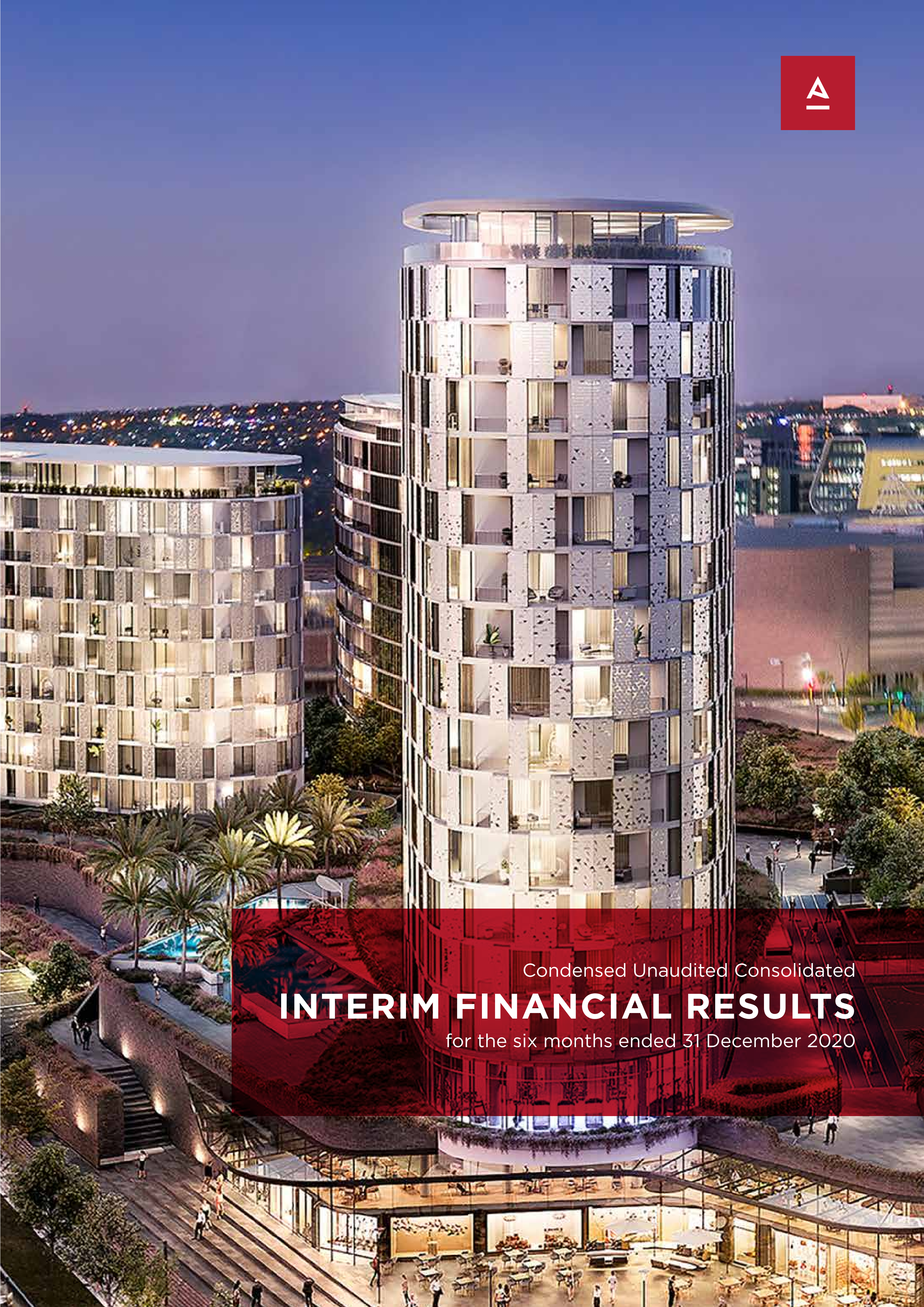

Condensed Unaudited Consolidated

INTERIM FINANCIAL RESULTS

for the six months ended 31 December 2020

Commentary

Performance summary

- 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 791m^2 in developments under way since period end; over 85.0% pre-let
- Ellipse Waterfall development passed R1.0 billion in sales

Introduction

Attacq is a South Africa-based Real Estate Investment Trust (REIT), with a vision to be the best provider of community spaces. Its diversified South African portfolio provides sustainable community spaces in each of its nodes, aimed at being the destination of choice and setting Attacq apart from its peers.

The group reports on four drivers: the South African portfolio, Developments at Waterfall, Investment in MAS Real Estate Inc. (MAS) and the Rest of Africa retail investments. Attacq's intent is to exit the Rest of Africa retail investments in an orderly manner.

Attacq is listed on the Johannesburg Stock Exchange (JSE) and is included in the FTSE/JSE SAPY Index and FTSE/JSE SA REIT Index. In June 2020, FTSE Russell assessed Attacq's environmental, social and governance (ESG) rating as 4.2 (2019: 4.1) out of 5.0, one of the highest ratings for a South African REIT.

The group has restated its prior-period headline earnings per share. For more information, refer to the paragraph below titled Restatement of Attacq's prior-period interim financial statements.

The second edition of the SA REIT Association Best Practice Recommendations (SA REIT BPR) was issued in November 2019 and is effective for reporting periods commencing on or after 1 January 2020. Attacq has adopted the SA REIT BPR and the financial ratio disclosures appear in Annexure A. The group will, however, continue to disclose the financial ratios it has historically provided. To align its terminology with that of the majority of REITs, the group will now refer to distributable income per share (DIPS) instead of distributable earnings per share. The group's performance metric remains dividend per share (DPS).

General overview

For the six months ended 31 December 2020 (interim period), COVID-19 lockdown restrictions had a negative impact on most of our clients and shoppers. In the retail portfolio, gyms, cinemas, restaurants and hotels were most affected.

Distributable income decreased to R148.4 million (31 December 2019: R350.1 million). The decline is mainly due to R53.8 million in rental discounts granted to support the South African portfolio clients affected by lockdown restrictions, and MAS not declaring a final dividend for the year ended 30 June 2020 given the uncertainty caused by the pandemic. In the comparative period, a MAS dividend of R121.2 million was received. A breakdown of distributable income per driver is provided below:

Distributable income	31 December 2020 R'000	cps	31 December 2019 R'000	cps*	Change in cps %
South Africa	**167 503**	**23.8**	**220 927**	**31.4**	**(24.2)**
South African portfolio	186 197	26.5	238 250	33.9	(21.8)
Developments at Waterfall	(18 694)	(2.7)	(17 323)	(2.5)	8.0
International	**(19 085)**	**(2.7)**	**129 179**	**18.3**	**(114.8)**
Investment in MAS	(19 085)	(2.7)	117 086	16.6	(116.3)
Rest of Africa retail investments	–	–	12 093	1.7	(100.0)
Total	**148 418**	**21.1**	**350 106**	**49.7**	**(57.5)**

* *Previously calculated using the total weighted average number of shares (net of treasury shares) resulting in a reported total DIPS of 49.8cps. To align with SA REIT BPR, with effect from the reporting period ended 31 December 2020, DIPS is calculated using the total number of shares outstanding at the end of the period (net of treasury shares)*

The weak economic environment continued to impact property valuations. For the interim period, the group net asset value (NAV) decreased by 4.4% to R11.1 billion (30 June 2020: R11.6 billion). 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. Due mainly to the decrease in property valuations, gearing increased to 46.3% (30 June 2020: 45.7%). The R885.1 million in proceeds received post interim period from the part disposal of MAS shares will further improve liquidity and gearing to R1.6 billion and 44.0%, respectively.

To support the preservation of liquidity, the board of directors (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 interim period.

South African portfolio

Overview

Attacq's high-quality, diversified portfolio consists of retail, office and mixed-use, light industrial and hotel properties, offering sustainable community spaces in South Africa. The group prides itself on providing an authentic client (tenant) experience, creating sustainable value for all our stakeholders.

Our focus is client retention, with our property and asset management team proactively engaging with individual clients across the portfolio. We listen to our clients and provide solutions for their unique business requirements. An example of success in our clients' journey is at the Garden Route Mall, which was fully let despite the five-year lease renewal cycle taking place during lockdown restrictions.

The accelerated adoption of online commerce during the enforced lockdown and need for on-demand services by shoppers are structural changes affecting the future of retail. In response, we are about to launch our digital application (app), SHÔPING, at the Mall of Africa, which will facilitate integrated digital engagement with our shopper community to share news and invitations to events, send and redeem digital vouchers, and participation in an interconnected loyalty programme. This app will be rolled out to all Attacq malls in phases and will significantly improve our shopper experience and omnichannel integration.

Retail trading densities decreased on average for the 12-month period ended 31 December 2020 by 6.5% to R2 971/m^2 (31 December 2019: R3 177/m^2). This reflects the impact of lockdown restrictions, particularly the restriction on alcohol sales, limited entertainment capacity and curfews during the interim period.

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, Mochachos, Hydraulics, Gary Rom Man, Yokico and Duffy. Doppio Zero and Hugo will open at the Mall of Africa on 1 May 2021.

Distributable income

Distributable income generated by the South African portfolio decreased 21.8% to 26.5cps (31 December 2019: 33.9cps), mainly due to rental relief as detailed below.

Impact on distributable income	6 months 31 December 2020 Total R'000	Retail R'000	Non-retail R'000	12 months 30 June 2020 Total R'000
Discounts	(53 784)	(50 851)	(2 933)	(102 949)
Deferrals	(10 226)	(1 644)	(8 582)	(10 910)
Total rental relief	**(64 010)**	**(52 495)**	**(11 515)**	**(113 859)**
Bad debt written off	(2 915)	(2 239)	(676)	(4 628)
Expected credit losses on trade and other receivables	(5 926)	(8 025)	2 099	(32 786)
Deferrals	10 226	1 644	8 582	10 910
Net reduction (increase) in lease receivables through higher (lower) collections	6 343	4 715	1 627	(32 091)
Total	**(56 282)**	**(56 400)**	**118**	**(172 454)**

The collection rate for the interim period is 100.6% and includes the cash collection of income recognised in the prior period for International Financial Reporting Standards (IFRS) purposes. The collection rate is defined as total cash received divided by the total invoiced amount net of the impact of discounts and deferrals.

Financial performance

Net profit from property operations, excluding the IFRS adjustment for straight-line leasing and net proceeds from the sale of sectional-title units, decreased by 0.9% to R738.2 million (31 December 2019: R745.2 million). On a like-for-like basis, net operating income increased by 3.4% (31 December 2019: 7.6%).

Rental income decreased 1.3% to R1.12 billion (31 December 2019: R1.13 billion) after accounting for rental discounts of R53.8 million and vacancies, offset by lease-cancellation fee income of R50.6 million, additional rental income from newly completed buildings, and in-force escalations. Like-for-like rental growth of 0.8% (31 December 2019: 8.1%) was achieved.

Property expenses, excluding cost of sales of the sectional-title units, declined by 2.1% (31 December 2019: increase 5.6%) to R377.8 million (31 December 2019: R385.8 million). This was mainly due to a 5.2% decrease in municipal charges to R253.4 million (31 December 2019: R267.3 million), reflecting lower electricity consumption during the lockdown period. The municipal charge recovery ratio decreased to 88.0% (31 December 2019: 90.2%) due to temporary vacancies in the portfolio. Property expenses decreased by 4.1% (31 December 2019: increased by 8.9%) on a like-for-like basis.

Property cost-to-income ratio

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

The decrease in the Waterfall portfolio's cost-to-income ratios is mainly due to economies of scale and cost-saving initiatives. The increase in cost-to-income ratios for the non-Waterfall portfolio is influenced by the Auditor General of South Africa building (Lynnwood Bridge) interim vacancy during the period for which municipal expenses were not recovered.

Cost-to-income ratio	**31 December 2020 %**	31 December 2019 %
Waterfall portfolio		
Net cost-to-income ratio[1]	18.2	19.4
Gross cost-to-income ratio[2]	33.0	35.5
Non-Waterfall portfolio		
Net cost-to-income ratio[1]	26.0	17.9
Gross cost-to-income ratio[2]	43.4	36.9

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

[2] *(property expenses per income statement + repayment of lease liability interest + repayment of lease liability capital)/rental income per income statement*

Occupancy

The portfolio's gross lettable area (GLA) decreased to 764 740m² (2019: 779 480m²) mainly due to the sale of 2 Eglin Road, Sunninghill (25 525m²), offset by the completion of midi warehouse 4 (4 603m²).

The overall occupancy rate improved from 93.6% at 30 June 2020 to 96.4% at 31 December 2020. The 11 363m² unoccupied retail space relates mainly to the Mall of Africa (3 272m²), Eikestad Mall (2 708m²), MooiRivier Mall (2 463m²) and Brooklyn Mall (1 487m²). The 16 237m² unoccupied office and mixed-use space mainly relates to Brooklyn Bridge Office Park (5 172m²) and The Ingress – Building 2 (4 027m²). Subsequent to the interim period end, 2 025m² of the 27 600m² of vacancies was filled, of which 1 367m² relates to the Mall of Africa.

	31 December 2020		30 June2020	
Sector occupancy	**%**	**GLA m²**	%	GLA m²
Retail	96.2	289 895	97.1	286 493
Office and mixed-use	94.0	255 685	86.2	258 853
Light industrial	100.0	177 870	100.0	170 451
Hotel	100.0	13 690	100.0	13 690
Period end portfolio occupancy	**96.4**	**737 140**	**93.6**	**729 487**
Add: filled post period end	0.3	2 025	0.6	4 667
Portfolio occupancy post period end	**96.7**	**739 165**	**94.2**	**734 154**
Waterfall	*97.9*	*485 924*	*98.1*	*478 496*
Non-Waterfall	*94.4*	*253 241*	*87.7*	*255 658*

Leasing

The portfolio's weighted average lease expiry decreased to 5.6 years (30 June 2020: 5.8 years). Leases totalling 34 037m² expired during the period, of which 78.9% have been renewed. New and renewed leases were signed at a weighted average reversion of 25.2% in rental rates and a weighted average lease escalation rate of 6.3%.

Lease renewals	**Expired GLA m²**	**Client success rate %**	**Reversion rate* %**	**Escalation rate* %**
Retail	29 602	85.8	(26.6)	6.3
Office and mixed-use	4 435	32.7	(16.8)	6.3
Portfolio	**34 037**	**78.9**	**(25.2)**	**6.3**

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

Valuations

The total asset value of the South African portfolio is R20.0 billion (30 June 2020: R20.4 billion), representing 82.9% (30 June 2020: 83.2%) of total group assets.

The valuation methodology used for investment property is unchanged. All property valuations at 31 December 2020 are directors' valuations, supported by external desktop valuations performed by Mills Fitchet Cape Proprietary Limited (Mills Fitchet), Sterling Valuation Specialists Close Corporation (Sterling) and Broll Valuation and Advisory Services Proprietary Limited. All properties were valued on the discounted cash flow (DCF) methodology and considered the ongoing impact of COVID-19.

Given continued market uncertainty from the ongoing pandemic, valuations across all asset classes are therefore reported based on a 'material valuation uncertainty' as per professional valuation guidelines. Consequently, a higher degree of caution should be attached to valuations provided than would normally be the case.

The COVID-19 impact on valuations is evident in long-term vacancy rates and rental reversion rates that were negatively adjusted to factor in current and forecast market conditions, while capitalisation rates (cap rates) for completed building valuations at 31 December 2020 were mostly static. The net result is a negative fair value adjustment of R647.2 million (31 December 2019: R324.6 million). This excludes the IFRS adjustment for straight-line leasing.

The largest contributors to the negative fair value adjustments were the Mall of Africa (R172.3 million), Garden Route Mall (R119.9 million) and Brooklyn Bridge Office Park (R111.8 million). The information below is weighted on property values:

Sector	% of total portfolio based on value	Discount rates %	Exit cap rates %	Cap rates %	Average value per GLA R/m²	Like-for-like value change %
Retail	48.2	12.18	7.52	7.28	28 006	(3.8)
Office and mixed-use	41.0	13.02	8.59	8.02	26 685	(3.1)
Light industrial	8.9	13.25	8.50	8.00	9 761	(0.2)
Hotel	1.9	13.00	8.75	8.00	25 689	(0.6)
Total portfolio	**100.0**	**12.63**	**8.07**	**7.66**	**23 577**	**(3.2)**

Developments at Waterfall

Overview

Waterfall City gives residents the ideal opportunity to connect every aspect of their lives in a thriving community. The city is a mixed-use development where people can work, live and play in a smart, sustainable, safe and functional environment. Waterfall Logistics Hub is ideally positioned in Gauteng for light industrial clients wanting to capitalise on its central location and accessibility.

During the interim period, midi warehouse 4 was completed, with the Nexus Waterfall Courtyard Hotel, Waterfall Corporate Campus – Building 4 and 269 residential units under construction at interim period end. In the context of the current economy, there is a healthy level of enquiries for existing space and strong interest driving developments, which is testament to the precinct's desirability.

The group's distributable income was negatively impacted by holding costs for leasehold land, which include rates and taxes, marketing costs, security costs, and property owners' association levies. For the interim period, the impact thereof on DIPS was a reduction of 2.7 cents (31 December 2019: reduction of 2.5 cents). While Developments at Waterfall does not contribute positively to distributable income, it creates the platform for future economic benefits through the utilisation of bulk in developing new properties.

The total asset value of Developments at Waterfall, including Waterfall Junction, increased to R1.9 billion (30 June 2020: R1.7 billion). This is mainly due to capital expenditure of R178.7 million, netted off by negative fair value adjustments of R17.2 million and reclassification of the completed midi warehouse 4 into the South African portfolio, amounting to R40.1 million.

Inventory comprises the Ellipse Waterfall (phase I) sectional-title development. Leasehold land includes the Waterfall development rights and infrastructure.

Developments at Waterfall	31 December 2020 R'000	30 June 2020 R'000
Developments under construction	222 903	198 172
Leasehold land	1 117 000	1 117 000
Pre-development capex	246 552	234 290
Sub-total	**1 586 455**	**1 549 462**
Waterfall Junction	96 922	90 855
Inventory (sectional title residential units)	120 389	43 722
Trade and other receivables	47 444	22 641
Other	1 647	1 565
Total	**1 852 857**	**1 708 245**

Completed developments

During the interim period, midi warehouse 4 (4 603m²) was completed in Waterfall Logistics Hub and transferred to the South African portfolio. The design of the building is based on the completed three midi-unit scheme in the same land parcel, LP8 North.

Completed developments	Land parcel	First lease commencement date	Total GLA m²	Occupancy % based on total GLA	Valuation R'000
Waterfall Logistics Hub					
Midi warehouse 4	8 North	Q3 FY21	4 603	100.0	40 074

Developments under construction

Developments under construction increased to R222.9 million (30 June 2020: R198.2 million) due to capital expenditure and fair value adjustments based on the progress of developments, offset by the completion of midi warehouse 4. The value of developments under construction at 31 December 2020 is supported by desktop valuations performed by Mills Fitchet and Sterling, adjusted for costs still to be incurred to final completion.

The following developments were under construction at 31 December 2020. Attacq's attributable share of the total of 28 293m² GLA is 17 283m².

Developments under construction	Anticipated practical completion date	First lease commencement date	Effective GLA (m²)*	Total GLA (m²)*	Pre-let % based on total GLA
Waterfall City					
Waterfall Corporate Campus – Building 4+	Q3 FY21	Q3 FY21	2 488	4 976	31.0
Nexus Waterfall, Courtyard Hotel	Q3 FY21	Q3 FY21	6 273	6 273	100.0
Ellipse Waterfall: Newton and Kepler towers+#	Q4 FY21	n/a	8 522	17 044	>83.0
Total			**17 283**	**28 293**	**>75.0**

** Estimated GLA of development, subject to change on final re-measurement post completion*
+ Attacq has a 50.0% ownership
 # Pre-sold based on bankable sales of sectional-title units

Waterfall Corporate Campus – Building 4 was completed in February 2021. The lease for Boeringer Ingelheim (31.0% occupancy) commenced on 1 March 2021, with lease negotiations underway for the remaining GLA.

The Courtyard Hotel in Nexus Waterfall opened for trade on 1 March 2021 and achieved a four-star Green Building Council of South Africa (GBCSA) (by design) certification.

Developments commenced post period end

Developments commenced post period end	Anticipated practical completion date	First lease commencement date	Effective GLA (m²)*	Total GLA (m²)*	Pre-let % based on total GLA
Waterfall City					
Waterfall Corporate Campus+ – Building 6, including the basement of Building 7	Q2 FY22	Q2 FY22	1 940	3 880	66.0
Nexus Waterfall – Building 1	Q2 FY22	Q2 FY22	7 200	7 200	53.0
Waterfall Logistics Hub					
Cotton On	Q2 FY22	Q4 FY22	20 711	20 711	100.0
Total			**29 851**	**31 791**	**>85.0**

** Estimated GLA of development, subject to change on final re-measurement post completion*
+ Attacq has a 50.0% ownership

Overview of developments

Waterfall Corporate Campus

Waterfall Corporate Campus is a 50/50 joint venture with Zenprop Property Holdings Proprietary Limited and its subsidiaries. The seven-building office park, for which construction began five years ago, is nearing completion. The five buildings (26 656m²) completed to date have an aggregate valuation of R705.7 million compared to the development cost of R562.9 million. The estimated total GLA for this development is 35 000m², with an approximate total development cost of R820.0 million. Construction of Building 6, as well as the basement of Building 7, started on signing The Wood Group lease for 2 600m² (66.0% of GLA). The top structure of Building 7 will be developed based on market demand. All five completed buildings have achieved a four-star GBCSA (by design) certification.

Nexus Waterfall

Nexus Waterfall comprises three office buildings and a four-star Courtyard Hotel. The total campus GLA is estimated at 32 000m², at an estimated total development cost of R925.0 million. Construction of the first of three office buildings has begun after concluding a lease with an international client for 53.0% of the total GLA of 7 200m². The remaining two office buildings will be developed in a phased approach, based on market demand. The hotel has been awarded a four-star GBCSA (by design) certification. Each office building is targeting a minimum four-star GBCSA (by design and as built) certification.

Ellipse Waterfall

Ellipse Waterfall, located on a prime city gateway site opposite the Mall of Africa, is a 50/50 joint venture with Portstone Development Proprietary Limited for phase 1. This development embodies the live, work, play ethos and is the first high-rise residential development in Waterfall City. Ellipse Waterfall comprises four deluxe high-rise towers, named after celebrated astronomers: Newton, Kepler, Cassini and Galileo. Construction of the first two towers is 61.8% complete and practical completion is expected by May 2021. The development has sold over 83.0%, based on bankable sales, of the 269 apartments in the Newton and Kepler towers (phase 1), equating to a total value of over R567.1 million in sales to date. In addition, over 63.0% of pre-sales have been achieved to date in phase 2, Cassini tower (around 180 units). Total sales across phase 1 and phase 2 have exceeded R1.0 billion. Phase 3, Galileo tower (some 150 units) is in its planning phase. The development is targeting a minimum four-star GBCSA (by design and as built) certification.

Leasehold land

Leasehold land relates to the notarially secured leasehold rights for Waterfall, held by Attacq Waterfall Investment Company Proprietary Limited (AWIC), a 100.0% subsidiary of Attacq.

As at 31 December 2020, AWIC had 938 792m² (30 June 2020: 938 792m²) of developable bulk remaining, held on leasehold land. The core of this is 767 840m² (30 June 2020: 767 840m²) in Waterfall City, surrounding the Mall of Africa and zoned for mixed-use developments. Waterfall Logistics Hub, zoned for light industrial clients, comprises a further 170 952m² (30 June 2020: 170 952m²).

AWIC, as the holder of the leasehold rights, has until the end of 2040 to proclaim these 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.

The group carries leasehold land at fair value with reference to a comparable sales valuation technique, in line with international best practice. The output of this technique determines the valuation of leasehold land, being the aggregate of development rights together with infrastructure and services, less future costs of servicing and leasehold liabilities. For the reporting period, fair value losses on leasehold land totalled R23.9 million (30 June 2020: fair value gains of R19.1 million). This is a directors' valuation, supported by a desktop valuation performed by the external valuer, Vallun Properties Proprietary Limited trading as Valquest Property Valuers and Consultants.

The comparable sales valuation technique relies on market evidence to substantiate inputs of the valuation. Given limited comparable transactions during the interim period, the external valuer has maintained the valuation of leasehold land at 30 June 2020 levels. It is noted that development feasibilities undertaken by Attacq in the interim period continue to support the carrying land values. However, given protracted market uncertainty due to the pandemic, the valuation is reported based on a 'material valuation uncertainty' as per professional valuation guidelines. Consequently, a higher degree of caution should be attached to the valuation provided than would normally be the case.

During the six months ended 31 December 2020, Attacq continued to develop infrastructure to unlock the full potential of sites. Work is under way on a new electrical substation to increase electricity supply for future light industrial developments. There has been increased focus on planning and developing infrastructure for the greater Waterfall precinct, which incorporates our leasehold land.

Pre-development capex

Pre-development capex is expenditure ahead of top structure construction to ensure cost or structural design efficiency. Once construction of the top structure begins, pre-development capex is reallocated to the cost of that specific development.

Pre-development capex increased by a net R12.3 million to R246.6 million (30 June 2020: R234.3 million). This was driven by additional spend on the Nexus Waterfall basement, shared between the Courtyard Hotel and the three office buildings. The remaining pre-development capex largely comprises expenditure for basement parking in the future Gateway East and Ingress buildings.

Waterfall Junction

Attacq, through a joint venture between Sanlam Life Insurance Limited (76.43%) and AWIC (23.57%), has access to a further 686 054m² of industrial developable bulk. Attacq has been appointed as the development, property and asset manager for the joint venture. The development of Waterfall Junction has been activated, with completion of a bulkwater pipeline and the first phase of the K113 route. Further planned infrastructure projects will unlock the development in coming years.

Investment in MAS

Overview

Attacq held a 20.7% shareholding in MAS at 31 December 2020 (30 June 2020: 20.7%).

For the interim period, the investment in MAS contributed negatively to the group's distributable income by R19.1 million (31 December 2019: positive contribution of R117.1 million), mainly due MAS not declaring a final dividend for the year ended 30 June 2020. The R19.1 million impact in the current period comprises finance costs of R7.2 million (31 December 2019: R9.1 million) and realised hedging losses of R11.8 million (31 December 2019: hedging profit of R5.0 million) relating to the closing out of hedges taken out on expected MAS dividends.

As published on SENS on 28 December 2020, Attacq contractually agreed to dispose of 41.667 million MAS shares at R12.00 per share. This disposal was effected on 15 January 2021, resulting in Attacq's shareholding in MAS declining to 14.8% from this date. On 18 March 2021, Attacq disposed of a further 28.0 million MAS shares at R13.78 per share. Total cash proceeds of R885.1million were realised from these transactions. Attacq's shareholding in MAS reduced to 10.9% post these transactions.

As at 31 December 2020, Attacq recognised its interest in MAS at a value of R1.8 billion (30 June 2020: R1.9 billion), comprising the disposal stake of 41.667 million shares at R12.00 per share less costs of disposal (reflected as an asset held for sale on the statement of financial position), and the residual stake at the closing spot price at 31 December 2020 of R12.75 less estimated costs of disposal. The investment in MAS represents 7.6% of Attacq's total gross assets.

Given that Attacq accounts for MAS dividends once received in cash and that MAS did not declare a final dividend for the year ended 30 June 2020, nor an interim dividend for the six months ended 31 December 2020, Attacq will not reflect any DIPS from MAS for the year ending 30 June 2021.

Attacq supports MAS' stated strategy and currently intends holding its remaining investment. This position will be reviewed from time to time taking into account, inter alia, the anticipated total returns from the MAS investment over the medium to long term.

Financial performance

For the six months ended 31 December 2020, MAS generated adjusted distributable earnings per share of 3.12 EUR cents per share, compared to 3.11 EUR cents per share for the six-month period to 30 June 2020. MAS' tangible NAV per share increased to 116.0 EUR cents at 31 December 2020, an increase of 8.4% from 107.0 euro cents per share at 30 June 2020.

Balance sheet and liquidity

As at 31 December 2020, MAS had a healthy balance sheet and liquidity position with EUR86.5 million in cash on hand, EUR34.9 million in listed securities and an undrawn revolving credit facility of EUR60 million. The LTV at this date was 25.7% and expected to improve further to 11.9%, taking into account net expected disposal proceeds of EUR83.7 million from contracted Western European assets sales. At balance sheet date, the undrawn commitment to the Prime Kapital Development Joint Venture totalled EUR233.3 million.

Prospects

MAS' strategy is to exit its remaining Western European assets and redeploy these proceeds into Central and Eastern Europe (CEE). No dividend was declared for the interim reporting period, given the uncertainty created by the pandemic. MAS has stated it will consider resuming dividend payments taking into account various factors including the effective end to the pandemic, profitability and investment opportunities relative to available liquidity at the time.

The pandemic altered consumer patterns and placed many retail clients under pressure, particularly those in the leisure and food sectors. Private consumption in CEE is, however, proving more robust than anticipated at the start of the pandemic. Significant uncertainty remains, but MAS is planning on the basis that limited trade restrictions lie ahead and private consumption recovers to pre-pandemic levels by June 2022. This environment is also expected to create favourable development opportunities for well-capitalised developers, and MAS is well positioned to take advantage thereof should these conditions materialise.

For further information on MAS' results, refer to its website www.masrei.com.

Rest of Africa retail investments

Overview

The Rest of Africa retail investments did not generate any distributable income for the interim period. In the comparative period, distributable income was R12.1 million, comprising cash interest received on the shareholder loan advanced to Gruppo Investment Nigeria Limited (Gruppo).

At 31 December 2020, the value of the Rest of Africa retail investments was R431.5 million (30 June 2020: R484.9 million), representing 1.8% (30 June 2020: 2.0%) of Attacq's total gross assets (including cash balances held in AIH International Limited (AIH International), a wholly owned subsidiary of Attacq).

Attacq's Rest of Africa retail investments comprises:

Rest of Africa retail investments	31 December 2020 R'000	%	30 June2020 R'000	%
Cash held by AIH International	47 540	11.0	68 849	14.2
26.9% interest in AttAfrica, which is invested in three retail properties in Ghana	205 365	47.6	211 598	43.6
25.0% interest in Gruppo, the owner of Ikeja City Mall, Nigeria	178 561	41.4	204 461	42.2
Total	**431 466**	**100.0**	**484 908**	**100.0**

Attacq does not have any equity debt associated with its Rest of Africa retail investments and proceeds from the realisation of these properties will be used at the group's discretion.

Attacq's strategy, which is aligned with that of its co-shareholder Hyprop Investments Limited, is to seek an orderly disposal of these assets. The disposal of Ikeja City Mall to two new property funds managed by the Actis Group was announced on 9 November 2020. The transaction remains subject to conditions precedent, including raising funds which has proven difficult under current economic conditions. The parties are evaluating alternatives in this regard. As at 31 December 2020, the Gruppo interests are reflected as held for sale on the statement of financial position.

Trading conditions in Ghana and Nigeria remained difficult, but improvement is evident after the relaxation of COVID-19 related lockdown measures. Rentals and occupancies remain under pressure due to local currency depreciation and lack of tenant depth. Cash collection and filling vacancies are key management focus areas. Refinancing the bank debt for the AttAfrica assets has been concluded, resulting in expected annual interest savings of USD404 000 at an AttAfrica level.

Attacq's investment in AttAfrica, through its shareholder loan, amounted to R205.4 million (30 June 2020: R211.6 million). An impairment reversal of R30.8 million (30 June 2020: impairment of R228.0 million) was recognised in the current year, largely as a result of working capital improvements.

The group's equity-accounted investment in and loan to Gruppo totalled R178.5 million (30 June 2020: R204.5 million). The decrease in the investment value reflects an impairment of R10.9 million (30 June 2020: R142.1 million) as well as a 15.3% strengthening of the rand against the US dollar. Given the poor US dollar liquidity in Nigeria since the onset of COVID-19, no cash income was received during the period.

Capital structure

Reallocation of capital

As part of the group's debt reduction strategy, certain assets in the South African portfolio have been earmarked for disposal.

To date, we have implemented the sale of 2 Eglin Road, Sunninghill which became effective on 31 December 2020, with proceeds less commission totalling R75.7 million received. As published on SENS on 15 February 2021, Attacq is currently trading under cautionary relating to the proposed disposal of an investment property. Shareholders will be updated in due course as to further developments in this regard.

In addition, Attacq disposed of 41.667 million MAS shares, realising R499.5 million of cash proceeds which was received in January 2021. On 18 March 2021, Attacq disposed of a further 28.0 million MAS shares, realising R385.6 million in cash proceeds. These cash proceeds will be used to repay interest-bearing debt and fund upcoming developments.

Below is a summary of the group's non-current assets held for sale:

Non-current assets held for sale	31 December 2020 R'000	30 June 2020 R'000
Investment property		
2 Eglin, Sunninghill	–	75 712
Investments		
Gruppo	178 561	–
MAS	499 500	–
Total	**678 061**	**75 712**

Liquidity

At 31 December 2020, the group had available liquidity of R1.3 billion (30 June 2020: R1.1 billion), comprising unrestricted cash balances of R1.0 billion (30 June 2020: R672.9 million) and undrawn committed facilities of R310.0 million (30 June 2020: R424.4 million). In addition, Attacq also has undrawn development facilities of R164.9 million (30 June 2020: R287.5 million). The group has access to adequate facilities and available cash balances to complete developments under construction and developments started post interim period end. The group's liquidity has further improved with net proceeds from the MAS share disposals post interim period end.

Interest-bearing borrowings

The group's debt facilities are spread between five South African banks and four South African institutions, with no exposure to bond markets. Attacq has not implemented any share-based transactions funded with debt or that have any recourse to Attacq. The group has no cross-currency swaps in place.

Total interest-bearing borrowings increased by 0.7% to R11.5 billion (30 June 2020: R11.4 billion). This is due to drawdowns against the development funding facility used for the Ellipse residential development. This facility will be settled with proceeds on transfer of sectional-title units which is expected to commence in May 2021. Attacq has R895.2 million in interest-bearing debt classified under current liabilities at 31 December 2020, largely made up of a tranche of the EUR-denominated facilities (R663.2 million) which will be settled by proceeds from the disposal of MAS shares post period end. Effective 30 September 2020, EUR18.0 million of EUR-denominated debt was converted to rand, further reducing the foreign exchange risk on Attacq's balance sheet.

The group ICR reduced to 1.40 times (30 June 2020: 1.68 times), largely due to not receiving a cash dividend from MAS. Interest rate hedges of R540.0 million mature over the next 12 months, which will contribute to a decrease in cost of debt.

Gearing, calculated as total interest-bearing debt less unrestricted cash on hand, as a percentage of total assets less total cash on hand and right-of-use assets recognised under *IFRS 16: Leases*, increased to 46.3% (30 June 2020: 45.7%). The increase in gearing is largely due to lower investment property values.

Liquidity and borrowings	**Units**	**31 December 2020**	30 June 2020
Unrestricted cash balances	R'000	1 002 378	672 914
Undrawn committed facilities	R'000	310 000	424 406
Available liquidity	R'000	**1 312 378**	**1 097 320**
Undrawn development facilities	R'000	164 935	287 510
Total current assets	R'000	2 387 841	1 518 758
Total current liabilities	R'000	1 365 890	500 603
Current ratio	times	1.75	3.03
Total drawn facilities	R'000	**11 503 423**	**11 424 268**
Total weighted average loan term	years	**2.8**	**3.2**
Rand-denominated interest-bearing borrowings			
Drawn facilities	R'000	10 500 309	9 988 722
Weighted average loan term	years	2.9	3.4
Euro-denominated interest-bearing borrowings			
Drawn facilities	R'000	1 003 114	1 435 546
Weighted average loan term	years	1.1	1.7
Interest cover ratio	times	**1.40**	**1.68**
Gearing	%	**46.3**	**45.7**

The group is in discussions with lenders to refinance R5.8 billion of facilities. This includes the R3.3 billion of facilities provided by a consortium of lenders for Attacq's non-Waterfall retail assets and the Lynnwood Bridge precinct. This refinance was over-subscribed by R750.0 million and the transaction is expected to close before 30 June 2021. Discussions with the incumbent lender of the Mall of Africa facilities has commenced. The R2.5 billion of facilities is expected to be refinanced by 30 June 2021. In addition, approximately R1.0 billion of facilities are expected to be permanently settled from the MAS share disposal proceeds and available cash balances.

Covenants

Attacq has covenants in place with lenders at three levels:

- Group covenants in respect of gearing and NAV
- Borrower covenants in respect of gearing, NAV and shareholder's loan
- Portfolio covenants in respect of loan to value and ICR.

Covenant measurements are reported at the end of March and September each year, based on the latest December interim and June full year financial results, respectively. All financial covenants measured at 31 December 2020 have been complied with in full. Attacq does not have a group ICR covenant, nor does it have an ICR covenant on its euro debt.

Cost of debt

The weighted average cost of debt increased to 8.7% (30 June 2020: 8.5%) due to the conversion of EUR18.0 million debt into the equivalent rand amount, as well as the increase in the euro debt margin from 2.1% to 3.1%.

Cost of debt	Units	31 December 2020	30 June 2020
Total weighted average cost of debt	%	**8.7**	**8.5**
Rand-denominated weighted average cost of debt		**9.3**	**9.4**
Weighted average floating interest rate	%	5.6	5.9
Premium for hedging	%	3.7	3.5
Euro-denominated weighted average cost of debt		**3.1**	**2.1**
Weighted average floating interest rate	%	3.1	2.1
Premium for hedging	%	n/a	n/a
Total hedged as a percentage of total committed facilities	%	74.8	79.2
Total hedged as a percentage of rand-denominated committed facilities	%	81.7	90.3
Weighted average rand-denominated hedge term	years	3.3	3.7

To mitigate rand-denominated interest rate risk, 81.7% (30 June 2020: 90.3%) of total committed rand-denominated facilities of R10.5 billion (30 June 2020: R10.3 billion), which excludes committed liquidity facilities, are hedged by fixed interest-rate loans or interest-rate swaps. The weighted average rand-denominated hedge term is 3.3 years (30 June 2020: 3.7 years). The euro-denominated debt is not hedged, reducing the overall group interest rate hedging position to 74.8%, which is above the minimum group hedging policy of 70.0%.

Due to slightly higher forward interest rates, a decrease in other financial liabilities of R9.7 million (30 June 2020: increase of R524.9 million) was recorded on the mark-to-market valuation of interest rate swaps.

Prospects

The COVID-19 pandemic is expected to continue through 2021, with uncertainty about the extent of the continued negative impact on the economy, and specifically the property industry. As such, no guidance is provided for the year ending 30 June 2021.

We remain focused on creating a sustainable capital structure by continuing to execute on our debt reduction strategy and preserving liquidity.

Our diversified and quality South African portfolio demonstrated resilience throughout the lockdown restrictions. Waterfall has established itself as a pre-eminent retail, commercial and light-industrial node and continues to attract established retail brands and multinational companies. We will continue to develop Waterfall City and Waterfall Logistics Hub by focusing on further develop-to-sell residential opportunities and blue-chip client-driven developments.

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

Restatement of Attacq's prior period interim financial statements

Error in excluding re-measurements of financial instruments from headline earnings

In accordance with Circular 1/2019: *Headline Earnings* issued by the South African Institute of Chartered Accountants, re-measurements of financial instruments arising from the application of *IFRS 9: Financial Instruments* (whether as a result of revaluation, impairment or amortisation), except for all reclassified gains and losses for a hedge of a net investment in a foreign operation, are to be included in headline earnings.

For the six months ended 31 December 2019, the group incorrectly excluded R265.1 million of re-measurements of financial instruments from headline earnings. The tax effect of the adjustments was immaterial.

The impact of this error is that the group is required to restate the prior-period headline earnings by including the re-measurements of financial instruments in headline earnings, in accordance with Circular 1/2019: *Headline Earnings*. This restatement is required in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* because of the material adjustments to headline earnings. There was no impact on NAV per share and DIPS.

The impact of these restatements on the consolidated headline earnings is as follows:

Headline earnings	As reported Unaudited 31 December 2019 R'000	Restatement R'000	Restated Unaudited 31 December 2019 R'000
Loss for the year	**(37 027)**	**–**	**(37 027)**
Headline earnings adjustments	**554 071**	**(265 110)**	**288 961**
Loss on disposal of investment property	2	–	2
Net impairment of associates and other investments	265 115	(265 115)	–
Fair value adjustments	334 700	–	334 700
Net income from associates and joint ventures	(60 093)	–	(60 093)
Tax effect of adjustments	14 347	5	14 352
Headline earnings	**517 044**	**(265 110)**	**251 934**
Headline earnings per share			
Basic (cents)	73.5	(37.7)	35.8
Diluted (cents)	72.6	(37.2)	35.4

Dividend

As per the announcement published on SENS on 30 June 2020, the board decided not to declare an interim cash dividend for this interim period. For the six months ended 31 December 2019, the board declared an interim gross cash dividend of 45.000 cents per share.

The number of shares in issue at 31 December 2020 and the date of this announcement is 751 392 292 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

Lockdown

As at 30 June 2020, South Africa was in national lockdown restriction level 3. On 18 August 2020, lockdown restrictions were eased to level 2 and, on 20 September 2020, further eased to level 1. The impact of the ease in lockdown restrictions enabled more of the group's clients to trade. On 28 December 2020, South Africa moved into an adjusted level 3 lockdown restriction, which negatively impacted the trading densities at our malls into the second half of the financial year end. From 1 March 2021, South Africa has been under an adjusted level 1 restriction, which has, inter alia, eased alcohol sales and shortened the curfew.

MAS

Effective 15 January 2021, Attacq disposed of 41.667 million MAS shares at R12.00 per share, realising R499.5 million. On 18 March 2021, Attacq disposed of a further 28.0 million MAS shares at R13.78 per share, realising R385.6 million. Subsequent to these disposals, Attacq's shareholding reduced to 10.9% of MAS' issued shares.

These disposals form part of Attacq's strategy to improve its debt metrics, reduce foreign exchange risk on its balance sheet and increase its investment capacity.

Commitments

Please refer to developments under construction and developments started post period end for future capital commitments. Future commitments will be funded by banking facilities, cash on hand and proceeds from capital recycling activities.

Issue of shares

During the interim period, 1 058 162 shares were issued in terms of long-term incentive awards.

Change in directors

Non-executive directors

Brett Nagle, non-executive director and member of the audit and risk and investment committees retired from 27 November 2020, being the date of the annual general meeting (AGM). Allen Swiegers and Thabo Leeuw were appointed as independent non-executive directors of Attacq, from 14 January 2021 and 10 February 2021, respectively. Allen was also appointed as a member of the audit and risk committee from 14 January 2021.

Executive directors

Melt Hamman has resigned from the board and as chief executive officer (CEO) from 30 April 2021. Jackie van Niekerk, chief operating officer (COO) and executive director, has been appointed as CEO from 1 May 2021.

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

The condensed unaudited consolidated interim financial statements for the six months ended 31 December 2020 have been prepared in accordance with IFRS, *IAS 34: Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. These interim results 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 condensed unaudited consolidated interim financial statements 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 2020, 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 2020. The new, revised and amended standards had no material impact on the interim financial statements.

The group's investment properties are valued internally by the directors at interim reporting periods and externally by independent valuers for year-end reporting. In terms of *IAS 40: Investment Property* and *IFRS 7: Financial Instruments: Disclosures*, the group's investment properties are measured at fair value and are categorised as level 3 investments. In terms of *IAS 39: Financial Instruments: Recognition and Measurement* and *IFRS 7: Financial Instruments: Disclosure*, the group's interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments. In terms of *IAS 39: Financial Instruments: Recognition and Measurement*, listed investments are measured at fair value, being the quoted closing price at the reporting date, and are categorised as level 1 investments. Unlisted investments are categorised as level 3 investments. There were no transfers between levels 1, 2 and 3 investments during the period. The valuation methods applied are consistent with those applied in preparing the previous consolidated financial statements.

The condensed interim financial statements have not been audited or reviewed by Attacq's auditors.

On behalf of the board

P Tredoux	**M Hamman**
Chairperson	*CEO*

23 March 2021

Condensed consolidated statement of profit or loss and other comprehensive income

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Gross revenue	**1 207 593**	1 194 948	2 192 386
Rental income	**1 115 995**	1 130 999	2 209 156
Straight-line lease income adjustment	**39 747**	56 421	(22 606)
Sale of sectional title units	**51 851**	7 528	5 836
Gross property expenses	**(421 547)**	(384 406)	(768 677)
Property expenses	**(371 841)**	(384 036)	(735 891)
Expected credit losses on trade and other receivables	**(5 926)**	(1 792)	(32 786)
Cost of sales of sectional title units	**(43 780)**	1 422	–
Net profit from property operations	**786 046**	810 542	1 423 709
Other income	**152 276**	61 334	65 596
Operating expenses	**(88 904)**	(83 622)	(160 315)
Expected credit losses on loans to associates, suretyhips and guarantees	**(15 688)**	(265 278)	(594 145)
Impairment of investment in associates	**–**	–	(1 312 012)
Impairment of goodwill and intangible assets	**–**	–	(232 477)
Other expenses	**(165 330)**	(31 689)	(177 925)
Operating profit (loss)	**668 400**	491 287	(987 569)
Amortisation of intangible asset	**–**	(9 982)	(19 964)
Fair value adjustments	**(694 522)**	(352 971)	(2 117 466)
Investment properties	**(704 201)**	(333 125)	(1 590 476)
Other financial assets and liabilities	**9 679**	(18 271)	(524 922)
Other investments at fair value through profit or loss	**–**	(1 575)	(2 068)
Net income (loss) from associates and joint ventures	**75 966**	188 405	(90 107)
Investment income	**50 362**	49 964	97 097
Finance costs	**(502 723)**	(437 671)	(904 950)
Loss before taxation	**(402 517)**	(70 968)	(4 022 959)
Income tax credit	**5 161**	33 941	255 104
Loss for the period/year	**(397 356)**	(37 027)	(3 767 855)
Attributable to:			
Owners of the holding company	**(397 356)**	(37 027)	(3 767 855)
Other comprehensive (loss) income			
(Loss) income on fair value through other comprehensive income assets	**(4 874)**	9 273	(9 202)
Other comprehensive (loss) income for the period/year net of taxation	**(4 874)**	9 273	(9 202)
Total comprehensive loss for the period/year	**(402 230)**	(27 754)	(3 777 057)
Attributable to:			
Owners of the holding company	**(402 230)**	(27 754)	(3 777 057)
Loss per share			
Basic (cents)	**(56.4)**	(5.3)	(535.4)
Diluted (cents)	**(56.4)**	(5.3)	(535.4)

Other income

Other income of R152.3 million (31 December 2019: R61.3 million, 30 June 2020: R65.6 million) includes the impact of:

- Reversal of expected credit loss on loan to AttAfrica of R30.8 million (31 December 2019: R13.4 million, 30 June 2020: Rnil)
- Reversal of impairment of the investment in MAS of R92.4 million (31 December 2019: Rnil, 30 June 2020: Rnil)

Expected credit losses on loans to associates, subsidiaries, suretyships and guarantees

Expected credit losses of R15.7 million (31 December 2019: R265.3 million, 30 June 2020: R594.1 million) includes the impact of:

- Expected credit loss on loan to Gruppo impaired by R10.9 million (31 December 2019: Rnil, 30 June 2020: R142.1 million)
- Expected credit loss on loan to Nieuwtown Property Development Company Proprietary Limited of Rnil (31 December 2019: R263.6 million, 30 June 2020: R262.4 million)
- Expected credit loss on loan to AttAfrica and interest write-off of Rnil (31 December 2019: Rnil, 30 June 2020: R144.6 million)

Impairment of investment in associates

The impairment of investment in associates of R1.3 billion for the year ended 30 June 2020 relates to the impairment of the investment in MAS.

Impairment of goodwill and intangible assets

The impairment of goodwill and intangible assets of R232.5 million for the year ended 30 June 2020 relates to the impairment of the internalised asset management agreement and related goodwill.

Other expenses

Other expenses of R165.3 million (31 December 2019: R31.7 million, 30 June 2020: R177.9 million) largely relates to foreign exchange losses of R131.8 million (31 December 2019: R6.7 million, 30 June 2020: R126.7 million).

Fair value adjustments

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Completed buildings	**(673 908)**	(370 979)	(1 696 689)
Right-of-use assets	**(12 996)**	(10 068)	(22 571)
Developments under construction	**6 567**	102 113	112 805
Waterfall leasehold land	**(23 864)**	(54 191)	15 979
Other financial assets and liabilities	**9 679**	(18 271)	(524 922)
Other investments at fair value through profit and loss	**–**	(1 575)	(2 068)
Total	**(694 522)**	(352 971)	(2 117 466)

Investment income

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Loans to associates	**18 106**	22 953	38 927
Bank	**11 134**	4 883	15 501
Other interest*	**21 122**	22 128	42 669
Total	**50 362**	49 964	97 097

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

Finance costs

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Long-term interest-bearing borrowings	**(320 079)**	(390 711)	(784 411)
Derivative financial liabilities	**(170 035)**	(35 601)	(97 031)
Lease liability	**(12 539)**	(11 359)	(22 639)
Other	**(70)**	–	(869)
Total	**(502 723)**	(437 671)	(904 950)

Condensed consolidated statement of financial position

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Assets			
Non-current assets			
Property and equipment	**12 282**	18 808	16 788
Investment properties	**18 812 170**	20 319 983	19 374 421
Per valuation	**19 868 458**	21 415 555	20 390 962
Straight-line lease debtor	**(1 056 288)**	(1 095 572)	(1 016 541)
Straight-line lease debtor	**1 056 288**	1 095 572	1 016 541
Deferred initial lease expenditure	**3 632**	5 558	4 927
Intangible assets	**–**	174 685	–
Goodwill	**–**	67 774	–
Investment in associates and joint ventures	**1 370 163**	3 003 827	1 950 156
Loans to associates and joint ventures	**–**	278 586	204 461
Other financial assets	**408 190**	389 362	397 736
Deferred tax assets	**54 378**	–	68 941
Total non-current assets	**21 717 103**	25 354 155	23 033 971
Current assets			
Taxation receivable	**602**	5 025	1 348
Trade and other receivables	**187 843**	211 092	220 345
Inventory	**152 970**	84 626	119 927
Loans to associates and joint ventures	**307 124**	427 915	306 221
Other financial assets	**12 737**	25 295	20 834
Cash and cash equivalents	**1 048 504**	711 682	772 547
Non-current assets held for sale	**678 061**	241 465	77 536
Total current assets	**2 387 841**	1 707 100	1 518 758
Total assets	**24 104 944**	27 061 255	24 552 729
Equity and liabilities			
Equity			
Stated capital	**6 496 298**	6 473 103	6 473 103
Distributable reserves	**3 285 558**	7 713 300	3 682 728
Fair value through other comprehensive income reserve	**267 142**	290 491	272 016
Share-based payment reserve	**114 258**	118 539	118 136
Foreign currency translation reserve	**908 866**	473 064	1 035 588
Total equity attributable to owners of the holding company	**11 072 122**	15 068 497	11 581 571
Non-current liabilities			
Long-term borrowings	**10 608 203**	9 582 193	11 372 592
Deferred tax liabilities	**9 637**	202 468	29 800
Other financial liabilities	**813 654**	288 922	820 114
Cash settled share-based payments	**106**	306	246
Lease liability	**235 332**	224 895	247 803
Total non-current liabilities	**11 666 932**	10 298 784	12 470 555
Current liabilities			
Other financial liabilities	**16 350**	4 919	22 842
Lease liability	**25 587**	24 373	28 146
Taxation payable	**–**	1 328	32
Cash-settled share-based payments	**196**	514	273
Trade and other payables	**404 213**	422 488	370 452
Provisions	**24 324**	23 215	25 358
Short-term portion of long-term borrowings	**895 220**	1 217 137	51 676
Liabilities directly associated with non-current assets held for sale	**–**	–	1 824
Total current liabilities	**1 365 890**	1 693 974	500 603
Total liabilities	**13 032 822**	11 992 758	12 971 158
Total equity and liabilities	**24 104 944**	27 061 255	24 552 729

Investment properties

The balance of R18.8 billion (31 December 2019: R20.3 billion, 30 June 2020: R19.4 billion) includes:

- Negative fair value adjustments on investment properties of R704.2 million (31 December 2019: R333.1 million, 30 June 2020: R1.6 billion)
- Right-of-use assets of R251.8 million (31 December 2019: R239.2 million, 30 June 2020: R265.9 million)
- Capital expenditure of R143.1 million (31 December 2019: R456.0, 30 June 2020: R667.9 million)

Investments and loans to associates and joint ventures and other financial assets

The balance of R2.7 billion (includes investments and loans to associates held for sale) (31 December 2019: R4.1 billion, 30 June 2020: R2.8 billion) includes:

- An investment in MAS of R1.8 billion (31 December 2019: R3.0 billion, 30 June 2020: R1.9 billion)
- Loans to AttAfrica and Gruppo of R383.9 million (31 December 2019: R585.1 million, 30 June 2020: R416.1 million)
- Loan to PwC Waterfall Property Partnership of R336.1 million (31 December 2019: R336.0; 30 June 2020: R336.6 million).

Reconciliation between earnings and headline earnings

	Unaudited 31 December 2020 R'000	Restated Unaudited 31 December 2019 R'000	Audited 30 June 2020 2019 R'000
Loss for the period/year	**(397 356)**	(37 027)	(3 767 855)
Headline earnings adjustments	**603 400**	288 961	3 278 743
Profit on disposal of associate	**–**	–	(3 146)
Loss (profit) on disposal of investment property	**–**	2	(2 457)
Net impairment of investment in associates	**(92 443)**	–	1 312 012
Impairment of goodwill	**–**	–	67 774
Impairment of intangible asset	**–**	–	164 703
Fair value adjustments	**704 201**	334 700	1 590 476
Net (income) loss from associates and joint ventures	**(9 131)**	(60 093)	130 004
Loss on disposal of subsidiary	**773**	–	3 221
Tax effect of adjustments	**–**	14 352	16 156
Headline earnings (loss)	**206 044**	251 934	(489 112)
Number of shares in issue*	**704 964 739**	703 906 577	703 906 577
Weighted average number of shares in issue*	**704 355 146**	703 669 602	703 787 442
Diluted weighted average number of shares in issue*	**714 758 020**	712 014 065	712 252 605
Headline earnings (loss) per share			
Basic (cents)	**29.3**	35.8	(69.5)
Diluted (cents)	**28.8**	35.4	(69.5)

* *Adjusted for 46 427 553 treasury shares*

Condensed consolidated statement of cash flows

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Cash flow generated from operating activities	**214 251**	353 501	574 526
Cash generated from operations	**686 227**	649 612	1 217 045
Investment income	**32 368**	38 010	68 521
Dividend income	**–**	121 177	233 560
Finance costs	**(501 298)**	(431 073)	(900 578)
Finance costs capitalised	**(3 320)**	(21 976)	(26 441)
Taxation paid	**274**	(2 249)	(17 581)
Cash flow utilised in investing activities	**(59 480)**	(336 202)	(524 482)
Property and equipment acquired	**(246)**	(1 386)	(4 122)
Property and equipment disposed	**2 047**	–	–
Investment properties developed	**(145 505)**	(434 088)	(641 485)
Obtaining control of entity	**–**	18 079	–
Associates and joint ventures acquired	**–**	–	(1 468)
Cash in entity over which control was obtained	**–**	–	18 079
Other investments acquired	**–**	(7 525)	(9 880)
Other financial assets repaid	**8 677**	11 718	19 047
Additions to deferred initial lease expenditure	**–**	–	(671)
Cash flow relating to non-current assets held for sale	**75 547**	77 000	96 018
Cash flow generated from financing activities	**121 186**	20 897	49 017
Dividends paid	**–**	(288 433)	(605 191)
Repayment of lease liability	**(13 062)**	(11 939)	(21 861)
Long-term borrowings raised	**548 685**	1 223 446	2 069 204
Long-term borrowings repaid	**(408 554)**	(923 254)	(1 482 464)
Loans to associates and joint ventures (repaid) raised	**(5 883)**	42 131	111 762
Other financial liabilities repaid	**–**	(21 054)	(22 433)
Total cash movement for the period/year	**275 957**	38 196	99 061
Cash at the beginning of the period/year	**772 547**	673 486	673 486
Total cash at the end of the period/year	**1 048 504**	711 682	772 547

Condensed consolidated statement of changes in equity

	Stated capital R'000	Distributable reserves R'000
Audited balance at 30 June 2019	6 463 585	7 954 665
Total comprehensive loss	–	(37 027)
Loss for the period/year	–	(37 027)
Other comprehensive loss	–	–
Foreign currency translation reserve	–	–
Issue of shares	9 518	–
Dividends	–	(288 433)
Obtaining control of entity	–	3 183
Transfer of share-based payment reserve on vesting	–	710
Reversal of present value of loans to associate[2]	–	80 202
Recognition of share-based payment reserve	–	–
Unaudited balance at 31 December 2019	6 473 103	7 713 300
Total comprehensive loss	–	(3 730 828)
Loss for the period/year	–	(3 730 828)
Other comprehensive loss	–	–
Foreign currency translation reserve	–	–
Dividends	–	(316 758)
Transfer between reserves[1]	–	12 957
Obtaining control of entity	–	(1 851)
Loss of control of entity	–	5 908
Recognition of share-based payment reserve	–	–
Audited balance at 30 June 2020	**6 473 103**	**3 682 728**
Total comprehensive loss	**–**	**(397 356)**
Loss for the period/year	**–**	**(397 356)**
Other comprehensive loss	**–**	**–**
Foreign currency translation reserve	**–**	**–**
Issue of shares	**23 195**	**–**
Transfer of share-based payment reserve on vesting	**–**	**186**
Recognition of share-based payment reserve	**–**	**–**
Unaudited balance at 31 December 2020	**6 496 298**	**3 285 558**

[1] *The transfer between reserves relates to share options that vested in prior year.*

[2] *The reversal of the present value of loans to associates relates to the reversal of the present value on the loan to Nieuwtown. The loan to Nieuwtown was not repayable on demand and as a result was discounted back for the duration of the repayment period. Nieuwtown was disposed of on 5 March 2020 and the loan was repaid resulting in the reversal of the present value.*

	FVOCI reserve R'000	Share-based payment reserve R'000	Foreign currency translation reserve R'000	Total equity attributable to owners of the holding company R'000
	281 218	117 118	771 146	15 587 732
	9 273	–	–	(27 754)
	–	–	–	(37 027)
	9 273	–	–	9 273
	–	–	(298 082)	(298 082)
	–	(9 518)	–	–
	–	–	–	(288 433)
	–	–	–	3 183
	–	(710)	–	–
	–	–	–	80 202
	–	11 649	–	11 649
	290 491	118 539	473 064	15 068 497
	(18 475)	–	–	(3 749 303)
	–	–	–	(3 730 828)
	(18 475)	–	–	(18 475)
	–	–	562 524	562 524
	–	–	–	(316 758)
	–	(12 957)	–	–
	–	–	–	(1 851)
	–	–	–	5 908
	–	12 554	–	12 554
	272 016	**118 136**	**1 035 588**	**11 581 571**
	(4 874)	**–**	**–**	**(402 230)**
	–	**–**	**–**	**(397 356)**
	(4 874)	**–**	**–**	**(4 874)**
	–	**–**	**(126 722)**	**(126 722)**
	–	**(23 195)**	**–**	**–**
	–	**(186)**	**–**	**–**
	–	**19 503**	**–**	**19 503**
	267 142	**114 258**	**908 866**	**11 072 122**

Condensed segmental analysis

	Unaudited			
	Retail R'000	Office and mixed-use R'000	Industrial R'000	Hotel R'000
Statement of financial position				
Investment property	8 502 252	6 911 051	1 474 076	338 336
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Leasehold land	–	–	–	–
Straight-line lease debtor	230 977	634 427	175 578	15 306
Investments in associates and joint ventures	28 199	978	–	–
Other financial assets	9 958	336 114	6 631	–
Loans to associates and joint ventures	–	–	–	–
Trade and other receivables	56 382	41 925	8 550	7 187
Cash and cash equivalents	125 097	315 109	52 028	4 285
Inventory	–	32 581	–	–
Non-current assets held for sale	–	(1)	–	–
Deferred tax assets	–	–	–	–
Other assets	–	1 339	–	–
Total assets	8 952 865	8 273 523	1 716 863	365 114
Long-term borrowings	–	–	–	–
Other financial liabilities	–	5 675	–	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	181 772	122 169	21 596	356
Lease liability	38 656	160 915	50 264	1 959
Other liabilities	–	–	–	–
Total liabilities	220 428	288 759	71 860	2 315
Statement of comprehensive income				
Rental income	519 578	479 986	91 081	19 847
Straight-line lease income adjustment	(18 739)	35 191	16 178	7 117
Sale of sectional title units	–	51 851	–	–
Property expenses	(216 806)	(129 269)	(25 198)	(4 691)
Expected credit losses on trade and other receivables	(8 025)	1 730	369	–
Cost of sales of sectional title units	–	(43 780)	–	–
Net profit from property operations	276 008	395 709	82 430	22 273
Other income	16	152	195	–
Operating expenses	(17 625)	(17 318)	(4 043)	(903)
Expected credit losses on loans to associates, suretyships and guarantees	–	–	–	–
Other expenses	–	–	–	–
Operating profit (loss)	258 399	378 543	78 582	21 370
Fair value adjustments	(339 538)	(315 825)	(22 111)	(9 455)
Net income (loss) from associates	(4 443)	(118)	–	–
Investment income	2 294	21 481	465	98
Finance costs	(1 976)	(7 711)	(2 339)	(95)
(Loss) profit before tax	(85 264)	76 370	54 597	11 918
Taxation	–	–	–	–
(Loss) profit for the period attributable to owners	(85 264)	76 370	54 597	11 918

Unaudited

31 December 2020 Develop-ments at Waterfall R'000	Head office SA R'000	Total SA R'000	MAS European R'000	Rest of Africa R'000	Head office Global R'000	Total R'000
–	–	17 225 715	–	–	–	17 225 715
1 586 455	–	1 586 455	–	–	–	1 586 455
222 903	–	222 903	–	–	–	222 903
1 363 552	–	1 363 552	–	–	–	1 363 552
–	–	1 056 288	–	–	–	1 056 288
–	1 644	30 821	1 339 342	–	–	1 370 163
–	68 224	420 927	–	–	–	420 927
96 922	4 837	101 759	–	205 365	–	307 124
47 444	26 339	187 827	–	–	16	187 843
1 647	502 798	1 000 964	–	–	47 540	1 048 504
120 389	–	152 970	–	–	–	152 970
–	1	–	499 500	178 561	–	678 061
–	54 378	54 378	–	–	–	54 378
–	15 177	16 516	–	–	–	16 516
1 852 857	673 398	21 834 620	1 838 842	383 926	47 556	24 104 944
–	10 500 394	10 500 394	–	–	1 003 029	11 503 423
–	823 101	828 776	1 228	–	–	830 004
–	9 637	9 637	–	–	–	9 637
23 797	54 219	403 909	–	–	304	404 213
–	9 125	260 919	–	–	–	260 919
15 365	9 261	24 626	–	–	–	24 626
39 162	11 405 737	12 028 261	1 228	–	1 003 333	13 032 822
–	5 503	1 115 995	–	–	–	1 115 995
–	–	39 747	–	–	–	39 747
–	–	51 851	–	–	–	51 851
–	4 123	(371 841)	–	–	–	(371 841)
–	–	(5 926)	–	–	–	(5 926)
–	–	(43 780)	–	–	–	(43 780)
–	9 626	786 046	–	–	–	786 046
–	11 541	11 904	106 809	33 563	–	152 276
–	(49 015)	(88 904)	–	–	–	(88 904)
(4 767)	(4)	(4 771)	–	(10 917)	–	(15 688)
(22 676)	(10 817)	(33 493)	(11 836)	(120 001)	–	(165 330)
(27 443)	(38 669)	670 782	94 973	(97 355)	–	668 400
(17 272)	9 679	(694 522)	–	–	–	(694 522)
–	867	(3 694)	79 660	–	–	75 966
–	7 918	32 256	–	18 106	–	50 362
–	(474 432)	(486 553)	–	–	(16 170)	(502 723)
(44 715)	(494 637)	(481 731)	174 633	(79 249)	(16 170)	(402 517)
–	5 161	5 161	–	–	–	5 161
(44 715)	(489 476)	(476 570)	174 633	(79 249)	(16 170)	(397 356)

	Unaudited			
	Retail R'000	Office and mixed use R'000	Industrial R'000	Hotel R'000
STATEMENT OF FINANCIAL POSITION				
Investment property	9 766 067	6 568 694	1 468 344	353 278
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Leasehold land	–	–	–	–
Straight-line lease debtor	226 083	718 106	140 953	10 430
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	26 564	1 079	–	–
Other financial assets	28 157	336 005	6 847	–
Loans to associates and joint ventures	–	–	–	–
Trade and other receivables	62 400	98 789	9 708	1 075
Cash and cash equivalents	104 796	76 486	6 098	7
Inventory	–	59 304	–	–
Non-current assets held for sale	–	135 000	–	–
Other assets	–	1 673	–	–
Total assets	10 214 067	7 995 136	1 631 950	364 790
Long-term borrowings	–	–	–	–
Other financial liabilities	–	–	–	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	161 390	146 687	12 843	2 110
Lease liability	51 517	134 054	50 287	2 253
Other liabilities	–	–	–	–
Total liabilities	212 907	280 741	63 130	4 363
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	577 827	419 919	107 533	20 168
Straight-line lease income adjustment	(5 941)	47 487	17 025	(2 150)
Sale of inventory	–	7 528	–	–
Property expenses	(232 191)	(122 201)	(27 452)	(5 985)
Expected credit losses on trade and other receivables	(3 359)	1 567	–	–
Cost of sales	–	1 422	–	–
Net profit from property operations	336 336	355 722	97 106	12 033
Other income	–	150	197	–
Operating expenses	(17 302)	(15 821)	(3 987)	(867)
Expected credit losses on loans to associates	(5)	(5)	(1 476)	–
Other expenses	–	–	(2)	–
Operating profit (loss)	319 029	340 046	91 838	11 166
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	(39 375)	(331 062)	(27 219)	16 609
Net income from associates	(5 441)	57	–	–
Investment income	3 935	19 766	586	–
Finance costs	(2 402)	(5 944)	(2 475)	(108)
Profit (loss) before tax	275 746	22 863	62 730	27 667
Taxation	–	–	–	–
Profit (loss) for the period attributable to owners	275 746	22 863	62 730	27 667

Unaudited

30 December 2019 Develop-ments at Waterfall R'000	Head office SA R'000	Total SA R'000	MAS European R'000	Rest of Africa R'000	Head office Global R'000	Total R'000
–	2 000	18 158 383	–	–	–	18 158 383
2 161 600	–	2 161 600	–	–	–	2 161 600
910 593	–	910 593	–	–	–	910 593
1 251 007	–	1 251 007	–	–	–	1 251 007
–	–	1 095 572	–	–	–	1 095 572
–	242 459	242 459	–	–	–	242 459
–	1 018	28 661	2 975 166	–	–	3 003 827
–	33 689	404 698	9 959	–	–	414 657
116 293	5 061	121 354	–	585 147	–	706 501
24 555	14 517	211 044	–	–	48	211 092
547	349 431	537 365	–	–	174 317	711 682
25 322	–	84 626	–	–	–	84 626
26 465	80 000	241 465	–	–	–	241 465
–	27 499	29 172	–	–	219	29 391
2 354 782	755 674	23 316 399	2 985 125	585 147	174 584	27 061 255
–	9 440 412	9 440 412	–	–	1 358 918	10 799 330
–	293 841	293 841	–	–	–	293 841
–	110 614	110 614	91 854	–	–	202 468
18 171	65 334	406 535	–	–	15 953	422 488
–	11 157	249 268	–	–	–	249 268
16 062	9 261	25 323	–	–	40	25 363
34 233	9 930 619	10 525 993	91 854	–	1 374 911	11 992 758
–	5 552	1 130 999	–	–	–	1 130 999
–	–	56 421	–	–	–	56 421
–	–	7 528	–	–	–	7 528
–	3 793	(384 036)	–	–	–	(384 036)
–	–	(1 792)	–	–	–	(1 792)
–	–	1 422	–	–	–	1 422
–	9 345	810 542	–	–	–	810 542
–	8 200	8 547	7 567	45 220	–	61 334
–	(45 645)	(83 622)	–	–	–	(83 622)
–	(263 771)	(265 257)	–	(21)	–	(265 278)
(17 323)	(7 689)	(25 014)	–	(6 675)	–	(31 689)
(17 323)	(299 560)	445 196	7 567	38 524	–	491 287
–	(9 982)	(9 982)	–	–	–	(9 982)
50 922	(22 846)	(352 971)	–	–	–	(352 971)
–	(173)	(5 557)	193 962	–	–	188 405
–	10 679	34 966	–	14 998	–	49 964
–	(412 259)	(423 188)	–	–	(14 483)	(437 671)
33 599	(734 141)	(311 536)	201 529	53 522	(14 483)	(70 968)
–	(10 595)	(10 595)	44 576	–	(40)	33 941
33 599	(744 736)	(322 131)	246 105	53 522	(14 523)	(37 027)

	Audited			
	Retail R'000	Office and mixed-use R'000	Industrial R'000	Hotel R'000
STATEMENT OF FINANCIAL POSITION				
Investment property	8 834 374	7 189 359	1 453 433	347 793
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Leasehold land	–	–	–	–
Straight-line lease debtor	249 717	599 235	159 401	8 188
Investments in associates and joint ventures	32 642	1 097	–	–
Other financial assets	12 497	342 242	6 698	–
Loans to associates and joint ventures	–	–	–	–
Trade and other receivables	51 952	116 364	7 911	3 762
Cash and cash equivalents	70 540	147 317	2 463	2
Inventory	–	76 205	–	–
Non-current assets held for sale	–	77 404	–	–
Deferred tax assets	–	–	–	–
Other assets	–	1 839	–	–
Total assets	9 251 722	8 551 062	1 629 906	359 745
Long-term borrowings	–	–	–	–
Other financial liabilities	–	5 675	–	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	160 588	110 401	12 859	1 589
Non-current liabilities held directly associated with assets held for sale	–	1 824	–	–
Lease liability	44 778	168 154	50 874	2 111
Other liabilities	–	–	–	–
Total liabilities	205 366	286 054	63 733	3 700
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	1 039 018	939 054	187 706	35 274
Straight-line lease income adjustment	17 694	(71 381)	35 472	(4 391)
Sale of sectional title units	–	5 836	–	–
Property expenses	(439 496)	(241 988)	(48 305)	(11 384)
Expected credit losses on trade and other receivables	(26 993)	(4 923)	(562)	(308)
Net profit from property operations	590 223	626 598	174 311	19 191
Other income	–	2 587	198	–
Operating expenses	(34 343)	(32 643)	(7 918)	(1 771)
Expected credit losses on loans to associates, suretyships and guarantees	(61)	(7 138)	(91)	–
Impairment of investment in associates	–	–	–	–
Impairment of goodwill and intangible assets	–	–	–	–
Other expenses	–	–	(2)	–
Operating profit (loss)	555 819	589 404	166 498	17 420
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	(1 010 853)	(672 844)	(46 686)	11 123
Net income (loss) from associates	637	75	–	–
Investment income	7 167	38 891	1 114	10
Finance costs	(4 680)	(12 079)	(4 781)	(210)
(Loss) profit before tax	(451 910)	(56 553)	116 145	28 343
Taxation	–	–	–	–
(Loss) profit for the year attributable to owners	(451 910)	(56 553)	116 145	28 343

Audited

30 June 2020 Develop- ments at Waterfall R'000	Head office SA R'000	Total SA R'000	MAS European R'000	Rest of Africa R'000	Head office Global R'000	Total R'000
–	–	17 824 959	–	–	–	17 824 959
1 549 462	–	1 549 462	–	–	–	1 549 462
198 172	–	198 172	–	–	–	198 172
1 351 290	–	1 351 290	–	–	–	1 351 290
–	–	1 016 541	–	–	–	1 016 541
–	776	34 515	1 915 641	–	–	1 950 156
–	57 133	418 570	–	–	–	418 570
90 855	3 768	94 623	–	416 059	–	510 682
22 641	17 674	220 304	–	–	41	220 345
1 565	482 091	703 978	–	–	68 569	772 547
43 722	–	119 927	–	–	–	119 927
–	132	77 536	–	–	–	77 536
–	68 941	68 941	–	–	–	68 941
–	21 224	23 063	–	–	–	23 063
1 708 245	651 739	22 152 419	1 915 641	416 059	68 610	24 552 729
–	9 988 721	9 988 721	–	–	1 435 547	11 424 268
–	821 687	827 362	15 594	–	–	842 956
–	29 800	29 800	–	–	–	29 800
24 918	59 953	370 308	–	–	144	370 452
–	–	1 824	–	–	–	1 824
–	10 032	275 949	–	–	–	275 949
15 550	10 359	25 909	–	–	–	25 909
40 468	10 920 552	11 519 873	15 594	–	1 435 691	12 971 158
–	8 104	2 209 156	–	–	–	2 209 156
–	–	(22 606)	–	–	–	(22 606)
–	–	5 836	–	–	–	5 836
–	5 282	(735 891)	–	–	–	(735 891)
–	–	(32 786)	–	–	–	(32 786)
–	13 386	1 423 709	–	–	–	1 423 709
–	22 497	25 282	2 749	37 565	–	65 596
–	(83 640)	(160 315)	–	–	–	(160 315)
(36 137)	(264 051)	(307 478)	–	(286 667)	–	(594 145)
–	–	–	(1 312 012)	–	–	(1 312 012)
–	(232 477)	(232 477)	–	–	–	(232 477)
(31 885)	(19 366)	(51 253)	(25 078)	(101 594)	–	(177 925)
(68 022)	(563 651)	697 468	(1 334 341)	(350 696)	–	(987 569)
–	(19 964)	(19 964)	–	–	–	(19 964)
131 924	(530 130)	(2 117 466)	–	–	–	(2 117 466)
–	(1 882)	(1 170)	(88 937)	–	–	(90 107)
–	17 441	64 623	–	32 239	235	97 097
–	(852 280)	(874 030)	–	–	(30 920)	(904 950)
63 902	(1 950 466)	(2 250 539)	(1 423 278)	(318 457)	(30 685)	(4 022 959)
–	117 860	117 860	138 520	–	(1 276)	255 104
63 902	(1 832 606)	(2 132 679)	(1 284 758)	(318 457)	(31 961)	(3 767 855)

Annexure A

SA REIT Association's Best Practice Recommendations' financial ratios

The second edition of the SA REIT Association Best-Practice Recommendations (SA REIT BPR) was issued in November 2019 and is effective for reporting periods commencing on or after 1 January 2020. The comparative figures have been disclosed on the same basis.

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

SA REIT funds from operations (SA REIT FFO)	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Unaudited 30 June 2020 R'000
Loss per IFRS statement of comprehensive loss attributable to the parent	**(397 356)**	(37 027)	(3 767 855)
Adjusted for:			
Accounting/specific adjustments:			
Fair value adjustments to:			
• Investment property	**704 201**	333 125	1 590 476
• Debt and equity instruments held at fair value through profit or loss	**(9 679)**	19 846	526 990
Depreciation of an administrative nature and amortisation of intangible assets	**2 665**	12 489	25 121
Impairment of goodwill	**–**	–	67 774
Asset impairments and expected credit losses (ECL) (excluding goodwill) and reversals of impairments and ECLs			
• Net impairment and ECL of associates, other investments and loans	**(108 754)**	251 710	1 900 412
• ECL on guarantees	**–**	–	5 675
• Impairment of investment in Edcon	**–**	(7 525)	(9 880)
• Impairment of asset management agreements (2019: Wi-Fi rights intangible asset)	**–**	–	164 703
• Forgiveness of loan payable	**–**	–	(2 248)
Deferred tax movement recognised in profit or loss	**(5 601)**	(36 071)	(274 947)
Straight-line lease income adjustments	**(39 747)**	(56 421)	22 606
Adjustment arising from investing activities:			
• Loss (profit) on disposal of investment property	**–**	2	(2 457)
• Net profit from sale of sectional title units	**(8 071)**	(8 950)	(5 836)
• Loss on disposal of investment in associate and other	**–**	83	84
• Profit on disposal of other assets	**–**	–	(3 146)
• Loss on disposal of subsidiary	**773**	–	3 221
Foreign exchange and hedging items:			
• Fair value adjustment on derivative financial instruments	**(14 366)**	(475)	25 078
• Foreign exchange gains or losses relating to capital items – realised and unrealised	**117 249**	(25 153)	67 175
Other adjustments:			
Tax from sale of sectional title units	**791**	–	18 482
Adjustments made for equity-accounted entities#	**(20 894)**	(42 830)	272 832
SA REIT FFO	**221 211**	402 803	624 260
Number of shares outstanding at end of period (net of treasury shares)*	**704 964 739**	703 906 577	703 906 577
SA REIT FFO per share (cents)	**31.4**	57.2	88.7
Company-specific adjustments:			
Non-cash income from associates – MAS	**(54 219)**	(24 389)	49 335
Non-cash income from associates – South African portfolio	**(853)**	(9)	1 500
Provision and reversal of provision for other receivables	**909**	–	(909)
Depreciation in respect of property operations and amortisation of letting commission and tenant installations	**7 098**	5 629	13 915
Interest on lease liability	**12 539**	11 359	22 639
Rental paid	**(25 464)**	(23 155)	(44 296)
Net non-cash interest adjustment on loans from associates and other	**(17 994)**	(6 564)	(28 576)
Net reduction (increase) in lease receivables through higher (lower) collections	**6 343**	–	(32 091)
Net non-cash property owners association income	**(907)**	(568)	(1 603)
Lease cancellation fee	**(244)**	(15 000)	(90 000)
Distributable income	**148 418**	350 106	514 174
Distributable income per share (cents)	**21.1**	49.7	73.0
Dividends	**–**	316 758	316 758
Interim	**–**	316 758	316 758
Final	**–**	–	–
Dividend per share (cents)	**–**	45.0	45.0
Interim	**–**	45.0	45.0
Final	**–**	–	–

#Adjustments made for equity-accounted entities are based on publicly available information
**Adjusted for 46 427 553 treasury shares*

SA REIT NAV per share	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Unaudited 30 June 2020 R'000
Reported NAV attributable to the parent	**11 072 122**	15 068 497	11 581 571
Adjustments:			
Dividends to be declared	**–**	(316 758)	–
Fair value of derivative financial instruments	**759 237**	251 076	783 279
Goodwill and intangible assets	**–**	(242 459)	–
Deferred tax	**(44 741)**	202 468	(39 141)
SA REIT NAV	**11 786 618**	14 962 824	12 325 709
Number of shares outstanding at end of period (net of treasury shares)			
Number of shares in issue*	**704 964 739**	703 906 577	703 906 577
Effect of dilutive instruments (options, convertibles and equity interests)	**10 402 874**	8 344 463	8 344 463
Diluted number of shares in issue*	**715 367 613**	712 251 040	712 251 040
SA REIT NAV per share (Rand)	**16.48**	21.01	17.31

**Adjusted for 46 427 553 treasury shares*

SA REIT cost-to-income ratio	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Unaudited 30 June 2020 R'000
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	377 767	385 828	768 677
Administrative expenses per IFRS income statement	88 904	83 622	160 315
Exclude			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(2 665)	(2 507)	(5 157)
Operating costs	**464 006**	466 943	923 835
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	870 430	868 294	1 712 345
Utility and operating recoveries per IFRS income statement	245 565	262 705	496 811
Gross rental income	**1 115 995**	1 130 999	2 209 156
SA REIT cost-to-income ratio (%)	**41.6**	41.3	41.8

SA REIT administrative cost-to-income ratio	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Unaudited 30 June 2020 R'000
Expenses			
Administrative expenses per IFRS income statement	88 904	83 622	160 315
Administrative cost	**88 904**	83 622	160 315
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	870 430	868 294	1 712 345
Utility and operating recoveries per IFRS income statement	245 565	262 705	496 811
Gross rental income	**1 115 995**	1 130 999	2 209 156
SA REIT administrative cost-to-income ratio (%)	**8.0**	7.4	7.3

SA REIT loan-to-value (LTV)	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Unaudited 30 June 2020 R'000
Gross debt	**11 503 423**	10 799 330	11 424 268
Adjustments:			
Cash and cash equivalents	(954 378)	(602 949)	(672 914)
Derivative financial instruments	759 237	251 076	783 279
Net debt	**11 308 282**	10 447 457	11 534 633
Total assets	**24 104 944**	27 061 255	24 552 729
Adjustments:			
Cash and cash equivalents	(954 378)	(602 949)	(672 914)
Derivative financial assets	(65 093)	(40 518)	(54 002)
Goodwill and intangible asset	–	(242 459)	–
Trade and other receivables	(187 843)	(211 092)	(220 345)
Carrying amount of property-related assets	**22 897 630**	25 964 237	23 605 468
SA REIT LTV (%)	**49.4**	40.2	48.9

SA REIT GLA vacancy rate	Unaudited 31 December 2020 m^2	Unaudited 31 December 2019 m^2	Unaudited 30 June 2020 m^2
Gross lettable area of vacant space	27 600	45 443	49 993
Gross lettable area of total property portfolio	764 740	755 370	779 480
SA REIT GLA vacancy rate (%)	**3.6**	**6.0**	**6.4**

Cost of debt (%)	Notes	Unaudited 31 December 2020 Rand	EUR	TOTAL	Unaudited 31 December 2019 Rand	EUR	TOTAL	Unaudited 30 June 2020 Rand	EUR	TOTAL
Variable interest-rate borrowings										
Floating reference rate plus weighted average margin		5.64	3.13	5.40	8.72	2.04	7.82	5.87	2.02	5.35
Fixed interest-rate borrowings										
Weighted average fixed rate		10.73	0.00	10.73	10.73	0.00	10.73	10.73	0.00	10.73
Pre-adjusted weighted average cost of debt	A	**5.99**	**3.13**	**5.74**	**8.88**	**2.04**	**8.01**	**6.22**	**2.02**	**5.69**
Adjustments:										
Impact of interest rate derivatives	B	3.39	0.00	3.09	1.08	0.00	0.94	3.51	0.00	3.07
Impact of cross-currency interest rate swaps	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortised transaction costs imputed into the effective interest rate	D	0.12	0.05	0.12	0.14	0.08	0.14	0.11	0.05	0.10
All-in weighted average cost of debt	A+B+C+D	**9.50**	**3.18**	**8.95**	**10.10**	**2.12**	**9.09**	**9.84**	**2.07**	**8.86**

Independent non-executive directors

P Tredoux (chairperson)
HR El Haimer (lead independent)
TP Leeuw (appointed 10 February 2021)
IN Mkhari
BT Nagle (retired on 27 November 2020, being the date of the AGM)
S Shaw-Taylor
AE Swiegers (appointed 14 January 2021)
JHP van der Merwe

Executive directors

M Hamman (CEO, has resigned with effect from 30 April 2021)
R Nana (CFO)
JR van Niekerk (COO, has been appointed as CEO with effect from 1 May 2021)

Company secretary

A Matwa

Registered office

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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 Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Sponsor

Java Capital

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