuneration report

MooiRivier Mall employees, Attacq Day
Front left to right: Katekani Sewele, Adam Masitenyane, Mi-Jean Meiring, Roxanne van Niekerk, Tsholofelo Mthimkulu, Kagiso Lesabe
Back left to right: Joseph Modise, Happy Mojahi, Samantha Schoonhoven, Anel Potgieter, Tumi Choene

10 YEARS LISTED ATTACQ

This report is presented in three sections:

Part 1:
Report from the chairperson of the remuneration committee
(the background and focus areas of remco that influenced the policy and remuneration outcomes in respect of FY23)

Part 2:
Overview of our remuneration policy
(governance of the management of the remuneration within the group)

Part 3:
Remuneration implementation report
(the implementation and outcomes of the remuneration policy over the course of FY23)

Part 1: Report from the chairperson of the remuneration committee

Dear shareholders

Attacq remco is pleased to present the remuneration report for FY23.

Key focus areas and key decisions

The board, through remco, ensures that remuneration policies and practices are aligned with Attacq's strategic objectives and the reasonable expectations of all stakeholders. In formulating the remuneration policy, remco aim to achieve a policy that enables the company to attract and retain employees who will assist in refining the company's ability to create sustainable value. It also prioritises rewarding employees who embody our values and build our company culture through a remuneration offering that is market-related, fair, responsible and transparent.

We regularly review our executive remuneration policies and practices to ensure fair and proportionate practices in the context of remuneration across the entire organisation.

As remco, our aim is to maintain strong relationships with our stakeholders to ensure alignment and understanding of the implementation of the group's remuneration policy. Remco reviews, amends and presents the remuneration report disclosures annually in order to enable all shareholders to make informed assessments of the remuneration policy and governance processes at Attacq.

Remco reviews the remuneration structure annually to ensure that it:

1. Is performance based with realistic performance objectives
2. Is supportive of the group's strategy
3. Achieves the desired employer of choice status through best practice
4. Is aligned with shareholder interest and expectations

Internal and external factors that have influenced remuneration

Our internal and external operating contexts influence the application of the remuneration policy each year. Internal factors that were considered included Attacq's financial performance for the year, the affordability of the increased salary cost, as well as the organisational structure and requirements.

From an external perspective, factors included the projected consumer price inflation (CPI) and current economic conditions, as well as market benchmarking data. External benchmarking is regularly conducted and the company endeavours to pay market-related salaries to its employees.

Voting on the remuneration report and measures taken in response

In line with King IV, the remuneration policy and the remuneration implementation report were presented to shareholders for two separate non-binding advisory votes at the AGM held on 17 November 2022. Favourable endorsement of the remuneration policy and the remuneration implementation plan was received from shareholders at the AGM with votes totalling 89.6% (2021: 66.5%) and 82.5% (2021: 75.4%) respectively, indicating that Attacq was able to successfully address concerns raised by shareholders at the AGM held in 2021.

The remuneration policy and the remuneration implementation report will again be presented to shareholders for two separate non-binding advisory votes at the AGM to be held on 16 November 2023. As was previously done, remco will engage with the shareholders to understand their objections and concerns, address legitimate and reasonable objections raised and if required, amend the remuneration policy or clarify and/or adjust the remuneration governance, processes or disclosures should more than 25% of shareholders vote against the non-binding advisory votes.

Key decisions taken during FY23, including up to the date of publication of this report, and focus areas for FY24

In keeping with the group's strategy and changing conditions, the performance conditions under the current policy for LTI awards have been revised and are directed towards:

- Shareholders' total return (relative measured against peers)
- Balance sheet and capital management
- Asset management
- Bulk utilisation/development roll-out in Waterfall City
- ESG measures

The table on page 129 outlines the performance conditions for FY24. Key short-term incentive (STI) performance deliverables for FY24 have been revised in the context of the group's refocused strategy and short-term priorities as a consequence of the muted economic growth, high interest rates and loadshedding.

In addition to its remuneration responsibilities, remco has been entrusted with specific nomination duties. These duties involve overseeing the appointment of directors to the board by identifying and proposing qualified candidates for approval by the board. During the year Ms Fikile De Buck and Dr Gustav Rohde were appointed as independent NEDs of Attacq, effective from 1 February 2023. Ms Fikile De Buck serves as a member of the ARC, and Dr Gustav Rohde serves as a member of the TSE Committee. The governance review highlighted the board succession plan as an area of significant focus during the review period. It is essential for the board members to collectively possess the necessary skills and expertise to effectively fulfil their fiduciary obligations while retaining their independence.

Refer to the governance report on page 119, for a summary of the key matters considered, resolved or approved during the year under review. Remco's composition and meeting attendance are disclosed on page 119 and page 115.

Use of remuneration consultants

During FY22, remco approved the use of an external service provider to conduct our benchmarking processes of guaranteed total package (GTP), long-term incentives (LTIs) and STIs. This benchmarking provides assurance that we apply the remuneration policy consistently and fairly throughout the group. Ad hoc remuneration benchmarking is also done as and when required.

Remco's view

It is the view of remco that the remuneration policy has achieved its stated objectives during the year under review. The strategy, purpose and business model, organisational values and culture, targets and objectives of the company have been clearly defined. The employee-related processes, from recruitment to monitoring performance against agreed KPIs, have been aligned.

Looking forward

As remco, we take a long-term view of creating sustainable growth and strive to incorporate this thinking into our remuneration policies. KPIs facilitate sustainable delivery of company's strategy. Remuneration of executive directors for FY23 reflects the successful delivery of Attacq's strategy in a very challenging environment by closing the Waterfall City transaction with the GEPF and therefore transforming the company's capital structure. Remco believes the company's remuneration policy is fair, responsible, and aligned with best practices. Its consistent application will sustain the performance culture in the company and lead to sustained value creation for all our stakeholders. We are therefore satisfied that the remuneration policy achieved its objectives for FY23 and believe that remco adequately fulfilled its duties. As such, the committee trusts that shareholders will support the remuneration resolutions at the AGM on 16 November 2023.

My thanks to my colleagues on remco and the board for their support in delivering on our mandate.

Johan van der Merwe
Chairperson of the remuneration and nomination committee
18 October 2023

Nexus Waterfall City employees celebrating Heritage Day

Note: signatures are not included in this electronic report for security purposes.

Part 2: Overview of our remuneration policy

Key principles underpinning our remuneration policy

As part of the Attacq's Human Capital strategy, our remuneration practices are designed to promote a positive company culture, reward employees who embody our values and support the sustainable creation of long-term value. While ensuring that our total remuneration offering remains attractive and competitive, the remuneration policy also mandates the company to remunerate its employees fairly and transparently.

The following key principles shape our remuneration philosophy:

- Remuneration should strengthen the ability to attract, motivate, reward and retain the talent who exemplify the Attacq values and organisational culture in their work and interactions
- Remuneration should promote an ethical culture and responsible corporate citizenship
- Remuneration should promote responsible business practices incorporating health and safety, environment and governance principles to enable long-term sustainable performance
- Attacq's remuneration practices are to be aligned with the company's strategic objectives reflected in the group, team and employee KPIs
- Remuneration is to be transparent and understandable, both for stakeholders and for internal use and application
- Remuneration is to be fair – internally focused on pay parity and externally focused on competitiveness
- Remuneration should adequately balance risk and reward

Remuneration elements

Total remuneration › Includes **guaranteed** and **variable remuneration** ›

- **1. Guaranteed remuneration**: **Basic salary**, **Benefits**
- **2. Variable remuneration**: **STI scheme**, **LTI scheme**

Our remuneration structure has three main components, namely:

1. **Fixed remuneration:** Guaranteed total package
2. **Variable remuneration:** Short-term incentives
3. **Variable remuneration:** Long-term incentives

1. Fixed remuneration: Guaranteed total package

Elements	Description
Purpose	To remunerate for individual skills at the prevailing market rate for the role To attract and retain high-performing employees with key and critical skills
Participants	All permanent employees
Quantum	GTP is aligned with job requirements as well as the competence, skill set and experience of employees GTP is loosely benchmarked against similar roles in the real estate sector and companies of comparable size and scope, adjusted based on an employee's experience, qualifications, responsibilities, and performance Positioned at the market median, with key and critical skills remunerated at the higher end of median scales
Delivery	GTP is paid monthly in cash remuneration and benefit contributions, calculated on a cost-to-income basis
Standard benefits	Benefits include: • Annual leave • 10 days study leave for approved qualifications • Four months fully paid maternity leave • 10 days fully paid paternity leave • Five days family responsibility leave • 30 days sick leave over a three-year period • Membership of a defined contribution pension fund • Death, disability, funeral and education cover benefits • Cellphone and travel allowances (depending on employment specifications)
Reviews	Increases and reviews are based on the performance and affordability of the company, historic inflation, and the performance of the individual employee. Salary increases are effective 1 October annually
Approval	GTP is annually approved by remco, based on recommendations from the CEO and Social executive, following a moderated process with the respective senior managers

2. Variable remuneration: Short-term incentives

Elements	Description
Purpose	To recognise and show appreciation to qualifying employees for actual performance
Participants	All permanent employees, based on achieving company, team and individual KPIs Assessing performance over 12 months, coinciding with the group's financial year
Quantum and delivery	Paid annually in October The STI pool will not exceed 50% of annual group GTP Portion of bonus exceeding six months' GTP is deferred and paid in two payments in March and June of the following year Commissions are paid in the month that all requirements are fulfilled in terms of the employment contract Employee must be in employment on the date of payment
Performance conditions	The STI KPI targets are structured according to a linear scale with the results measured against a threshold (80%), target (100%) and stretch target (150%) to achieve a target weighting. Certain non-financial performance metrics are capped at a targeted level of 100% STI allocations are based on the achievement of company, team and individual KPIs, aligned to the achievement of short-term strategic objectives In the case of executive directors, achieving a total STI weighting of 100% (target) will equate to 60% of their GTP
Strategic alignment	Aligned with short-term strategic objectives, together with embracing organisational vision, purpose, culture as well as risk and compliance
KPIs	KPIs include financial and non-financial targets and the measurement of each is based on whether it is quantifiable or subjective/discretionary Group STI KPI targets may vary year-on-year and currently include: • Improving our overall income growth and earnings • Debt management • Asset management • Waterfall City development • ESG

2. Variable remuneration: Short-term incentives

Elements	Description
Malus and clawback	Malus and clawback provisions are applicable to all employees Remco may apply malus on or before STI payments to reduce the quantum – in whole or in part after a trigger event occurs – which, in the judgement of remco, has arisen during the relevant period under review Where remco determines that a trigger event has occurred, it may, at its discretion, reduce the unvested variable compensation already awarded to an employee or, for a period of two years after the vesting of an award, claw back the value thereof from the recipient. Decisions made by remco in this regard are final and binding For more information, see malus and clawback on page 126.
Approval	The STI pool is based on management recommendations and approved by remco

Nexus Waterfall City employees celebrating Heritage Day

3. Variable remuneration: Long-term incentives

Elements	Description
Purpose	To attract, retain and award high-performing employees with key and critical skills
Participants	Conditional rights share options are awarded to invited participants based on personal performance Retention share options are awarded to address specific retention risks or sign-on requirements Share appreciation rights are awarded rights to the increase in the value of a certain number of shares between the award date and the vesting date, subject to performance conditions Performance share option conditions: performance of Attacq over the vesting periods, against pre-set performance measures and the employee must be in employment on the date of vesting Retention share option conditions: Employee must be in employment on the date of vesting
Quantum and delivery	LTI awards are determined as a multiple of GTP, depending on the occupational level of an employee Conditional rights share options are annually awarded in October Share appreciation rights (SARs) are awarded on an ad hoc basis
Vesting	LTI shares and retention shares are option-type instruments and settlement can occur in cash or equity Linear vesting is applied to performance between the different vesting scales. The vesting scale is: • Threshold achievement (minimum level of performance for any incentive to vest) – 50.0% vesting (30.0% vesting for all share options awarded up to FY22) • Target achievement (level of performance to pay an on-target incentive) – 100.0% vesting • Stretched achievement (exceptional performance in the current business environment) – could attract vesting greater than 100% up to a maximum of 150.0% Participants are not entitled to any shareholder rights prior to exercising their vested share options. If the company is in a closed or prohibited period on the vesting date, exercising these options will be postponed to the first business day after the closed or prohibited period has been lifted An updated LTI methodology was introduced during October 2021, making use of conditional rights to shares in two forms, namely performance shares and retention shares

3. Variable remuneration: Long-term incentives

Elements	Description
	The number of conditional rights awarded is determined by a multiple of GTP and the market value of an Attacq share on the award date. Shares vest in years three, four and five from grant date and tranches are proportionally split 60%:20%:20%

LTI vesting cycle:

Year 1	Year 1 **LTI awarded**			
Year 2	Year 2 **LTI awarded**			
Year 3	Year 3 **LTI awarded**			
Year 4	Year 4 **LTI awarded**	**60%** of Year 1 **LTI vests**		
Year 5	Year 5 **LTI awarded**	**20%** of Year 1 **LTI vests**	**60%** of Year 2 **LTI vests**	
Year 6	Year 6 **LTI awarded**	**20%** of Year 1 **LTI vests**	**20%** of Year 2 **LTI vests**	**60%** of Year 3 **LTI vests**

Vesting outcome

Percentage of awards which vest	Total maximum potential payout
Below threshold	No vesting
Threshold achievement (50%)	Total shares due for vesting x 50%
Target (100%)	Total shares due for vesting x 100%
Stretch target (150%)	Total shares due for vesting x 150%

Linear vesting is applied to performance between the different vesting scales

Strategic alignment	Aligned with long-term strategic objectives Based on performance of the company for the rolling three-year period against conditions approved by remco Shares are annually bought from the market, opposed to issuing new shares, and allocated to employees with vesting share options

3. Variable remuneration: Long-term incentives

Elements	Description
KPIs	The LTI performance conditions include financial and non-financial targets Group LTI KPI targets may vary year-on-year and currently include: • Total shareholder return • Asset management and capital allocation • ESG
Malus and clawback	Clawback provisions are applicable to all employees Remco may apply clawback to recover variable pay that has vested because of a trigger event, which in the judgement of remco, has arisen during the relevant period under review Remco may apply malus on or before the vesting date of a share option to reduce the quantum – in whole or in part after a trigger event occurs – which, in the judgement of remco, has arisen during the relevant period under review. Malus provisions are applicable to all employees during a specific financial year Where remco determines that a trigger event has occurred, it may, at its discretion, reduce the unvested variable compensation already awarded to an employee or, for a period of two years after the vesting of an award, claw back the value thereof from the recipient. Decisions made by remco in this regard are final and binding For more information, see malus and clawback on page 126
Approval	Management will annually recommend to remco the three-year performance criteria, based on the company's strategic objectives, for the LTI options to be issued. The proposed performance conditions will be in line with projected company growth communicated to the market
Termination of employment	In exceptional circumstances, remco has discretion to declare a director, company secretary and prescribed officer leaving the company to be a "good leaver", while exco has the discretion to declare all other employees leaving the company to be a good leaver Bad leavers: if employment terminates by reason of resignation, dismissal, abscondment or any other reason not considered as a good leaver, all unvested performance and/or retention shares shall be forfeited upon the date of termination of employment Good leavers: if employment terminates by reason of death, retrenchment, retirement, ill-health, injury, disability, transferring between companies in the group or other circumstances, a portion of performance and/or retention shares will be pro-rated and accelerated for vesting as at termination of employment. Awards are pro-rated for the extent to which performance has been achieved, if relevant, and the number of months served between the making of the award and termination of employment. The portion of the award which does not vest is forfeited and lapses

Malus and clawback

The malus and clawback provisions are a powerful risk adjustment method, which shows commitment to recovering variable pay where there has been misconduct.

The circumstances under which remco exercises such discretion may include:

- A material misstatement of the annual financial results, resulting in a material decreased restatement of either distributable income or NAV
- Fraud or gross misconduct by an applicable employee which has had, or may have, a significant negative impact on the value or reputation of Attacq or any group company
- Information or performance metric(s) used in determining an incentive paid found to have been materially misstated or based on any material misrepresentation
- Gross negligence by an applicable employee whose conduct would result in KPIs set for the employee not being met or partially met (e.g. health and safety, environment social impact or governance matters)
- Material regulatory breaches

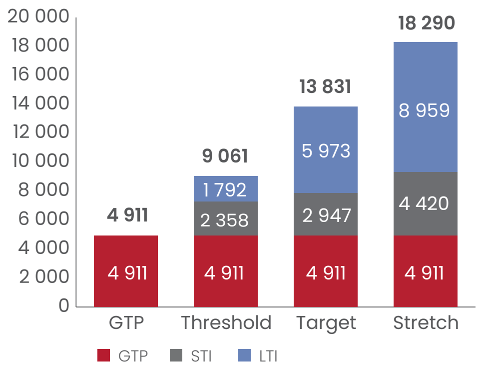
Remuneration of executive directors

Remuneration for our executive directors is structured on a total remuneration basis that includes GTP, STIs and LTIs. The STIs and LTIs are linked to agreed objectives set by the board on an annual basis and designed to support achieving the company's strategy and performance levels. The notice period for the CEO is six months and three months for the CFO. Restraint of trade provisions for executive directors may apply.

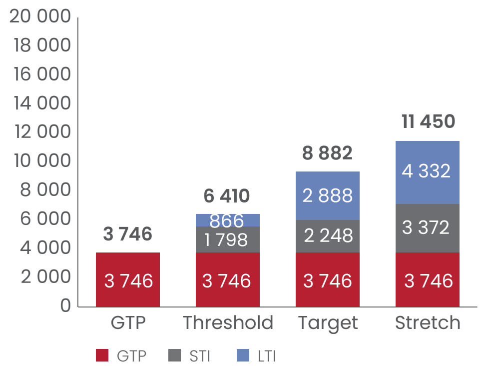
Linking pay to performance

The graphs below illustrate the potential remuneration outcomes for executive directors at threshold, target and stretch levels for awards based on FY24 performance comprising GTP, STI and LTI. In the event that a threshold level of performance is not achieved, only the GTP indicated will be payable.

Jackie van Niekerk remuneration outcomes (R'000)



Raj Nana remuneration outcomes (R'000)



Incentives for the successful conclusion of the Waterfall City transaction with the GEPF

The CEO and CFO have been awarded long and short-term incentives contingent upon the success of the Waterfall City transaction with the GEPF as measured by agreed KPIs at the Implementation Date[1] and with reference to the Implementation Date Accounts[2] as follows:

KPI	Weighting (%)	Threshold (%)	Target (%)	Stretch target (%)
Balance sheet capacity (gearing)	40.0	≤32.0	≤27.0	≤22.0
Purchase price relative to NAV (discount)	40.0	≤15.0	≤10.0	≤2.5
Operational control	10.0	–	Meet	Exceed
Strategic control	10.0	–	Meet	Exceed
Total	**100.0**			
Incentive				
STI multiple of monthly remuneration		2	4	6
LTI multiple of monthly remuneration		6	12	18

The KPIs are structured according to a linear scale with the results measured against a threshold, target and stretch target to achieve a target weighting per KPI. The LTI value so determined will result in such value of share options being granted to the recipient, which Attacq Shares[3] will vest on a 60%:20%:20% basis respectively in years 3, 4 and 5 post-closing of the Waterfall City transaction with the GEPF, subject to the recipient being employed by Attacq at that time. The options will be granted in terms of the existing long-term incentive plan, as approved by shareholders on 19 January 2015.

The estimated value of the incentives is as follows:

R'000	STI	LTI*	Total
CEO	1 719	5 157	6 876
CFO	1 320	3 960	5 280
Total	**3 039**	**9 117**	**12 156**

* Being the estimated value of shares to be awarded. Value has not been adjusted for the time value of money considering that the shares vest on a 60%/20%/20% basis respectively in years 3, 4 and 5 post-closing of the Waterfall City transaction with the GEPF

The final condition precedent of the transaction was fulfilled on 18 September 2023 at the general meeting where Attacq shareholders approved the transaction. The incentive will be calculated during November 2023 using the Implementation Date Accounts and approved by the Remco thereafter.

1. Expected implementation date: 17 October 2023, being the 20th business day after the final condition precedent was fulfilled (18 September 2023)
2. Implementation Date Accounts: The consolidated management accounts of AWIC for 31 October 2023 prepared in the ordinary, normal and regular course of business and in accordance with AWIC's accounting policies
3. Ordinary Attacq shares of no par value

Remuneration of independent NEDs

Our aim is to attract and retain NEDs who sufficiently cater to the needs of the business, specifically those emanating from Attacq's overarching value-based strategy. In line with King IV, NEDs do not participate in any performance-related remuneration and they do not receive any benefits, nor do they participate in any LTI plans.

NEDs do not receive remuneration other than their fees but are entitled to be paid for all reasonable travelling, accommodation and other expenses properly incurred in attending meetings of the board, its sub-committees, general meetings or otherwise in connection with the business of the group.

Remco annually reviews NED fees based on benchmarking provided by external service providers. This process is undertaken to ensure that the proposed and recommended NED fees are in line with Attacq's remuneration policy and King IV requirements. These recommendations are made to the board which, in turn, proposes the NED fees for approval by shareholders at the AGM.

Part 3: Remuneration implementation report

During the year under review, there were no deviations from the remuneration policy.

GTP

Salary increases

In determining the increase in GTP, remco considered CPI and current economic conditions, the performance of the company and the affordability of the increased salary cost, as well as market benchmarking data.

The following increases were approved:

GTP increases applied	2023	2022
Executive directors (%)	6.0	0.0 – 5.0
Other employees (%)	6.0 - 8.0	5.0 – 8.0
CPI* (%)	4.8	7.6

* CPI as measured by Statistics South Africa for the previous 12-months ended 31 August 2023/2022

STI

An STI pool of R19.3 million (2022: R14.5 million), excluding the executive directors' STI, was approved in the October 2023 remco meeting and paid during October 2023.

FY23 STI KPIs

The group's STI KPI targets for the 30 June 2023 financial year are disclosed below:

	KPI objective	KPI description	Threshold (80%)	Target (100%)	Stretch (150%)	Target weighting (%)	Actual	STI weighting (%)
Shareholders value	DIPS growth	DIPS growth from FY22, based on 80% payout ratio (%)	8.0	9.0	12.0	30.0	14.5	45.0
		Reduction of overhead cost (R'million)	12.5	17.5	22.5	10.0	11.8	0.0
Capital structure	Debt management	Group ICR (times)	1.55	1.65	1.75	10.0	1.69	12.0
		Group gearing (%)	39.0	38.0	37.0	10.0	37.3	13.5
		Improvement of cost of debt (new and refinancing debt) against FY22	R500 million @ 35bps saving	R1.0 billion @ 50bps saving	R1.5 billion @50bps saving	5.0	R1.1 billion @ 65bps saving	5.5
Waterfall City, Rest of South Africa and Other investments	Asset and property management	Occupancy (%)	94.0	95.0	98.0	5.0	92.5	0.0
	Waterfall City development	Beneficial occupation of new developments in Waterfall City (measured at 100% level and bulk m²)	35 000	45 000	60 000	10.0	30 586	0.0
ESG	ESG	Installed rooftop PV systems (number)	3	4	4 and complete FY23 retrofit project	10.0	3.0	8.0
		Transformation (B-BBEE scorecard level)	3	2	1	10.0	1	15.0
	Total					**100**		**99.0**

For executive directors, achieving a total STI weighting of 100% (target) will equate to 60% of their GTP. The FY23 STI will be paid to employees in October 2023 (FY24).

FY24 STI KPIs

The STI KPI targets for the 30 June 2024 financial year for the group are disclosed below.

	KPI objective	KPI description	Weighting (%)	Threshold (80%)	Target (100%)	Stretch (150%)
Shareholders value	Improve overall income growth	DIPS growth from FY23 (%)	30.0	8.0	10.0	12.0
		Share buy backs (R'million)	10.0	Threshold	Target	Stretch
Capital structure	Capital management	Group ICR (times)	10.0	1.9	2.0	2.5
		Gearing of the group (%)	5.0	33.0	30.0	28.0
		Disposal of Other investments (Rest of Africa retail portfolio)	5.0	SPA signed on 50% for Nigeria	50% Nigeria transaction concluded and closed out	50% Nigeria transaction concluded and closed out plus SPA signed for Ghana
Waterfall City, Rest of South Africa and Other investments	Asset and property management	Occupancy (%)	10.0	94.0	95.0	98.0
	Waterfall City development	Beneficial occupation of new developments in Waterfall City (measured at 100% level and bulk m²)	5.0	25 000	30 000	45 000
		Commencement of new developments in Waterfall City (IC approved, measured at 100% level and bulk m²)	15.0	35 000	45 000	55 000
ESG	ESG	Installed rooftop PV systems (number)	5.0	Complete 3 new solar projects	Complete 4 new solar projects	Complete 6 new solar projects
		Transformation (score card level under existing codes)	5.0	Level 2	Level 1	-
	Total		**100.0**			

For executive directors, achieving a total STI weighting of 100% (target) will equate to 60% of their GTP.


Mall of Africa and PwC Tower, Waterfall City

FY23 LTI KPIs

The actual performance for the year three-year period ended 30 June 2023 determines the vesting percentage for 20% of the share options awarded during the 2018 and 2019 financial year and 60% of share options awarded during the 2020 financial year. New share options will be awarded as part of the 2023 annual salary review (ASR) process.

The vesting date of these LTIs is 13 October 2023 (FY24) with an actual vesting percentage of 135.0% based on the following vesting conditions:

Performance conditions		Threshold 30%	Target 100%	Stretch 150%	Weighting (%)	Actual	Weighted vesting (%)
Shareholder value	TSR peer condition (relative)[2,3,4]	0.9	1.0	1.1	35.0	1.1	52.5
	DPS relative to peer group[1,2,4,5]	1.0	1.1	1.2	35.0	3.3	52.5
Waterfall City, Rest of South Africa and Other investments	Roll-out per annum (m²)[6]	20 000	30 000	45 000	10.0	20 105	3.1
	Development surplus (R'000)	20 000	30 000	45 000	10.0	35 671	11.9
ESG	Trans-formation	Level 4	Level 3	Level 2	10.0	Level 1	15.0
	Total				**100.0**		**135.0**

1 Calculated as simple growth in DPS at end of performance period over the DPS of the starting performance period.
2 The SA REIT Index at 30 June 2023 comprises: Growthpoint, Redefine, Resilient, Equites, Vukile, Fairvest, Investec Property Fund (Burstone), Hyprop, Stor-Age Property REIT, SA Corporate Real Estate, Emira and L2D.
3 Measured as growth in TSR over performance period (The TSR is defined as the growth in the share price of a company over the performance period including the effect of dividends paid and capital events (i.e. dividends are reinvested in the share).
4 The % is measure in relation to the index of the SA REIT Index.
5 The SA REIT Index DPS increased by 2,64%, Attacq increased by 8.83% being 3.3 times more than the SA REIT Index
6 Actual average roll-out includes Ellipse Waterfall: Cassini Tower and Plumblink for the current year.

FY24 LTI KPIs, new allocations

The performance conditions for the share options issued in October 2W023 are shown below. These conditions will be applied to 60% of the share options allocated with a maturity date of 14 October 2026. Of the share options, 20% will mature on 14 October 2027 and 20% will mature on 13 October 2028 as per conditions previously disclosed.

KPI description	KPI	Weighting (%)	Threshold 50%	Target 100%	Stretch 150%
Shareholder value	DIPS relative to peer group (%)[1]	35.0	0.9	1.0	1.15
	TSR relative to peer group (%)[1,2]	30.0	0.9	1.0	1.15
Capital structure	Average annual total bulk movement (including top structure development completed and sale of bulk to third parties) for the three-year period ending 30 June 2026 (m²)	10.0	20 000	30 000	40 000
ESG	Energy mix[3]	15.0	8.0	10.0	12.0
	Transformation (Score card level)[4]	10.0	Level 3	Level 2	Level 1
Total		**100.0**			

1 Calculated as compounded annual growth in DIPS using the DIPS at the end of the performance period and the DIPS of the starting performance period.
Peer group : Hyprop, Emira, SA Corporate Real Estate, Burstone and Vukile – peer group selected based on similar market cap and asset exposure to Attacq
2 Measured as growth in TSR over performance period including the effect of dividends paid and capital events (i.e dividends are reinvested in the share)
3 PV systems as a percentage of total energy consumption
4 Based on the externally verified B-BBEE rating as at the date of measurement

Remuneration of executive directors

For full disclosure of executive directors' remuneration, which is in line with the company's remuneration policy, please see note 14 of the **AFS.**

The GTPs for both executive directors have been reviewed during the October 2023 ASR process, taking market-related remuneration into account. Jackie van Niekerk and Raj Nana will receive a salary increase of 6.0% (FY22: Jackie van Niekerk, no increase; Raj Nana, 5.0% increase).

In line with King IV, we disclose a single view of executive directors' remuneration for 2023, compared to 2022.

Total remuneration FY23	**GTP R'000**	**STI R'000**	**Pension fund contributions R'000**	**Other benefits R'000**	**LTI vesting R'000**	**Total R'000**
Jackie van Niekerk	4 360	3 307	327	119	–	8 113
Raj Nana	3 268	2 646	184	98	–	6 196
Total remuneration FY22						
Jackie van Niekerk	4 253	1 748	240	122	690	7 053
Raj Nana	3 093	1 878	175	90	459	5 696

FY23 STI awards

Actual performance for FY23 was assessed against the group's FY23 STI KPIs.

	Jackie van Niekerk R	**Raj Nana R**
Annual GTP	4 633 525	3 534 135
STI target (60% of GTP)	2 780 115	2 120 481
Company Performance	99%	99%
Individual Performance	141.5%	141.5%
Gross STI	2 988 624	2 279 517
Less six time monthly salary	2 316 762	1 767 068
Deferred amount	671 862	512 449
Net STI to be received in October 2023	2 316 762	1 767 068

The FY23 STI will be paid to the directors in October 2023 (FY24).


Attacq Dance, Waterfall Park, Waterfall City

Total LTI portfolio of executive directors

The tables below summarise share options granted, vested and exercised, forfeited and expired during the year, as well as comparatives:

2023 (000's)	Jackie van Niekerk	Raj Nana	Total
Opening balance as at 1 July 2022	1 744	1 012	2 756
New options (to be granted)	918	662	1 580
Vested and exercised	–	–	–
Forfeited options	–	–	–
Expired	(201)	–	(201)
Unvested options as at 30 June 2023	**2 461**	**1 674**	**4 135**

2022 (000's)	Jackie van Niekerk	Raj Nana	Total
Opening balance as at 1 July 2021	1 314	1 198	2 512
New options granted	1 000	339	1 339
Vested and exercised	(108)	(72)	(180)
Forfeited options	(462)	(452)	(914)
Expired	–	–	–
Unvested options as at 30 June 2022	**1 744**	**1 013**	**2 757**

The executive directors were unable to exercise the share options that became due for vesting on 14 October 2022, as the company was a closed period that related to the Waterfall City transaction with the GEPF. On 14 October 2023, the following share options were vested, forfeited or expired, based on a vesting percentage of 84.1% for FY22 results payable in October 2022 and 135.0% for FY23 results payable in October 2023:

- Jackie van Niekerk: 444 335 share options vested on 14 October 2023 of which 103 683 share options relate to October 2022 and 340 652 share options relate to October 2023. 13 263 share options were forfeited and 100 568 share options expired - both relating to October 2022.
- Raj Nana: 538 754 share options vested on 14 October 2023 of which 122 313 share options relate to October 2022 and 416 411 relate to October 2023. 23 124 share options relating to October 2022 were forfeited.

A total number of 1 013 717 share options (2022: 1 580 477 share options) have been approved and were allocated as follows:

- Jackie van Niekerk was awarded 575 083 share options (2022: 918 356 share options).
- Raj Nana was awarded 438 634 share options (2022: 662 121 share options).

Remuneration of independent NEDs

Below is a summary of fees paid to NEDs for the 2022 and 2023 financial years, as disclosed in note 14 of the **AFS.**

NED fees	FY23 R'000	FY22 R'000
P Tredoux#	824	817
HR El Haimer	675	644
FFT De Buck (appointed 1 February 2023)^	306	–
TP Leeuw^	566	620
IN Mkhari	505	478
GT Rohde (appointed 1 February 2023)	226	–
S Shaw-Taylor^	804	884
AE Swiegers^	721	661
JHP van der Merwe*	575	482
Total	**5 202**	**4 587**

* Including travel fees for attendance of meetings. Travel fees are added for directors based outside Gauteng and they receive a flat fee per meeting involving travel of R10 200 (2022: R9 600)

\# P Tredoux's fees were paid to Tredoux Family Holdings (Pty) Ltd. Save for payments to P Tredoux, all NEDs' fees were paid to the individuals in their personal capacity

^ These amounts are inclusive of VAT

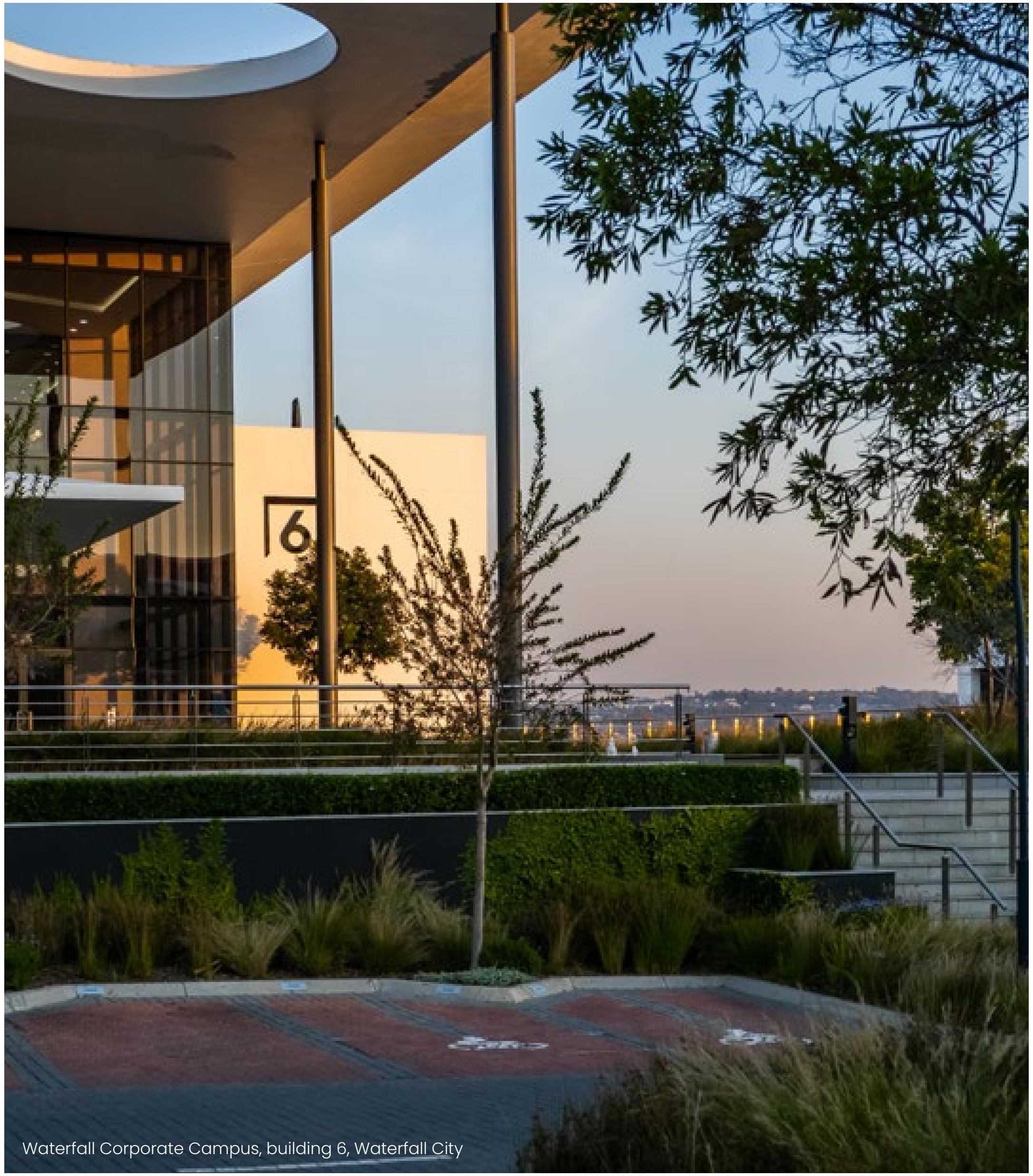
An increase of 10.0% for NED fees has been proposed for approval by the shareholders at the AGM to be held on 16 November 2023. Remco considered the PwC report titled "The non-executive directors: Practices and Fee trends, 16th edition", dated May 2023, with a view to conduct a comparative analysis with its peer group. The proposed increase is to align the non-executive directors' remuneration with the JSE small cap median quartile for non-executive directors' remuneration as benchmarked in the said report, and takes future non-executive directors' succession planning into consideration.

The fees will be payable to NEDs from 17 November 2023 until 14 November 2024 or the next AGM (whichever is first). Amounts exclude VAT, which will be added where applicable.

Annual fees	Proposed fees FY24 R	Approved fees FY23 R
Chairperson	646 500	587 700
Lead independent NED	490 500	445 900
Board member	426 300	387 500
ARC chairperson	250 000	227 300
ARC member	159 600	145 100
IC chairperson	133 300	121 200
IC member	106 400	96 700
Remuneration and nomination committee chairperson	82 600	75 100
Remuneration and nomination committee member	65 900	59 900
TSE chairperson	89 000	80 900
TSE member	71 100	64 600

Fees per ad hoc meeting	Proposed fees FY24 R	Approved fees FY23 R
Chairperson	31 800	28 900
Lead independent NED	25 600	23 300
Board member	25 600	23 300
IC chairperson	31 800	28 900
IC member	25 600	23 300
ARC chairperson	31 800	28 900
ARC member	25 600	23 300
Remuneration and nomination committee chairperson	10 600	9 600
Remuneration and nomination committee member	8 500	7 700
TSE chairperson	10 600	9 600
TSE member	8 500	7 700

Travelling fees	Proposed fees FY24 R	Approved fees FY23 R
Travelling fees for members outside of Gauteng	11 200	10 200



Waterfall Corporate Campus, building 6, Waterfall City

Other information

Virgin Active, Waterfall Lifestyle

10 YEARS LISTED ATTACQ

Shareholder information

Beneficial shareholders holding 5% or more of Attacq's issued share capital

	Shares held	%
30 June 2023		
Coronation	138 214 020	18.4
Government Employees Pension Fund	104 906 062	14.0
Total shareholding of 5% or more	**243 120 082**	**32.4**
30 June 2022		
Coronation	121 887 946	16.2
Government Employees Pension Fund	72 024 839	9.6
Ninety One	44 054 058	5.9
Total shareholding of 5% or more	**237 966 843**	**31.7**

Beneficial shareholder spread

	At 30 June 2023			At 30 June 2022		
	Number	Shares held	%	Number	Shares held	%
Non-public	11	292 736 741	39.0	10	171 504 605	22.8
>10.0%	2	243 120 082	32.3	1	121 887 946	16.2
Treasury shares	2	46 427 553	6.2	2	46 427 553	6.2
Directors and associates	7	3 189 106	0.4	7	3 189 106	0.4
Public	7 784	458 814 551	61.0	8 340	580 046 687	77.2
Total shareholding	**7 795**	**751 551 292**	**100.0**	**8 350**	**751 551 292**	**100.0**

Summary of trading in Attacq shares

	Year ended 30 June 2023	Year ended 30 June 2022
Number of trades	44 138	54 317
Total number of shares traded	237 652 833	258 799 939
Total value of shares traded (R'000)	1 840 456	1 748 897
High (R)	9.15	7.99
Low (R)	5.37	5.34
Closing price (R)	8.46	5.55

Annexure

TCFD statement

Attacq supports the reduction of global carbon emissions to limit average global temperature rise.

Our ambition is to meet our SBTi-approved carbon emission reduction target of 46.2% for Scope 1 and 2.

We are committed to aligning our climate-related disclosures with the TCFD recommendations and guidance from the International Sustainability Standards Board.

We also support the Business Ambition for a 1.5 degree Celsius campaign.

Following the TCFD recommendations, the framework is structured around four sections: governance, strategy, risk and metrics and targets.

Governance

More information on Attacq's governance is available on page 104.

Strategy

Our environmental plan, part of our business diversification strategy, drives the reduction of carbon emissions through various initiatives.

Please refer to page 73 the environmental capital section on page 73 for more information, as well as our business activities on page 30.

Risk management

We have identified climate change as an emerging risk.

For more information on climate change as an emerging risk, see page 40. A combined assurance governance framework is in place, see page 113.

Metrics and targets

We are committed to accurately measuring and reporting on the elements of climate change.

Refer to the following sections for our metrics and targets:

- Carbon emissions on page 76
- Energy use on page 78
- Water usage on page 80
- Waste on page 81

Glossary

<IR> Framework	International Integrated reporting Framework
A2X	A2X markets
ACI	African, Coloured and Indian
AFS	Audited group annual financial statements for the year ended 30 June 2023
AGM	Annual general meeting
AMS	Attacq Management Services (Pty) Ltd
ARC	Audit and risk committee
ASR	Annual salary review
Attacq, the company or the group	Attacq Limited and its subsidiaries
AttAfrica	AttAfrica Limited
AWIC	Attacq Waterfall Investment Company (Pty) Ltd
B-BBEE	Broad-based Black Economic Empowerment
BDO	Binder Dijker Otte
Bidvest	Bidvest Property Proprietary Limited
BMS	Building management system
CAF	Combined assurance forum
Capex	Capital expenditure
CBD	Central business district
CEO	Chief executive officer
CFO	Chief financial officer
CIO	Chief investment officer
Companies Act	South African Companies Act 71 of 2008, as amended
COO	Chief operating officer
CP	Conditions precedent
CPI	Consumer price index
CPS	Cents per share
CRM	Client relationship management
CRMP	Compliance Risk Management Plan
CSI	Corporate social investment
CX journey	Stakeholder experience journey (external)
DCF	Discounted cash flow
Dev exco	Development exco
Development rights	Leasehold and development rights to develop and register long-term lease agreements against the title deeds of Waterfall City land parcels
DIPS	Distributable income per share
DPS	Dividend per share
EAP	Economically active population
EBP	Existing building performance
ECD	Early childhood development
ECL	Expected credit loss
ECO	Environmental compliance officer
EE	Employment equity
Effective GLA	Attacq's interest in the GLA, opposed to 100% of the GLA
EPC	Energy performance certificates
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
Exco	Executive management committee
EY	Ernst & Young Incorporated
FY19	Financial year ended 30 June 2019
FY20	Financial year ended 30 June 2020
FY21	Financial year ended 30 June 2021
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
FY30	Financial year ended 30 June 2030
GBCSA	Green Building Council of South Africa
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GHG	Greenhouse gas
GLA	Gross lettable area
GMR	Weighted average gross monthly rental
Green Star	Green rating system by the GBCSA
Gruppo	Gruppo Investments Limited
GSA	Gross sellable area
GTP	Guaranteed total package
HC	Human capital
HVAC	Heating, ventilation and air conditioning
IC	Investment committee
ICR	Interest cover ratio
ICT	Information and communications technology
ICT Steerco	ICT steering committee
IFRS	International Financial Reporting Standards
IR	Integrated report
IVC	in-vessel composter
JSE	Johannesburg Stock Exchange, now known as JSE Limited

JSE Listings Requirements	The Listings Requirements of the JSE Limited
JV	Joint ventures
King IV	King IV Report on Corporate Governance™ for South Africa, 2016
KPI	Key Performance Indicator
kVA	Kilo volt amps
kWp	Kilowatt peak
LED	Light-emitting diode
LP22	Land parcel 22
LTI	Long-term incentive award
LTIP	Long-term incentive plan
M&E	Measurement and evaluation
MAS	MAS P.L.C.
MM	Material matters
MOI	Memorandum of Incorporation
MRF	Materials recovery facility
MSCI	Morgan Stanley Capital International
MWh	Megawatt hour
MWp	Megawatt peak
NAV	Net asset value
NAVPS	Net asset value per share
NC	Natural capital
NED	Non-executive director
Net Zero Carbon level 1 certification	The building, excluding client fit-outs, has a net zero carbon emission measured over a year
NQF	National Qualification Framework
OCI	Other comprehensive income
OHS	Occupational Health and Safety
PP	Property Point
PC	Practical completion
PPA	Power purchase agreement
PV	Photovoltaic
PwC	PricewaterhouseCoopers Incorporated
REIT	Real Estate Investment Trust
remco	Remuneration and nomination committee
SA	South Africa
SA exco	South African portfolio exco
SA REIT BPR	SA REIT Best Practice Recommendation, second edition
SAIBPP	South African Institute of Black Property Practitioners
SANAS	South African National Accreditation System
SANEDI	South African National Energy Development Institute
SANS	South African National Standards
SAPOA	South African Property Owners Association
SAR	Share appreciation rights
SASRIA	South African Special Risks Insurance Association
SBTi	Science-Based Targets initiative
SDG	Sustainable development goal
SED	Socio-economic development
SENS	Stock Exchange News Service
SLA	Service level agreement
SMME	Small, medium and micro-enterprises
SP	Strategic pillars
STI	Short-term incentive award
Subsidiary company boards	the board of a company that is directly or indirectly controlled by Attacq through either controlling the majority of the voting rights or controlling the appointment of the majority of the directors
Sustain exco	Sustainability exco
TCFD	Task Force for Climate-related Financial Disclosures
tCO_2e	tonnes carbon dioxide equivalent
TES	Tertiary Education Support
the board	The board of directors of Attacq
Tricolt	Tricolt Proprietary Limited
TSE	Transformation, social and ethics committee
TSR	Total shareholder return
UN	United Nations
UNGC	United Nations Global Compact
VAT	Value-Added Tax
WALE	Weighted average lease expiry
Waterfall City	Attacq's most expansive precinct where it is the strategic developer
WEMF	Waterfall Environmental Management Forum
year under review	Financial year ended 30 June 2023

Company information

Independent NEDs

P Tredoux (chairperson)
HR El Haimer (lead independent)
FFT De Buck (appointed 1 February 2023)
TP Leeuw
IN Mkhari
GT Rohde (appointed 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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