

ATTACQ's LIQUIDITY POSITION STRENGTHENS

- Liquidity improved to R1.3 billion at period end
- Generated R885.1 million in cash proceeds post interim-period end through part disposal of investment in MAS Real Estate Inc.
- Group interest cover ratio of 1.40 times
- Distributable income per share declined by 57.5%
- Rental collection rate for the South African portfolio improved to 100.6%
- South African portfolio valuation decreased by 3.2% on a like-for-like basis
- South African portfolio occupancy levels improved to 96.4%
- 31 791m² in developments under way since period end; over 85.0% pre-let
- Ellipse Waterfall development passed R1.0 billion in sales

Tuesday, 23 March 2021. Attacq Limited (“Attacq”), the JSE-listed REIT developing Waterfall City, today released its financial results for the six months ended 31 December 2020, against a subdued economic backdrop, exacerbated by the COVID-19 pandemic and associated lockdowns.

The group's distributable income per share declined by 57.5%. The decline is mainly due to R53.8 million in rental discounts granted, and MAS not paying a dividend for the period given the uncertainty caused by the pandemic. In the comparative period, a MAS dividend of R121.2 million was received. The rental relief provided, continued in the 2021 financial year and during this period was mainly to support gyms, restaurants, cinemas and hotels in the South African portfolio which were more severely affected by the lockdown restrictions.

Commenting on the results Melt Hamman, CEO of Attacq said, **“2020 was an extraordinary year with significant uncertainty, resulting in continued pressures on the overall economy and property sector. However, Attacq’s diversified and quality property portfolio and; diligent capital management plus its debt reduction plan has supported us during this period and will ensure the company is well-positioned to benefit from a future recovery.”**

Since the start of the pandemic, management’s focus has been on the group’s liquidity and capital structure. In doing so, available liquidity as at 31 December 2020 improved to R1.3 billion (30 June 2020: R1.1 billion) and an interest cover ratio (ICR) of 1.40 times was achieved.

The South African portfolio improved the occupancy rate of 96.4%, compared to 93.6% at 30 June 2020. Rental income declined by just 1.3% to R1.12 billion which is testament to the resilience of the property portfolio.

“Our client-centric, proactive and collaborative approach allows us to listen with understanding and therefore enables us to provide bespoke solutions to our clients’ unique business needs. At Attacq, we pride ourselves on providing an authentic client experience to create sustainable value for all our stakeholders. This is reflected in our clients’ willingness to

remain within our portfolio and high occupancy rates,” said Jackie van Niekerk, incoming CEO of Attacq.

Despite the current unprecedented trading conditions, the portfolio attracted the likes of Boehringer Ingelheim, Auditor-General South Africa, FNB and Cotton On. Newly let spaces in our retail portfolio are testament to the quality of our retail assets and demand from retailers. Examples of this at the Mall of Africa include: Gap, Kauai, Paul’s Ice Cream, Hydraulics and Yokico.

Waterfall City, the mixed-use development where people can work, live and play, remains a key driver in Attacq’s core business. For the six months under review, one midi warehouse of 4 603m2 GLA was completed, with the Nexus Courtyard Hotel, Building 4 at Corporate Campus and 269 residential units under construction at period end. The Courtyard Hotel opened for trade on 1 March 2021 whilst the first two towers of Ellipse, Newton and Kepler, are expected to be completed by the end May 2021 with transfers commencing before the end of June 2021. **“The developments at Waterfall remain a strong proposition for all stakeholders and Attacq continues to see healthy levels of enquiries for quality safe, sustainable spaces,”** commented Hamman.

Attacq’s reduced its shareholding in MAS post period end, the Group disposed of R885.1 million MAS shares resulting in Attacq’s shareholding in MAS decreasing to 10.9%. Raj Nana CFO of Attacq said, **“Our strategic focus on capital management and liquidity in order to improve our debt capacity has been a key priority for Attacq. The disposal proceeds will be deployed towards paying down our interest-bearing debt, reducing our euro debt and funding upcoming development opportunities. Attacq is currently trading under cautionary relating to the proposed disposal of an investment property; the proceeds of which will be utilised to further reduce debt.”**

To support the preservation of liquidity, the board resolved in June 2020 not to pay a final dividend for the year ended 30 June 2020, nor an interim dividend for the first half of FY21.

“Although we still anticipate short to medium term challenges, our strong business fundamentals put us on a good trajectory for growth. We remain focused on creating remarkable experiences where people can connect whilst striving towards our vision of becoming the best provider of community spaces,” concludes van Niekerk.

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NOTES TO EDITOR

Attaq Ltd is a leading Real Estate Investment Trust (REIT), with an award-winning property portfolio worth over R24 billion in total asset value. Attaq delivers exceptional and sustainable growth through its real estate investments and its developments in Waterfall City, Waterfall Logistics Hub and retail precincts. Supported by one of the most comprehensive and diverse real estate asset portfolios in South Africa, Attaq creates safe, sustainable spaces where people can connect, unwind and thrive.

Bolstered by its four key drivers, namely (1) the South African portfolio, (2) developments at Waterfall (3) its investment in MAS Real Estate Inc. (which has a presence in Central and Eastern Europe) and (4) the rest of Africa retail investments, Attaq is firmly positioned as one of the country's preeminent REIT's, offering growing income distributions. Through its developments, Attaq is engages with diverse communities of people centred around a shared interest. Be it a safe and secure living environment, a shopping destination or a productive business space – Attaq's developments are more than just buildings; they embody the company's collective commitment to creating, world-class spaces in which all people can live, work and play.

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