

Airports Company South Africa SOC Limited
(Incorporated in the Republic of South Africa)
(Registration number 1993/004149/30)
("ACSA") or ("the Company")

ACSA RATING ACTION BY MOODY'S INVESTOR SERVICES

In accordance with paragraph 4.24 of the JSE Debt Listings Requirements, noteholders are hereby advised that on 26 June 2020, Moody's Investors Service (Moody's) downgraded Airports Company South Africa's corporate family rating to Ba2 from Ba1 and national scale rating to Aa3.za from Aa2.za. The outlook has been changed to negative from ratings under review. This concludes the review process initiated on 31 March 2020.

The downgrade takes account of ACSA's rising credit and liquidity risks due to the sharp decline in traffic as a result of implementation of travel restrictions.

Further details on the rating action can be viewed on the following link:

https://www.moodys.com/research/Moodys-downgrades-ACSAs-rating-to-Ba2-negative-outlook--PR_427251

Airports Company South Africa notes the decision by Moody's to downgrade its ratings.

Moody's stated that the rapid spread of the coronavirus outbreak, severe global economic shock, low oil prices, and asset price volatility are creating a severe and extensive credit shock across many sectors, regions, and markets.

The combined credit effects of these developments are unprecedented. Globally, airports have been among the sectors most significantly affected by the shock, given their exposure to travel restrictions and sensitivity to consumer demand and sentiment

As set out in recent engagements with key stakeholders, Airports Company South Africa's financial performance has been severely impacted by the travel restrictions imposed by governments around the world in response to the Covid-19 pandemic.

In response, the company has revised its financial plan in line with its "New Normal" scenario anticipating that the impact on traffic volume demand and airline sustainability will be long-term. The revised financial plan includes significant responses to mitigate the impact of the traffic volume decline anticipated. These include deep reductions in operational expenditure and limitations to capital expenditure.

Airports Company South Africa has in recent days made important progress in implementing plans to secure funding and to ensure its immediate sustainability.

The company received approval from its key lender, L'Agence Francaise De Developpement (AFD), to waive its right to call a default in respect of the in-compliance with projected ratios until 30 June 2022, given the extraordinary context of COVID-19.

Further, to bolster its liquidity profile, the company confirmed the approvals of the extension and an increase of its banking facilities from R1.5 billion to R3 billion for a period of 12 months. The available liquidity will be adequate given low levels of debt maturities of R296 million in the next 12 months.

The company will continue to implement appropriate responses to maintain a prudent financial profile and engage with key stakeholders, in particular airlines, lenders, economic regulator, and shareholders in an effort to mitigate the credit effects of these unprecedented developments for the global aviation sector.

Johannesburg
29 June 2020
Debt Sponsor
The Standard Bank of South Africa Limited