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Condensed  
consolidated unaudited

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# Interim Results

and cash dividend declaration  
for the six months ended  
31 August 2023

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# Financial highlights

Revenue (R'000)

△ 20%

to R692 250 (Aug 2022: R576 356)

Earnings per share

△ 70%

to 218 cents (Aug 2022: 128 cents)

Headline earnings per share

▽ 9%

to 71 cents (Aug 2022: 78 cents)

Net asset value per share

△ 17%

to 2 616 cents (Aug 2022: 2 228 cents)

Interim dividend declared

16.40 cents per share

(Aug 2022: 18 cents per share)

Loan-to-value

12%

Interest cover ratio

10x

New developments

South Africa: 2

International: 1

Total gross lettable area

379 372m<sup>2</sup>

South African retail

260 573m<sup>2</sup>

South African mixed-use

71 038m<sup>2</sup>

International retail

41 754m<sup>2</sup>

South African light industrial

6 007m<sup>2</sup>

# Commentary

## Profile

Acsion is a property manager and real estate developer that has been listed on the Johannesburg Stock Exchange since 2014. Acsion differentiates itself from Real Estate Investment Trusts (“REITs”) in the property sector as it focuses on the delivery of superior growth in its net asset value (“NAV”).

The majority of the group's property portfolio is centred in Gauteng, Limpopo and Mpumalanga. The group has one retail property situated in Cyprus (Metropolis Mall). Over the last few years, the group diversified its strategy by expanding into the hospitality and tourism sector. The @Sandton Hotel, situated in the Acsiopolis@Sandton mixed use property, was the first venture and we are pleased to report that this venture is performing satisfactorily given the economic challenges facing South Africa. The group's strategy remains focussed on portfolio diversification in order to optimise gearing and return on investment. This strategy addresses portfolio concentration risk and strives to create future sustainability for the group.

## New developments

The group acquired further properties to expand on its diversification strategy, namely:

	Planned development	Land size	Acquisition value (R'000)
Acsiopolis Cape Town, erf 173153, Cape Town City Centre, Western Cape	Mixed-use	3 037m <sup>2</sup>	92 000
Brasserie Farm, R45 Main Road, Franschhoek, Western Cape	Hospitality	5.65ha	35 000
Acsiopolis Thessaloniki, unoccupied factory of 45 300 m <sup>2</sup> , Pilea, Greece	Mixed-use	13.8ha	190 504

There have been no disposals of investments during the reporting period.

A continued area of focus is investment in renewable sources of energy to mitigate energy shortages and allow for operational cost efficiencies. The planned increase in our current generation capacity from 11mWp to 20mWp over the next eighteen months, supported by 20MWh battery storage, is progressing within budget and estimated project timelines. The waste water recovery plan at our Acsiopolis@Sandton development became operational in August 2022. The group is investigating similar initiatives at its other properties.

## Directorate

There were no changes to the board of directors during the six month reporting period.

## Financial results

The group is comfortable to report that it continues to improve its NAV.

**NAV as at 31 August 2023:** 2 616 cents

**NAV as at 28 February 2023:** 2391 cents

**NAV as at 31 August 2022:** 2 228 cents

Acsion's local property asset portfolio is valued at R12.96 billion as at 31 August 2023 (Aug 2022: R10.96 billion). The offshore real estate investments are valued at R4.26 billion (Aug 2022: R2.64 billion) representing 33% (Aug 2022: 24%) of the group's total property asset platform. Future development as mentioned above is expected to increase total assets by R5 billion over the medium term.

## Growth in rental and recovery income

The 12% growth in property revenue from the same period last year is the consequence of the completed Acsiopolis@Sandton mixed-use property being fully operational, the continued outperforming Metropolis Mall in Cyprus, together with the weaker Rand against the Euro and the opening of the second phase of Mall@55.

## Hospitality income

The @Sandton Hotel is fully operational with all rooms being available after a staged opening approach in FY2023.

The increase in domestic business and leisure travel boosted the hospitality operations and the uptick in the banqueting and conference facility demand is illustrative of the return of corporate activities in the Sandton node particularly by multinational corporations.

Hospitality operations contributed 10% to the total revenue generated by the group, a significant increase from the 3% contributed in the prior period.

# Commentary continued

We are pleased to report a continued increased trend in the number of room nights sold, with total occupancy averaging 33% during the six month under review.

The continued increase in occupancies has also contributed to the increase in operating costs. Mindful management of expenses was exercised ensuring that operating expenses are well maintained while ensuring that there is sufficient resources to continue the drive for increased occupancy without compromising on quality.

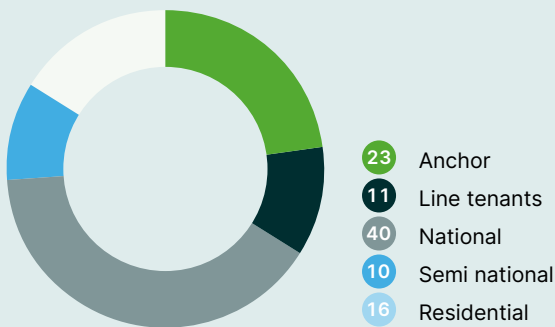
## Lease renewals

AcSION's current South African retail property portfolio's income stream is supported by a high percentage of A-grade tenants (listed and large nationals) and a weighted average lease expiry period ("WALE") of 2.35 years. The WALE of the international portfolio is 6.82 years.

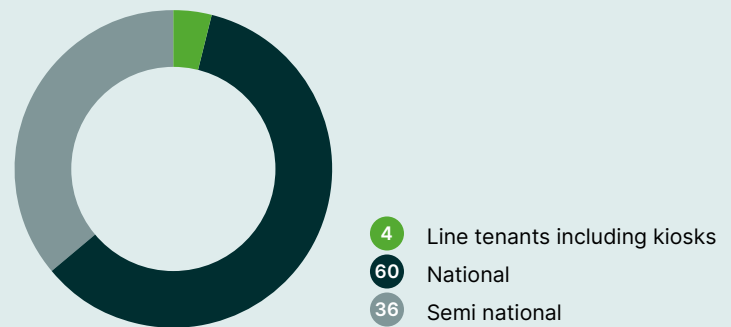
The difference in WALE between the SA retail portfolio and the international portfolio is evidence of the South African economy currently struggling with tenants reluctant to commit to longer lease terms until consumer spending has improved.

During the period leases in respect of 31 160m<sup>2</sup> of GLA have expired or will expire. 71% of these leases have been renewed at an average escalation of 7.30%. It is expected that the most of the balance of the leases will be renewed in due course.

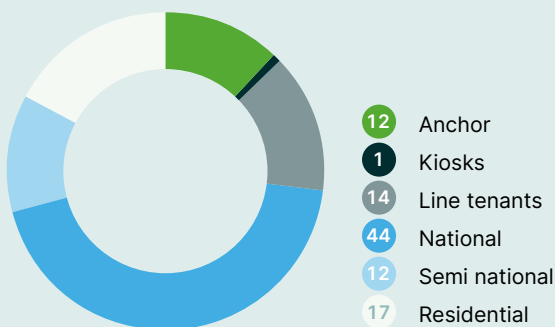
Tenant profile by area — South Africa (%)



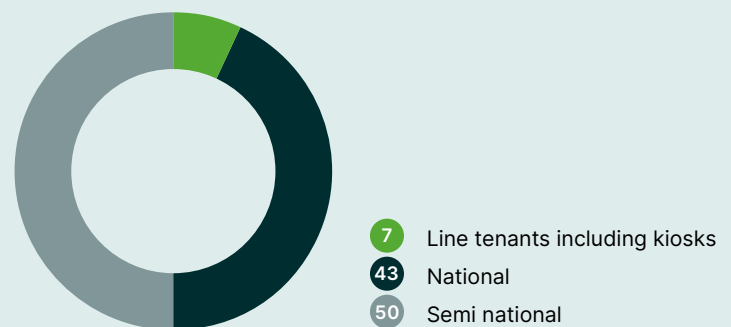
Tenant profile by area — International (%)



Tenant profile by revenue — South Africa (%)



Tenant profile by revenue — International (%)



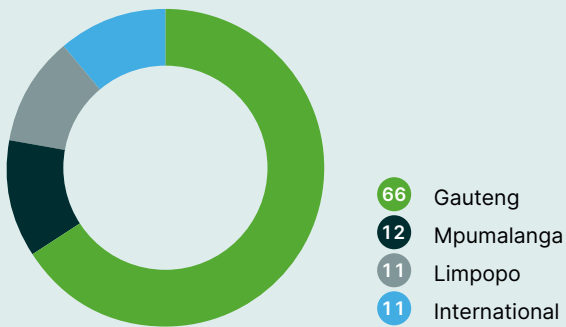
## Lease expiry information

Lease expiry profile based on existing leases by revenue per sector:

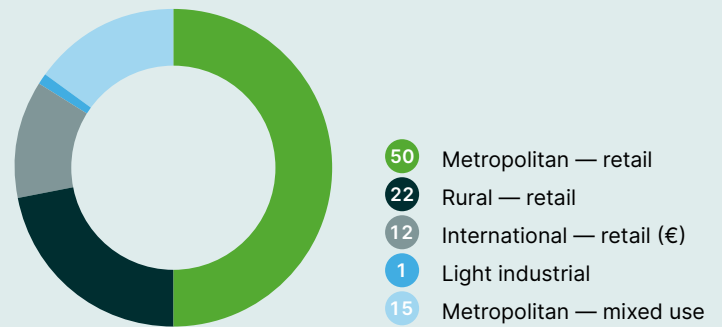
Property	2024 (%)	2025 (%)	2026 (%)	2027 (%)	Post 2027 (%)
Metropolitan — retail	28	21	17	14	20
Rural — retail	47	15	13	14	11
International — retail — €	0	0	3	1	96
Light industrial	61	18	21	0	0
Metropolitan — mixed use	36	1	0	61	2

# Commentary continued

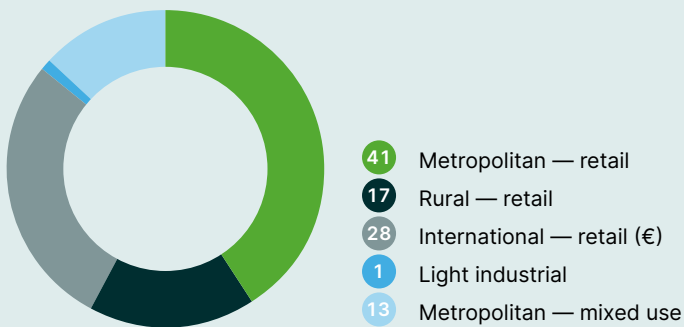
Occupied GLA — Geographical (%)



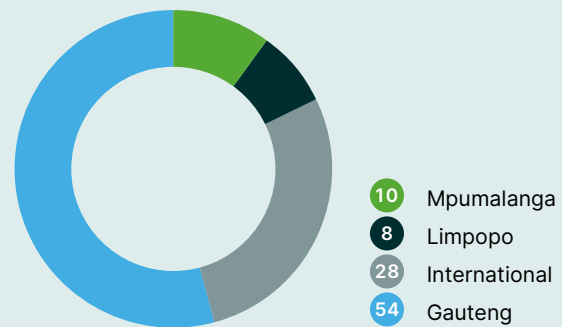
Occupied GLA — Sector (%)



Sector profile by revenue (%)



Geographical profile by revenue (%)



## Escalation specific information

Lease expiry profile based on existing leases by revenue per sector:

Property	Occupied GLA (%)	Occupied GLA (m <sup>2</sup> )	Weighted average gross rental per sqm (weighting on occupied)	Weighted average rental escalation by rentable area per sector (%)
Metropolitan — retail	50	165 520	R228.28	7.17
Rural — retail	22	74 894	R210.51	6.67
International — retail — €	12	40 016	€27.09	8.77
Light industrial	1	4 524	R100.23	9.70
Metropolitan — mixed use	15	49 495	R249.41	7.30

## Vacancies

Strategic vacancies are maintained to accommodate potential tenant relocations and support lease optimisation.

	Vacancies (%)
South African retail	6.1
South African light industrial	14.8
South African residential	37.0
International retail	4.4

## **Going concern and liquidity**

The group is in a strong financial position and has secured loan facilities totalling R1.3 billion of which 95% have been utilised. At 31 August 2023 the loan-to-value ratio, calculated in accordance with SA REIT best practice recommendations, improved to 12% (2023 FY: 13%) and the group continues to operate well within the required debt covenants.

Refinancing of the revolving credit facility and term loan expiring on 26 May 2024 has been credit approved and it is expected that final terms will be concluded towards the end of the 2024 financial year.

The group will continue with its practice to fund future developments by utilising current assets and limiting the gearing ratio to keep finance and other costs to a minimum.

The directors are satisfied that the group's aforementioned borrowing facilities and cash generation capacity are adequate to continue to meet its foreseeable cash requirements for operational activities and capital commitments.

The group will continue to prioritise increasing free cashflows and disciplined capital allocation to maximise shareholder value.

## **Conclusion**

The international geopolitical risk and high interest rates together with the deterioration of basic infrastructure pose acute challenges for our South African portfolio. Our diversification strategy is already bearing fruit with the Rand hedge investments in Europe and our strategic acquisitions in the Western Cape. Together with our seasoned management team and staff we are confident that our strategic direction, our operational execution and our strong financial position will continue to create and preserve value for the group.

The strong results reported are positive in the current operating environment and position the group well to face headwinds and we are confident that we have the means to face the oncoming challenges. The group has a strong base to fund further expansion, consider further opportunities for diversification and maintain its strong operational performance.

The group continues to evaluate offshore development opportunities and property acquisitions where the required return on investment is achievable.

The strategic consideration of new uses of property, an expanded portfolio of property categories to be able to keep up with changes in business and consumer behaviour, and optimal use of gearing within the group are key areas of focus.

# Condensed consolidated statement of financial position

as at 31 August 2023

R'000	Notes	Group		
		Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Assets</b>				
<b>Non-current assets</b>				
Investment properties	2	12 271 852	10 318 473	11 083 750
Operating lease asset	2	193 872	177 819	167 984
Property, plant and equipment	3	932 364	830 396	932 060
Goodwill	4	625 464	625 464	625 464
Intangible assets		165	165	165
Other financial assets		5 928	5 333	527
Deferred tax assets		49 412	47 713	37 465
		<b>14 079 057</b>	12 005 363	12 847 415
<b>Current assets</b>				
Inventories	5	48 727	43 939	46 072
Current tax asset		21 516	—	21 039
Trade and other receivables		10 036	50 253	30 133
Other financial assets		230	—	190 504
Cash and cash equivalents		411 344	406 301	231 976
		<b>491 853</b>	500 493	519 724
<b>Total assets</b>		<b>14 570 910</b>	12 505 856	13 367 139
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the company</b>				
Stated capital	6	3 933 811	3 934 112	3 934 103
Reserves		370 606	(25 675)	274 367
Retained earnings		5 765 488	4 670 006	4 995 583
Shareholders' equity		<b>10 069 905</b>	8 578 443	9 204 053
Non-controlling interests		210 752	154 779	184 575
<b>Total equity</b>		<b>10 280 657</b>	8 733 222	9 388 628
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities		1 954 833	1 641 864	1 785 237
Lease liability	7	730 139	609 458	700 409
Borrowings	8	636 806	1 243 595	1 136 893
Trade and other payables		13 672	—	13 166
		<b>3 335 450</b>	3 494 917	3 635 705
<b>Current liabilities</b>				
Lease liability	7	5 490	2 225	5 342
Borrowings	8	596 762	—	5 404
Loans from shareholders		4 574	3 965	4 426
Provisions		10 937	11 388	10 145
Current tax liability		10 690	4 071	9 780
Dividend payable		—	552	—
Trade and other payables		326 350	255 516	307 709
		<b>954 803</b>	277 717	342 806
<b>Total liabilities</b>		<b>4 290 253</b>	3 772 634	3 978 511
<b>Total equity and liabilities</b>		<b>14 570 910</b>	12 505 856	13 367 139
<b>NAV per share (cents)</b>	11	<b>2 616</b>	2 228	2 391

# Condensed consolidated statement of profit or loss and other comprehensive income

## for the six months ended 31 August 2023

R'000	Notes	Group		
		Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Operating revenues</b>				
		<b>598 183</b>	514 690	1 081 798
		<b>23 047</b>	41 702	24 131
		<b>621 230</b>	556 392	1 105 929
		<b>70 880</b>	19 799	79 227
		<b>140</b>	165	248
<b>Revenue</b>	13	<b>692 250</b>	576 356	1 185 404
Other income	14	<b>73 745</b>	13 071	12 435
Fair value adjustments		<b>668 986</b>	254 668	491 622
Impairment losses on trade receivables		<b>(18 487)</b>	—	(23 939)
Operating expenses	15	<b>(299 626)</b>	(215 336)	(478 992)
<b>Operating profit</b>		<b>1 116 868</b>	628 759	1 186 530
Finance costs		<b>(64 214)</b>	(41 726)	(95 307)
Foreign exchange gains/(losses)		<b>—</b>	153	9 770
Investment Income		<b>4 469</b>	2 761	4 940
<b>Profit before tax</b>		<b>1 057 123</b>	589 947	1 105 933
Tax		<b>(196 291)</b>	(94 906)	(199 144)
<b>Profit for the period</b>		<b>860 832</b>	495 041	906 789
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit or loss</b>				
Foreign exchange translation gains/(losses) on foreign operations		<b>100 774</b>	(52 802)	260 168
<b>Total comprehensive profit for the period</b>		<b>961 606</b>	442 239	1 166 957
<b>Profit attribution:</b>				
Ordinary shareholders' profits		<b>839 190</b>	494 008	888 888
Non-controlling shareholders' profits		<b>21 642</b>	1 033	17 901
<b>Comprehensive profit attribution:</b>				
Shareholders of the company		<b>935 429</b>	441 206	1 136 128
Non-controlling interests		<b>26 177</b>	1 033	30 829
<b>Earnings per share</b>				
Basic earnings per share (cents)	9	<b>218</b>	128	231
Diluted earnings per share (cents)	9	<b>218</b>	128	231
Headline earnings per share (cents)	9	<b>71</b>	78	120
Diluted headline earnings per share (cents)	9	<b>71</b>	78	120

# Condensed consolidated statement of changes in equity

for the six months ended 31 August 2023

R'000	Stated capital	Treasury shares	Total stated capital	Retained earnings	Foreign currency translation reserve	Total equity attributable to ordinary shareholders	Non-controlling interest	Total equity
<b>Balance at 28 February 2022</b>	3 979 956	(45 732)	3 934 224	4 245 301	27 127	8 206 652	153 746	8 360 398
<b>Total comprehensive income for the period</b>	—	—	—	494 008	(52 802)	441 206	1 033	442 239
Profit for the period	—	—	—	494 008	—	494 008	1 033	495 041
Other comprehensive income	—	—	—	—	(52 802)	(52 802)	—	(52 802)
Dividends declared	—	—	—	(69 303)	—	(69 303)	—	(69 303)
Shares acquired	—	(112)	(112)	—	—	(112)	—	(112)
<b>Balance at 31 August 2022</b>	3 979 956	(45 844)	3 934 112	4 670 006	(25 675)	8 578 443	154 779	8 733 222
<b>Total comprehensive income for the period</b>	—	—	—	394 880	300 042	694 922	29 796	724 718
Profit for the period	—	—	—	394 880	—	394 880	16 868	411 748
Other comprehensive income	—	—	—	—	300 042	300 042	12 928	312 970
Dividends declared	—	—	—	(69 303)	—	(69 303)	—	(69 303)
Shares acquired	—	(9)	(9)	—	—	(9)	—	(9)
<b>Balance at 28 February 2023</b>	3 979 956	(45 853)	3 934 103	4 995 583	274 367	9 204 053	184 575	9 388 628
<b>Total comprehensive income for the period</b>	—	—	—	839 190	96 239	935 429	26 177	961 606
Profit for the period	—	—	—	839 190	—	839 190	21 642	860 832
Other comprehensive income	—	—	—	—	96 239	96 239	4 535	100 774
Dividends declared	—	—	—	(69 285)	—	(69 285)	—	(69 285)
Shares acquired	—	(292)	(292)	—	—	(292)	—	(292)
<b>Balance at 31 August 2023</b>	<b>3 979 956</b>	<b>(46 145)</b>	<b>3 933 811</b>	<b>5 765 488</b>	<b>370 606</b>	<b>10 069 905</b>	<b>210 752</b>	<b>10 280 657</b>

# Condensed consolidated statement of cash flows

for the six months ended 31 August 2023

R'000	Notes	Group		
		Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Cash flows from operating activities</b>				
		<b>436 063</b>	404 171	754 123
		<b>4 469</b>	2 761	4 940
		<b>(56 106)</b>	(32 097)	(78 288)
		<b>(52 484)</b>	(30 223)	(86 420)
		<b>331 942</b>	344 612	594 355
<b>Cash flows from investing activities</b>				
		<b>(15 277)</b>	(199 839)	(241 529)
		<b>(332 030)</b>	(116 460)	(137 895)
	16	<b>(33 805)</b>	—	—
		<b>—</b>	(4 794)	(197 436)
		<b>190 754</b>	—	422
		<b>(190 358)</b>	(321 093)	(576 438)
<b>Cash flows from financing activities</b>				
		<b>91 271</b>	539 513	553 700
		<b>—</b>	(372 036)	(496 524)
		<b>(292)</b>	(112)	(121)
		<b>(5 365)</b>	(4 370)	(9 136)
		<b>(69 285)</b>	(68 757)	(138 606)
		<b>16 329</b>	94 238	(90 687)
<b>Net changes in cash and cash equivalents</b>				
		<b>157 913</b>	117 757	(72 770)
		<b>231 976</b>	286 388	286 388
		<b>21 455</b>	2 156	18 358
		<b>411 344</b>	406 301	231 976

# Notes to the financial statements

for the six months ended 31 August 2023

## 1. Basis of preparation and accounting policies

These condensed consolidated unaudited interim financial statements (“interim results”) for the period ended 31 August 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listing Requirements. These interim results should be read in conjunction with the group’s latest consolidated financial statements as at 28 February 2023.

The accounting policies and methods of computation are consistent with those applied in the audited consolidated annual financial statements for the period ended 28 February 2023. These interim results do not include all the information required for a complete set of financial statements. However, selected explanatory notes have been included to explain events and transactions that are material to an understanding of the changes in the group’s financial position and performance from the year ended 28 February 2023 to 31 August 2023.

The condensed consolidated unaudited interim financial statements were approved by the board of directors of Acision on 27 November 2023 and published on 29 November 2023.

These interim results were prepared by Mr CR Jansen van Rensburg in his capacity as Chief Financial Officer.

### 1.1 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reflected below:

- Investment properties and owner-occupied hotel
- Goodwill
- Business combinations
- Expected credit losses

## 2. Investment properties

Investment properties consists of developed investment properties and investment property under development.

Directors’ valuations were performed on all completed developments with the exception of Acsiopolis@Sandton, using the income capitalisation valuation technique. The investment properties under development that were acquired during the period are measured at the cost price which the directors consider to be the fair value at the time.

Acsiopolis@Sandton was independently valued by Mr. Peter Parfitt from Quadrant Properties Proprietary Limited, using the residual valuation method, being the current most suited use for this property.

Mr. Parfitt, a professional valuer registered in accordance with section 20(2)(a) of the Property Valuers Professional Act 47 of 2000, is not connected to the group. He holds a Dip. Val. MIV(SA) qualification. Registration number 2712/2.

The effective date of the valuations was 31 August 2023. All investment properties for the group are considered to be level 3 on the fair value hierarchy as per IFRS 13. There were no transfers between levels 1, 2 and 3 during the 6 months under review.

R'000	<b>Unaudited 31 Aug 2023</b>	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Investment property at fair value	<b>12 271 852</b>	10 318 473	11 083 750
Operating lease asset	<b>193 872</b>	177 819	167 984
	<b>12 465 724</b>	10 496 292	11 251 734

# Notes to the financial statements

for the six months ended 31 August 2023

## 2. Investment properties continued

R'000	Unaudited 31 Aug 2023	Total 379 372m <sup>2</sup>	
		Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Net carrying value</b>			
Land acquisition cost	<b>3 805 341</b>	3 464 532	3 464 532
Capital cost since acquisition	<b>2 745 434</b>	2 567 040	2 667 661
Right of use asset	<b>714 036</b>	598 247	687 619
Cumulative fair value adjustments	<b>5 562 362</b>	4 243 975	4 819 259
Transfer to property, plant and equipment	<b>(555 321)</b>	(555 321)	(555 321)
<b>Balance at the end of the period</b>	<b>12 271 852</b>	10 318 473	11 083 750

## Summary of property descriptions

	Unaudited 31 Aug 2023	Gross lettable area m <sup>2</sup>	
		Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Completed developments</b>			
<b>Light industrial centres (South Africa)</b>			
<b>Simarło Rainbow</b> Sectional titles 352/99, 497/99 and 752/28 constituting 27 units on 6.9 hectares	<b>6 007</b>	6 007	6 007
<b>South African retail</b>			
<b>Metropolitan retail (South Africa)</b>			
<b>Moreleta Square</b> Erf 6301, 6302 of Farm Garsfontein 374 Moreleta Park Ext. 32 Pretoria	<b>8 566</b>	8 566	8 566
<b>Mall @ Reds</b> Erf 1089 Rooihuiskraal Extension 15 Centurion Gauteng	<b>55 143</b>	54 741	55 143
<b>Mall @ Carnival</b> Erf 3080 Dalpark Extension 5 Brakpan Gauteng	<b>90 579</b>	90 578	90 579
<b>Mall &amp; Trade @ 55</b> Portion 165 of the Farm Brakfontein and portions 0 and 1 of Acsionville 784 with Erf 1885, 1886 and 1901 of Heuweloord Extension 18 and 19 Monavoni Gauteng	<b>25 477</b>	15 969	25 477
	<b>179 765</b>	169 854	179 765
<b>Rural retail (South Africa)</b>			
<b>Mall @ Emba</b> Erf 2, 3 and 7 Embalenhle 7 and Erf 27777 Embalenhle Extension 13 Secunda	<b>24 602</b>	24 605	24 602
<b>Mall @ Lebo</b> Erf 31, 32 and 33 Lebowakgomo-BA-Township Thabamooop Limpopo district	<b>23 548</b>	23 534	23 548
<b>Mall @ Mfula</b> Portion 126 of Farm 149 and Erf 2686 of Piet Retief Mpumalanga	<b>17 955</b>	17 939	17 955
<b>Mall @ Moutsiya</b> Portion 6 of the Farm Walkraal Sekhukhune district Limpopo	<b>14 703</b>	14 703	14 703
	<b>80 808</b>	80 781	80 808
<b>Mixed use residential apartments and retail units</b>			
<b>Acsiopolis @ Sandton</b> Portion 1 of Erf 266 Benmore Gardens 5 Benmore Road Sandton	<b>71 038</b>	67 000	71 038
<b>Metropolitan retail (international)</b>			
<b>Metropolis Mall</b> 99 year land lease from Cypriot Orthodox Church and mall development	<b>41 754</b>	39 160	39 160
	<b>379 372</b>	362 802	376 778

Land size

## Under development

Acsiopolis Thessaloniki, Pilea Greece	13.8ha
Acsiopolis Cape Town, Erf173153, Cape Town City Centre, Western Cape	3 073m <sup>2</sup>
Brasserie Frm, R45 Main Road, Franschoek, Western Cape	5.65ha

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 2. Investment properties continued

### Completed developments

R'000	LIGHT INDUSTRIAL 6 007m <sup>2</sup>			METROPOLITAN RETAIL 179 765m <sup>2</sup>			RURAL RETAIL 80 808m <sup>2</sup>			MIXED USE 71 038m <sup>2</sup>			INTERNATIONAL RETAIL 41 754m <sup>2</sup>			Total 379 372m <sup>2</sup>		
	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
	<b>Net carrying value</b>																	
Acquisition cost	32 112	32 112	32 112	2 700 657	2 700 657	2 700 657	689 233	689 233	689 233	42 530	42 530	42 530	—	—	—	3 464 532	3 464 532	3 464 532
Capital cost since acquisition	851	851	853	431 027	308 651	396 183	225 624	224 739	225 448	1 241 385	1 241 118	1 241 118	838 033	708 835	804 059	2 736 920	2 484 194	2 667 661
Right of use asset	—	—	—	—	—	—	—	—	—	—	—	—	714 036	598 247	687 619	714 036	598 247	687 619
Cumulative fair value adjustments	14 385	15 439	14 393	1 686 631	1 704 241	1 676 523	1 067 529	1 114 409	1 028 946	292 000	155 062	292 000	2 501 817	1 337 670	1 807 397	5 562 362	4 326 821	4 819 259
Transfer to property, plant and equipment	—	—	—	—	—	—	—	—	—	(555 321)	(555 321)	(555 321)	—	—	—	(555 321)	(555 321)	(555 321)
<b>Balance at the end of the period</b>	<b>47 348</b>	48 402	47 358	<b>4 818 315</b>	4 713 549	4 773 363	<b>1 982 386</b>	2 028 381	1 943 627	<b>1 020 594</b>	883 389	1 020 327	<b>4 053 886</b>	2 644 752	3 299 075	<b>11 922 529</b>	10 318 473	11 083 750

### Under development

R'000	MIXED USE Western Cape			INTERNATIONAL MIXED USE Acsiopolis Thessaloniki			Total		
	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
	<b>Net carrying value</b>								
Land acquisition cost	139 843	—	—	200 966	—	—	340 809	—	—
Capital cost since acquisition	8 514	—	—	—	—	—	8 514	—	—
<b>Balance at the end of the period</b>	<b>148 357</b>	—	—	<b>200 966</b>	—	—	<b>349 323</b>	—	—

### Unobservable inputs used for valuations

%	LIGHT INDUSTRIAL			METROPOLITAN RETAIL			RURAL RETAIL			MIXED USE			INTERNATIONAL RETAIL		
	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Vacancy percentage	13.67	24.90	15.65	5.22 – 6.36	1.34 – 6.36	0.96 – 7.93	0.00 – 8.56	0.11 – 8.36	1.99 – 5.00	N/A	6.00	0	0.00	12.00	2.00
Discount rate	14.10	14.40	15.25	12.50 – 13.50	12.30 – 14.00	12.50 – 15.25	13.00	13.80	12.50 – 13.80	11.75	12.50	13.00	10.25	10.50	10.25
Exit capitalisation rate	9.80	9.50	10.25	7.80 – 9.80	7.80 – 9.50	8.00 – 10.25	8.80	8.60 – 8.75	8.60 – 9.40	N/A	10.00	10.50	7.25	7.00	7.25
Expense escalation rate	6.70	6.40	7.19	6.00	5.50 – 6.10	7.00 – 9.06	6.00	6.10	7.00	N/A	7.00	7.00	3.00	3.33	3.00
Revenue escalation rate	3.80	5.40	6.79	4.10 – 4.90	4.50 – 5.10	7.50 – 8.84	4.00 – 4.40	5.10 – 5.40	4.70 – 8.00	N/A	7.00	7.00	4.00	3.95	3.00
Apartment selling price per m <sup>2</sup> (R)										34 000*	37 500*	37 500*			
Commercial area selling price per m <sup>2</sup> (R)										28 000	N/A	N/A			
Number of months to sell										18	24	24			

\* Furnished apartments.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 3. Property, plant and equipment

The hotel portion of the Acsiopolis@Sandton mixed use property is owner occupied from a group perspective and is included in property, plant and equipment at the following value:

R'000	Owner occupied		
	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Transfer from investment property	555 321	555 321	555 321
Additions	205 599	231 800	205 599
Cumulative fair value adjustments	(24 258)	(127 389)	(41 422)
Cumulative depreciation	(50 266)	(13 505)	(33 102)
	<b>686 396</b>	646 227	686 396

## 4. Goodwill

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Carrying value of goodwill	<b>625 464</b>	625 464	625 464

Goodwill originated during the formation of the Acsion group and represents a premium paid to internalise the property management, asset management and property development functions within the group to secure shareholders' participation in the development profits arising from the development opportunities.

For the purposes of performing the impairment test, the goodwill is allocated to the property and asset management and development unit ("Anaprop") which is the smallest cash-generating unit ("CGU") expected to benefit from the acquisition which gave rise to the goodwill. The recoverable amount of the CGU is determined on a value in use basis and this is compared to the carrying value of the CGU, including the goodwill. To the extent that the recoverable value is less than the carrying value of the CGU, goodwill is impaired. Management makes assumptions regarding certain pipeline developments to anticipate the impact it will have on the future cash flows of the CGU.

Management considered the impact of impairment indicators such as rising interest rates, higher inflation and the Euro exchange rate on the value of goodwill at 31 August 2023 and did not consider it necessary to impair the goodwill.

## 5. Inventories

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Hospitality inventories	7 211	4 347	6 480
Residential units	40 380	39 592	39 592
	<b>47 591</b>	43 939	46 072

Residential units comprise of high end units ranging from 350m<sup>2</sup> to 568m<sup>2</sup> under roof, located in Hyde Park Terrace, Sandton, approximately 500m away from Hyde Park shopping centre. The development consists of five completed houses (2023: five) and six vacant stands (2023: six). The increase in value of residential units is due to improvements made during the period that will result in future economic benefits when sold.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 6. Stated capital

The group repurchased 47 110 shares for an average price of R6.20 per share during the period and currently holds 9 991 175 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 for approximately 76% below the reported NAV per share as at 31 August 2023.

## 7. Lease liability

The company leases land from the Orthodox Church of Cyprus. The lease is a Euro-denominated land lease on which the Metropolis Mall has been developed for a period of 33 years with two 33 year renewal options (99-year lease).

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Reconciliation of lease liability</b>			
Balance at the beginning of the period	705 751	501 970	501 970
Variable lease payments adjustment *	—	—	133 097
Interest calculated at the average Euro to Rand exchange rate for the period	8 108	5 411	12 611
Repayments calculated at the average Euro to Rand exchange rate for the period	(5 365)	(4 374)	(9 136)
	<b>708 494</b>	503 007	638 542
Foreign currency movement during the period	27 135	108 676	67 209
	<b>735 629</b>	611 683	705 751
Amount repayable within 12 months reflected in current liabilities	5 490	2 225	5 342
Non-current liabilities	730 139	609 458	700 409
	<b>735 629</b>	611 683	705 751
The right-of-use asset is accounted for as investment properties (note 2).			
<b>Terms</b>			
Euro to Rand foreign exchange rate	R20.34	R17.29	R19.59
Annual escalations	Cypriot inflation with: minimum = 1% maximum = 4%		
Periodic escalations in addition to annual escalations	2.6% of the land value 13 years after commencement on 01.01.19 and renewal dates		

\* The adjustment relates to the increase of the Cyprus inflation rate. As a result of the change in the rate, the amount has been adjusted in accordance with IFRS 16.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 8. Borrowings

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Held at amortised cost</b>			
<b>Nungu Trading 517 Proprietary Limited — Rand denominated</b>	—	4 457	—
This loan was with Nedbank Limited and attracted interest at prime minus 140 basis points. This loan was settled during the 2023 financial year and was secured over the Mall@Lebo property.			
<b>Golden Falls 125 Proprietary Limited — Rand denominated *</b>			
R300 million revolving credit facility with Standard Bank repayable on 26 May 2024, bearing quarterly interest at the 3-month JIBAR rate plus 2.02%. The loan is secured over the Mall@Carnival. (Refer to note 2).	<b>290 507</b>	299 582	201 223
R300 million term loan facility with Standard Bank repayable on 26 May 2024, bearing quarterly interest at the 3-month JIBAR rate 2.15%. The loan is secured over the Mall@Carnival (Refer note 2).	<b>300 086</b>	299 608	300 000
R300 million term loan facility with Standard Bank repayable on 24 February 2025, bearing quarterly interest at the 3-month JIBAR rate 1.96%. The loan is secured over the Mall@Carnival (Refer note 2).	<b>300 085</b>	299 607	300 000
R400 million term loan facility with Standard Bank repayable on 7 March 2025, bearing quarterly interest at the 3 month JIBAR rate plus 1.96%. The loan is secured over the Mall@Carnival (Refer note 2).	<b>342 890</b>	340 341	371 074
<b>Total</b>	<b>1 233 568</b>	1 243 595	1 172 297
<b>Split between non-current and current portions</b>			
Non-current liabilities	<b>636 806</b>	1 243 595	1 136 893
Current liabilities	<b>596 762</b>	—	5 404
<b>Borrowing agreements covenant triggers</b>			
Corporate loan to value covenant	<b>45%</b>	45%	45%
Corporate loan to value achieved **	<b>15%</b>	17%#	16%
Interest ratio cover covenant	<b>2</b>	2	2
Interest ratio cover achieved **	<b>10</b>	11	10
<b>Loan-to-value as per SA REIT</b>			
Interest bearing financial liabilities	<b>1 969 197</b>	1 855 278#	1 848 048
Cash and cash equivalents	<b>(411 344)</b>	(406 301)	(231 976)
<b>Net debt</b>	<b>1 557 853</b>	1 448 977	1 616 072
<b>Total assets per statement of financial position</b>	<b>14 570 910</b>	12 505 856	13 367 139
Cash and cash equivalents	<b>(411 344)</b>	(406 301)	(231 976)
Goodwill	<b>(625 464)</b>	(625 464)	(625 464)
Intangible assets	<b>(165)</b>	(165)	(165)
Inventory not related to property	<b>(7 211)</b>	(4 347)	(6 480)
Trade and other receivables	<b>(10 036)</b>	(50 253)	(30 133)
<b>Property related assets</b>	<b>13 516 690</b>	11 419 326	12 472 921
<b>Loan-to-value ratio (%)</b>	<b>12</b>	13	13

\* These loans are secured in the amount of R1.3 billion over Mall@Carnival (refer to note 2).

\*\* Calculated in accordance to the loan agreement.

# The corporate loan-to-value covenant includes the amount of any liabilities in respect of any lease or hire purchase contract that would, in accordance with IFRS, be treated as a statement of financial position liability. In the August 2022 results, the percentage reflected of 7.33%, incorrectly excluded the lease liability (refer note 7). The amounts above have been corrected to be in line with the covenant requirements.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 9. Earnings, headline earnings

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Basic earnings and earnings per share</b>			
Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.			
<b>Reconciliation of profit for the period to basic earnings</b>			
Profit or loss for the period attributable to equity holders of the company	<b>860 832</b>	495 041	906 789
Adjusted for earnings attributable to non-controlling interests	<b>(21 642)</b>	(1 033)	(17 901)
<b>Basic earnings</b>	<b>839 190</b>	494 008	888 888
Weighted average number of shares in issue	<b>385 001</b>	385 266	385 023
Earnings per share in cents <sup>1</sup>	<b>218</b>	128	231
Diluted earnings per share in cents <sup>2</sup>	<b>218</b>	128	231
<b>Headline earnings and diluted headline earnings per share</b>			
Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding during a period.			
The calculation of headline earnings per share has been performed in accordance with Circular 1/2023.			
Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable remeasurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.			
<b>Reconciliation between earnings and headline earnings</b>			
Basic earnings	<b>839 190</b>	494 008	888 888
Gain recognised from bargain purchase	<b>(44 387)</b>	—	—
Fair value adjustments	<b>(668 986)</b>	(254 668)	(491 622)
Taxation attributable to fair value adjustments	<b>134 569</b>	56 858	102 358
(Reversal of impairment loss)/impairment loss — owner occupied property	<b>(17 164)</b>	—	(57 451)
Taxation attributable to impairment loss — owner occupied property	<b>4 634</b>	—	16 086
Non-controlling interest relating to fair value adjustments	<b>25 519</b>	5 905	4 965
<b>Headline earnings</b>	<b>273 375</b>	302 103	463 224
Weighted average number of shares in issue	<b>385 001</b>	385 266	385 023
Headline earnings per share in cents	<b>71</b>	78	120
Diluted headline earnings per share (cents) <sup>2</sup>	<b>71</b>	78	120

1. Earnings per share are from continuing operations. There are no discontinued operations.

2. Diluted earnings and headline earnings per share are equal to undiluted earnings and headline earnings per share because there are no dilutive ordinary shares in issue or options thereon.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 10. Dividends paid per share

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Number of shares in issue	394 960	394 960	394 960
Interim dividend declared *	—	—	71 093
Final dividend paid in respect of prior financial year *	71 093	71 093	71 093
Gross value of dividend in Rands declared and paid during the period *	71 093	71 093	142 186
Gross dividend per share declared during the period	18	18	18
Net dividend per share after deducting 20% dividend tax	14	14	14

\* Dividend is based on the number of shares in issue and includes treasury shares.

## 11. Net asset value

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
NAV attributable to parent	10 069 905	8 578 443	9 204 053
Net deferred tax liability	1 905 421	1 594 151	1 747 772
	<b>11 975 326</b>	10 172 594	10 951 825
Number of shares in issue (excluding treasury)	384 969	385 018	385 016
NAV per share (cents) <sup>1</sup>	2 616	2 228	2 391
SA REIT NAV per share (cents) <sup>2</sup>	2 931	2 461	2 664

1. NAV is the value of the total assets (non-current assets plus current assets) minus total liabilities (non-current liabilities plus current liabilities). Assets include financial assets and liabilities include financial liabilities. NAV per share is determined by dividing the total NAV by the total number of shares outstanding as at period.

2. SA REIT NAV is a measure that is specific to South African Real Estate Investment Trusts and is not required in terms of IFRS or the JSE Listings Requirements. SA REIT NAV per share is determined by including dividends to be declared and excluding items that are intangible by nature and unlikely to be realised in the ordinary course of the group's business.

## 12. Related parties

The following significant related party transactions occurred during the period:

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
<b>Purchases from related parties</b>			
K Anastasi Projects Proprietary Limited — Mall@55	15 414	—	66 074
K Anastasi Projects Proprietary Limited — Acsiopolis@Sandton *	—	191 217	198 724
— Ad-hoc projects, repairs and maintenance	1 113	—	—
	<b>16 527</b>	191 217	264 798

K Anastasi Projects Proprietary Limited is held indirectly by a director of the company and his immediate family members. Purchases relate to construction and remedial work at Acsiopolis@Sandton, 10 000m<sup>2</sup> expansion of Mall@55 and ad-hoc emergency repairs and maintenance at the other properties.

\* Construction contract constituting a small related party transaction as released on SENS on 17 February 2023.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 13. Revenue

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Contractual rental revenue and recoveries	598 183	514 690	1 081 798
Straight-lining of rental revenue adjustment	23 047	41 702	24 131
Revenue from hospitality operations	70 880	19 799	79 227
— Food and beverage recognised at a point in time	20 174	8 125	27 772
— Rooms revenue recognised over time	42 580	11 027	41 084
— Conference revenue recognised over time	8 126	647	10 371
Management fee income	140	165	248
	<b>692 250</b>	576 356	1 185 404

## 14. Other income

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Administration fees	102	135	223
Bad debt recovered	120	8 850	9 638
Other income	3 027	4 086	2 574
Insurance claims	26 109	—	—
Bargain purchase gain	44 387	—	—
	<b>73 745</b>	13 071 *	12 435

\* In the August 2022 results "Revenue from hospitality operations" totaling R19 799 was included, it is now disclosed separately in the statement of profit and loss and other comprehensive income.

## 15. Operating expenses

The profit from operations is stated after taking into account the following expenses:

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Property taxes and utility expenses	134 021	113 567	244 466
Hotel operational expenses	38 329	18 519	55 015
Property operational expenses			
— Cleaning	10 551	10 863	15 114
— Security	9 387	9 514	17 582
— Repairs and maintenance	17 166	7 183	22 232
	<b>37 104</b>	27 560	54 928
Depreciation, amortisation and impairment			
— Depreciation	56 231	20 519	103 753
— Reversal of impairment of owner occupied property plant and equipment	(17 164)	—	(57 451)
	<b>39 067</b>	20 519	46 302
Short term employee benefits			
— Salaries, wages, directors fees, bonuses and other benefits	32 234	25 782	46 119
— Study fees	137	309	330
	<b>32 371</b>	26 091	46 449

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 16. Acquisition of subsidiary (business combinations)

On 9 May 2023, Acsion acquired 100% of the share capital of Hey Joe Proprietary Limited, a company incorporated in South Africa, with hospitality operations and property assets located in Franschhoek, Western Cape. The property is earmarked for development during the 2024 financial year.

The subsidiary incurred a loss of R821 000 from the date of acquisition to 31 August 2023.

Details of the assets and liabilities acquired and the bargain purchase gain arising are as follows:

R'000	Attributed fair value
Investment property	54 724
Plant and equipment	23 407
Deferred tax asset	13 667
Inventory	1 126
Trade and other receivables	200
Bank and cash	1 195
Deferred tax liability	(13 907)
Trade and other payables	(1 025)
Bargain purchase gain	(44 387)
<b>Total purchase consideration</b>	<b>35 000</b>
Less: cash and cash equivalents of subsidiary acquired	(1 195)
<b>Net outflow of cash and cash equivalents on acquisition</b>	<b>33 805</b>

## 17. Capital commitments

Approved material capital expenditure:

R'000	Unaudited 31 Aug 2023	Unaudited 31 Aug 2022	Audited 28 Feb 2023
Contractual commitment for Acsiopolis@Sandton construction	<b>12 700</b>	55 000	—
Contractual commitment for expansion to Mall@55	<b>1 500</b>	126 000	42 600
Approved commitment for solar expansion	<b>117 000</b>	—	150 000
Contractual commitment for solar expansion	<b>19 493</b>	—	—
Approved commitment for maintenance	<b>8 960</b>	—	12 430
Contractual commitment for new developments	<b>14 822</b>	—	143 389
	<b>174 475</b>	181 000	348 419

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 18. Events after the reporting period

### Interim dividend declared

On 29 November 2023, the board of directors declared an interim cash gross dividend (No 6) of 16.40 cents per ordinary share, payable out of income reserves to all shareholders of Acision Limited.

The dividend per share is based on 394 959 976 shares in issue as at the date of the dividend declaration and therefore amounts to R64 773 436.06 in aggregate.

The net dividend amount, after deducting South African dividend tax of 20%, which equates to 3.28 cents, is 13.12 cents per share for those shareholders that are not exempt from dividend tax.

Acision's income tax reference number is 9794017161.

In compliance with the requirements of Strate, the company has determined the following salient dates for the payment of the final dividend:

<b>Last day to trade cum dividend</b>	Tuesday, 19 December 2023
<b>Shares commence trading ex dividend</b>	Wednesday, 20 December 2023
<b>Record date</b>	Friday, 22 December 2023
<b>Payment date</b>	Wednesday, 27 December 2023

Shares may not be rematerialised or dematerialised between Wednesday, 20 December 2023 and Friday, 22 December 2023, both days inclusive.

## 19. Segmental analysis

The group's investment portfolio is currently heavily weighted toward retail. The group has three main reportable segments, namely:

- South African property operations;
- South African hospitality operations; and
- Foreign property operations.

From a South African geographical perspective, five developed properties are situated within the borders of Gauteng, two in Limpopo and two in Mpumalanga. All the South African investment properties are within a 450 km radius of one another.

An operating segment's operating results are reviewed regularly by management to make decisions about resources to be allocated to the segment and assess its performance.

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 19. Segmental analysis continued

The segmental information for 2022 has been aligned to management's revised review requirements.

R'000	Unaudited 31 August 2023					Unaudited 31 August 2022					Audited 28 Feb 2023				
	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total
<b>Operating revenues</b>															
Contractual rental revenue and recoveries	169 975	428 208	—	428 208	598 183	120 456	394 234	—	394 234	514 690	247 674	834 124	—	834 124	1 081 798
Straight-lining of rental revenue adjustment	8 970	14 077	—	14 077	23 047	50 197	(8 495)	—	(8 495)	41 702	63 342	(39 211)	—	(39 211)	24 131
Revenue from direct property operations	178 945	442 285	—	442 285	621 230	170 653	385 739	—	385 739	556 392	311 016	794 913	—	794 913	1 105 929
Revenue from hospitality operations	—	—	70 880	70 880	70 880	—	—	19 799	19 799	19 799	—	—	79 227	79 227	79 227
— Food and beverage recognised at a point in time	—	—	20 174	20 174	20 174	—	—	8 125	8 125	8 125	—	—	27 772	27 772	27 772
— Rooms revenue recognised over time	—	—	42 580	42 580	42 580	—	—	11 468	11 468	11 468	—	—	41 084	41 084	41 084
— Conference revenue recognised over time	—	—	8 126	8 126	8 126	—	—	206	206	206	—	—	10 371	10 371	10 371
Management fee income	—	140	—	140	140	—	165	—	165	165	—	248	—	248	248
<b>Revenue</b>	<b>178 945</b>	<b>442 425</b>	<b>70 880</b>	<b>513 305</b>	<b>692 250</b>	170 653	385 904	19 799	405 538	576 191	311 016	795 161	79 227	874 388	1 185 404
Other income	79	73 418	248	73 666	73 745	—	13 071	—	13 071	13 071	1	12 434	—	12 434	12 435
Fair value adjustments	620 733	48 253	—	48 253	668 986	7 806	246 862	—	246 862	254 668	248 415	243 207	—	243 207	491 622
Impairment losses on trade receivables	—	(18 487)	—	(18 487)	(18 487)	—	—	—	—	—	(1 102)	(22 837)	—	(22 837)	(23 939)
Operating expenses	(44 763)	(153 769)	(101 094)	(254 863)	(299 626)	(28 840)	(153 426)	(33 070)	(186 496)	(215 336)	(75 245)	(302 656)	(101 091)	(403 747)	(478 992)
<b>Operating profit/(loss)</b>	<b>754 994</b>	<b>391 840</b>	<b>(29 966)</b>	<b>361 874</b>	<b>1 116 868</b>	134 041	507 989	(13 271)	494 718	628 759	483 085	725 309	(21 864)	703 445	1 186 530
<b>Other income and expenditure</b>															
Finance costs	(8 108)	(56 100)	(6)	(56 106)	(64 214)	(5 411)	(36 315)	—	(36 315)	(41 726)	(12 611)	(82 696)	—	(82 696)	(95 307)
Foreign exchange gains/(losses)	11 475	(11 475)	—	(11 475)	—	(9 091)	9 244	—	9 244	153	36 209	(26 439)	—	(26 439)	9 770
Investment Income	—	4 469	—	4 469	4 469	—	2 761	—	2 761	2 761	—	4 940	—	4 940	4 940
<b>Profit before taxation</b>	<b>758 361</b>	<b>328 734</b>	<b>(29 972)</b>	<b>298 762</b>	<b>1 057 123</b>	119 539	483 679	(13 271)	470 408	589 947	506 683	621 114	(21 864)	599 250	1 105 933
Tax	(137 346)	(58 945)	—	(58 945)	(196 291)	(8 882)	(86 024)	—	(86 024)	(94 906)	(57 901)	(141 243)	—	(141 243)	(199 144)
<b>Profit for the period</b>	<b>621 015</b>	<b>269 789</b>	<b>(29 972)</b>	<b>239 817</b>	<b>860 832</b>	110 657	397 655	(13 271)	384 384	495 041	448 782	479 871	(21 864)	458 007	906 789

# Notes to the financial statements

for the six months ended 31 August 2023 continued

## 19. Segmental analysis continued

R'000	Unaudited 31 August 2023					Unaudited 31 August 2022					Audited 28 Feb 2023				
	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total	Foreign property operations	Local property operations	Local hotel and retail operations	Local combined operations	Total
<b>Assets</b>															
<b>Non-current assets</b>															
Investment property	4 053 886	8 217 966	—	8 217 966	12 271 852	2 644 752	7 673 721	—	7 673 721	10 318 473	3 299 075	7 784 674	—	7 784 674	11 083 749
Operating lease asset	85 781	108 091	—	108 091	193 872	53 021	124 798	—	124 798	177 819	73 903	94 081	—	94 081	167 984
Property, plant and equipment	4 854	108 252	819 258	927 510	932 364	3 867	174 020	652 509*	826 529	830 396	4 303	235 162	692 595	927 757	932 060
Goodwill	—	625 464	—	625 464	625 464	—	625 464	—	625 464	625 464	—	625 464	—	625 464	625 464
Intangible assets	—	165	—	165	165	—	165	—	165	165	—	165	—	165	165
Other financial assets	5 726	202	—	202	5 928	5 138	195	—	195	5 333	332	195	—	195	527
Deferred tax assets	—	35 745	13 667	49 412	49 412	—	47 713	—	47 713	47 713	—	37 465	—	37 465	37 465
<b>Current assets</b>															
Inventories	—	40 380	8 347	48 727	48 727	—	39 508	4 431	43 939	43 939	—	39 687	6 385	46 072	46 072
Current tax asset	—	21 516	—	21 516	21 516	—	—	—	—	—	—	21 039	—	21 039	21 039
Loans to group companies	(270 686)	270 686	—	270 686	—	1 116	(6 876)	5 760	(1 116)	—	—	—	—	—	—
Trade and other receivables	(2 038)	4 999	7 075	12 074	10 036	20 721	27 803	1 729	29 532	50 253	2 409	26 304	1 420	27 724	30 133
Other financial assets	—	230	—	230	230	—	—	—	—	—	190 504	—	—	—	190 504
Cash and cash equivalents	28 661	377 218	5 465	382 683	411 344	25 197	373 171	7 933	381 104	406 301	50 333	178 759	2 884	181 643	231 976
	<b>3 906 184</b>	<b>9 810 914</b>	<b>853 812</b>	<b>10 664 726</b>	<b>14 570 910</b>	<b>2 753 812</b>	<b>9 079 682</b>	<b>672 362</b>	<b>9 752 044</b>	<b>12 505 856</b>	<b>3 620 859</b>	<b>9 042 995</b>	<b>703 284</b>	<b>9 746 279</b>	<b>13 367 138</b>
<b>Equity and liabilities</b>															
<b>Capital, reserves and non-controlling interests</b>	<b>2 503 004</b>	<b>7 791 550</b>	<b>(13 897)</b>	<b>7 777 653</b>	<b>10 280 657</b>	<b>1 261 409</b>	<b>7 461 906</b>	<b>9 907</b>	<b>7 471 813</b>	<b>8 733 222</b>	<b>1 807 974</b>	<b>7 564 570</b>	<b>16 075</b>	<b>7 580 645</b>	<b>9 388 619</b>
<b>Non-current liabilities</b>															
Deferred tax liabilities	492 016	1 448 910	13 907	1 462 817	1 954 833	271 855	1 370 009	—	1 370 009	1 641 864	353 535	1 431 702	—	1 431 702	1 785 237
Lease liabilities	730 139	—	—	—	730 139	609 458	—	—	—	609 458	700 409	—	—	—	700 409
Bank and other borrowings	—	636 806	—	636 806	636 806	—	1 243 595	—	1 243 595	1 243 595	—	1 136 893	—	1 136 893	1 136 893
Trade and other payables	13 672	—	—	—	13 672	—	—	—	—	—	13 166	—	—	—	13 166
<b>Current liabilities</b>															
Lease liabilities	5 490	—	—	—	5 490	2 225	—	—	—	2 225	5 342	—	—	—	5 342
Bank and other borrowings	—	596 762	—	596 762	596 762	—	—	—	—	—	—	5 404	—	5 404	5 404
Loan from shareholder	2 034	2 540	—	2 540	4 574	1 983	1 983	—	1 983	3 965	1 960	2 466	—	2 466	4 426
Loans from group companies	—	(849 089)	849 089	—	—	448 959	(1 108 719)	659 760	(448 959)	—	590 552	(1 248 590)	658 038	(590 552)	—
Provisions	—	10 937	—	10 937	10 937	—	11 388	—	11 388	11 388	—	10 145	—	10 145	10 145
Current tax liability	1 704	8 986	—	8 986	10 690	1 673	2 398	—	2 398	4 071	1 643	8 137	—	8 137	9 780
Trade and other payables	158 125	163 512	4 713	168 225	326 350	156 250	97 123	2 695	99 818	256 068	146 278	132 268	29 171	161 439	307 708
<b>Total liabilities</b>															
<b>Total equity and liabilities</b>	<b>3 906 184</b>	<b>9 810 914</b>	<b>853 812</b>	<b>10 664 726</b>	<b>14 570 910</b>	<b>2 753 812</b>	<b>9 079 682</b>	<b>672 362</b>	<b>9 752 044</b>	<b>12 505 856</b>	<b>3 620 859</b>	<b>9 042 995</b>	<b>703 284</b>	<b>9 746 279</b>	<b>13 367 138</b>

\* The owner occupied property was allocated to the Local property operations in Aug 2022 interim results and is reallocated to the Local hotel and retail operations segment.

# Corporate information

## Registered office

Acsion Limited  
Mall @ Reds  
1st Floor  
Corner Rooihuiskraal and Hendrik Verwoerd drives  
Rooihuiskraal Ext 15  
Centurion, 0157

Registration number: 2014/182931/06  
JSE share code: ACS  
ISIN: ZAE000198289  
Telephone: 012 656 8957

## Transfer secretaries

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, 2196

Telephone: 011 370 5000

## Sponsor

Merchantec Capital  
13th Floor, Illovo Point, 68 Melville Road  
Illovo, Sandton, 2196

Telephone: 011 325 6363

## Company secretary

M Reynolds  
MWRK Accountants and Auditors Incorporated  
19 Edward Street  
Westdene  
Benoni, 1501

Telephone: 011 421 9284

## Auditor

BDO South Africa Incorporated  
Wanderers Office Park, 52 Corlett Drive,  
Illovo, Sandton, 2196

Telephone: 011 488 1700

## Corporate adviser

Merchantec Capital  
13th Floor, Illovo Point, 68 Melville Road  
Illovo, Sandton, 2196

Telephone: 011 325 6363

## Country of incorporation and domicile

South Africa

## Nature of business and principal activities

Property holding and development

## Directors

K Anastasiadis (Executive director)  
D Sekete (Non-executive director)  
C Jansen van Rensburg (Executive director)  
M Kok (Independent non-executive director)  
H Zarca (Chairperson and independent non-executive director)  
L Osrin-Karp (Independent non-executive director)