
ACSION LIMITED
Incorporated in the Republic of South Africa
(Registration number 2014/182931/06)
Share code: ACS ISIN: ZAE000198289
("AcSION" or the Group")

CONSTRUCTION CONTRACT CONSTITUTING A SMALL RELATED PARTY TRANSACTION

1. Introduction

Shareholders are advised that on 8 November 2024, Hey Joe Proprietary Limited ("**Hey Joe**"), a wholly owned subsidiary of AcSION, concluded a construction contract with K. Anastasi Projects Proprietary Limited ("**KAP**") appointing KAP as its principal contractor for the construction of 69 new hotel units on the property owned by Hey Joe ("**Property**") for a cash amount of R87 536 248.20 inclusive of a contingency allowance, as set out in paragraph 3.1 below ("**Construction Contract**").

KAP, which trades in the construction sector, is beneficially owned by the chief executive officer of AcSION, Mr Kiriakos Anastasiadis, and his family through a trust structure and therefore the Construction Contract is deemed a small related party transaction for AcSION in terms of the Listings Requirements of the JSE Limited ("**JSE**").

2. Rationale

The Hey Joe Brewing Company is a Belgian inspired tap room, restaurant and brewing company situated on the Property located in Franschoek, Western Cape.

The construction of the new hotel units on the Property aligns with the Group's long-term strategic objective of delivering Net Asset Value growth through the execution of its long-term expansion, diversification and development plans.

KAP was appointed as principal contractor following a closed tender process managed by an independent quantity surveying firm which has been appointed as the principal agent. The appointment was based on a market related price for the works, KAP's long-standing reputation in the construction industry and its proven track record in successfully executing projects of a similar size and nature.

Pursuant to the Construction Contract, as principal contractor on the project, KAP will be responsible for planning, leading and executing the general building works as well as overseeing and managing other direct contractors and subcontractors involved in the project.

3. Construction Contract

3.1 Contract Value and settlement

The value of the Construction Contract, of R87 536 248.20, including the contingency allowance ("**Contract Value**"), will be settled by way of cash payments by Hey Joe of such amounts as are certified in the monthly interim payment certificates issued by the principal agent in terms of the Construction Contract, within 14 (fourteen) calendar days of the date of presentation thereof.

3.2 Fairness Opinion

In terms of paragraph 10.7 of the Listings Requirements, the Construction Contract constitutes a small related party transaction for AcSION.

A small related party transaction is not subject to shareholder approval, provided an independent expert has confirmed that the terms thereof are fair as far as shareholders are concerned. The board of directors of Acsion ("**Board**") has appointed Merchantec Proprietary Limited ("**Merchantec**") to provide the Board with a fairness opinion prepared in accordance with Schedule 5 of the Listings Requirements ("**Fairness Opinion**"). Merchantec has concluded that the terms of the Construction Contract are fair insofar as the shareholders of Acsion are concerned, and a copy of its Fairness Opinion in this regard has been approved by the JSE.

As required in terms of paragraph 10.7(c) of the Listings Requirements, the Fairness Opinion is available for inspection at Acsion's registered office, Anaprop Offices, Mall@Reds Cnr Hendrik Verwoerd Drive and Rooihuiskraal Drive, Centurion, 0157, and/or through a secure electronic manner at the election of the person requesting the inspection, for a period of 28 days from the date of this announcement. Shareholders who wish to view the Fairness Opinion should send their request to the Company Secretary at michael@mwrk.co.za, who will facilitate access to same.

Johannesburg
11 November 2024

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