



**ATTACQ**

# **SUMMARISED PROVISIONAL CONSOLIDATED FINANCIAL RESULTS**

FOR THE YEAR ENDED 30 JUNE 2022





# Performance summary



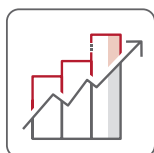
**Dividends resumed**  
with **50.0 cents** per share declared for the financial year



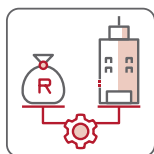
**Distributable income per share**  
increased by **34.2%** to **62.8 cents**



**Trading profit**  
of **9.7 cents per share** on the sale of sectional title units (excluded from distributable income)



**Net asset value per share**  
increased by **11.0%** to **R17.49**



**Gearing and interest cover**  
improved from **43.3%** to **37.2%** and **1.41 times** to **1.58 times**, respectively



**Occupancy and collection**  
rates remain high at **92.1%** and **97.8%**, respectively



**Growth in weighted average trading density**  
over 12 months of **12.6%**



**Completed Waterfall City developments**  
of **R997.6 million** totalling 47 623m<sup>2</sup> of GLA



**Power Purchase Agreement**  
for **15MWp** concluded

# Commentary

## Introduction

Attacq Limited and its subsidiaries (Attacq or company or group) is an innovative Real Estate Investment Trust (REIT), based in South Africa and listed on the Johannesburg Stock Exchange (JSE), with a vision to create sustainable value for all stakeholders through a value-based strategy, ensuring a positive impact in our communities and the environment we operate in. Attacq is well-positioned to deliver on its purpose to create smart, safe and sustainable community spaces providing remarkable experiences in our managed hubs.

Reflecting over the past financial year, Jackie van Niekerk, chief executive officer (CEO) states, "During the past year, we came out of the COVID-19 pandemic with an improved company culture and capital structure. We are focusing on new opportunities, mainly through the implementation of our environmental plan, in support of sustainable growth within our portfolio and delivery of the company's purpose and vision."

Attacq's portfolio is diversified across different asset classes, geographies and quality counterparties, providing the building blocks for resilience and enabling additional value added real estate opportunities.

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

## General overview

Attacq continued to deliver on its key financial and operational priorities throughout the year, resulting in the successful implementation of our debt reduction plan and an improved capital structure. Our strong operational performance is evidenced by high collection rates and occupancy levels achieved as lockdown restrictions eased. We commenced our journey of business diversification through value added opportunities aimed at enhancing the Attacq portfolio, by concluding a 15MWp Power Purchase Agreement and initiating the installation of an additional 7MWp photovoltaic (PV) rooftop system planned over the next three years.

## Distributable income

Total distributable income per share increased by 34.2% to 62.8 cents per share (cps) for the year ended 30 June 2022, largely due to lower interest costs, higher rental collections and the receipt of a dividend from the investment in MAS. The distributable income of the group is closely aligned with cash generated from operations, adjusted for non-recurring income.

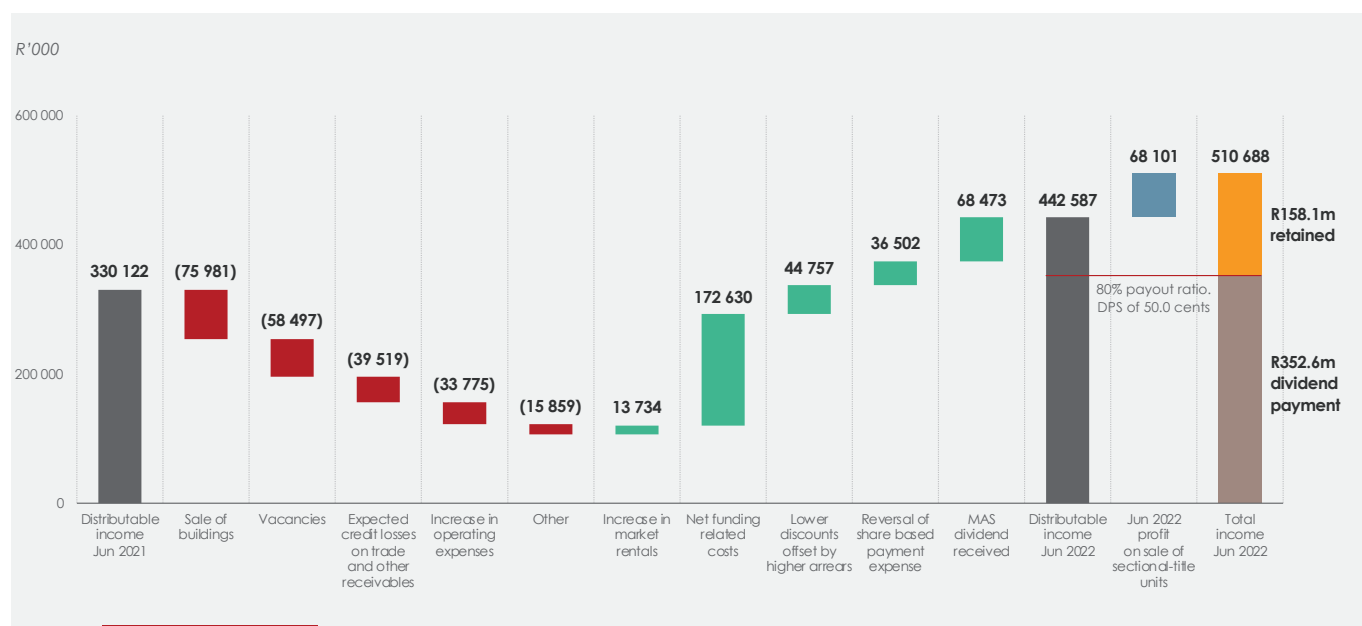
A breakdown of distributable income focus area is tabled below:

|                      | June 2022      |             | June 2021      |             | Change<br>in cps % |
|----------------------|----------------|-------------|----------------|-------------|--------------------|
|                      | R'000          | cps         | R'000          | cps         |                    |
| Distributable income |                |             |                |             |                    |
| Waterfall City       | 227 892        | 32.3        | 234 768        | 33.3        | (3.0)              |
| Rest of South Africa | 146 128        | 20.7        | 118 620        | 16.8        | 23.2               |
| Other investments    | 68 567         | 9.8         | (23 266)       | (3.3)       | nmf                |
| <b>Total</b>         | <b>442 587</b> | <b>62.8</b> | <b>330 122</b> | <b>46.8</b> | <b>34.2</b>        |

The distributable income per share from Waterfall City decreased by 3.0% to 32.3cps (2021: 33.3cps), due to property disposals, an increase in expected credit losses relating to Cell C and higher vacancies due to Transnet vacating Waterfall Circle, offset by lower rental discounts and lower interest costs due to debt reduction. Distributable income per share from the Rest of South Africa increased by 23.2% to 20.7cps (2021: 16.8cps), due to lower rental discounts and interest costs. The distributable income per share from Other investments improved from a loss of 3.3cps at 30 June 2021 to a profit of 9.8cps due to a dividend from MAS of R68.5 million and the reduction in interest costs after the settlement of all euro debt during the year.

Due to its trading nature, R68.1 million (2021: R6.3 million) of profit earned from the sale of sectional title units at Waterfall City has been excluded from distributable income.

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



## Financial performance

Rental income for the group was in line with the prior year at R2.2 billion. Like-for-like rental income increased by 2.5% (2021: decreased by 0.5%).

Group property expenses, excluding cost of sales of sectional-title units, increased by 8.6% (2021: decreased by 1.5%) to R822.2 million (2021: R757.0 million), mainly due to an increase in expected credit losses and unrecoverable municipal charges on vacancies. Property expenses increased by 8.8% (2021: decreased by 4.1%) on a like-for-like basis.

Group net profit from property operations, excluding the International Financial Reporting Standards (IFRS) adjustment for straight-line leasing and net proceeds from the sale of sectional-title units, decreased by 6.9% to R1.3 billion (2021: R1.4 billion). On a like-for-like basis, net operating income decreased by 0.7% (2021: increased by 1.4%), mainly due to additional repairs and maintenance expenses incurred on the retail-experience hub portfolio during the year.

Total assets decreased by 4.3% to R21.6 billion (2021: R22.6 billion) and total liabilities decreased by 19.0% to R9.3 billion (2021: R11.5 billion), mainly due to the disposal of assets and the utilisation of sale proceeds to reduce interest-bearing debt. The group's net asset value increased by 11.0% to R12.3 billion (2021: R11.1 billion) and net asset value per share improved to R17.49 (2021: R15.75 per share).

## Waterfall City and Rest of South Africa completed real estate portfolio

Our smart, safe and sustainable spaces dominate their precincts, underpin our quality real estate portfolio and are managed through our internalised asset and property management.

Attacq shopping malls are more than just retail space, they are retail-experience hubs. Attacq office spaces are designed to be collaboration hubs in response to the evolution of the office environment, providing opportunities for physical interaction and collaboration. Attacq's logistics and distribution centres continue to be safe, secure urban logistics hubs, fully integrating office and warehouse requirements into a single location, resulting in a hybrid asset class.

Attacq continues to secure a quality rental income stream as demonstrated by the high proportion of international commercial clients. Space utilisation at Waterfall City and Lynnwood Bridge precinct, our largest collaboration hubs, continues to increase as businesses return to the workplace.

### Retail-experience hubs

The 12-month weighted average trading density for the total portfolio increased by 12.6% to R3 392m<sup>2</sup> (2021: decreased by 0.4% to R3 012m<sup>2</sup>) with increases at Mall of Africa of 18.7%, Garden Route Mall of 11.9% and Lynnwood Bridge – Retail and MooiRivier Mall of 11.1%. Trading densities at the malls have exceeded pre-COVID-19 levels.

The improved turnover of our retail clients is evidence of a shift in shopper behaviour during the year as shoppers increasingly returned to our regional and super-regional retail-experience hubs.

Significant turnover growth can be seen in the following retail categories: Department stores (9.0% growth from FY21, representing 20.4% of the total portfolio's turnover), Apparel (20.2% growth from FY21, representing 20.6% of the total portfolio's turnover), and Food (12.8% growth from FY21, representing 14.4% of the total portfolio's turnover). The turnover of our food services clients, which consists mostly of restaurants, grew by 27.0%, representing 9.0% of the total portfolio's turnover.

The strong turnover growth experienced by our clients, has placed us in a stronger position going forward to negotiate rental terms.

### Collaboration hubs

The space utilisation of our collaboration hubs increased as more businesses return to the office workplace. Attacq's client-focus approach to space management continues to deliver positive outcomes with Waterfall City attracting high quality covenants, including Amazon Web Services, Cisco, Pfizer and Ericsson.

Attacq has signed an amended lease agreement on the Cell C campus (24 955m<sup>2</sup>), subject to their recapitalisation being approved. In anticipation of the recapitalisation the warehouse component of the Cell C campus (14 014m<sup>2</sup>) has been re-let at market related rentals for a period of three years.

### Logistics hubs

Waterfall City provides a modern, safe, clean and scalable logistics precinct for new sustainable, efficient logistics requirements with a prime location within the greater Gauteng area.

### Client support

As tabled below, there has been an 81.8% decrease in rental discounts provided mainly to retail clients, compared to the prior year.

|                     | June 2022      | June 2021      |
|---------------------|----------------|----------------|
|                     | Total<br>R'000 | Total<br>R'000 |
| Rental relief       |                |                |
| Discounts           | 14 509         | 75 965         |
| Deferrals           | –              | 3 962          |
| <b>Total relief</b> | <b>14 509</b>  | <b>79 927</b>  |

## Property cost-to-income ratio

The increases in normalised cost-to-income ratios are due to decreased market rentals together with increasing municipal cost and costs associated with loadshedding. The municipal recovery ratio improved to 89.3% (2021: 87.6%) benefitting from savings achieved from renewable energy generation by PV rooftop systems, offset by municipal expenses not recovered due to vacancies during the financial year.

|   | Standard ratios |                | Normalised ratios* |                |
|---|-----------------|----------------|--------------------|----------------|
|   | June 2022<br>%  | June 2021<br>% | June 2022<br>%     | June 2021<br>% |
| <b>Property cost-to-income ratio</b>    |                 |                |                    |                |
| <b>Waterfall City</b>                   |                 |                |                    |                |
| Net cost-to-income ratio <sup>1</sup>   | 27.1            | 20.6           | 22.1               | 20.4           |
| Gross cost-to-income ratio <sup>2</sup> | 41.4            | 35.4           | 37.3               | 35.3           |
| <b>Rest of South Africa</b>             |                 |                |                    |                |
| Net cost-to-income ratio <sup>1</sup>   | 19.7            | 21.6           | 20.8               | 19.3           |
| Gross cost-to-income ratio <sup>2</sup> | 38.5            | 39.4           | 39.3               | 36.8           |

<sup>1</sup> 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)

<sup>2</sup> 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 expected credit losses on trade and other receivables

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

## Occupancy

The 10 882m<sup>2</sup> (2021: 13 959m<sup>2</sup>) of unoccupied retail-experience hub space relates mainly to Mall of Africa (5 235m<sup>2</sup>), Brooklyn Mall (1 652m<sup>2</sup>), Eikestad Mall (1 344m<sup>2</sup>) and MooiRivier Mall (1 235m<sup>2</sup>).

The 47 333m<sup>2</sup> (2021: 23 102m<sup>2</sup>) of unoccupied collaboration hub spaces relate mainly to Waterfall Circle (24 354m<sup>2</sup>), Brooklyn Bridge Office Park (7 575m<sup>2</sup>) and the Allandale building (5 339m<sup>2</sup>).

Subsequent to year-end, 9 995m<sup>2</sup> of the total vacancies of 58 215m<sup>2</sup> were filled, most of which relates to the collaboration hubs.

|  | June 2022      |                      |       |                | June 2021      |                      |       |                |
|--|----------------|----------------------|-------|----------------|----------------|----------------------|-------|----------------|
|  | Waterfall City | Rest of South Africa | Total | Occupied GLA   | Waterfall City | Rest of South Africa | Total | Occupied GLA   |
| <b>Sector occupancy</b>                  | %              | %                    | %     | m <sup>2</sup> | %              | %                    | %     | m <sup>2</sup> |
| Retail-experience hubs                   | 95.0           | 97.4                 | 96.5  | 299 114        | 94.1           | 96.4                 | 95.5  | 296 548        |
| Collaboration hubs                       | 80.8           | 87.0                 | 82.4  | 221 659        | 93.8           | 85.5                 | 91.7  | 256 247        |
| Logistics hubs                           | 100.0          | –                    | 100.0 | 136 027        | 100.0          | –                    | 100.0 | 163 856        |
| Hotel                                    | 100.0          | 100.0                | 100.0 | 20 405         | 100.0          | 100.0                | 100.0 | 20 405         |
| <b>Portfolio occupancy</b>               | 90.5           | 94.8                 | 92.1  | 677 205        | 96.0           | 93.6                 | 95.2  | 737 056        |
| Add: filled post year-end                | 1.8            | 0.7                  | 1.4   | 9 995          | 1.1            | 0.3                  | 0.8   | 6 148          |
| <b>Portfolio occupancy post year end</b> | 92.3           | 95.5                 | 93.5  | 687 200        | 97.1           | 93.9                 | 96.0  | 743 204        |

## Space management

The portfolio's weighted average lease expiry (WALE) decreased to 4.8 years (2021: 5.6 years). Leases totalling 54 365m<sup>2</sup> (215 leases) expired during the year, of which 42.9% of gross lettable area (GLA) (or 77.2% of the number of leases) were renewed. 24 354m<sup>2</sup> of the expiring GLA relates to the Waterfall Circle vacancy and if excluded, the client retention rate improves to 77.8%. Renewed leases were signed at a weighted average negative reversion rate of 2.1% (2021: weighted average negative reversion rental rate of 16.5%) and a weighted average lease escalation rate of 6.2% (2021: 5.5%). New and renewed leases were signed at a weighted average negative reversion rate of 3.1% (2021: negative 32.4%) and a weighted average leases escalation rate of 6.3% (2021: 5.5%).

|                        | Expired GLA m <sup>2</sup> | Client retention rate % | New and renewed leases |                    |
|------------------------|----------------------------|-------------------------|------------------------|--------------------|
|                        |                            |                         | Reversion rate %       | Escalation rate* % |
| Space renewals         |                            |                         |                        |                    |
| Retail-experience hubs | 23 942                     | 80.8                    | (2.4)                  | 6.2                |
| Collaboration hubs     | 30 423                     | 13.2                    | (7.6)                  | 6.6                |
| <b>Total portfolio</b> | <b>54 365</b>              | <b>42.9</b>             | <b>(3.1)</b>           | <b>6.3</b>         |

## Developing Waterfall City

Waterfall City represents an exceptional development opportunity in South Africa providing the group with 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.

### Newly completed developments

During the year, five developments were completed in Waterfall City and were transferred to the South African portfolio. These buildings added 47 623m<sup>2</sup> of GLA to Waterfall City, of which 27 438m<sup>2</sup> represents Attacq's effective share.

|  | Total GLA m <sup>2</sup> | Effective GLA m <sup>2</sup> | Occupancy % based on effective GLA | Practical completion date | Effective valuation* |
|--|--------------------------|------------------------------|------------------------------------|---------------------------|----------------------|
| Newly completed developments                               |                          |                              |                                    |                           |                      |
| <b>Waterfall City – Collaboration hubs</b>                 |                          |                              |                                    |                           |                      |
| Nexus Waterfall, building 1                                | 7 252                    | 7 252                        | 52.8                               | Q4 FY22                   | 124 714              |
| Waterfall Corporate Campus, building 6 <sup>^</sup>        | 3 970                    | 1 985                        | 100.0                              | Q2 FY22                   | 49 126               |
| Waterfall Corporate Campus, building 7 <sup>^</sup>        | 4 092                    | 2 046                        | 89.2                               | Q4 FY22                   | 38 397               |
| <b>Waterfall City – Logistics hubs</b>                     |                          |                              |                                    |                           |                      |
| Cotton On head office and distribution centre <sup>^</sup> | 20 747                   | 10 374                       | 100.0                              | Q3 FY22                   | 92 242               |
| Vantage data centre, phase 1 <sup>^</sup>                  | 11 562                   | 5 781                        | 100.0                              | Q4 FY22                   | 256 661              |
| <b>Total</b>   | <b>47 623</b>            | <b>27 438</b>                | <b>86.7</b>                        |                           | <b>561 140</b>       |

<sup>^</sup> Attacq has an undivided share in the building of 50.0%

### Developments under construction

Developments under construction at year end comprised of the following projects:

|   | Anticipated practical completion date | Total GSA/GLA* m <sup>2</sup> | Effective GSA/GLA* m <sup>2</sup> | Pre-let/pre-sold %  |
|---|---------------------------------------|-------------------------------|-----------------------------------|---------------------|
| Developments under construction                           |                                       |                               |                                   |                     |
| <b>Waterfall City – Residential</b>                       |                                       |                               |                                   |                     |
| Ellipse Waterfall, Cassini tower (185 units) <sup>#</sup> | Q4 FY23                               | 15 434                        | 3 082                             | >85.0 <sup>##</sup> |
| <b>Waterfall City – Logistics hubs</b>                    |                                       |                               |                                   |                     |
| Plumbink head office and distribution centre <sup>^</sup> | Q3 FY23                               | 14 943                        | 7 471                             | 100.0               |
| <b>Total</b>  |                                       | <b>30 377</b>                 | <b>10 553</b>                     | <b>&gt;95.0</b>     |

<sup>^</sup> Attacq has an undivided share in the building of 50.0%

<sup>#</sup> 20.0% effective share

<sup>##</sup> Based on number of units of bankable pre-sales; sectional-title units

\* Estimated gross saleable area (GSA)/GLA of development, subject to change upon final re-measurement post completion

## Pipeline developments

The marketing of Phase 3 of the Ellipse, Waterfall City is due to commence towards the end of September 2022. Nexus Waterfall, building 2 (5 244m<sup>2</sup>), a proposed turnkey development with a blue-chip corporate, is in final design and agreement stage.

| Pipeline developments   | Anticipated practical completion date | Total GSA/GLA* m <sup>2</sup> | Effective GSA/GLA* m <sup>2</sup> | Pre-let/pre-sold % |
|---|---------------------------------------|-------------------------------|-----------------------------------|--------------------|
| <b>Waterfall City – Residential</b><br>Ellipse Waterfall, Galileo tower (145 units) <sup>#</sup>            | Q2 FY25                               | 12 084                        | 2 416                             | Launch Q1 FY23     |
| <b>Waterfall City – Collaboration hub</b><br>Nexus Waterfall, building 2 (blue-chip corporate) <sup>^</sup> | Q4 FY23                               | 5 244                         | 5 244                             | 100.0              |
| <b>Total</b>  |                                       | 17 328                        | 7 660                             |                    |

<sup>^</sup> Attacq has an undivided share in the building of 50.0%

<sup>#</sup> 20.0% effective share

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

## Residential developments

Attacq continues to build the Waterfall City community through residential developments.

Ellipse Waterfall, located on a prime city gateway site opposite Mall of Africa, is a co-development with Portstone Development Proprietary Limited (Portstone). Ellipse Waterfall will on completion comprise four deluxe high-rise towers, named after celebrated astronomers: Newton, Kepler, Cassini and Galileo. Newton and Kepler towers (Phase 1, 270 units), a 50/50 undivided share with Portstone was completed during FY21 and 236 units have been transferred. The completion of the Cassini tower (Phase 2, 185 units) is expected in Q4 FY23 with more than 85.0% of units pre-sold. The marketing launch of Galileo tower (Phase 3, approximately 145 units) is planned for end September 2022. Attacq's interest in Phase 2 and Phase 3 is 20.0%. Phase 1 has achieved a four-star GBCSA multi-unit rating (by design and as built) certification, with the rest of the development targeting the same certification.

Based on the degree of market interest, the proposed development of The Mix has been withdrawn. Alternative residential developments are being explored with a view to enhancing the city's offerings and building the residential community.

## Logistics hub

### Plumblink distribution centre and head office

Attacq entered into a 50/50 undivided share with Bidvest Property Proprietary Limited (Bidvest) to develop a 14 943m<sup>2</sup> head office and distribution centre for Plumblink, a Bidvest Limited subsidiary. The development has a total development cost estimated at R141.9 million. This development, incorporating a PV rooftop system, is located on the last remaining site of LP22 and is expected to achieve a four-star GBCSA certification on completion.

### Waterfall Junction

Attacq, through a joint venture between Sanlam Life Insurance Limited and Attacq Waterfall Investment Company Proprietary Limited (AWIC), has access to a further 620 000m<sup>2</sup> 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 to be 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 000m<sup>2</sup> bulk) nearing completion. Attacq has exercised its call option to increase its interest in Waterfall Junction from 23.57% to 50.0%, subject to the satisfaction of certain conditions precedent.

## Leasehold land

Leasehold land, encompassing both development rights and infrastructure, relates to the notarial leasehold rights in respect of Waterfall City held by AWIC, a 100.0% subsidiary of Attacq. AWIC has until the end of the 2040 to proclaim its leasehold rights, to the extent it has not already done so. Proclamation entails the formal government gazetting of leasehold land within a township and is predominantly an administrative process. A new urban design, taking cognisance of future market trends, is currently underway for Waterfall City. In conjunction with this, a bulk optimisation project is being implemented.

At 30 June 2022, the group had 932 933m<sup>2</sup> (2021: 1 069 106m<sup>2</sup>) of developable rights remaining, comprising Waterfall City (786 799m<sup>2</sup>) and its interest in Waterfall Junction of (146 134m<sup>2</sup>). The reduction in leasehold land is due to sales, transfers to development under construction and the bulk optimisation project.



## Valuations

The investment property value of the South African real estate portfolio increased by 3.4% to R17.6 billion (2021: R17.0 billion).

| Valuations   | June 2022<br>R'000 | June 2021<br>R'000 | % change      |
|--|--------------------|--------------------|---------------|
| Waterfall City   | 11 017 612         | 11 059 614         | (0.4)         |
| Rest of South Africa   | 6 483 089          | 6 587 825          | (1.6)         |
| <b>Sub-total</b>   | <b>17 500 701</b>  | <b>17 647 439</b>  | <b>(0.8)</b>  |
| Developments under construction                              | 31 419             | 210 593            | (85.1)        |
| Leasehold land   | 905 528            | 1 218 235          | (25.7)        |
| <b>Sub-total investment property</b>                         | <b>18 437 648</b>  | <b>19 076 267</b>  | <b>(3.3)</b>  |
| Less: Held for sale  | (23 700)           | (1 303 665)        | (98.2)        |
| IFRS 16 Right-of-use assets                                  | 250 966            | 238 636            | 5.2           |
| <b>Total investment property (excluding straight-lining)</b> | <b>18 664 914</b>  | <b>18 011 238</b>  | <b>3.6</b>    |
| Straight-lining lease debtor                                 | (1 079 595)        | (1 019 441)        | 5.9           |
| <b>Total investment property (balance sheet)</b>             | <b>17 585 319</b>  | <b>16 991 797</b>  | <b>3.5</b>    |
| <b>Waterfall Junction</b>                                    | <b>95 265</b>      | <b>102 165</b>     | <b>(6.8)</b>  |
| <b>Inventory</b>   | <b>48 834</b>      | <b>216 336</b>     | <b>(77.4)</b> |

## Completed buildings

All income producing properties were valued externally using the discounted cash flow methodology, with the exception of Brooklyn Mall where the external valuation was reduced by the board to reflect a more conservative view of the valuation of the group's minority interest. External valuations were performed by Mills Fitchet Cape Proprietary Limited, Sterling Valuation Specialists Close Corporation (Sterling), CBRE Excellerate CRES (Pty) Ltd and CBRE Limited.

Discount and capitalisation rates as at 30 June 2022 remained largely unchanged compared to 30 June 2021, with the independent valuers having greater certainty regarding market rental growth subsequent to COVID-19 lockdown restrictions being lifted. The net result is a positive fair value adjustment of R468.3 million (2021: negative fair value adjustment of R1.5 billion). The fair value adjustment excludes the IFRS impact for straight-line leasing.

The largest contributor to the positive fair value adjustments was Mall of Africa (R430.4 million), offset by negative fair value adjustments in respect of Brooklyn Mall (R115.5 million) and Garden Route Mall (R41.4 million). The information below is weighted on property values:

| Completed buildings    | % of total<br>portfolio<br>based<br>on value | Discount<br>rates<br>% | Exit<br>cap rates<br>% | Cap rates<br>% | Average<br>value<br>per GLA<br>R/m <sup>2</sup> | Like-for-like<br>value<br>change<br>% |
|------------------------|--|------------------------|------------------------|----------------|---|---------------------------------------|
| Retail-experience hubs | 51.0   | 12.08                  | 7.65                   | 7.27           | 28 816  | 3.9                                   |
| Collaboration hubs     | 36.5   | 12.90                  | 8.64                   | 8.05           | 23 728  | 2.4                                   |
| Logistics hubs         | 9.1  | 13.04                  | 8.48                   | 8.16           | 11 684  | 1.5                                   |
| Hotel                  | 3.4  | 12.77                  | 8.75                   | 8.00           | 29 193  | 10.4                                  |
| <b>Total portfolio</b> | <b>100.0</b>                                 | <b>12.49</b>           | <b>8.12</b>            | <b>7.66</b>    | <b>23 797</b>                                   | <b>3.4</b>                            |

## Developments under construction

The value of the Plumblink head office and distribution centre development as at 30 June 2022 is based on an external valuation performed by Sterling and adjusted for costs still to be incurred to final completion.

## Leasehold land

The group carries leasehold land, encompassing both development rights and infrastructure, at fair value. Leasehold land decreased by 25.7% to R905.5 billion (2021: R1.2 billion) after taking into account leasehold land transferred to developments under construction and sold to joint venture partners, a reduced bulk market rate and a 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 valuation represents an external valuation performed by Vallun Properties Proprietary Limited trading as Valquest Property Valuers & Consultants.

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

## Other investments

Distributable income from Other investments increased to R68.6 million (2021: loss of R23.3 million) due to a cash dividend of R68.5 million received from MAS on their resumption of dividend payments and savings in interest costs as a result of the settlement of all euro-denominated debt.

### Investment in MAS

Attacq holds 46 157 934 shares in MAS representing a 6.5% (2021: 6.5%) shareholding. The investment in MAS, held in anticipation of capital growth and dividend income, is classified as an investment, and valued at a closing share price of R19.85 per share (2021: R18.18 per share). The resultant carrying value is R916.2 million (2021: R839.2 million). Total dividends of R68.5 million (2021: Rnil) were received from MAS during the year. A final dividend of 3.82 euro cents per MAS share was declared for the six-month period to 30 June 2022, payable on or about 29 September 2022.

MAS has provided guidance for distributable earnings for the year ending 30 June 2023 of between 9.40 euro cps and 10.10 euro cps and has kept its 2026 financial year target unchanged at between 14.5 euro cps to 15.0 euro cps. The positive guidance in earnings results from MAS' continued implementation of its Central and Eastern European strategy and the successful implementation of its exit from the Western Europe property markets.

For further information in respect of MAS' results, refer to the MAS website at [www.masrei.com](http://www.masrei.com).

### Rest of Africa retail investments

At 30 June 2022, the value of the Rest of Africa retail investments was R482.8 million (2021: R434.9 million). During the year no cash interest was received from the investments (2021: Rnil).

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

The Group's interest in Gruppo Investments Limited (Gruppo) is shown as held for sale on the statement of financial position at 30 June 2022. The disposal of Ikeja City Mall remains subject to conditions precedent, including the raising of funds which has proven difficult given continued US dollar liquidity constraints in Nigeria. Notwithstanding the current liquidity constraints, the purchaser has agreed to submit the required competition filing to the Nigerian Federal Competition and Consumer Protection Commission, the outcome of which remains pending. The parties have accordingly agreed to extend the longstop date to implement the transaction to 31 December 2022.

Discussions with prospective purchasers for the AttAfrica Limited (AttAfrica) portfolio are ongoing.

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

Attacq's Rest of Africa retail investments comprise:

| Rest of Africa retail investments  | June 2022<br>R'000 | %            | June 2021<br>R'000 | %            |
|--|--------------------|--------------|--------------------|--------------|
| Cash held by AIH International   | 896                | 0.2          | 35 808             | 8.2          |
| 26.9% interest in AttAfrica, which is invested in three retail properties in Ghana | 257 319            | 53.3         | 224 895            | 51.7         |
| 25.0% interest in Gruppo, the owner of Ikeja City Mall, Nigeria                    | 224 586            | 46.5         | 174 240            | 40.1         |
| <b>Total</b>   | <b>482 801</b>     | <b>100.0</b> | <b>434 943</b>     | <b>100.0</b> |

## Capital structure

### Reallocation of capital

In line with executing on the group's debt reduction plan to strengthen the balance sheet, proceeds of R850.0 million from the sale of the Deloitte head office (transferred on 17 August 2021) and R444.5 million from the Equites transaction, which includes 50.0% of the Amrod building, 50.0% of the Massmart distribution centre and 50.0% of the Cotton On development (transferred on 29 November 2021) were utilised to reduce interest-bearing borrowings.

During the year, Attacq disposed of an undivided half share in the development rights in respect of the Vantage data centre and the Plumbink head office and distribution centre for R71.6 million and R16.3 million, respectively. In addition, the group realised a profit from the sale of sectional title Ellipse Waterfall Phase 1 units of R68.1 million and generated proceeds of R24.0 million from the disposal of 80.0% of the development rights in respect of Ellipse Waterfall Phase 2.

## Liquidity

At 30 June 2022, the group had available liquidity of R1.9 billion (2021: R1.7 billion), comprising unrestricted cash balances of R604.2 million (2021: R990.7 million), prepaid access facilities of R960.8 million (2021: R448.0) and undrawn committed facilities of R310.0 million (2021: R310.0 million). Accordingly, the group has access to adequate facilities and available cash balances to complete its developments under construction and its development pipeline.

## Interest-bearing borrowings

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

In line with the group's stated debt reduction strategy, total interest-bearing borrowings decreased by 18.7% to R8.3 billion (2021: R10.2 billion). The decrease is mainly due to settling debt with proceeds from the disposal of assets. The group's remaining euro debt was fully settled during the year by using proceeds from the sale of MAS shares received during the previous financial year.

During the year, the group successfully refinanced R920.0 million of debt facilities which were scheduled to mature in the 2022 calendar year. Facilities totalling R572.0 million are due to mature during the 2023 calendar year, which represents approximately 6.9% of drawn facilities. R236.0 million of the maturing facilities will be settled in October 2022 and the balance of the facilities will be refinanced in due course.

The group interest cover ratio increased to 1.58 times (2021: 1.41 times), largely due to lower interest on reduced borrowings and income from MAS. 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, decreased to 37.20% (2021: 43.3%).

| Liquidity and borrowings                            | Units | June 2022        | June 2021  |
|---|-------|------------------|------------|
| Unrestricted cash balances                          | R'000 | 604 224          | 990 694    |
| Prepaid access facilities                           | R'000 | 960 808          | 448 000    |
| Undrawn committed facilities                        | R'000 | 310 000          | 310 000    |
| <b>Available liquidity</b>                          | R'000 | <b>1 875 032</b> | 1 748 694  |
| Undrawn development facilities                      | R'000 | Nil              | 160 731    |
| <b>Total drawn facilities</b>                       | R'000 | <b>8 281 403</b> | 10 183 029 |
| <b>Total weighted average loan term</b>             | years | <b>3.6</b>       | 3.9        |
| <b>Rand-denominated interest-bearing borrowings</b> |       |                  |            |
| Drawn facilities                                    | R'000 | 8 281 403        | 9 844 510  |
| Weighted average loan term                          | years | 3.9              | 4.0        |
| <b>Euro-denominated interest-bearing borrowings</b> |       |                  |            |
| Drawn facilities                                    | R'000 | Nil              | 338 519    |
| Weighted average loan term                          | years | n/a              | 0.9        |
| <b>Interest cover ratio</b>                         | times | <b>1.58</b>      | 1.41       |
| <b>Gearing</b>                                      | %     | <b>37.2</b>      | 43.3       |

## Cost of debt

The total weighted average cost of debt increased to 9.4% (2021: 8.9%).

| Debt  | Units | June 2022<br>R'000 | June 2021<br>R'000 |
|---|-------|--------------------|--------------------|
| <b>Total weighted average cost of debt</b>                            | %     | <b>9.4</b>         | 8.9                |
| Weighted average floating interest rate                               | %     | 7.0                | 5.6                |
| Premium for hedging   | %     | 2.4                | 3.3                |
| <b>Rand-denominated weighted average cost of debt</b>                 |       | <b>9.4</b>         | 9.1                |
| Weighted average floating interest rate                               | %     | 7.0                | 5.7                |
| Premium for hedging   | %     | 2.4                | 3.4                |
| <b>Euro-denominated weighted average cost of debt</b>                 |       | <b>n/a</b>         | 3.2                |
| Weighted average floating interest rate                               | %     | n/a                | 3.2                |
| Premium for hedging   | %     | n/a                | n/a                |
| <b>Total hedged as a percentage of total committed facilities</b>     | %     | <b>83.0</b>        | 73.8               |
| Total hedged as a percentage of rand-denominated committed facilities | %     | 92.6               | 76.2               |
| Weighted average rand-denominated hedge term                          | years | 2.6                | 3.0                |

In order to mitigate rand-denominated interest rate risk, 83.0% (2021: 76.2%) of total committed rand-denominated facilities were hedged by way of fixed interest-rate loans or interest-rate swaps. During the year, the group executed on an interest rate cap to replace interest rate swaps that were nearing maturity. The hedge ratio has increased due to a combination of excess available cash being temporarily placed in revolving credit facilities and the interest rate cap being implemented prior to the maturing of interest rate swaps, which the cap will replace. The weighted average rand-denominated hedge term is 2.6 years (2021: 3.0 years). The overall group interest rate hedging position is above the minimum group hedging policy of 70.0%.

Due to higher forward interest rates, a decrease in other financial liabilities of R392.4 million (2021: decrease of R300.7 million) was recorded in respect of the mark-to-market valuation of interest rate swaps.

## Prospects and dividend

During FY22, Attacq successfully reduced its balance sheet gearing to an acceptable level, completed a number of developments and grew its distributable income. Distributable income growth for the year exceeded guidance and as previously advised, the board had resolved to retain Attacq's REIT status and resume the payment of dividends. Having regard to future capital expenditure requirements, the board has determined a pay-out ratio of 80% of distributable income resulting in a dividend of 50.0 cents per share.

Looking ahead there are a number of headwinds, including poor business confidence, high unemployment, rising inflation and interest rates, which are likely to restrict economic growth and as a consequence the real estate market in general.

Attacq has a quality portfolio and it is proving to be resilient. Notwithstanding the challenging conditions, the portfolio is expected to continue to generate income growth. Given the improved capital structure, prudent interest rate hedging, available funding and liquidity, the group expects to deliver between an 8.0% and 10.0% dividend growth off a pay-out ratio of 80% of distributable income.

This guidance is based on the following key assumptions:

- The Cell C recapitalisation is approved and implemented
- No material impact on distributable income due to any new acquisitions or disposals
- Forecasted rental income being achieved based on contractual terms and anticipated market-related renewals
- No major changes in vacancy rates
- No significant lockdown restrictions due to COVID-19 or other pandemics
- No unforeseen circumstances such as major corporate tenant failures or further deterioration of the macro-economic environment

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

## Declaration of a cash dividend

The board declared a final gross cash dividend of 50.00000 cents per share, for the year ended 30 June 2022, out of the company's distributable income.

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

|                                       | 2022                           |
|---------------------------------------|--------------------------------|
| Last day to trade <i>cum</i> dividend | <b>Tuesday, 27 September</b>   |
| Shares trade ex dividend              | <b>Wednesday, 28 September</b> |
| Record date                           | <b>Friday, 30 September</b>    |
| Payment date                          | <b>Monday, 3 October</b>       |

Notes:

1. Share certificates may not be dematerialised or rematerialised between Wednesday, 28 September 2022 and Friday, 30 September 2022, both days inclusive.
2. Payment of the dividend will be made to shareholders on Monday, 3 October 2022. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (CSDP) account or broker account on Monday, 3 October 2022. Certificated shareholders' dividend will be deposited on or about Monday, 3 October 2022.
3. Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details whereafter the cash dividend will be paid via electronic transfer into the personal bank accounts of certificated shareholders.

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



### Tax implications for South African resident shareholders

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

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

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

### Tax implications for non-resident shareholders

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20.0%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20.0%, the net dividend amount due to non-resident shareholders is 40.00000 cents per share.

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

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

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

The number of shares in issue at 30 June 2022 and the date of this announcement is 751 551 292 ordinary shares of no par value, which includes 46 427 553 treasury shares. Attacq's tax reference number is 9241/038/64/6.

## Subsequent events

### Declaration of dividend after reporting period

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

The board approved a final dividend of 50.0 cents per share for the year ended 30 June 2022 (2021: zero cents) amounting to R352.6 million (2021: Rnil). The dividend represents a payout ratio of 80% based on the group's distributable income and meets the minimum 75% payout ratio required by the JSE Listings Requirements for a Real Estate Investment Trust.

### Settlement of Brooklyn Bridge facility

The group agreed with Investec Bank Limited to settle the capital outstanding of R235.2 million on the Brooklyn Bridge Office Park Proprietary Limited facility on or before 1 October 2022.

### MAS dividend declaration

On 29 August 2022, MAS declared a dividend of 3.82 euro cents per share payable to shareholders on or about 29 September 2022.

## Commitments

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

## Issue of shares

No shares were issued during the year.

## Change in directors

### Directors

There has been no change in directors during the year.

### Company secretary

Anda Matwa resigned as a company secretary on 1 December 2021 and was replaced by Bronwyn Baker until the appointment of Wyna Modisapodi, effective from 2 June 2022.

## Basis of preparation, changes in accounting policies and change in accounting estimates

The summarised provisional consolidated annual financial statements for the year ended 30 June 2022 have been prepared in accordance with the JSE Listings Requirements applicable to summarised provisional reports and the requirements of the Companies Act, No. 71 of 2008 applicable to summarised annual financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. This report together with the preparation of the consolidated annual financial statements were compiled under the supervision of R Nana CA (SA), chief financial officer (CFO) of Attacq.

The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summarised consolidated annual financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements for the year ended 30 June 2021, with the exception of the adoption of all the new, revised and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB) which were effective for Attacq from 1 July 2021. The new, revised and amended standards had no material impact on the consolidated annual financial statements.

## Fair value disclosure

The group's investment properties were externally valued by independent valuers other than Brooklyn Mall that was adjusted lower by the directors to reflect a more conservative view of the valuation of the group's minority interest in the property. In terms of IAS 40: *Investment Property* and IFRS 7: *Financial Instruments: Disclosure*, the group's investment properties are measured at fair value and are categorised as level 3 investments. The valuation of investment properties requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate.

## Completed developments and developments under construction

|                          | Rate range %  | Decrease of 50.0 basis points results in R'000 | Increase of 50.0 basis points results in R'000 | Decrease of 100.0 basis points results in R'000 | Increase of 100.0 basis points results in R'000 | Decrease of 1 month in vacancy R'000 | Increase of 1 month in vacancy R'000 |
|--------------------------|---------------|--|--|---|---|--------------------------------------|--------------------------------------|
| 2022                     |               |  |  |   |   |                                      |                                      |
| Exit capitalisation rate | 6.75 – 9.75   | 605 150  | (559 494)                                      | n/a   | n/a   | n/a                                  | n/a                                  |
| Discount rate            | 11.50 – 13.55 | 486 358  | (496 654)                                      | n/a   | n/a   | n/a                                  | n/a                                  |
| Market rental growth     | 3.70 – 5.00   | n/a  | n/a  | (940 677)                                       | 968 326   | n/a                                  | n/a                                  |
| Long-term vacancy rate   | 0.00 – 5.00   | n/a  | n/a  | 52 639  | (87 898)  | n/a                                  | n/a                                  |
| Vacancy                  | n/a           | n/a  | n/a  | n/a   | n/a   | 59 151                               | (130 670)                            |
| Expense growth rate      | 5.00 – 7.00   | n/a  | n/a  | 71 354  | (114 428)                                       | n/a                                  | n/a                                  |

## Serviced leasehold land

|                           | Range %                                       | Increase of 1 000.0 basis points results in R'000 | Increase of 100.0 basis points results in R'000 |
|---------------------------|---|---|---|
| 2022                      |   |   |   |
| Discount rate             | 12.27 – 14.50                                 | n/a   | 9 000   |
| Serviced land prices      | R1 100/m <sup>2</sup> – R3 200/m <sup>2</sup> | 107 000   | n/a   |
| Estimated capital outlays | n/a   | (7 400)   | n/a   |

## Completed developments and developments under construction

|                          | Rate range %  | Decrease of 50.0 basis points results in R'000 | Increase of 50.0 basis points results in R'000 | Decrease of 100.0 basis points results in R'000 | Increase of 100.0 basis points results in R'000 | Decrease of 1 month in vacancy R'000 | Increase of 1 month in vacancy R'000 |
|--------------------------|---------------|--|--|---|---|--------------------------------------|--------------------------------------|
| 2021                     |               |  |  |   |   |                                      |                                      |
| Exit capitalisation rate | 6.50 – 9.75   | 564 757  | (503 346)                                      | n/a   | n/a   | n/a                                  | n/a                                  |
| Discount rate            | 11.50 – 13.25 | 462 827  | (451 300)                                      | n/a   | n/a   | n/a                                  | n/a                                  |
| Market rental growth     | 4.00 – 5.00   | n/a  | n/a  | (837 266)                                       | 864 161   | n/a                                  | n/a                                  |
| Long-term vacancy rate   | 0.50 – 5.00   | n/a  | n/a  | 97 944  | (109 355)                                       | n/a                                  | n/a                                  |
| Vacancy                  | n/a           | n/a  | n/a  | n/a   | n/a   | 44 860                               | (75 796)                             |
| Expense growth rate      | 6.00 – 6.50   | n/a  | n/a  | 183 185   | (204 021)                                       | n/a                                  | n/a                                  |

## Serviced leasehold land

|                           | Range %                                       | Increase of 1 000.0 basis points results in R'000 | Increase of 100.0 basis points results in R'000 |
|---------------------------|---|---|---|
| 2021                      |   |   |   |
| Discount rate             | 13.00 – 14.50                                 | n/a   | 11 100  |
| Serviced land prices      | R1 000/m <sup>2</sup> – R3 200/m <sup>2</sup> | 148 700   | n/a   |
| Estimated capital outlays | n/a   | (11 300)  | n/a   |

Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations. An increase (weakening) in the capitalisation rate will decrease the value of investment properties. A decrease (improvement) in the capitalisation rate will increase the value of investment properties. Changes in the discount rate attributable to changes in the underlying risk profile associated with the property portfolio can have a significant impact on property valuations. An increase (weakening) in the discount rate will decrease the value of investment properties. A decrease (improvement) in the discount rate will increase the value of investment properties. Changes in the market rental attributable to changes in market conditions can have a significant impact on property valuations. A decrease (weakening) in the market rental will decrease the value of investment properties. An increase (improvement) in the market rental will increase the value of investment properties. Changes in the long-term vacancy rate attributable to changes in market conditions can have a significant impact on property valuations. An increase (weakening) in the long-term vacancy rate will decrease the value of investment properties. A decrease (improvement) in the long-term vacancy rate will increase the value of investment properties. Changes in the vacancy attributable to changes in market conditions can have a significant impact on property valuations. An increase (weakening) in the vacancy will decrease the value of investment properties. A decrease (improvement) in the vacancy will increase the value of investment properties. Changes in the expense growth rate attributable to changes in market conditions can have a significant impact on property valuations. An increase (weakening) in the expense growth rate will decrease the value. A decrease (improvement) in the expense growth rate will increase the value.

Changes in the discount rate attributable to changes in the underlying risk profile associated with the leasehold land portfolio can have a significant impact on leasehold land valuations. An increase (weakening) in the discount rate will decrease the lease liability which will in turn increase the leasehold land value. A decrease (improvement) in the discount rate will increase the lease liability which will in turn decrease the leasehold land value. Changes in the serviced land prices attributable to changes in market conditions can have a significant impact on leasehold land valuations. An increase (improvement) in the serviced land prices will increase the leasehold land value. A decrease (weakening) in the serviced land prices will decrease the leasehold land value. Changes in the capital outlays estimation attributable to changes in market conditions can have a significant impact on leasehold land valuations. An increase (weakening) in the estimated capital outlays will decrease the leasehold land value. A decrease (weakening) in the serviced land prices will increase the leasehold land value.

In terms of IFRS 9: *Financial Instruments* and IFRS 7: *Financial Instruments: Disclosure*, the group's currency and interest rate derivatives as well as the equity derivative are measured at fair value through profit or loss and are categorised as level 2 investments. Unlisted investments are categorised as level 3. There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the previous consolidated annual financial statements. This announcement does not include all the information required pursuant to paragraph 16A(j) of IAS 34: *Interim Financial Reporting*. The full report is available on the issuer's website, at the issuer's registered offices and upon request.

|  | 2022                  |          |                |          |                           |
|--|-----------------------|----------|----------------|----------|---------------------------|
| Fair value hierarchy (R'000)           | Carried at fair value | Level 1  | Level 2*       | Level 3  | Carried at amortised cost |
| <b>ASSETS</b>                          |                       |          |                |          |                           |
| Other financial assets                 | 948 445               | –        | 948 445        | –        | 344 078                   |
| Trade and other receivables            | –                     | –        | –              | –        | 226 016                   |
| Loans to associates and joint ventures | –                     | –        | –              | –        | 95 265                    |
| Cash and cash equivalents              | –                     | –        | –              | –        | 717 121                   |
| <b>TOTAL FINANCIAL ASSETS</b>          | <b>948 445</b>        | <b>–</b> | <b>948 445</b> | <b>–</b> | <b>1 382 480</b>          |
| <b>LIABILITIES</b>                     |                       |          |                |          |                           |
| Long-term borrowings                   | –                     | –        | –              | –        | 8 281 402                 |
| Other financial liabilities            | 77 465                | –        | 77 465         | –        | 204                       |
| Lease liability                        | –                     | –        | –              | –        | 256 785                   |
| Loans from associates                  | –                     | –        | –              | –        | 4 082                     |
| Trade and other payables               | –                     | –        | –              | –        | 435 824                   |
| <b>TOTAL FINANCIAL LIABILITIES</b>     | <b>77 465</b>         | <b>–</b> | <b>77 465</b>  | <b>–</b> | <b>8 978 297</b>          |

2021

| Fair value hierarchy (R'000)  | Carried at<br>fair value | Level 1  | Level 2*       | Level 3  | Carried at<br>amortised cost |
|---|--------------------------|----------|----------------|----------|------------------------------|
| <b>ASSETS</b>   |                          |          |                |          |                              |
| Other financial assets  | 883 453                  | –        | 883 453        | –        | 354 067                      |
| Trade and other receivables   | –                        | –        | –              | –        | 144 140                      |
| Loans to associates and joint ventures                                      | –                        | –        | –              | –        | 105 520                      |
| Cash and cash equivalents   | –                        | –        | –              | –        | 1 092 915                    |
| Taxation receivable   | –                        | –        | –              | –        | 1 557                        |
| <b>TOTAL FINANCIAL ASSETS</b>   | <b>883 453</b>           | <b>–</b> | <b>883 453</b> | <b>–</b> | <b>1 698 199</b>             |
| <b>LIABILITIES</b>  |                          |          |                |          |                              |
| Long-term borrowings  | –                        | –        | –              | –        | 9 424 859                    |
| Other financial liabilities   | 500 134                  | –        | 500 134        | –        | 16 042                       |
| Lease liability   | –                        | –        | –              | –        | 251 065                      |
| Loans from associates   | –                        | –        | –              | –        | 4 661                        |
| Trade and other payables  | –                        | –        | –              | –        | 430 805                      |
| Taxation payable  | –                        | –        | –              | –        | 2 013                        |
| Non-current liabilities associated with non-current<br>assets held for sale | –                        | –        | –              | –        | 758 170                      |
| <b>TOTAL FINANCIAL LIABILITIES</b>  | <b>500 134</b>           | <b>–</b> | <b>500 134</b> | <b>–</b> | <b>10 887 615</b>            |

\* Measured on a recurring basis

## Audit report

The auditor, Ernst & Young Inc., has issued an unmodified opinion on Attacq's audited consolidated annual financial statements for the year ended 30 June 2022. The audit was conducted in accordance with International Standards on Auditing. The following key audit matter was considered as part of their audit: valuation of investment property, including completed developments, developments under construction and leasehold land.

A copy of the auditor's report together with a copy of the audited consolidated annual financial statements is available for inspection at the company's registered office and on the company's website ([www.attacq.co.za](http://www.attacq.co.za)).

These summarised provisional consolidated annual financial statements have been derived from the group's audited consolidated annual financial statements and are consistent in all material respects with the group's audited consolidated annual financial statements for the year ended 30 June 2022 but are not themselves audited. The directors take full responsibility for the preparation of these summarised provisional consolidated annual financial results and confirm that the financial information has been correctly extracted from the underlying audited consolidated annual financial statements. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor. The auditor does not necessarily report on all the information contained in this announcement. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the audited consolidated annual financial statements for the year ended as at 30 June 2022 from the company's registered office or from the company's website.

On behalf of the board



**P Tredoux**  
Chairperson

13 September 2022



**JR van Niekerk**  
CEO



## Summarised consolidated statement of profit or loss and other comprehensive income

|  | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|--|--------------------------|--------------------------|
| <b>Gross revenue</b>   | <b>2 521 573</b>         | 2 390 241                |
| Rental income  | 2 172 184                | 2 206 357                |
| Straight-line lease income adjustment  | 64 624                   | 132 033                  |
| Sale of sectional title units  | 284 765                  | 51 851                   |
| <b>Gross property expenses</b>   | <b>(1 038 896)</b>       | (802 534)                |
| Property expenses  | (791 607)                | (753 196)                |
| Expected credit losses (ECL) on trade and other receivables                      | (30 625)                 | (3 822)                  |
| Cost of sales of sectional title units   | (216 664)                | (45 516)                 |
| <b>Net profit from property operations</b>                                       | <b>1 482 677</b>         | 1 587 707                |
| Other income   | 204 097                  | 366 686                  |
| Reversal of expected credit losses on loans to associates and guarantees         | 47 925                   | 231 171                  |
| Other  | 156 172                  | 135 515                  |
| Realisation of foreign currency translation reserve (FCTR) on foreign operations | –                        | 895 431                  |
| Operating expenses   | (190 094)                | (180 347)                |
| Expected credit losses on loans to associates and guarantees                     | (13 125)                 | (14 811)                 |
| Impairment of investment in associates   | –                        | (158 462)                |
| Other expenses   | (85 097)                 | (169 395)                |
| <b>Operating profit</b>  | <b>1 398 458</b>         | 2 326 809                |
| Fair value adjustments   | 647 424                  | (1 233 605)              |
| Investment properties  | 254 975                  | (1 534 260)              |
| Other financial assets and liabilities/derivative financial liabilities          | 392 449                  | 300 655                  |
| Net (loss) income from associates and joint ventures                             | (23 735)                 | 70 698                   |
| Investment income  | 138 521                  | 71 204                   |
| Finance costs  | (828 586)                | (994 052)                |
| <b>Profit before taxation</b>  | <b>1 332 082</b>         | 241 054                  |
| Income tax expense   | (152 522)                | (86 939)                 |
| <b>Profit for the year</b>   | <b>1 179 560</b>         | 154 115                  |
| Attributable to:   |                          |                          |
| Owners of the holding company  | 1 179 560                | 154 115                  |
| <b>Other comprehensive profit</b>  |                          |                          |
| <b>Items that will not be reclassified subsequently to profit or loss</b>        |                          |                          |
| Profit on fair value through other comprehensive income assets                   | 77 084                   | 375 689                  |
| <b>Other comprehensive profit for the year net of taxation</b>                   | <b>77 084</b>            | 375 689                  |
| <b>Items that will be reclassified subsequently to profit or loss</b>            |                          |                          |
| Exchange differences on translation of foreign operations                        | (21 104)                 | (123 555)                |
| <b>Total comprehensive profit for the year</b>                                   | <b>1 235 540</b>         | 406 249                  |
| Attributable to:   |                          |                          |
| Owners of the parent   | 1 235 540                | 406 249                  |
| <b>Earnings per share</b>  |                          |                          |
| Basic (cents)  | 167.3                    | 21.9                     |
| Diluted (cents)  | 165.1                    | 21.6                     |

### Other income

Other income of R204.1 million (2021: R366.7 million) includes the impact of:

- Profit on disposal of investment property of R18.8 million (2021: Rnil)
- Foreign exchange gains of R112.5 million (2021: R18.8 million)
- Reversal of ECL on the loan to Gruppo of R27.3 million in the current year and R225.3 million on the loan to AttAfrica in the prior year
- Reversal of the impairment of the investment in MAS in the prior year of R92.4 million

### Impairment of investment in associates

This relates to the prior year impairment of the investment in AttAfrica of R158.5 million

### Other expenses

Other expenses decreased to R85.1 million (2021: R169.4 million) and includes foreign exchange losses of R33.1 million (2021: R113.2 million) and landholding cost of R31.2 million (2021: R29.7 million).

## Fair value adjustments

|  | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|--|--------------------------|--------------------------|
| Completed buildings                    | 448 088                  | (1 452 651)              |
| Right-of-use asset                     | (23 683)                 | (26 409)                 |
| Developments under construction        | (30 655)                 | 6 583                    |
| Waterfall City leasehold land          | (138 775)                | (61 783)                 |
| Other financial assets and liabilities | 392 449                  | 300 655                  |
| <b>Total</b>                           | <b>647 424</b>           | <b>(1 233 605)</b>       |

## Investment income

|                 | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|-----------------|--------------------------|--------------------------|
| Dividend income | 68 604                   | –                        |
| Bank            | 24 636                   | 30 186                   |
| Other interest* | 45 281                   | 41 018                   |
| <b>Total</b>    | <b>138 521</b>           | <b>71 204</b>            |

\* Other interest relates mainly to interest earned from PwC Waterfall Property Partnership

## Finance cost

|                                  | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|----------------------------------|--------------------------|--------------------------|
| Long-term borrowings             | (520 615)                | (628 854)                |
| Derivative financial liabilities | (285 884)                | (340 203)                |
| Lease liability                  | (21 919)                 | (24 950)                 |
| Other                            | (168)                    | (45)                     |
|                                  | <b>(828 586)</b>         | <b>(994 052)</b>         |

## Summarised consolidated statement of financial position

|   | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|---|--------------------------|--------------------------|
| <b>Assets</b>   |                          |                          |
| <b>Non-current assets</b>   |                          |                          |
| Property and equipment  | 11 949                   | 14 092                   |
| Investment properties   | 17 585 319               | 16 991 797               |
| Per valuation   | 18 664 914               | 18 011 238               |
| Straight-line lease debtor  | (1 079 595)              | (1 019 441)              |
| Straight-line lease debtor  | 1 079 595                | 1 019 441                |
| Deferred initial lease expenditure                                | 5 214                    | 4 866                    |
| Investment in associates and joint ventures                       | 295 777                  | 258 229                  |
| Other financial assets  | 1 271 038                | 1 204 067                |
| Deferred tax assets   | 1 109                    | 19 806                   |
| <b>Total non-current assets</b>                                   | <b>20 250 001</b>        | <b>19 512 298</b>        |
| <b>Current assets</b>   |                          |                          |
| Taxation receivable   | 467                      | 1 557                    |
| Trade and other receivables                                       | 232 363                  | 149 422                  |
| Inventory   | 48 834                   | 216 336                  |
| Loans to associates and joint ventures                            | 95 265                   | 105 520                  |
| Other financial assets  | 21 485                   | 33 453                   |
| Cash and cash equivalents   | 717 121                  | 1 092 915                |
| <b>Total current assets</b>                                       | <b>1 115 535</b>         | <b>1 599 203</b>         |
| Non-current assets held for sale                                  | 260 746                  | 1 477 671                |
| <b>Total assets</b>   | <b>21 626 282</b>        | <b>22 589 172</b>        |
| <b>Equity and liabilities</b>                                     |                          |                          |
| <b>Equity</b>   |                          |                          |
| Stated capital  | 6 499 090                | 6 499 090                |
| Distributable reserves  | 5 294 688                | 4 104 170                |
| Fair value through other comprehensive income reserve             | 457 647                  | 380 563                  |
| Share-based payment reserve                                       | 82 212                   | 107 821                  |
| Foreign currency translation reserve                              | (4 502)                  | 16 602                   |
| <b>Total equity attributable to owners of the holding company</b> | <b>12 329 135</b>        | <b>11 108 246</b>        |
| <b>Non-current liabilities</b>                                    |                          |                          |
| Long-term borrowings  | 7 709 883                | 8 714 314                |
| Deferred tax liabilities  | 200 765                  | 67 927                   |
| Other financial liabilities                                       | 1 087                    | 247 427                  |
| Cash settled share-based payments                                 | 72                       | 205                      |
| Lease liability   | 227 830                  | 228 477                  |
| <b>Total non-current liabilities</b>                              | <b>8 139 637</b>         | <b>9 258 350</b>         |
| <b>Current liabilities</b>  |                          |                          |
| Other financial liabilities                                       | 76 583                   | 268 749                  |
| Lease liability   | 28 955                   | 22 588                   |
| Loans from associates   | 4 082                    | 4 661                    |
| Taxation payable  | –                        | 2 013                    |
| Cash settled share-based payments                                 | 193                      | 358                      |
| Trade and other payables  | 458 603                  | 437 178                  |
| Provisions  | 17 575                   | 18 314                   |
| Short-term portion of long-term borrowings                        | 571 519                  | 710 545                  |
| <b>Total current liabilities</b>                                  | <b>1 157 510</b>         | <b>1 464 406</b>         |
| Liabilities associated with non-current assets held for sale      | –                        | 758 170                  |
| <b>Total liabilities</b>  | <b>9 297 147</b>         | <b>11 480 926</b>        |
| <b>Total equity and liabilities</b>                               | <b>21 626 282</b>        | <b>22 589 172</b>        |

### Investment properties

The increase to R17.6 billion (R17.0 billion) includes:

- Positive fair value adjustments on investment properties of R254.9 million (2021: R1.5 billion negative fair value adjustment)
- Capital expenditure of R522.1 million (2021: R334.0 million)

### Inventory

Inventory decreased from R216.3 million to R48.8 million due to the transfer of 236 Ellipse Waterfall and three Waterfall Point sectional-title units that transferred during FY22.

## Reconciliation between earnings and headline earnings

|  | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|--|--------------------------|--------------------------|
| <b>Profit for the year</b>                           | <b>1 179 560</b>         | 154 115                  |
| Headline earnings adjustments                        | <b>(252 057)</b>         | 701 232                  |
| Profit on disposal of associates and other assets    | –                        | (1 000)                  |
| Profit on disposal of investment property            | <b>(14 369)</b>          | –                        |
| Net impairment of investment in associates           | <b>(6 448)</b>           | 66 019                   |
| Fair value adjustments                               | <b>(254 975)</b>         | 1 534 260                |
| Realisation of FCTR on foreign operations            | –                        | (895 431)                |
| Net loss (income) from associates and joint ventures | <b>23 735</b>            | (3 863)                  |
| Loss on disposal of subsidiary                       | –                        | 1 247                    |
| <b>Headline earnings</b>                             | <b>927 503</b>           | 855 347                  |
| Number of shares in issue*                           | <b>705 123 739</b>       | 705 123 739              |
| Weighted average number of shares in issue*          | <b>705 123 739</b>       | 704 690 544              |
| Diluted weighted average number of shares in issue*  | <b>714 427 113</b>       | 712 906 309              |
| <b>Headline earnings per share</b>                   |                          |                          |
| Basic (cents)  | <b>131.5</b>             | 121.4                    |
| Diluted (cents)                                      | <b>129.8</b>             | 120.0                    |

\* Adjusted for 46 427 553 treasury shares



## Summarised consolidated statement of cash flows

|   | 30 June<br>2022<br>R'000 | 30 June<br>2021<br>R'000 |
|---|--------------------------|--------------------------|
| <b>Net cash generated from operating activities</b>         | <b>612 132</b>           | 340 070                  |
| Cash generated from operations                              | 1 312 821                | 1 279 545                |
| Interest income   | 69 917                   | 71 073                   |
| Dividend income   | 68 604                   | –                        |
| Interest paid   | (836 523)                | (997 682)                |
| Finance costs capitalised                                   | (782)                    | (4 875)                  |
| Repurchase of equity-settled share-based payments           | –                        | (9 440)                  |
| Taxation (paid) received                                    | (1 905)                  | 1 449                    |
| <b>Net cash generated from investing activities</b>         | <b>932 435</b>           | 1 137 454                |
| <i>Expenditure to maintain operating capacity</i>           |                          |                          |
| Property and equipment acquired                             | (2 258)                  | (4 483)                  |
| Property and equipment disposed                             | –                        | 2 047                    |
| <i>Expenditure to expand operating capacity</i>             |                          |                          |
| Investment properties developed                             | (489 602)                | (325 719)                |
| Investment properties disposed                              | 29 591                   | –                        |
| Waterfall leasehold land rights disposal                    | 114 628                  | –                        |
| Loans to associates and joint ventures repaid               | (24 679)                 | –                        |
| Proceeds of associates and joint ventures disposed          | –                        | 1 381 845                |
| Other financial assets (advanced) repaid                    | (6 590)                  | 8 661                    |
| Additions to deferred initial lease expenditure             | (1 312)                  | (1 523)                  |
| Cash flow relating to non-current assets held for sale      | 1 312 657                | 76 626                   |
| <b>Net cash utilised in financing activities</b>            | <b>(1 920 416)</b>       | (1 149 502)              |
| Repayment of lease liability                                | (26 576)                 | (26 720)                 |
| Long-term borrowings raised                                 | 150 000                  | 713 666                  |
| Long-term borrowings repaid                                 | (1 285 670)              | (1 810 549)              |
| Loans to associates and joint ventures repaid               | –                        | (14 699)                 |
| Cash flow relating to non-current liabilities held for sale | (758 170)                | –                        |
| Other financial liabilities repaid                          | –                        | (11 200)                 |
| Total cash movement for the year                            | (375 849)                | 328 023                  |
| Cash at the beginning of the year                           | 1 092 915                | 772 547                  |
| Forex effect on cash and cash equivalents                   | 55                       | (7 655)                  |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>717 121</b>           | 1 092 915                |

## Statements of changes in equity

Figures in R'000s

|   | Stated capital   | FVOCI <sup>^</sup> reserve | Distributable reserves | Share-based payment reserve | Foreign currency translation reserve | Equity attributable to owners of the holding company |
|---|------------------|----------------------------|------------------------|-----------------------------|--------------------------------------|--|
| <b>GROUP</b>                                      |                  |                            |                        |                             |                                      |  |
| <b>Balance at 30 June 2020</b>                    | <b>6 473 103</b> | <b>272 016</b>             | <b>3 682 728</b>       | <b>118 136</b>              | <b>1 035 588</b>                     | <b>11 581 571</b>                                    |
| Issue of shares                                   | 25 987           | –                          | –                      | (25 987)                    | –                                    | –  |
| <b>Total comprehensive profit (loss)</b>          | <b>–</b>         | <b>375 689</b>             | <b>154 115</b>         | <b>–</b>                    | <b>(1 018 986)</b>                   | <b>(489 182)</b>                                     |
| Profit (loss) for the year                        | –                | –                          | 154 115                | –                           | (895 431)                            | (741 316)  |
| Other comprehensive profit (loss)                 | –                | 375 689                    | –                      | –                           | (123 555)                            | 252 134  |
| Transfer between reserves on expiry               | –                | –                          | 185                    | (185)                       | –                                    | –  |
| Transfer between reserves                         | –                | (267 142)                  | 267 142                | –                           | –                                    | –  |
| Repurchase of equity-settled share based payments | –                | –                          | –                      | (14 395)                    | –                                    | (14 395)   |
| Recognition of share-based payment reserve        | –                | –                          | –                      | 30 252                      | –                                    | 30 252   |
| <b>Balance at 30 June 2021</b>                    | <b>6 499 090</b> | <b>380 563</b>             | <b>4 104 170</b>       | <b>107 821</b>              | <b>16 602</b>                        | <b>11 108 246</b>                                    |
| Issue of shares                                   | –                | –                          | –                      | –                           | –                                    | –  |
| <b>Total comprehensive profit (loss)</b>          | <b>–</b>         | <b>77 084</b>              | <b>1 179 560</b>       | <b>–</b>                    | <b>(21 104)</b>                      | <b>1 235 540</b>                                     |
| Profit for the year                               | –                | –                          | 1 179 560              | –                           | –                                    | 1 179 560  |
| Other comprehensive profit (loss)                 | –                | 77 084                     | –                      | –                           | (21 104)                             | 55 980   |
| Transfer between reserves on expiry               | –                | –                          | 10 958                 | (14 448)                    | –                                    | (3 490)  |
| Recognition of share-based payment reserve        | –                | –                          | –                      | (11 161)                    | –                                    | (11 161)   |
| <b>Balance at 30 June 2022</b>                    | <b>6 499 090</b> | <b>457 647</b>             | <b>5 294 688</b>       | <b>82 212</b>               | <b>(4 502)</b>                       | <b>12 329 135</b>                                    |

<sup>^</sup> Fair value through other comprehensive income.

## Segmental reporting

Figures in R'000s

|  | GROUP 2022             |                    |                |
|--|------------------------|--------------------|----------------|
|  | Rest of South Africa   |                    |                |
|  | Retail-experience hubs | Collaboration hubs | Hotel          |
| <b>STATEMENT OF FINANCIAL POSITION</b>                   |                        |                    |                |
| Investment property                                      | 4 365 777              | 1 584 825          | 260 185        |
| Waterfall developments                                   | –                      | –                  | –              |
| Developments under construction                          | –                      | –                  | –              |
| Leasehold land   | –                      | –                  | –              |
| Straight-line lease debtor                               | 95 747                 | 173 012            | 12 235         |
| Investments in associates and joint ventures             | 35 956                 | 1 913              | –              |
| Other financial assets                                   | 3 901                  | –                  | –              |
| Loans to associates and joint ventures                   | –                      | –                  | –              |
| Trade and other receivables                              | 38 815                 | 4 753              | 3 261          |
| Cash and cash equivalents                                | 33 798                 | 30 541             | –              |
| Inventory  | –                      | –                  | –              |
| Non-current assets held for sale                         | –                      | –                  | –              |
| Deferred tax assets                                      | –                      | –                  | –              |
| Other assets   | –                      | 2 510              | –              |
| <b>Total assets</b>                                      | <b>4 573 994</b>       | <b>1 797 554</b>   | <b>275 681</b> |
| Long-term borrowings                                     | –                      | –                  | –              |
| Other financial liabilities                              | –                      | –                  | –              |
| Loans from associates                                    | –                      | –                  | –              |
| Deferred tax liabilities                                 | –                      | –                  | –              |
| Trade and other payables                                 | 134 694                | 28 276             | 632            |
| Lease liability  | –                      | 8 351              | –              |
| Other liabilities  | –                      | –                  | –              |
| <b>Total liabilities</b>                                 | <b>134 694</b>         | <b>36 627</b>      | <b>632</b>     |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                 |                        |                    |                |
| Rental income  | 591 336                | 236 341            | 31 935         |
| Straight-line lease income adjustment                    | (14 669)               | 7 651              | 3 562          |
| Sale of sectional title units                            | –                      | –                  | –              |
| Property expenses/PM fee income                          | (252 939)              | (87 598)           | (6 849)        |
| ECL on trade and other receivables                       | 10 507                 | 1 818              | 902            |
| Cost of sales of sectional title units                   | –                      | –                  | –              |
| <b>Net profit from property operations</b>               | <b>334 235</b>         | <b>158 212</b>     | <b>29 550</b>  |
| Other income   | –                      | –                  | –              |
| Operating expenses                                       | (24 220)               | (8 812)            | (1 266)        |
| ECL on loans to associates and suretyships               | –                      | –                  | –              |
| Other expenses   | –                      | –                  | –              |
| <b>Operating profit (loss)</b>                           | <b>310 015</b>         | <b>149 400</b>     | <b>28 284</b>  |
| Fair value adjustments                                   | (169 390)              | (28 078)           | 29 744         |
| Net income (loss) from associates                        | –                      | –                  | –              |
| Investment income  | 1 929                  | 1 453              | 586            |
| Finance costs  | –                      | 460                | –              |
| <b>Profit (loss) before tax</b>                          | <b>142 554</b>         | <b>123 235</b>     | <b>58 614</b>  |
| Taxation   | –                      | –                  | –              |
| <b>Profit (Loss) for the year attributable to owners</b> | <b>142 554</b>         | <b>123 235</b>     | <b>58 614</b>  |

| GROUP 2022             |                    |                |          |              |                |                               |                    |           |            |
|------------------------|--------------------|----------------|----------|--------------|----------------|-------------------------------|--------------------|-----------|------------|
| Waterfall City         |                    |                |          |              | Head office SA | Total South African portfolio | Head office Global | Other     | Total      |
| Retail-experience hubs | Collaboration hubs | Logistics hubs | Hotel    | Developments |                |                               |                    |           |            |
| 4 359 946              | 4 238 807          | 1 526 732      | 312 100  | –            | –              | 16 648 372                    | –                  | –         | 16 648 372 |
| –                      | –                  | –              | –        | 936 947      | –              | 936 947                       | –                  | –         | 936 947    |
| –                      | –                  | –              | –        | 31 419       | –              | 31 419                        | –                  | –         | 31 419     |
| –                      | –                  | –              | –        | 905 528      | –              | 905 528                       | –                  | –         | 905 528    |
| 136 725                | 504 485            | 135 417        | 21 974   | –            | –              | 1 079 595                     | –                  | –         | 1 079 595  |
| –                      | –                  | –              | –        | –            | 46             | 37 915                        | –                  | 257 862   | 295 777    |
| 512                    | 327 013            | 6 260          | –        | –            | 38 602         | 376 288                       | –                  | 916 235   | 1 292 523  |
| –                      | –                  | –              | –        | 95 265       | –              | 95 265                        | –                  | –         | 95 265     |
| 27 152                 | 37 607             | 8 952          | 2 464    | 3 643        | 105 637        | 232 284                       | 79                 | –         | 232 363    |
| 50 916                 | 54 377             | 21 255         | 247      | 30 819       | 494 272        | 716 225                       | 896                | –         | 717 121    |
| –                      | 11 520             | –              | –        | 37 314       | –              | 48 834                        | –                  | –         | 48 834     |
| 35 806                 | –                  | –              | –        | –            | –              | 35 806                        | –                  | 224 940   | 260 746    |
| –                      | –                  | –              | –        | –            | 1 109          | 1 109                         | –                  | –         | 1 109      |
| –                      | –                  | –              | –        | –            | 15 120         | 17 630                        | –                  | –         | 17 630     |
| 4 611 057              | 5 173 809          | 1 698 616      | 336 785  | 1 103 988    | 654 786        | 20 226 270                    | 975                | 1 399 037 | 21 626 282 |
| –                      | –                  | –              | –        | –            | 8 281 402      | 8 281 402                     | –                  | –         | 8 281 402  |
| –                      | –                  | –              | –        | –            | 77 670         | 77 670                        | –                  | –         | 77 670     |
| –                      | –                  | –              | –        | –            | –              | –                             | –                  | 4 082     | 4 082      |
| –                      | –                  | –              | –        | –            | 200 765        | 200 765                       | –                  | –         | 200 765    |
| 67 372                 | 96 301             | 13 082         | 9 356    | 1 068        | 107 822        | 458 603                       | –                  | –         | 458 603    |
| 48 597                 | 109 992            | 72 866         | 10 816   | –            | 6 163          | 256 785                       | –                  | –         | 256 785    |
| –                      | –                  | –              | –        | 15 059       | 2 781          | 17 840                        | –                  | –         | 17 840     |
| 115 969                | 206 293            | 85 948         | 20 172   | 16 127       | 8 676 603      | 9 293 065                     | –                  | 4 082     | 9 297 147  |
| 514 426                | 569 683            | 175 194        | 39 938   | –            | 13 331         | 2 172 184                     | –                  | –         | 2 172 184  |
| 6 403                  | 36 739             | 15 785         | 9 153    | –            | –              | 64 624                        | –                  | –         | 64 624     |
| –                      | 284 765            | –              | –        | –            | –              | 284 765                       | –                  | –         | 284 765    |
| (231 226)              | (158 332)          | (46 358)       | (10 938) | –            | 2 633          | (791 607)                     | –                  | –         | (791 607)  |
| 5 043                  | (50 541)           | –              | –        | –            | 1 646          | (30 625)                      | –                  | –         | (30 625)   |
| –                      | (216 664)          | –              | –        | –            | –              | (216 664)                     | –                  | –         | (216 664)  |
| 294 646                | 465 650            | 144 621        | 38 153   | –            | 17 610         | 1 482 677                     | –                  | –         | 1 482 677  |
| –                      | 1 038              | 18 893         | –        | –            | 37 903         | 57 834                        | –                  | 146 263   | 204 097    |
| (14 408)               | (25 109)           | (7 379)        | (1 357)  | –            | (107 543)      | (190 094)                     | –                  | –         | (190 094)  |
| –                      | –                  | –              | –        | –            | (13 125)       | (13 125)                      | –                  | –         | (13 125)   |
| –                      | (4 461)            | (1 060)        | –        | (37 595)     | (41 981)       | (85 097)                      | –                  | –         | (85 097)   |
| 280 238                | 437 118            | 155 075        | 36 796   | (37 595)     | (107 136)      | 1 252 195                     | –                  | 146 263   | 1 398 458  |
| 452 051                | 102 839            | 27 962         | 12 725   | (172 878)    | 392 449        | 647 424                       | –                  | –         | 647 424    |
| –                      | –                  | –              | –        | –            | 1 373          | 1 373                         | –                  | (25 108)  | (23 735)   |
| 1 129                  | 43 441             | 1 211          | 438      | –            | 19 767         | 69 954                        | –                  | 68 567    | 138 521    |
| (5 121)                | (10 637)           | (21 076)       | (1 016)  | –            | (759 189)      | (796 579)                     | (32 007)           | –         | (828 586)  |
| 728 297                | 572 761            | 163 172        | 48 943   | (210 473)    | (452 736)      | 1 174 367                     | (32 007)           | 189 722   | 1 332 082  |
| –                      | –                  | –              | –        | –            | (152 522)      | (152 522)                     | –                  | –         | (152 522)  |
| 728 297                | 572 761            | 163 172        | 48 943   | (210 473)    | (605 258)      | 1 021 845                     | (32 007)           | 189 722   | 1 179 560  |



## Segmental reporting continued

|  | GROUP 2021             |                    |                |
|--|------------------------|--------------------|----------------|
|  | Rest of South Africa   |                    |                |
|  | Retail-experience hubs | Collaboration hubs | Hotel          |
| <b>Figures in R'000s</b>                                     |                        |                    |                |
| <b>STATEMENT OF FINANCIAL POSITION</b>                       |                        |                    |                |
| Investment property  | 4 473 971              | 1 605 305          | 230 441        |
| Waterfall developments                                       | –                      | –                  | –              |
| Developments under construction                              | –                      | –                  | –              |
| Leasehold land   | –                      | –                  | –              |
| Straight-line lease debtor                                   | 110 414                | 165 362            | 8 673          |
| Investments in associates and joint ventures                 | 32 172                 | 1 162              | –              |
| Other financial assets                                       | 6 515                  | –                  | –              |
| Loans to associates and joint ventures                       | –                      | –                  | –              |
| Trade and other receivables                                  | 30 844                 | 5 267              | 371            |
| Cash and cash equivalents                                    | 21 152                 | 48 025             | –              |
| Inventory  | –                      | –                  | –              |
| Non-current assets held for sale                             | –                      | –                  | –              |
| Deferred tax assets  | –                      | –                  | –              |
| Other assets   | –                      | 3 195              | –              |
| <b>Total assets</b>  | <b>4 675 068</b>       | <b>1 828 316</b>   | <b>239 485</b> |
| Long-term borrowings   | –                      | –                  | –              |
| Other financial liabilities                                  | –                      | –                  | –              |
| Loans from associates  | –                      | –                  | –              |
| Deferred tax liabilities                                     | –                      | –                  | –              |
| Trade and other payables                                     | 107 322                | 24 002             | 549            |
| Liabilities associated with non-current assets held for sale | –                      | –                  | –              |
| Lease liability  | 333                    | 6 026              | –              |
| Other liabilities  | –                      | –                  | –              |
| <b>Total liabilities</b>                                     | <b>107 655</b>         | <b>30 028</b>      | <b>549</b>     |
| <b>STATEMENT OF COMPREHENSIVE INCOME</b>                     |                        |                    |                |
| Rental income  | 554 116                | 195 826            | 26 146         |
| Straight-line lease income adjustment                        | (1 920)                | 4 872              | 7 996          |
| Sale of sectional title units                                | –                      | –                  | –              |
| Property expenses/PM fee income                              | (227 937)              | (79 993)           | (5 848)        |
| ECL on trade and other receivables                           | (2 257)                | 1 670              | (1 011)        |
| Cost of sales of sectional title units                       | –                      | –                  | –              |
| <b>Net profit from property operations</b>                   | <b>322 002</b>         | <b>122 375</b>     | <b>27 283</b>  |
| Other income   | –                      | –                  | –              |
| Realisation of FCTR on foreign operations                    | –                      | –                  | –              |
| Operating expenses   | (34 102)               | (10 448)           | (1 214)        |
| ECL on loans to associates and suretyships                   | –                      | –                  | –              |
| Impairment of investment in associates                       | –                      | –                  | –              |
| Other expenses   | –                      | –                  | –              |
| <b>Operating profit (loss)</b>                               | <b>287 900</b>         | <b>111 927</b>     | <b>26 069</b>  |
| Fair value adjustments                                       | (242 415)              | (184 388)          | (8 040)        |
| Net (loss) income from associates                            | (470)                  | (72)               | –              |
| Investment income  | 2 113                  | 3 512              | 17             |
| Finance costs  | –                      | 433                | –              |
| <b>Profit (loss) before tax</b>                              | <b>47 128</b>          | <b>(68 588)</b>    | <b>18 046</b>  |
| Taxation   | –                      | –                  | –              |
| <b>Profit (Loss) for the year attributable to owners</b>     | <b>47 128</b>          | <b>(68 588)</b>    | <b>18 046</b>  |

GROUP 2021

| Waterfall City         |                     |                |          |               | Head office SA | Total South African portfolio | Head office Global | Other     | Total       |
|------------------------|---------------------|----------------|----------|---------------|----------------|-------------------------------|--------------------|-----------|-------------|
| Retail-experience hubs | Collabo-ration hubs | Logistics hubs | Hotel    | Develop-ments |                |                               |                    |           |             |
| 3 913 749              | 3 934 690           | 1 152 861      | 298 750  | –             | –              | 15 609 767                    | –                  | –         | 15 609 767  |
| –                      | –                   | –              | –        | 1 382 030     | –              | 1 382 030                     | –                  | –         | 1 382 030   |
| –                      | –                   | –              | –        | 163 795       | –              | 163 795                       | –                  | –         | 163 795     |
| –                      | –                   | –              | –        | 1 218 235     | –              | 1 218 235                     | –                  | –         | 1 218 235   |
| 130 323                | 472 356             | 119 492        | 12 821   | –             | –              | 1 019 441                     | –                  | –         | 1 019 441   |
| –                      | –                   | –              | –        | –             | –              | 33 334                        | –                  | 224 895   | 258 229     |
| 890                    | 332 450             | 6 476          | 5        | –             | 52 032         | 398 368                       | –                  | 839 152   | 1 237 520   |
| –                      | –                   | –              | –        | 102 165       | 3 355          | 105 520                       | –                  | –         | 105 520     |
| 14 610                 | 25 731              | 6 225          | 21 885   | 31 170        | 13 286         | 149 389                       | 33                 | –         | 149 422     |
| 29 595                 | 44 287              | 18 138         | 273      | 1 702         | 893 935        | 1 057 107                     | 35 808             | –         | 1 092 915   |
| –                      | 31 765              | –              | –        | 184 571       | –              | 216 336                       | –                  | –         | 216 336     |
| –                      | 845 010             | 411 602        | –        | 46 816        | –              | 1 303 428                     | –                  | 174 243   | 1 477 671   |
| –                      | –                   | –              | –        | –             | 19 806         | 19 806                        | –                  | –         | 19 806      |
| –                      | 167                 | –              | –        | –             | 17 153         | 20 515                        | –                  | –         | 20 515      |
| 4 089 167              | 5 686 456           | 1 714 794      | 333 734  | 1 748 454     | 999 567        | 21 315 041                    | 35 841             | 1 238 290 | 22 589 172  |
| –                      | –                   | –              | –        | –             | 9 086 370      | 9 086 370                     | 338 489            | –         | 9 424 859   |
| –                      | –                   | –              | –        | –             | 516 176        | 516 176                       | –                  | –         | 516 176     |
| –                      | –                   | –              | –        | –             | –              | –                             | –                  | 4 661     | 4 661       |
| –                      | –                   | –              | –        | –             | 67 927         | 67 927                        | –                  | –         | 67 927      |
| 68 511                 | 99 433              | 15 598         | 6 692    | 10 117        | 104 629        | 436 853                       | 325                | –         | 437 178     |
| –                      | –                   | –              | –        | –             | 758 170        | 758 170                       | –                  | –         | 758 170     |
| 30 591                 | 145 608             | 49 461         | 10 920   | –             | 8 126          | 251 065                       | –                  | –         | 251 065     |
| –                      | –                   | –              | –        | 15 059        | 5 831          | 20 890                        | –                  | –         | 20 890      |
| 99 102                 | 245 041             | 65 059         | 17 612   | 25 176        | 10 547 229     | 11 137 451                    | 338 814            | 4 661     | 11 480 926  |
| 485 412                | 718 344             | 190 222        | 21 469   | –             | 14 822         | 2 206 357                     | –                  | –         | 2 206 357   |
| (7 060)                | 84 022              | 38 814         | 5 309    | –             | –              | 132 033                       | –                  | –         | 132 033     |
| –                      | 51 851              | –              | –        | –             | –              | 51 851                        | –                  | –         | 51 851      |
| (213 229)              | (175 739)           | (53 820)       | (6 176)  | –             | 9 546          | (753 196)                     | –                  | –         | (753 196)   |
| (87)                   | (4 326)             | 369            | 1 820    | –             | –              | (3 822)                       | –                  | –         | (3 822)     |
| –                      | (45 516)            | –              | –        | –             | –              | (45 516)                      | –                  | –         | (45 516)    |
| 265 036                | 628 636             | 175 585        | 22 422   | –             | 24 368         | 1 587 707                     | –                  | –         | 1 587 707   |
| –                      | 1 830               | 419            | –        | –             | 22 469         | 24 718                        | –                  | 341 968   | 366 686     |
| –                      | –                   | –              | –        | –             | –              | –                             | –                  | 895 431   | 895 431     |
| (6 312)                | (16 595)            | (8 060)        | (840)    | –             | (102 776)      | (180 347)                     | –                  | –         | (180 347)   |
| –                      | –                   | –              | –        | –             | (14 811)       | (14 811)                      | –                  | –         | (14 811)    |
| –                      | –                   | –              | –        | –             | –              | –                             | –                  | (158 462) | (158 462)   |
| –                      | –                   | –              | –        | (38 185)      | (18 038)       | (56 223)                      | –                  | (113 172) | (169 395)   |
| 258 724                | 613 871             | 167 944        | 21 582   | (38 185)      | (88 788)       | 1 361 044                     | –                  | 965 765   | 2 326 809   |
| (229 146)              | (789 712)           | (13 516)       | (11 843) | (55 200)      | 300 655        | (1 233 605)                   | –                  | –         | (1 233 605) |
| –                      | –                   | –              | –        | –             | –              | (542)                         | –                  | 71 240    | 70 698      |
| 2 181                  | 38 402              | 1 039          | 46       | –             | 22 792         | 70 102                        | –                  | 1 102     | 71 204      |
| (3 884)                | (14 520)            | (4 662)        | (464)    | –             | (944 202)      | (967 299)                     | (26 753)           | –         | (994 052)   |
| 27 875                 | (151 959)           | 150 805        | 9 321    | (93 385)      | (709 543)      | (770 300)                     | (26 753)           | 1 038 107 | 241 054     |
| –                      | –                   | –              | –        | –             | (86 939)       | (86 939)                      | –                  | –         | (86 939)    |
| 27 875                 | (151 959)           | 150 805        | 9 321    | (93 385)      | (796 482)      | (857 239)                     | (26 753)           | 1 038 107 | 154 115     |

## Annexure

The reconciliation of profit to funds from operations is a non-IFRS financial measure and does not form part of the summarised financial statements for the years presented.

|  | Unaudited<br>30 June<br>2022<br>R'000 | Unaudited<br>30 June<br>2021<br>R'000 |
|--|---------------------------------------|---------------------------------------|
| <b>SA REIT Funds from operations (SA REIT FFO) per share</b>   |                                       |                                       |
| <b>Profit per IFRS statement of comprehensive loss attributable to the parent</b>                              | <b>1 179 560</b>                      | 154 115                               |
| <b>Adjusted for:</b>   |                                       |                                       |
| <b>Accounting/specific adjustments:</b>  |                                       |                                       |
| Fair value adjustments to:   |                                       |                                       |
| ■ Investment property  | (254 975)                             | 1 534 260                             |
| ■ Debt and equity instruments held at fair value through profit or loss  | (392 449)                             | (300 655)                             |
| Depreciation of an administrative nature and amortisation of intangible assets                                 | 4 721                                 | 5 507                                 |
| Asset impairments and ECL (excluding goodwill) and reversals of impairments and ECLs                           |                                       |                                       |
| ■ Net impairment and ECL of associates, other investments and loans  | (25 409)                              | (160 708)                             |
| ■ ECL on guarantees  | (15 839)                              | 10 367                                |
| Deferred tax movement recognised in profit or loss   | 151 540                               | 87 262                                |
| Straight-line lease income adjustments   | (64 624)                              | (132 033)                             |
| <b>Adjustment arising from investing activities:</b>   |                                       |                                       |
| ■ Gains and losses on disposal of:   |                                       |                                       |
| ■ Profit on disposal of investment property  | (14 369)                              | –                                     |
| ■ Profit from sectional title units  | (65 996)                              | (6 335)                               |
| ■ Profit on disposal of other assets   | –                                     | (1 000)                               |
| ■ Loss on disposal of subsidiary   | –                                     | 1 247                                 |
| <b>Foreign exchange and hedging items:</b>   |                                       |                                       |
| ■ Amortisation of interest rate cap  | (164)                                 | –                                     |
| ■ Fair value adjustment on derivative financial instruments  | –                                     | (15 594)                              |
| ■ Realisation on foreign operations  | –                                     | (895 431)                             |
| ■ Foreign exchange gains or losses relating to capital items – realised and unrealised                         | (79 379)                              | 96 936                                |
| <b>Other adjustments:</b>  |                                       |                                       |
| Adjustments made for equity-accounted entities <sup>#</sup>  | 19 002                                | (15 366)                              |
| <b>SA REIT FFO</b>   | <b>441 619</b>                        | 362 572                               |
| Number of shares outstanding at end of period (net of treasury shares)   |                                       |                                       |
| ■ <b>Number of shares in issue*</b>  | <b>705 123 739</b>                    | 705 123 739                           |
| <b>SA REIT FFO per share (cents)</b>   | <b>62.6</b>                           | 51.4                                  |
| <b>SA REIT FFO</b>   | <b>441 619</b>                        | 362 572                               |
| <b>Company-specific adjustments:</b>   |                                       |                                       |
| Non-cash income from Associates – MAS and Africa   | 8 449                                 | (54 705)                              |
| Non-cash income from Associates – South African portfolio  | (3 716)                               | (627)                                 |
| Provision and reversal of provision for other receivables  | –                                     | 909                                   |
| Adjustment off Cell C ECL for rental not received in cash  | (10 944)                              | –                                     |
| Depreciation in respect of property operations and amortisation of letting commission and tenant installations | 15 882                                | 15 067                                |
| Interest on lease liability  | 21 919                                | 24 950                                |
| Rental paid  | (48 193)                              | (51 384)                              |
| Net reduction in lease receivables through higher collections  | –                                     | 16 699                                |
| Net non-cash property owners association income  | 2 624                                 | (6 093)                               |
| Lease cancellation fee   | 14 947                                | 22 733                                |
| <b>Distributable income</b>  | <b>442 587</b>                        | 330 122                               |
| <b>Distributable income per share (cents)</b>  | <b>62.8</b>                           | 46.8                                  |
| <b>Dividends</b>   | <b>352 562</b>                        | –                                     |
| Final – 80% pay out ratio  | 352 562                               | –                                     |
| <b>Dividend per share (cents)</b>  | <b>50.0</b>                           | –                                     |
| Final – 80% pay out ratio  | 50.0                                  | –                                     |

<sup>#</sup> Adjustments made for equity-accounted entities are based on publicly available information

\* Adjusted for 46 427 553 treasury shares

## Annexure continued

|  | Unaudited<br>30 June<br>2022<br>R'000 | Unaudited<br>30 June<br>2021<br>R'000 |
|--|---------------------------------------|---------------------------------------|
| <b>SA REIT net asset value (NAV) per share</b>   |                                       |                                       |
| Reported NAV attributable to the parent  | 12 329 135                            | 11 108 246                            |
| <b>Adjustments:</b>  |                                       |                                       |
| Fair value of derivative financial instruments   | 45 257                                | 455 833                               |
| Deferred tax   | 199 656                               | 48 121                                |
| <b>SA REIT NAV</b>   | <b>12 574 048</b>                     | <b>11 612 200</b>                     |
| <b>Number of shares outstanding at end of period (net of treasury shares)</b>  |                                       |                                       |
| Number of shares in issue*   | 705 123 739                           | 705 123 739                           |
| Effect of dilutive instruments (options, convertibles and equity interests)  | 9 303 374                             | 8 215 765                             |
| <b>Diluted number of shares in issue*</b>  | <b>714 427 113</b>                    | <b>713 339 504</b>                    |
| <b>SA REIT NAV per share (Rand)</b>  | <b>17.60</b>                          | <b>16.28</b>                          |
| * Adjusted for 46 427 553 treasury shares  |                                       |                                       |
| <b>SA REIT cost-to-income ratio</b>  |                                       |                                       |
| <b>Expenses</b>  |                                       |                                       |
| Operating expenses per IFRS income statement (includes municipal expenses)   | 822 232                               | 757 018                               |
| Administrative expenses per IFRS income statement  | 190 094                               | 180 347                               |
| <b>Exclude</b>   |                                       |                                       |
| Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets | (4 721)                               | (5 507)                               |
| <b>Operating costs</b>   | <b>1 007 605</b>                      | <b>931 858</b>                        |
| <b>Rental income</b>   |                                       |                                       |
| Contractual rental income per IFRS income statement (excluding straight-lining)  | 1 659 351                             | 1 718 117                             |
| Utility and operating recoveries per IFRS income statement   | 512 833                               | 488 240                               |
| <b>Gross rental income</b>   | <b>2 172 184</b>                      | <b>2 206 357</b>                      |
| <b>SA REIT cost-to-income ratio (%)</b>  | <b>46.4</b>                           | <b>42.2</b>                           |
| <b>SA REIT administrative cost-to-income ratio</b>   |                                       |                                       |
| <b>Expenses</b>  |                                       |                                       |
| Administrative expenses per IFRS income statement  | 190 094                               | 180 347                               |
| <b>Administrative cost</b>   | <b>190 094</b>                        | <b>180 347</b>                        |
| <b>Rental income</b>   |                                       |                                       |
| Contractual rental income per IFRS income statement (excluding straight-lining)  | 1 659 351                             | 1 718 117                             |
| Utility and operating recoveries per IFRS income statement   | 512 833                               | 488 240                               |
| <b>Gross rental income</b>   | <b>2 172 184</b>                      | <b>2 206 357</b>                      |
| <b>SA REIT administrative cost-to-income ratio (%)</b>   | <b>8.8</b>                            | <b>8.2</b>                            |

## Annexure continued

|   | Unaudited<br>30 June<br>2022<br>R'000 | Unaudited<br>30 June<br>2021<br>R'000 |
|---|---------------------------------------|---------------------------------------|
| <b>SA REIT loan-to-value (LTV)</b>  |                                       |                                       |
| <b>Gross debt</b>   | <b>8 281 402</b>                      | 10 183 029                            |
| <b>Adjustments:</b>   |                                       |                                       |
| Cash and cash equivalents   | (604 224)                             | (990 694)                             |
| Fair value of derivative financial instruments  | 45 257                                | 455 833                               |
| <b>Net debt</b>   | <b>7 722 435</b>                      | 9 648 168                             |
| <b>Total assets</b>   | <b>21 626 282</b>                     | 22 589 172                            |
| <b>Adjustments:</b>   |                                       |                                       |
| Cash and cash equivalents   | (604 224)                             | (990 694)                             |
| Derivative financial assets   | (32 209)                              | (44 301)                              |
| Trade and other receivables   | (232 363)                             | (149 422)                             |
| <b>Carrying amount of property-related assets</b>   | <b>20 757 486</b>                     | 21 404 755                            |
| <b>SA REIT LTV (%)</b>  | <b>37.2</b>                           | 45.1                                  |
| <b>SA REIT net initial yield</b>  |                                       |                                       |
| Investment property   | <b>18 664 914</b>                     | 18 011 238                            |
| <b>Less:</b>  |                                       |                                       |
| Developments under construction   | (31 419)                              | (163 795)                             |
| Leasehold land  | (905 528)                             | (1 218 235)                           |
| <b>Adjusted property value</b>  | <b>17 727 967</b>                     | 16 629 208                            |
| <b>Property income</b>  |                                       |                                       |
| Net income  |                                       |                                       |
| Contractual cash rentals  | <b>1 680 768</b>                      | 1 524 214                             |
| <b>Add:</b>   |                                       |                                       |
| Notional rent for rent-free periods, discounted rentals, stepped rentals and lease incentives | –                                     | –                                     |
| <b>Less:</b>  |                                       |                                       |
| Non-recoverable property expenses   | (357 590)                             | (326 214)                             |
| <b>Annualised net rental</b>  | <b>1 323 179</b>                      | 1 198 000                             |
| <b>Net initial yield (%)</b>  | <b>7.5</b>                            | 7.2                                   |
| <b>SA REIT GLA vacancy rate</b>   |                                       |                                       |
| Gross lettable area of vacant space   | <b>58 215</b>                         | 37 061                                |
| Gross lettable area of total property portfolio   | <b>735 240</b>                        | 774 117                               |
| <b>SA REIT GLA vacancy rate (%)</b>   | <b>7.9</b>                            | 4.8                                   |

|  | Unaudited 30 June 2022 |          |            | Unaudited 30 June 2021 |            |            |
|--|------------------------|----------|------------|------------------------|------------|------------|
|  | Rand                   | EUR      | Total      | Rand                   | EUR        | Total      |
| <b>SA REIT cost of debt (%)</b>                                      |                        |          |            |                        |            |            |
| <b>Variable interest-rate borrowings</b>                             |                        |          |            |                        |            |            |
| Floating interest rate plus weighted average margin                  | 7.0                    | –        | 7.0        | 5.7                    | 3.2        | 5.6        |
| <b>Fixed interest-rate borrowings</b>                                |                        |          |            |                        |            |            |
| Weighted average fixed rate  | 10.5                   | –        | 10.5       | 10.5                   | –          | 10.5       |
| <b>Pre-adjusted weighted average cost of debt</b>                    | <b>7.1</b>             | <b>–</b> | <b>7.1</b> | <b>5.8</b>             | <b>3.2</b> | <b>5.7</b> |
| <b>Adjustments:</b>  |                        |          |            |                        |            |            |
| Impact of interest rate derivatives                                  | 2.3                    | –        | 2.3        | 3.4                    | –          | 3.3        |
| Interest of cross-currency interest rate swaps                       | –                      | –        | –          | –                      | –          | –          |
| Amortised transaction costs imputed into the effective interest rate | 0.1                    | –        | 0.1        | 0.1                    | 0.1        | 0.1        |
| <b>All-in weighted average cost of debt</b>                          | <b>9.5</b>             | <b>–</b> | <b>9.5</b> | <b>9.3</b>             | <b>3.3</b> | <b>9.1</b> |

# Company information

## Attacq Limited

(Incorporated in the Republic of South Africa)

(Registration number 1997/000543/06)

JSE share code: ATT

ISIN: ZAE000177218

(Approved as a REIT by the JSE)

## Independent non-executive directors

P Tredoux (chairperson)

HR El Haimer (lead independent)

TP Leeuw

IN Mkhari

S Shaw-Taylor

AE Swiegers

JHP van der Merwe

## Executive directors

JR van Niekerk (CEO)

R Nana (CFO)

## Company secretary

W Modisapodi

## Registered office

ATT House, 2nd Floor

Maxwell Office Park

37 Magwa Crescent

Waterfall City

2090

## Postal address

PostNet suite 016

Private Bag X81

Halfway House

1685

## Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

(Private Bag X9000, Saxonwold, 2132)

## Sponsor

Java Capital

6th Floor, 1 Park Lane

Wierda Valley

Sandton, 2196

(PO Box 522606, Saxonwold, 2132)





ATT House, 2nd Floor, Maxwell Office Park, 37 Magwa Crescent, Waterfall City, 2090  
+27 10 549 1050 | [reception@attacq.co.za](mailto:reception@attacq.co.za)

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