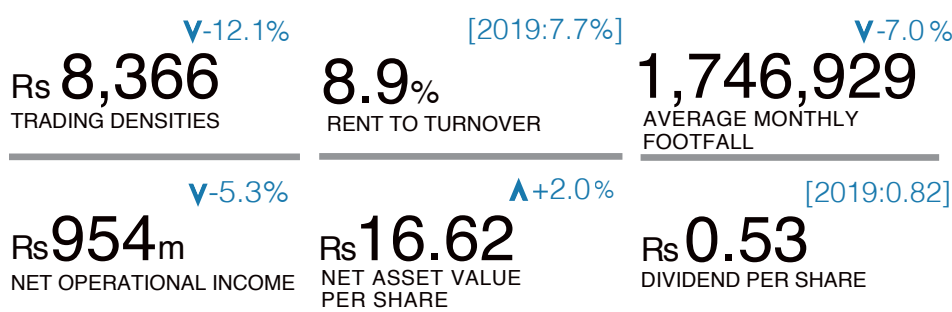


Ascencia achieves impressive tenant retention and maintains a vacancy level of 1.2% in the face of ongoing uncertainty.

Key figures for the year

(compared to last year)



COMMENTS ON THE YEAR ended 30 June 2020

Financial Review

Ascencia maintains a good top line performance with net operational income of Rs 954m compared to Rs 1,007m last year. We ended the year with a profit of Rs 407m. This is a decline of 58% compared to the last financial year mainly due to specific allowance made for COVID 19 amounting to Rs 187m and a lower change in fair value gains which stood at Rs 109m vs Rs 395m last year, as a result of the pandemic with more conservative assumptions related to the prevailing uncertainty.

We declared a final dividend of Rs 0.16 per share bringing the total dividend for the year to Rs 0.53, a 35% fall compared to prior year, a controlled dividend policy showing prudence in distributing income in the face of the lockdown and global volatility.

Operational Review

Pre-COVID 19 the key performance indicators of every property were in line with our expectations with healthy trading densities, rent to turnover ratios, and lower vacancies. With the COVID-19 and related uncertainty, trading was directly impacted. We recorded a 12% fall in trading densities for the year mainly due to the lockdown period. However, the malls held up well, with the tenant retention ratio at a pleasing rate, resulting in a low vacancy of 1.2% across the portfolio.

Our response

We are pleased to announce the successful negotiations with tenants to finalise a Tenant relief plan while alleviating pressure for those who are really facing difficulties. We are making decisions and adapting to an environment affected by evolving market conditions. We also took it as a unique opportunity to change the way we do things to drive our business forward and to position ourselves to add value.

Development Review

Construction works on the Decathlon and Bagatelle Mall sites, which started in November 2019, have resumed once the authorities allowed the industry to restart operations. The aim of the Bagatelle Mall extension is to uplift the existing shopper and visitor experience with high-end brands. These projects will contribute to job creation in these challenging post-lockdown times.

Outlook

We will continue to focus on maintaining sound credit metrics to protect our balance sheet and manage our cost of capital properly. The unprecedented and evolving market conditions, property fundamentals, domestically and globally, are going to be challenging. We are anticipating further decline in consumption, especially on non-essential categories for the rest of the financial year 2021.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Rs 000	Audited year ended 30 June 2020	Restated year ended 30 June 2019
Continuing operations		
Revenue		
Operational revenue	1,273,229	1,294,275
Other operating income	30,976	32,834
Straight line rental adjustment	28,890	74,475
Total revenue	1,333,095	1,401,584
Direct operating expenses arising from investment properties	(379,527)	(394,211)
Net operational income	953,568	1,007,373
Investment and other income	6,118	2,724
Administrative expenses	(338,716)	(136,649)
Operating profit	620,670	873,448
Share of (loss)/profit from joint ventures	(4,775)	36,328
Change in fair value of investment properties	109,809	394,884
Net effect of business combinations	-	9,506
Profit before finance costs	726,004	1,314,166
Finance income	20,408	24,793
Finance cost	(255,793)	(277,765)
Profit before tax	490,619	1,061,194
Income tax expense	(89,302)	(107,282)
Profit for the year from continuing operations	401,317	953,912
Discontinued operations		
Post tax profit from discontinued operations	5,292	9,869
Profit for the year	406,609	963,781
Other comprehensive income		
Total comprehensive income for the year	406,609	963,781
Total comprehensive income attributable to:		
- Ordinary equity holders of the parent	406,609	963,781
	406,609	963,781
Class A ordinary share		
Number of shares in issue	487,314,989	484,817,301
Weighted average number of shares in issue	484,824,144	482,034,716
Basic earnings per share (Rs)	0.84	2.00
Diluted earnings per share (Rs)	0.84	1.99
Interim dividend per share (Rs)	0.37	0.35
Final dividend per share (Rs)	0.16	0.47
Net asset value per share (Rs)	16.62	16.30

STATEMENTS OF FINANCIAL POSITION

In Rs 000	Audited As at 30 June 2020	Restated As at 30 June 2019	Restated As at 01 July 2018
ASSETS			
Investment properties	12,744,899	12,293,927	11,160,054
Equipment	25,720	26,832	24,622
Investment in joint venture	135,753	140,528	130,478
Current assets	684,861	910,507	1,080,691
Non-current assets classified as held for sale	21,244	119,144	71,567
Total assets	13,612,477	13,490,938	12,467,412
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital	4,460,068	4,411,401	4,362,734
Retained earnings	3,640,290	3,491,033	2,922,508
Total equity	8,100,358	7,902,434	7,285,242
Non-current liabilities			
Borrowings	4,429,711	4,465,209	4,101,464
Other liabilities	596,606	569,721	550,992
Total non-current liabilities	5,026,317	5,034,930	4,652,456
Liabilities directly associated with non-current assets classified as held for sale	225	2,682	39,610
Current liabilities			
Borrowings	62,030	11,471	5,385
Other liabilities	423,547	539,421	484,719
Total current liabilities	485,577	550,892	490,104
Total equity and liabilities	13,612,477	13,490,938	12,467,412

STATEMENTS OF CASH FLOWS

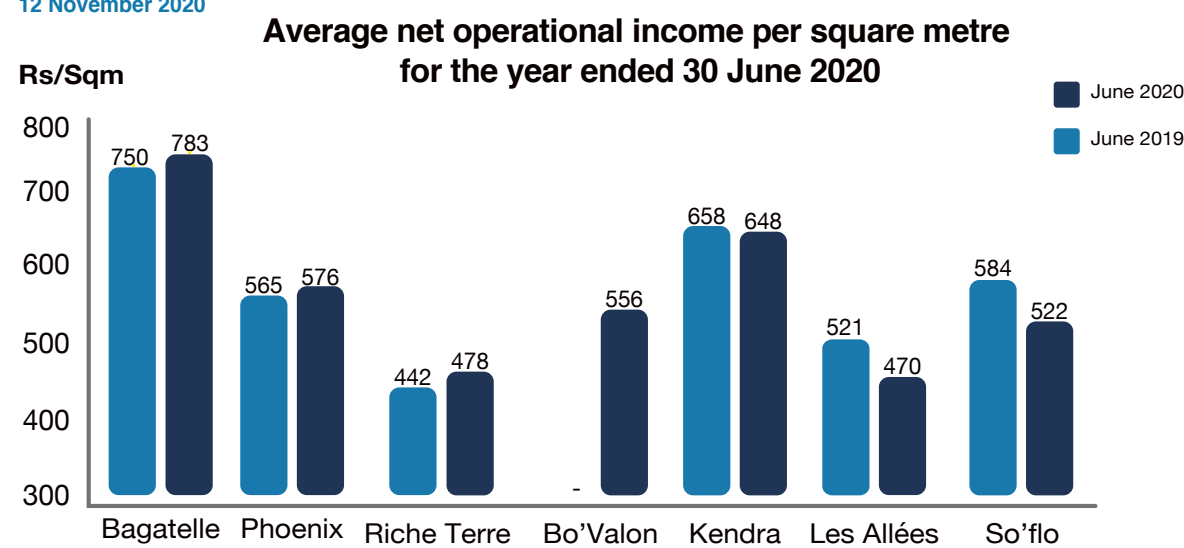
In Rs 000	Audited year ended 30 June 2020	Restated year ended 30 June 2019
Net cash generated from operating activities	123,819	463,197
Net cash used in investing activities	(239,196)	(346,718)
Net cash used in financing activities	(411,939)	(374,046)
Net cash flows generated from discontinued operations	100,735	16,429
Net (decrease) in cash and cash equivalents	(426,581)	(241,138)
Cash and cash equivalents - opening	762,852	992,537
Cash flow from acquisition of subsidiary company	-	11,453
Cash and cash equivalents - closing	336,271	762,852

STATEMENTS OF CHANGES IN EQUITY

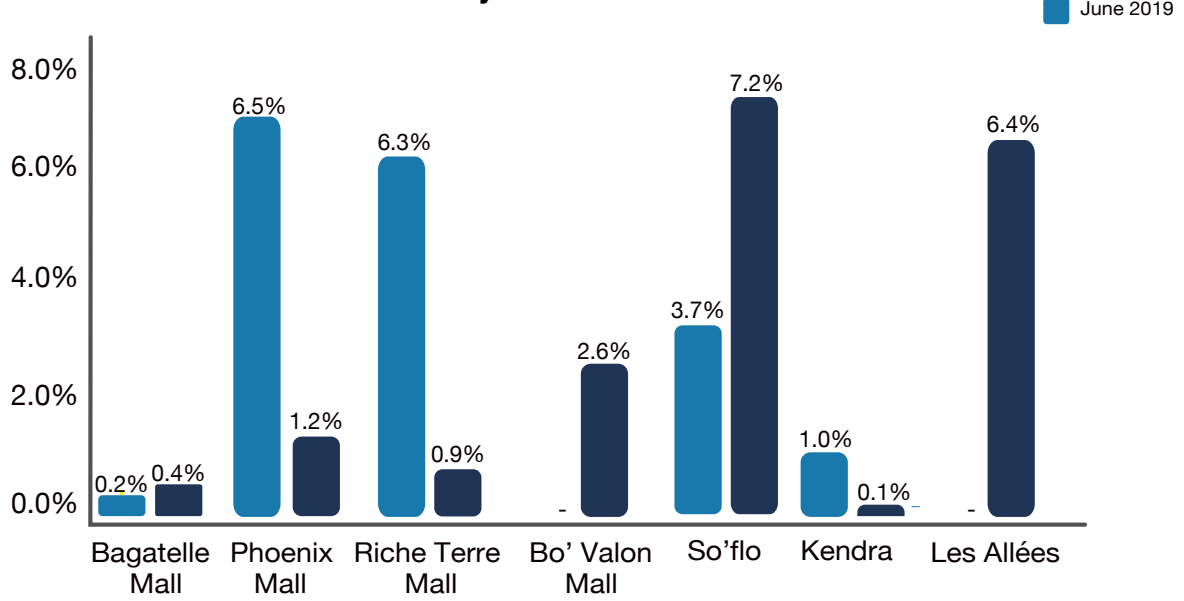
In Rs 000	Stated Capital	Retained Earnings	Total Equity
GROUP			
Balance at 01 July 2018	4,362,734	2,914,455	7,277,189
Total comprehensive income for the period	-	963,781	963,781
Dividends	-	(395,256)	(395,256)
Conversion of preference shares	48,667	-	48,667
Prior year adjustment	-	8,053	8,053
At 30 June, 2019	4,411,401	3,491,033	7,902,434
Balance at 01 July, 2019	4,411,401	3,491,033	7,902,434
Total comprehensive income for the period	-	406,609	406,609
Dividends	-	(257,352)	(257,352)
Conversion of preference shares	48,667	-	48,667
At 30 June 2020	4,460,068	3,640,290	8,100,358

By order of the Board

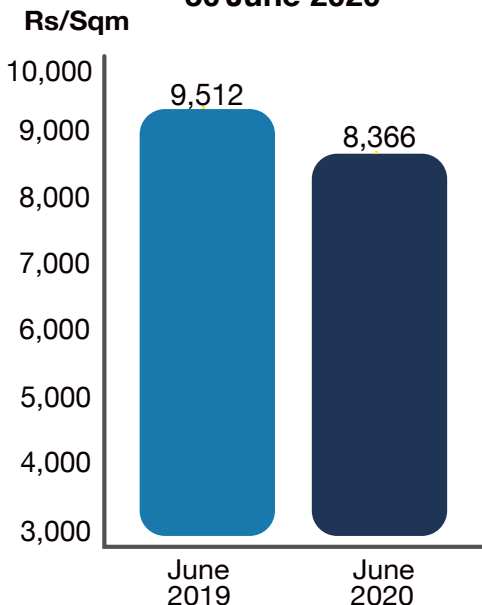
12 November 2020



Vacancy as at 30 June 2020



Tenant turnover per square metre for the year ended 30 June 2020



Ratio of gross rental to tenant turnover for the year ended 30 June 2020

