

Independent auditor's review report on condensed consolidated financial statements

To the shareholders of Acsion Limited

We have reviewed the condensed consolidated financial statements of Acsion Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position as at 28 February 2021 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Director's responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Acsion Limited for the year ended 28 February 2021 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings

Requirements for provisional reports, as set out in the notes to the financial statement and the requirements of the Companies Act of South Africa.

RSM South Africa Inc.

Gary Parker
Chartered Accountant (SA)
Registered Auditor
Director

Date:

Acsion Limited
 Incorporated in the Republic of South Africa
 (Registration number 2014/182931/06)
 ISIN: ZAE000198289
 Share code: ACS
 (“Acsion” or “the Company” or “the Group”)

Summarised provisional consolidated financial results for the year ended 28 February 2021

Summarised provisional condensed consolidated statement of financial position as at 28 February 2021

	Reviewed	Audited	Audited
	2021	2020 Restated	2019 Restated
	R' 000	R' 000	R' 000
Assets			
Non-current assets			
Investment property	8 242 773	7 854 029	7 409 903
Property, plant and equipment	645 639	747 674	671 533
Operating lease asset	118 924	132 470	143 641
Goodwill	625 464	625 464	625 464
Intangible development project asset	165	165	165
Investments in associates	---	---	1 541
Other financial assets	539	5 432	5 432
Deferred taxation	3 415	2 032	1 745
Total non-current assets	9 636 919	9 367 266	8 859 424
Current assets			
Operating lease assets	25 097	23 279	13 144
Current tax receivable	1 124	2 213	2 504
Group company loans	---	---	1 699
Inventories	39 592	---	---
Trade and other receivables	60 814	26 220	72 010
Shareholder loans	---	4 053	4 053
Cash and cash equivalents	65 623	223 080	74 612
Total current assets	192 250	278 845	168 022
Total assets	9 829 169	9 646 111	9 027 446
Equity and liabilities			
Equity			
Share capital	3 967 218	3 967 615	3 968 078
Reserves	(66 171)	19 940	3 713
Retained income	3 159 563	3 051 311	2 565 888
Equity attributable to parent shareholders	7 060 610	7 038 866	6 537 679
Non-controlling interest	105 099	61 045	55 565

Total equity	7 165 709	7 099 911	6 593 244
Liabilities			
Non-current liabilities			
Deferred taxation	1 405 000	1 489 340	1 431 123
Other financial liabilities	28 969	48 928	630 004
Right-of-use lease liability	232 667	219 986	209 588
Total non-current liabilities	1 666 636	1 758 254	2 270 715
Current liabilities			
Shareholder loans	4 142	3 280	3 151
Other financial liabilities	689 147	583 732	23 453
Right-of-use lease liability	4 077	7 301	---
Provisions	6 564	4 529	3 767
Trade and other payables	264 681	186 020	128 270
Current taxation payable	28 207	3 078	4 747
Dividends payable	6	6	99
Total current liabilities	996 824	787 946	163 487
Total liabilities	2 663 460	2 546 200	2 434 202
Total equity and liabilities	9 829 169	9 646 111	9 027 446

Summarised provisional condensed consolidated statement of profit and loss and other comprehensive income for the year ended 28 February 2021

	Reviewed	Audited
	2021	2020
	R' 000	R' 000
Revenue	697 310	686 973
Other operating income	348	2 329
Other operating expenses	(304 503)	(298 124)
Operating profit	393 155	391 178
Finance costs	(44 682)	(63 765)
Investment income	13 863	14 171
Foreign exchange gains	14 641	7 429
Fair value changes	(181 259)	304 606
Profit before taxation	195 718	653 619
Taxation	(43 401)	(162 716)
Profit for the year	152 317	490 903
Other comprehensive income		
Losses attributable to owner occupied hotel property revaluations	(122 084)	(1 839)

Taxation attributable to revaluation changes	34 184	412
Foreign exchange gains from translation differences attributable to foreign operations	1 790	17 653
Net other comprehensive income	(86 110)	16 226
Total comprehensive income for the year	66 207	507 129
Profit for the year is attributable to:		
Parent company shareholders	108 263	485 423
Non-controlling interests	44 054	5 480
Total profit for the year	152 317	490 903
Comprehensive income for the year is attributable to:		
Parent company shareholders	22 153	501 649
Non-controlling interests	44 054	5 480
Total comprehensive income for the year	66 207	507 129
Weighted average number of shares ('000)	393.3	393.3
Basic earnings per share (cents)	27.52	123.40
Diluted earnings per share (cents)	27.52	123.40
Headline earnings per share (cents)	71.32	65.61
Diluted headline earnings per share (cents)	71.32	65.61

Revenue is recognised on an IFRS 16 straight line basis, but is invoiced monthly based on contract terms. In accordance with the IFRS monitoring panel review, rentals are recognised as revenue in accordance with the lease contracts and credit loss impairments, howsoever arising, are recognised as impairment expenditure and not as a reduction of revenue.

The Group's significant fair value adjustments and impairments during the year and the year-end investment property valuations are set out below:

Note: The changes in value reflected do not arise exclusively from fair value adjustments but also from additions and disposals not reflected below. The values are furnished for information purposes only.	Fair value changes 2021	Value 2021	Fair value changes 2020	Value 2020
	R' 000	R' 000	R' 000	R' 000
Acsiopolis (Lomastep)	(545 539)	768 458	1 568	1 085 587
Hyde Park Terrace (Bengavista)	(6 628)	---	(1 304)	54 596
Moreleta Square (Rubensmen)	28 303	162 407	(10 709)	134 104
Simarło Rainbow (DAJM Properties)	(7 095)	41 826	2 350	48 921
The Mall @ 55 and Trade 55 (Nabuvax)	1 043	316 001	27 701	309 227
The Mall @ Carnival (Golden Falls Trading)	(261 454)	2 444 666	24 885	2 706 119
The Mall @ Emba (Double Ring Trading 62)	14 779	619 867	30 822	604 364
The Mall @ Lebo (Nungu)	21 709	516 014	538	494 305

The Mall @ Mfula (Zarafusion)	69 567	336 447	21 479	266 880
The Mall @ Moutsiya (Daybreak Properties 3)	7 175	233 740	27 133	221 672
The Mall@Larnaca(OrneliaDevelopmentCyprus)	517 229	1 446 294	48 082	550 854
The Mall @ Reds (Proc Corp 160)	(20 348)	1 357 052	132 061	1 377 399
Total fair value changes and property values	(181 259)	8 242 773	304 606	7 854 028

Summarised provisional condensed consolidated statement of cash flows for the year ended 28 February 2021

	Reviewed	Audited
	2021	2020
	R' 000	R' 000
Cash generated by operations	504 703	533 304
Finance costs paid	(40 912)	(58 990)
Investment income received	14 753	12 974
Dividend received	---	1 199
Taxation paid	(71 776)	(106 034)
Net cash generated from operating activities	406 768	382 453
Investment property development costs	(596 004)	(248 986)
Investment property sales	6 947	---
Property, plant and equipment purchased	(52 367)	(13 502)
Insurance guarantee proceeds	---	55 857
Net cash used for investing activities	(641 424)	(206 631)
Finance lease payments	(6 824)	(4 778)
Financial liabilities raised	103 738	564 245
Financial liabilities repaid	(18 281)	(585 042)
Dividends paid	---	(93)
Associated company loans repaid	---	1 699
Treasury shares purchased	(397)	(180)
Net cash from / (used for) financing activities	78 236	(24 149)
Total cash movement for the year	(156 420)	151 673
Cash at the beginning of the year	223 080	74 612
Effect of exchange rate movement on cash	(1 037)	(3 205)
Total cash at the end of the year	65 623	223 080

Reconciliation of earnings per share to headline earnings per share for the year ended 28 February 2021

	Reviewed	Audited
	2021	2020
	R' 000	R' 000
Basic earnings	108 263	485 423
Loss on sale of investment property	1 430	---
Taxation on asset disposal losses	(320)	---

Fair value property (adjustments) / impairments	181 260	(304 606)
Taxation attributable to fair value changes	(53 016)	68 232
Fair value investment impairments net of taxation	---	1 541
Non-controlling interest in fair value adjustments	42 913	7 500
Headline earnings	280 530	258 090

Net asset value information at 28 February 2021

	Reviewed	Audited	Audited
	2021	2020 Restated	2019 Restated
	Cents	Cents	Cents
Net asset value per share	1 795.40	1 789.43	1 661.91
Net asset value per share excluding deferred tax	2 152.80	2 167.54	2 025.27

Summarised restatements affecting the statements of financial position (see detail below)

	Audited	Audited	Audited	Audited
	2020	2020	2019	2019
	Before	After	Before	After
	restatement	restatement	restatement	Restatement
	R' 000	R' 000	R' 000	R' 000
Assets				
Non-current assets				
Intangible development project assets	233 296	165	233 296	165
Other non-current assets	9 320 439	9 365 069	8 834 907	8 857 514
Deferred taxation assets	46 662	2 032	24 352	1 745
Total non-current assets	9 600 397	9 367 266	9 092 555	8 859 424
Current assets	278 845	278 845	168 022	168 022
Total assets	9 879 242	9 646 111	9 260 577	9 027 446
Equity and liabilities				
Share capital and reserves	4 006 408	3 987 555	3 990 645	3 971 791
Retained income	3 314 306	3 051 311	2 828 882	2 565 888
Parent equity shareholders	7 320 714	7 038 866	6 819 527	6 537 679
Non-controlling interests	61 045	61 045	55 565	55 565
Total equity	7 381 759	7 099 911	6 875 092	6 593 244
Liabilities				
Non-current liabilities				
Deferred taxation liability	1 450 443	1 489 340	1 405 014	1 431 123
Other non-current liabilities	259 094	268 914	816 984	839 592
Total non-current liabilities	1 709 537	1 758 254	2 221 998	2 270 715
Current liabilities	787 946	787 946	163 487	163 487
Total liabilities	2 497 483	2 546 200	2 385 485	2 434 202
Total equity and liabilities	9 879 242	9 646 111	9 260 577	9 027 446

Restatement reconciliation reflecting only changed prior year figures	2019 Balance before restatement	2019 Restatement	2019 Balance after restatement
	R' 000	R' 000	R' 000
Assets			
Non-current assets			
Intangible development project assets	233 296	(233 131)	165
Deferred taxation asset	24 352	(22 607)	1 745
Total non-current assets	9 115 162	(255 738)	8 859 424
Total assets	9 283 184	(255 738)	9 027 446
Equity and liabilities			
Parent equity shareholders	6 819 526	(281 848)	6 537 678
Non-current liabilities			
Deferred taxation liability	1 405 014	26 109	1 431 123
Total non-current liabilities	2 244 606	26 109	2 270 715
Total liabilities	2 408 093	26 109	2 434 202
Total equity and liabilities	9 283 184	(255 738)	9 027 446

The reasons for the restatements are set out below together with the values attributable thereto.

Restatement information	Reviewed Restated 2020	Reviewed Restated 2019
	R' 000	R' 000
Assets		
Non-current assets		
Intangible development project asset Upon listing the Group acquired a previously negotiated project with the Mozambican government for the development of a parcel of land outside Maputo valued at R200 million in a share based transaction. Since this time no conditions precedent or developments have been actioned by either party. The delays in actioning the agreement have been attributed to the change in the Mozambican government, adverse economic and fiscal constraints, unfavourable exchange rates and challenges faced by other developers in the region over the past five years. Therefore, our current year valuation indicated that the asset is fully impaired. In these circumstances, management made a decision to impair the intangible asset in a prior year.	(199 835)	(199 835)
Intangible development project asset Acsiopolis hotel development intangible arising at acquisition, previously amortised over the project period resulting in an asset overstatement on	(33 296)	(33 296)

consolidation, now reversed with retrospective effect.		
Total restatement of intangible assets as at 28 February 2019	(233 131)	(233 131)
Deferred taxation		
Deferred taxation attributable to assets raised on consolidation not required	(29 863)	(29 863)
Deferred taxation		
Deferred taxation attributable to change of intention to owner occupied Acsiopolis omitted in error in 2019	(18 854)	(18 854)
Total restatement of retained income and reserves	(281 848)	(281 848)
Deferred taxation liability		
Deferred taxation attributable to matters listed above	48 717	48 717

Solvency and liquidity summary information at 28 February 2021

	2021
	R' 000
Solvency	
Net asset value	7 060 610
Liquidity information over next 12 months	
Net current liabilities at year-end	(804 574)
Rand based revolving credit facility raised with Standard Bank repayable quarterly over 36 months commencing in June 2021, bearing interest at the 3 month JIBAR rate + 2.02%	300 000
Rand based term loan facility raised with Standard Bank repayable quarterly over 36 months commencing in June 2021 bearing interest at the 3 month JIBAR rate + 2.15%	300 000
€20 000 000 Euro based borrowings raised with Standard Bank repayable quarterly over 12 months commencing in June 2021 bearing interest at the 3 month Euribor rate + 1.7%	363 820
Property development cost commitments	(476 000)
Gearing Ratio	
Ratio of interest bearing borrowings to investment property and property, plant and equipment	9.85%
Current ratio to 1	0.19
Acid test ratio to 1	0.15

The Group has made arrangements to ensure borrowings and working capital funding are sufficient to fund project development costs which are primarily responsible for funding requirements at present.

Given the Group's very low gearing, its sound profit to cash generation and its ability to raise further funding if needed, the Group is confident it is able to trade as a going concern for the forthcoming year and beyond. This confidence is further enhanced by the fact that the Mall @ Larnaca has consumed cash for construction over the last two years, but will generate positive cash flows after opening in July 2021.

In addition, Acsiopolis will be available for use in the beginning of 2022.

Covenants for bank borrowings of R1 263 820 000 raised in May 2021 detailed in the solvency and liquidity summary

Covenant description	Covenant required	Achieved 2021
Corporate loan to value maximum The ratio of total Group indebtedness to the most recent property holdings	45%	8%
Corporate interest cover ratio minimum The ratio of net rental income to net interest charged	1.6	12.07
Subsidiary used for property security Corporate loan to value maximum	65%	48%
Subsidiary used for property security Corporate interest cover ratio minimum	1.6	2.25

Security for bank borrowings raised in May 2021

Security description	Security value	Year-end value
	R' 000	R' 000
The Mall @ Carnival	1 300 000	2 444 666

Covid 19 impairments to tenant dues for the year ended 28 February 2021 are set out below.

	Covid relief '21
	R' 000
The Mall @ 55 and Trade 55 (Nabuvax Proprietary Limited)	420
The Mall @ Carnival (Golden Falls Trading 125 Proprietary Limited)	6 427
The Mall @ Emba (Double Ring Trading 62 Proprietary Limited)	844
The Mall @ Lebo (Nungu Proprietary Limited)	516
The Mall @ Mfula (Zarafusion Proprietary Limited)	294
The Mall @ Moutsiya (Daybreak Properties 3 Proprietary Limited)	212
The Mall @ Reds (Proc Corp 160 Proprietary Limited)	2 401
Moreleta Square (Rubensmen Proprietary Limited)	521
Simarlo Rainbow (DAJM Properties Proprietary Limited)	69
Total Covid 19 relief attributable to rentals not charged	11 704
Bad debt attributable to COVID 19	52 803
Total Covid 19 impairments to tenant dues	64 507

Unaudited interim results for the six months ended 31 August 2020

Revenue is recognised rentals based on IFRS 16 and billed to tenants on a monthly basis. In the interim results the COVID relief was deducted from revenue. In accordance with the IFRS monitoring panel's requirement and in terms of IFRS these Covid reliefs are to be included in revenue and then recognise the credit loss impairment when the rentals were not collected. This differs from the treatment of these rentals in the interim results where rentals not collected due to Covid 19 relief were deducted from revenues as they were not deemed to be revenues.

The changes in the interim results announced in February 2021 for the six months ended 31 August 2020 as a result of the above revenue recognition treatment are detailed below.

	Unaudited restated interim results	Unaudited published interim results	Unaudited published interim results
	2020	2020	2019
	R' 000	R' 000	R' 000
Revenue	347 522	264 522	336 396
Total comprehensive income	146 437	146 437	141 214

All other information in respect of the interim results for August 2020 published in November 2020 and the additional information published for August 2020 in February 2021 are unchanged.

Acsion Limited

Summarised provisional consolidated condensed statement of changes in equity

	Share capital	Treasury shares	Total share capital	Foreign currency translation reserve	Revaluation reserve	Retained income	Equity attributable to parent shareholders	Equity attributable to non-controlling interests	Total equity
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 28 February 2019 previously reported	3 979 956	-11 878	3 968 078	-982	23 549	2 828 881	6 819 526	55 565	6 875 091
Prior period errors	---	---	---	---	18 854	262 993	281 847	---	-281 847
Balance at 28 February 2019 restated	3 979 956	-11 878	3 968 078	-982	4 695	2 565 888	6 537 679	55 565	6 593 244
Total comprehensive income	---	---	---	---	-1 427	485 423	483 996	5 480	489 476
Treasury share movements	---	-463	-463	---	---	---	-463	---	-463
Foreign currency translation	---	---	---	17 653	---	---	17 653	---	17 653
Balance at 28 February 2020 restated	3 979 956	-12 341	3 967 615	16 671	3 268	3 051 311	7 038 865	61 045	7 099 910
Total comprehensive income	---	---	---	---	-87 900	108 252	20 352	44 054	64 406
Treasury share movements	---	-397	-397	---	---	---	-397	---	-397
Foreign currency translation	---	---	---	1 790	---	---	1 790	---	1 790
Balance at 28 February 2021	3 979 956	-12 738	3 967 218	18 461	-84 632	3 159 563	7 060 610	105 099	7 165 709

Geographic and tenant profiles

The existing income generating investment properties consist of nine predominantly retail developments strategically located in Gauteng, Mpumalanga and Limpopo with an aggregate gross lettable area ("GLA") of 258 131 m² (2020: 256 466 m²). The tenant profile by GLA is detailed below. In 2022, this will become ten retail development with the opening of the Mall @ Larnaca (Cyprus).

The tenant profile separated into national and semi-national tenants to indicate the exposure Acision has to direct head office leases and individual franchises is also detailed below. Line shops and other franchises are carefully vetted by Acision's leasing division to promote maximum dwelling time and footfall in each centre, underpinning trading densities and the overall sustainability of tenants' lease terms.

Commentary

About Acision

Acision ("the Group" or "the Company") is a property manager and real estate developer which is listed on the Johannesburg Stock Exchange ("JSE"). Acision is differentiated from Real Estate Investment Trusts ("REITs") in the listed property sector as it focuses on the delivery of superior net asset value ("NAV") growth. NAV growth drivers include enhancing existing properties, completing the identified development pipeline and obtaining additional future development opportunities.

The Group's development function and "value-engineering" approach to development, significantly enhances returns to shareholders. Value engineering focuses on optimising upfront feasibility studies, planning, designing and constructing in an innovative and more cost-effective way, resulting in lower construction costs, without compromising on quality.

Operational update

The Acsiopolis development (Benmore, Sandton) has been delayed in the current financial year due to COVID 19 and continued remedial work arising from the prior contractor's construction defects. In the prior year the development was also delayed due to litigation with the previous contractor on site and remedial action needed to re-commence construction activity. The development is expected to be completed and open for business in the 2022 financial year.

Metropolis Mall@Larnaka (Larnaka, Cyprus) will be completed in July 2021, construction having been interrupted by COVID 19 in the 2020 calendar year.

Financial results

Revenue for the Group increased from R687 million in 2020 to R697 million in 2021. This increase of 1.45% (2020: 5.1%) was well below expectations as a result of rental rate decreases and the trimming of escalations attributable to the effects of COVID 19 on tenant operations. Vacancy rates also increased as a result of COVID 19 and a deteriorating economy.

Operating expenses increased by 2.1% (2020:33%) reflecting management's successful efforts to curtail expenditure due to the impact of COVID 19. Expenditure reduction included reduced employment costs, but government stepped in with the TERS program to mitigate the impact of COVID 19 on the Group's employees so the impact of this cost reduction on employees was reduced. Rates and taxes increases above inflation, increased utility charges and higher depreciation charges continued to impact negatively on cost management, but the percentage impact is much lower than in the prior year as very substantial increases were registered in the prior year creating a higher base for current year changes to be measured against.

The reduction in finance costs of R19.1 million (2020:R2.1 million increase) is attributable to the sharply reduced interest rates following upon the cuts to the repo rate during the COVID 19 pandemic.

Headline earnings per share increased to 71.32 cents per share (2020: 65.61 cents per share) representing an 8.7% increase (2020: 8.5% decrease). This improvement is attributable to Rand value increases in costs being contained at levels well below Rand increases in revenue, viz. an improvement in operating margins.

The financial position of the Group remains very strong. Investment property (which includes elements of plant and equipment and the operating lease asset) is carried at R9 billion (2020: R8.7 billion). Total property under control of the Group therefore increased by 3.4% year on year (2020:5.8%).

The intangible asset attributable to the Mall @ Maputo has been substantially impaired due to continued delays in the commencement of the project. Notwithstanding this impairment, management continues to be optimistic about the project likely to be commenced when the worst effects of COVID 19 are past. Once developed, this impairment will be recovered which will feed into higher trading profits at the point the Mall@Maputo is opened.

Goodwill of R625.5 million (2020: R625.5 million) constitutes the premium paid by shareholders upon listing to acquire the cash generating unit of Anaprop (the CGU), housed in Southern Palace Investments 108 Proprietary Limited. Cash generation from the CGU's property management and asset management activities has been sustained since listing and as a result the goodwill has not been impaired.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate Annual Financial Statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group except for any further material changes resulting from COVID-19. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

At 28 February 2021, current liabilities exceeded current assets for the Group due to the expiry of the main Group facility in February 2021. The facility was supplemented with a new facilities secured over the Mall@Carnival held by Golden Falls Trading 125 Proprietary Limited agreed to in principle prior to year-end, the securities for which were registered on 27 May 2021. Two Rand based facilities totalling R600 million have a 36 month maturity profile and a Euro facility of € 20 000 has a 12 month maturity profile. In addition to these facilities, Standard Bank granted a further R300 million head room facility available with credit committee approval. The facilities are secured by a bond over the Mall @ Carnival in the amount of R1.3 billion. These funds are dedicated to the repayment of ~~the~~ an expiring facility first, although ~~this~~ the expiring facility bonded over Proc Corp 160 Proprietary Limited's property can be re-accessed by application to the Group's bankers and approval from the Group banker's credit committee.

The use of net current liabilities, a proportion of which is interest free, to fund developments is Group practice where possible and has been used consistently in all years where developments are funded whilst limiting gearing to reduce finance and other costs. The Group has arranged borrowing facilities disclosed and reflected the minimum required cash flow from operations to sustain itself in this announcement without increasing its gearing (which is always an option, although more expensive).

The directors are satisfied that the Group's aforementioned borrowing facilities and cash generation capacity are adequate to continue in operational existence for the next 12 months, having conducted a review of the Group's cash flow forecast for the 12 months ending 31 May 2022.

Net asset value (NAV) per share increased from 1 789.43 cents per share (restated) to R1 795.40 (0.3%). In the prior year the NAV per share increased by 7.6%. NAV per share excluding deferred taxation for the year ended 28 February 2021 decreased by 0.1% (2020: 7.0% increase) from 2 167.54 cents in 2020 to 2 151.80 cents in 2021.

Treasury share purchase

The Group repurchased 96 000 (2020: 25 000) shares at an average price of R4.14 cents per share during the 2021 financial year and currently holds these as treasury shares. The decision to repurchase shares was made as the share price was trading significantly below the reported NAV of the Group. These shares were purchased at approximately 76.9% (2020:61%) below the reported NAV per share (including deferred tax) as at 28 February 2021.

Vacancy levels and lease expiry profile

Strategic vacancies are maintained in order to accommodate potential tenant relocations and to support lease optimisation. The weighted vacancy (by GLA) for the portfolio as at year end was 5.42% (2020: 4.82%). The vacancy rate increase is to be expected given the effects of COVID 19. The Group remains focused on reducing this percentage. The weighted average lease expiry profile by GLA for the portfolio decreased to 2.7 years (2020: 2.8 years).

Developed investment property portfolio (excluding residential property in Hyde Park valued at R40 million transferred to inventory (2020: R54.6 million) consisted of the following nine properties at 28 February 2021:

Property name	Directors/ independent valuation	GLA m2	Value/m2 (excluding bulk, where applicable)	Percentage of total rate portfolio by value	Vacancy rate
	R'mil		Rands	%	%
Mall@Carnival*	2 445	90 615	26 982	40.6	4.95
Mall@Reds*	1 357	54 740	24 790	22.5	5.57
Mall@Emba	620	24 605	25 134	10.3	6.87
Mall@Lebo	516	23 534	21 926	8.6	2.80
Mall@Mfula	336	17 930	18 740	5.6	6.29
Mall@55 and Trade @ 55	316	15 685	20 147	5.2	5.44
Mall@Moutsiya	234	14 703	15 969	3.9	3.69
Moreleta Square	162	8 579	18 936	2.7	4.07
Simarlo Rainbow	42	6 891	6 095	0.6	17.23
Total (vacancy weighted)	6 028	257 282	178 719	100.0	5.42

The above properties are trading at an average annualised net operating yield of approximately 5.9% (2020: 6.7%).

Developments under construction consisted of the following properties at 28 February 2021:

Property name	Directors/ independent valuation R'mil	GLA m2	Value/m2	Anticipated opening
Acsiopolis*	768	45 000	11 462	2022.02
Larnaca*	1 446	39 000	37 077	2021.07
Total	2 214	106 000	20 887	

*Independently valued

The Group uses a discounted cash flow and income capitalisation methodology as a basis when determining the fair value of investment property. At least one third of the properties are valued externally and the balance of the properties are valued by the Directors. A property will be externally valued at least once every three years. All investment properties for the Group are Level 3 hierarchy investment properties. There were no transfers between Levels 1, 2 and 3 during the year.

Reconciliation of investment property (R'000)	
Opening balance	7 854 029
Additions	596 022
Disposals	(8 376)
Transfer from deposits to investment property	4 893
Transfer of investment property to inventory	(39 592)
Fair value adjustments	(181 259)
Foreign currency translation	17 056
Closing balance	8 242 773

Unobservable inputs used in determining the fair value of investment property (excluding mixed used development) were based on the following:

	Ranges
Exit capitalisation rate	7.50% - 12.50%
Discount rate	12.50% - 15.00%
Revenue escalation rate	4.00% - 7.11%
Expense escalation rate	5.00% - 7.60%

The estimated impact of a change in the significant unobservable inputs would result in a change in the 2021 investment property fair value estimation:

Properties excluding mixed use development	R' 000
An increase of 50 basis points in the discount rate:	(58 998)
A decrease of 50 basis points in the discount rate:	60 325
An increase of 50 basis points in the capitalisation rate:	(399 807)
A decrease of 50 basis points in the capitalisation rate:	452 949

Unobservable inputs used in determining the fair value of the mixed used development were based on the following:

	Ranges (if applicable)
Capitalisation rate (retail)	10.0%
Average selling price per square metre (apartments)	R35 000
Discount rate (retail)	14.00%
Discount rate (residential)	10.00%
Revenue escalation (retail)	3.00%

The estimated impact of a change in the significant unobservable inputs would result in a change in the Mixed Use development (disclosed as Investment Property) fair value estimation at 28 February 2021:

Mixed Use Development	R' 000
An increase of 100 basis points in discount rate(residential)	(14 756)
A decrease of 100 basis points in discount rate(residential)	15 203
An increase of 100 basis points in capitalization rate(retail)	(30 187)
A decrease of 100 basis points in capitalization rate(retail)	38 237
An increase of 100 basis points in selling price per sqm(residential)	7 809
A decrease of 100 basis points in selling price per sqm(residential)	(7 809)

Unobservable inputs used in determining the fair value of the owner-occupied hotel disclosed as part of property, plant and equipment:

	Ranges (if applicable)
Discount Rate	10%
Sales price per sqm	R35 000

The estimated impact of a change in the significant unobservable inputs would result in a change in the owner-occupied hotel (disclosed as Property Plant & Equipment) fair value estimation at 28 February 2021:

	R' 000
An increase of 100 basis points in discount rate	(12 807)
A decrease of 100 basis points in discount rate	13 195
An increase of 100 basis points in selling price per sqm	6 843
A decrease of 100 basis points in selling price per sqm	(6 843)

Acsiopolis (Benmore) has been designed as a twenty storey mixed use development, situated in Sandton. Acsiopolis addresses the new micro-living trend, which is developing in the commercially dense Sandton node, allowing people to live and work in close proximity, whilst taking advantage of premium amenities, and making use of public transport. The site measures approximately one hectare and is well positioned on Benmore Drive upon which 67 000 m² is being developed. The majority of this has been earmarked for short-term residential letting which supports Acision's strategy of sectoral diversification. Of this approximately 35 000 m² will be available as executive suites, 26 000 m² is earmarked for short term stay units, 5 000 m² will be utilised for retail purposes and 1 000 m² for office use. Acsiopolis will incorporate six levels of parking equating to approximately 1 400 parking bays which is expected to further enhance convenience for shoppers and residents alike. In addition to vehicular access, Acsiopolis has been designed to take into consideration the evolving public transport systems in Sandton to accommodate the integration of pedestrian accessibility. Construction of the development has been affected by the construction slowdown in South Africa and delays have been experienced. The development team has made considerable progress in mitigating the delays of COVID-19 in 2021. A phased approach of opening is being considered by the group, taking into account the impact of vaccination and the SA economy's ability to start trading in Post-COVID conditions.

Metropolis Mall@Larnaka is the Group's first international retail development. The Group has signed a lease over land in Larnaka, Cyprus. The lease is a 33 year lease with two options to renew of 33 years each. The Group has developed a 39 000 m² retail centre. The development construction has been completed and is due to open in July 2021. At 39,000 m² of GLA, it will be the dominant and only formal retail mall in Larnaka, catering for approximately 150,000 people. Acision is forecasting double-digit yields on this project, the effect having already provided a considerable uplift to our net asset value based on pre-letting agreements signed to-date. This development also enhances geographical and currency diversification for the Acision portfolio.

Mall@55 is a 15 000 m² convenience shopping centre located in Monavoni, Gauteng. It is on an extremely busy arterial route accessible from the N14 freeway and the R55. This development caters for a value/convenience/lifestyle centre, which is underrepresented in the Monavoni area. The shopping centres started trading in September 2017 and have been well received by the market. Acision has commenced with the expansion of Mall @ 55. The project is currently in the planning phase and consists of a convenience strip centre of approximately 10,000sqm to be positioned adjacent to the current shopping centre. Previously, the letting process had gained positive momentum, but the advent and impacts of C-19 lockdown then caused delays. The letting process is now back on track, having been well received by national and regional retailers. Management is optimistic that this project is on track to be delivered within normal development timelines for a project of this nature, as the economy gradually improves.

Trade 55 Phase I, will comprise of a 10 000 m² large ("big box") retail centre with special commercial rights obtained in Monavoni, Gauteng. This development is located on an extremely busy arterial route accessible from the N14 freeway and R55 provincial route. Trade 55's value offering will be complementary to that of Mall@55 as it is located right across from the Mall@55 site.

Hyde Park Terrace, a high end residential development consisting of land parcels and units ranging from 350 m² to 540 m² under roof, is situated in Hyde Park, Sandton, approximately 500 m from Hyde Park shopping centre. The development is nearly sold out with only five (2020: six) completed houses and six (2020: eight) vacant stands still available for sale. Management has taken the decision to reclassify this property from investment property to inventory as at 28 February 2021. Management is still

committed to selling these assets, but due to economic circumstances the likelihood of selling within one year is low.

Future investment opportunities

AcSION continuously evaluates a consistent stream of new opportunities and is in advanced discussions on certain projects to further enhance capital growth in the coming five years. At the date of this report, the following future development opportunities, amongst others, were being considered by AcSION:

Mall@Emba, is another of AcSION's highly successful rural developments in Embalenhle and expansion to the centre (Phase 3) is being assessed. The assessment was placed on hold during Covid but will be re-initiated in the forthcoming year.

Moutsiya Gardens is an affordable housing development in Walkraal, Limpopo with a total land size of 40 hectares. AcSION has formed a partnership with local residents and the local municipality to approach prospective buyers with access to housing subsidies from the Department of Human Settlements. Proclamation of the land is completed with all services already secured. Plans to construct up to 515 residential units for sale are supported by a shortage of affordable housing in the Walkraal area. The market price will range between R300 000 and R350 000 per unit. The development will be demand driven and will be supplementary to the Mall@Moutsiya development. The Group is currently looking at ways to restart the pre-sale process and is confident that with the housing shortage that this will be well received by the community at large.

The Mall@Maputo development will be located in northern Maputo and will be adjacent to the main Maputo ring road, with a total land size of 8.9 hectares. The Group finalised the Memorandum of Understanding several years ago and is waiting for an opportune time to proceed with the development.

Prospects

AcSION will continue to operate, utilising its development expertise or "value engineering" approach established over the years, despite the challenging economic operating environment and challenges resulting from Covid-19. The Group remains focused on the completion of its secured development pipeline.

AcSION will reinvest in its existing portfolio where required and will continue to explore further development opportunities in high-growth markets across Africa and Europe.

Proposed dividend

The Company's policy as per the listing statement was not to declare any dividends for a period of five years but to reinvest all profits and return capital growth to shareholders. The board revisits this decision annually. After considering the development funding requirements as well as current liquidity it was decided not to propose any dividend for the year ended 28 February 2021.

Segmental reporting

Due to the current investment property portfolio exposure heavily weighted towards retail, the chief operating decision maker considers the operations to be a single operating segment and as such reviews financial information on that basis. Segment reporting as required in terms of IFRS 8: Operating segments are therefore not applicable to the Group at this stage.

Related party transactions

There were no significant related party transactions during the current year with the exception of construction costs amounting to approximately R278 million (2020: R70 million) relating mainly to construction work on AcSIopolis by a company held by a Director. Normal guarantees furnished by construction companies were waived.

Events after reporting period

Other than the conclusion of a new borrowing facility previously detailed, there have been no further events after year-end which, in the opinion of the Directors, could impact the results of the Group as reported at 28 February 2021.

The effects of Covid 19 remain a major risk to the company, but the Directors believe that the main impact has been accounted for in the current year's results.

Property valuations

In the Group's unaudited interim results publication for the six months ended 31 August 2020, revised property valuations were not included in the results announcement. The JSE proactive monitoring panel reviewed the interim results and based on that review the directors decided to restate its previously reported results regarding the impact of Covid 19 on property valuations. The revised results were published in March 2021. Property valuations as at year-end have been accounted for in terms of IFRS.

Basis of preparation and accounting policies

The summarised provisional condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Listings Requirements and the requirements of the Companies Act 71 of 2008 of South Africa. The results have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The accounting policies and methods of computation applied in the preparation of the summarised reviewed provisional condensed consolidated financial statements are in compliance with IFRS and are consistent with those applied in the 2020 consolidated financial statements.

Note should be taken that the method of accounting for COVID 19 rentals not recovered in the interim results for the six months ended 31 August 2020 in terms of IAS 34 was amended. These unrecovered rentals have been reflected as ~~accrued~~ revenue and then impaired as bad debts, whereas the original interim results reflected the unrecovered rentals as a deduction from revenues. The effect of this change has been reflected in a table earlier in this announcement. The change was made in accordance with guidance from the JSE monitoring panel.

These results have been prepared under the historical cost convention, except for investment properties and property, plant and equipment, which are measured at fair value, and certain financial instruments, which are measured at either fair value or amortised cost. The hotel was transferred from investment property to owner occupied property in 2019 at fair value at the date of transfer in terms of International Financial Reporting Standards (IFRS)

These summarised provisional condensed consolidated financial statements were prepared under the supervision of Sandarie le Roux CA (SA) in her capacity as Financial Director.

Review report

The Group's auditor, RSM South Africa Incorporated, has issued its review opinion on Acision's consolidated financial statements for the year ended 28 February 2021. Their review report issued in terms of ISRE 2410 was conducted in accordance with International Standards on Auditing on reviews. RSM South Africa Incorporated has issued an unmodified review opinion. A copy of their opinion is available for inspection on the Company's web-site at acsionsa.co.za

These summarised provisional condensed consolidated financial statements are consistent in all material respects with the audited consolidated financial statements for the year ended 29 February 2020, but are not audited. The audited consolidated financial statements for 2020 were audited by Deloitte.

The Directors take full responsibility for the preparation of these summarised provisional consolidated financial results and confirm that the financial information has been correctly extracted from the underlying annual consolidated financial statements. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditor.

By order of the Board

Centurion, 31 May 2021

T Jali	K Anastasiadis
(Chairman)	(Chief Executive Officer)

Directors: T Jali (Chairman)*, K Anastasiadis (CEO), S le Roux (FD), M Hlobo*, PD Sekete*, *Independent non-executive

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Sponsor: Nedbank Corporate and Investment Banking Limited

Company secretary: Michael Reynolds of MWRK Accountants and Auditors Incorporated

