

ATTACQ LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/000543/06)

JSE share code: ATT ISIN: ZAE000177218

(Approved as a REIT by the JSE)

("Attacq" or the "Company")



ACQUISITION OF REMAINING 20% OF MALL OF AFRICA

1. INTRODUCTION

Shareholders are advised that Attacq Waterfall Investment Company Proprietary Limited ("**AWIC**"), a 70% held subsidiary of Attacq, and Att MOA 20 Proprietary Limited (the "**Seller**") have reached a conditional agreement (the "**Agreement**") whereby AWIC will acquire the Seller's 20% undivided share of the leasehold rights and rental enterprises in respect of the Mall of Africa (the "**Mall**") (the "**Undivided Share**") and, following the implementation, AWIC will own 100% of the Mall (the "**Acquisition**"). The Seller is beneficially held by Atterbury Property Holdings Proprietary Limited and Atterbury Property Proprietary Limited.

2. RATIONALE

The Acquisition is aligned with Attacq's stated intention of investing into precincts which it owns and controls. The Mall, which is eight years old and currently managed by Attacq, anchors Waterfall City and continues to perform strongly as one of the best performing super-regional malls in South Africa, benefiting from the continued densification of Waterfall City as AWIC rolls out its development pipeline of residential, logistics and collaboration hubs, as well as the densification of the greater Waterfall node in general. At 31 December 2023, the Mall's compounded annual trading density growth over the past three years was 16.1%, whilst its rent to turnover ratio was healthy at 7.5%.

3. TERMS OF THE TRANSACTION

3.1. Purchase consideration

The purchase consideration for the Undivided Share is R1 070 000 000 (the "**Purchase Consideration**"), which equates to an initial forward yield of c.8.0% (based on estimated net operating income for the 12 months ending 30 June 2025, inclusive of asset and property management fees), payable in cash upon the date of registration of the deed of cession and assignment against the notarial leases in the relevant deeds registry (the "**Effective Date**"). The Purchase Consideration represents a discount of 7.7% to the 31 December 2023 independent external market valuation.

Should the Effective Date not be achieved by 25 July 2024, the Purchase Consideration will escalate at 4.5% per annum, compounded annually, from 26 July 2024 until the Effective Date.

3.2. Other material terms

The Agreement contains undertakings and warranties which are normal for a transaction of this nature.

Within 90 days of the Effective Date, AWIC shall procure the preparation of an adjustment account in respect of the Undivided Share (the "**Adjustment Account**") and deliver the Adjustment Account to the Seller.

The Adjustment Account shall take into account 20% of the amounts reflected in respect of the following items relating to the Undivided Share:

- all amounts of assessment rates and taxes, sewerage charges, electricity charges and municipal services charges for any period prepaid by the Seller before the Effective Date, or in arrears as at the Effective Date;
- any tenant's deposit, including interest accrued thereon, but excluding the value of arrear indebtedness of the Seller's tenants, arising prior to the Effective Date; and
- all rentals and other income prepaid to the Seller for periods after the Effective Date.

Payment of any amounts due to either AWIC or the Seller in terms of the Adjustment Account shall not constitute part of the Purchase Consideration and shall be effected separately from the payment of the Purchase Consideration.

4. CONDITIONS PRECEDENT

The Acquisition is subject to the fulfilment of the following conditions precedent:

Within 14 business days of the date of signature of the Agreement (the "**Signature Date**"):

- the Seller has procured the written consent of the mortgage bondholder to the release of the Undivided Share from the applicable mortgage bond registered thereover;
- written evidence that the written consent of the head landlord under the relevant notarial lease to the cession and assignment of the Undivided Share by the Seller to AWIC has been obtained; and
- the Seller has furnished AWIC with documentary evidence to the effect that the head landlord under the relevant notarial leases has signed all documents which are required to register the transfer of the Undivided Share in the relevant deeds registry.

Within 90 calendar days of the Signature Date:

- the unconditional approval of the Competition Authorities, or if the approval is conditional, such conditions being acceptable to the party concerned.

Should any of the conditions precedent not be fulfilled within the timelines set out above, AWIC and the Seller may, by way of written notice, require that the condition in question be fulfilled within 10 business days after the date of delivery of the written notice.

5. PROPERTY SPECIFIC AND FINANCIAL INFORMATION

Property name	Mall of Africa
Geographical location	Waterfall, Gauteng
Sector	Retail
GLA (100% of property) (m²)	129 418
Weighted average rental (Rand per m²)	323.91
Valuation as at 31 December 2023 (100% of property) (R'000)	5 794 958
Net profit for the six months ended 31 December 2023 (20% of property) (R'000)*	74 389

* Represents the net profit for the Undivided Share prior to interest as no debt will be assumed as part of the transaction

The Mall was valued at 31 December 2023 by Sterling Valuation Services CC, an independent external valuer registered in terms of the Property Valuers Profession Act, No. 47 of 2000.

The Purchase Consideration is considered to be in line with the fair market value of a holding of this nature, as determined by the directors of Attacq. The directors are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No.47 of 2000.

The directors of Attacq are satisfied with the quality of the financial information, which has been extracted for purposes of this announcement, from the unaudited interim financial results of AWIC for the six months ended 31 December 2023, prepared in accordance with International Financial Reporting Standards and Attacq's accounting policies.

The financial information contained in this announcement has not been reviewed or reported on by the Company's auditors.

6. CATEGORISATION

The transaction is a category 2 transaction for Attacq in terms of the JSE Listings Requirements and accordingly does not require the approval of Attacq shareholders.

7 May 2024

Sponsor
JAVACAPITAL