2023

Consolidated financial results

for the year ended 31 March 2023

ACCELERATE
PROPERTY FUND

Content

Introduction

Changes to the executive

- Mr Michael Georgiou stepped down as CEO on 7 November 2022 to focus on the management and completion of Fourways Mall
- Mr Andrew Costa resigned as COO on 31 March 2023
- Mr Dimitri Kyriakides has reached retirement age and retired as the Company's CFO on 31 March 2023
- Mr Dawid Wandrag and Mr Abri Schneider were appointed as joint CEO's effective 1 April 2023
- Mr Pieter Grobler fulfilled the role of interim CFO from 1 April 2023 to 31 July 2023 and has taken up the role of COO from 1 August 2023
- Ms Marelise de Lange has been appointed as the new CFO effective 1 August 2023
- The new management team is excited to take the Fund into a new chapter with a focus on execution, creating efficiencies, teamwork and transparent interaction with stakeholders.

Key indicators

	2023	2022
Revenue (R'000) (continued operations)	**895 774**	897 376
Remaining COVID-19 rental assistance granted (R'000)*	**(15 348)**	(35 127)
Fair value adjustment on Investment Properties (R'000)	**(809 183)**	(428 722)
Basic (loss)/gain per share (R)	**(52,27)**	6,46
Diluted (loss)/gain per share (R)	**(52,27)**	6,42
Weighted average lease expiry (years)	**3,3**	3,9
Lease escalations	**7,6%**	7,0%
Vacancies by GLA	**16,4%**	21,2%
Vacancies by revenue	**7,1%**	9,1%
Interest cover ratio	**1,8x**	2,1x
Net asset value per share (R)	**4,13**	6,21
Loan-to-value	**44,8%**	42,8%
Distributable income (R'000)**	**56 840**	210 527
Final distribution per share (cents)#	**-**	21.98051

* *Agreed with tenants during COVID-19, structured as rental reductions over a period of time.*
** *Net of once-off tax deductible items of R110 million.*
\# *In order to further strengthen the financial position of the company and due to the liquidity requirements of capital spend on properties over the next 12-months the Accelerate board has elected not to declare a distribution.*

Focus areas

Fourways Mall performance

LEASING AND TRADING

- 18% year-on-year growth in trading densities
- Vacancy (excl headlease) reduced from 10,4% to 7,9%

STRATEGY

- The overall strategy for Fourways Mall is to become a secure, family orientated entertainment and shopping destination
- Key items to address:
  - The overall retail experience
  - Increasing dwell time
  - Variety of offerings
  - Right sizing boxes as well as strategic grouping of offerings
  - Attracting shoppers from beyond the immediate catchment area
  - Improving the food and restaurant offering

KEY INITIATIVES UNDERWAY

- Updating our strategic approach
- Upgrade signage and way finding in and around Fourways Mall
- Improvement of internal and external aesthetics
- Finalising the offering at the Kidzania space
- Investment in technology to minimize the carbon footprint of the Fourways Mall and to track tenant behavior and preferences more effectively
- Defensive and yield enhancing capital spend of R115 million approved to be spent in the next 12 months

18,0%
Year-on-year growth in trading densities

7,9%*
Vacancy

2,8 years
WALE

Fair value (APF 50%)
R4,0 billion
(including bulk of R190 million)

Total bulk currently available
61 074m^2
(Jointly owned)

** Reduced from 10,4% at 31 March 2022. Excludes space covered by the Fourways Mall headlease.*

Fourways Mall performance *continued*

OPERATING STRUCTURE AND MALL MANAGEMENT

- APF is in the process of acquiring 50% of the Fourways Mall property management function to replicate the 50/50 ownership structure of the Mall
- A new operating and organization structure is in process of being implemented aimed at increasing efficiencies, independence and overall performance
- Mike Pienaar appointed in January 2023 as CEO of Fourways Mall
- Lynette Joubert appointed as head of leasing in March 2023
- Over and above the appointment of Mike and Lynette another 3 employees were appointed to bolster the team including additional accounting and marketing resources
- The independent management of our largest asset remains key

Strengthening the financial position

DIVERSIFICATION OF FUNDING

- R750 million new 3-year funding raised
- This was utilised to repay R121 million of expiring debt as well as re-balance shorter dated exposures
- The new debt raised enabled the Fund to maintain its undrawn facilities at approximately R218 million

NON-CORE PROPERTY DISPOSALS

- R146 million of assets transferred during the financial year
- Additional disposals of R292 million signed which will result in an LTV reduction of 1,7%, ICR improvement of 0.15x as well as a reduction in Fund vacancies by 3,7%
- The remainder of non-core properties to be disposed of are held for R316 million and are at various stages of disposal
- Year to date signed sales have been concluded at an average discount to book value of 6%

FILLING VACANCIES AND IMPROVING REVENUE STREAMS

- Vacancies by revenue reduced to approximately 7% from 9,1%
- Core property vacancy (excl Fourways Mall) reduced to 7,5% from 9,4%
- The Fund is in negotiation to convert bulk in two different geographic locations into revenue generating assets
- Capital spend earmarked on core assets (including Fourways Mall) of approximately R151 million to be funded from undrawn debt facilities and non-core asset sales

44,8%
LTV

1,8x
ICR

2,8 years
WALE

Undrawn debt facilities
R218 million

Sale of non-core assets
R292 million sales signed

Strengthening the financial position *continued*

MANAGING AND IMPROVING ICR LEVELS

- The Fund's ICR has come under pressure due to:
  - The disposal of Accelerate's European retail portfolio and resultant repayment of low-interest-rate offshore debt
  - Increased funding margins experienced during and post-COVID-19
  - 425 bps of interest rate increases since February 2022
- As a result, the fund has applied for and received approval from its funders to temporarily reduce its ICR covenant level to 1,7x up to 31 March 2023. In order to ensure sufficient headroom APF has requested that funders extend this relief to 31 March 2024.
- In order to effect a marked improvement in the ICR, management is:
  - Negotiating a reduction in funding margins with its primary funders
  - Continuing with the disposal of non-core properties as documented above
  - Focused on letting and the improvement of revenue streams at our core assets
  - Converting dormant assets such as unutilised bulk into income generating assets
  - In process of considering various recapitalisation options

9,7%
Blended interest rate

75,6%
Debt hedged

2,0 years
Weighted average swap term

Extracting maximum value from core properties

GOALS

- Development of dormant bulk
  - Motor dealership planned at Eden Meander
  - Padel courts at Cedar Square
- Maximising non-GLA income streams with a focus on advertising and rooftop rentals
- Reducing overall cost of occupancy
- Alternative uses of space
- Solar rollout on major retail assets
- Securing alternative sources of water supply
- Utilising grey water

Vacancies

16,7%

(2022: 21,2%)

Cost to income

23,4%

(2022: 25,8%)

3,3 years

Weighted average lease term

Recovery of outstanding related receivables

- To be received In cash: A minimum of R100 million as agreed between APF, the borrower and its financiers
- The remainder of the receivable is to be recovered through the purchase of assets from the related party and the offset of amounts owing
- The following assets are to be purchased

Transaction	Rational for transaction
Acquisition of additional 1 414 parking bays at Fourways Mall for R235 188 129	Positioning Accelerate for future developments
Acquisition of additional 9 325,5m² of additional bulk at Fourways Mall for R60 354 252	Positioning Accelerate for future developments
Acquisition of 1 911m² of additional GLA at Fourways Mall for R60 000 000	Positioning Accelerate for future developments
Acquisition of the business of Accelerate Property Management Company for R47 900 000	– Aligning management staff with Accelerate objectives – Adequately incentivising management staff – Increased control for Accelerate over the property management function
Acquisition of 50% of the Fourways Mall property management function for R40 600 000	Adequately incentivising management staff

Related party receivable at 31 March 2023

R593 million

Amount to be recovered in cash

Minimum of R100 million

Amount to be recovered through the purchase of assets

R444 million

Financial performance

Consolidated statement of financial position

	31 March 2023 (R'000)	31 March 2022 (R'000)
ASSETS		
Non-current assets	8 947 175	10 024 018
Investment property	8 909 411	9 983 936
Derivatives	36 682	38 693
Right-of-use asset	810	330
Equipment	272	1 059
Current assets	1 103 108	905 195
Trade and other receivables	1 011 337	853 479
Derivatives	52 855	3 848
Cash and cash equivalents	38 916	47 868
Investment property held for sale	292 400	147 000
Fair value of investment property assets	292 400	147 000
Total assets	10 342 683	11 076 213
EQUITY AND LIABILITIES		
Shareholders' interest	5 353 251	5 947 972
Share capital	5 186 274	4 948 866
Other reserves	(3 282)	13 821
Retained earnings	170 259	985 285
Non-current liabilities	2 062 139	3 927 962
Long-term borrowings	2 059 866	3 926 441
Lease hold liability	559	758
Derivatives	1 714	763
Current liabilities	2 927 293	1 200 279
Trade and other payables	509 248	532 058
Derivatives	1 506	20 061
Lease hold liability	372	353
Short-term portion of borrowings	2 416 167	647 807
Total equity and liabilities	10 342 683	11 076 213

HIGH-LEVEL OVERVIEW OF POSITION

- R146 million of non-core properties were disposed of with another R292 million at various stages in the transfer process
- Fair value adjustment relate predominantly to larger retail assets affected by a shift in cap rates and market-related rental as well as a reduction in the value of bulk held
- The interest rate swap book is R86,3 million in the money due to the increase in the reference interest rate
- Included in trade and other receivables is R593 million of related party receivables in process of being settled.
- Trade payables include the R300 million Fourways Mall rebuilt claim to be settled
- Short-term portion of borrowings reduced due to concentrated borrowing during COVID-19 with APF's main funders. These are in the process of being re-financed
- Undrawn debt facilities of R218 million

Consolidated statement of profit or loss

	31 March 2023 (R'000)	31 March 2022 (R'000)
Continuing operations		
Revenue, excl. straight-line rental revenue adjustment	895 774	897 376
COVID-19 rental assistance	(15 348)	(35 127)
Straight-line rental revenue adjustment	(23 950)	50 249
Revenue	856 476	912 498
Property expenses	(335 848)	(319 404)
Net property income	520 628	593 094
Operating expenses	(68 502)	(51 261)
Operating profit	452 126	541 833
Fair value adjustments	(744 584)	73 585
Other income	1 809	6 854
Unrealised gains/(losses)	7 660	(21 262)
Expected credit loss provision	20 967	49 622
Fourways Mall rebuilt fair value adjustment	-	(300 000)
Finance income	68 148	43 970
(Loss)/profit before long-term debt interest	(193 874)	394 602
Long-term debt interest	(400 389)	(391 526)
(Loss)/profit before taxation	(594 263)	3 076
Taxation	-	(98)
(Loss)/profit after taxation from continuing operations	(594 263)	2 978
(Loss)/Profit from discontinued operations	(7 079)	57 630
(Loss)/Profit for the year	(601 342)	60 608
Attributable to equity holders of the holding company	(601 342)	61 984
Attributable to minority interest	-	(1 376)

HIGH-LEVEL OVERVIEW OF PERFORMANCE

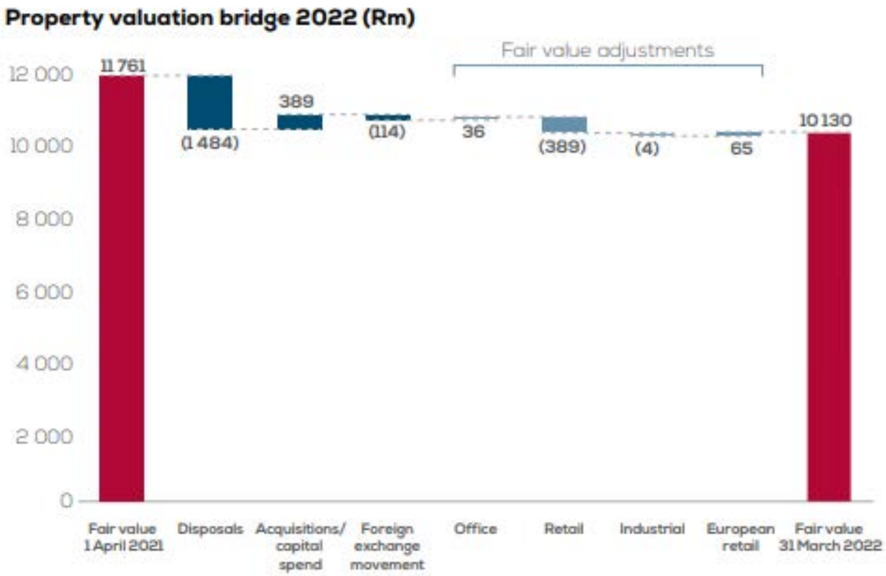
- Like of like revenue growth of 2,6%
- Normalised operating expenses are R53 million per annum
- Fair value adjustments:
  - R809 million write down in Investment properties for the year consisting mainly of write downs on bulk
  - R64,5 million positive revaluation on swaps

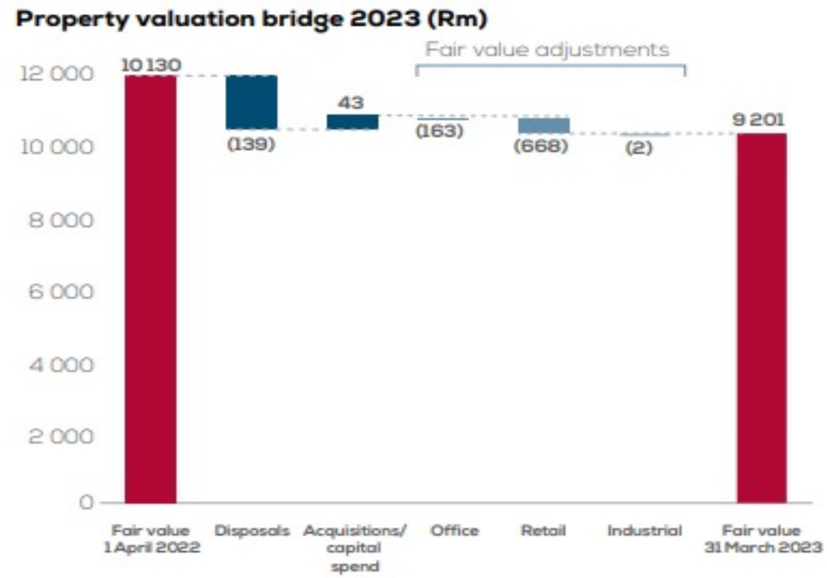
Distribution analysis

	31 March 2023 (R'000)	31 March 2022 (R'000)
DISTRIBUTABLE EARNINGS		
(Loss)/profit after taxation attributable to equity holders	(601 342)	61 984
Add/(Less): Straight-line rental revenue adjustment	23 950	(50 249)
Add/(Less): Fair value adjustments	744 583	(11 035)
(Less)/Add: Unrealised losses/(gains)	(7 660)	21 262
Less: Realisation of foreign currency translation reserve	-	(82 348)
Fourways Mall rebuilt claim (non-cash)	-	300 000
Other tax deductible items not distributed	(102 691)	(29 087)
Distributable earnings	**56 840**	**210 527**
DISTRIBUTION ANALYSIS		
Distributable earnings	56 840	210 527
Less: Cash retention	(56 840)	-
Final distribution	**-**	**210 527**
Shares qualifying for distribution		
Shares qualifying for distribution	1 295 868 398	**957 789 641**
Distribution per share		
Final distribution per share (cents)	-	21.98051
Total distribution per share for the year (cents)	**-**	**21.98051**

- Due to the continued focus of APF on the strengthening of our financial position and retention of cash for reinvestment into our properties the APF board elected to not declare a distribution for the year ended 31 March 2023
- The distributable income is net of R110 million of once off tax deductible items

Valuations





MOVEMENT IN INVESTMENT PROPERTIES

- Gross disposals of R147 million
- Downward fair value adjustment of approximately R809 million comprising mainly of downward adjustments on bulk held and a 12,5% reduction in value on Fourways Mall

Operating performance

Lease expiry profile and escalations

KEY TAKE AWAYS

- Downward pressure on contractual escalations subsiding

WALE

3,3 years

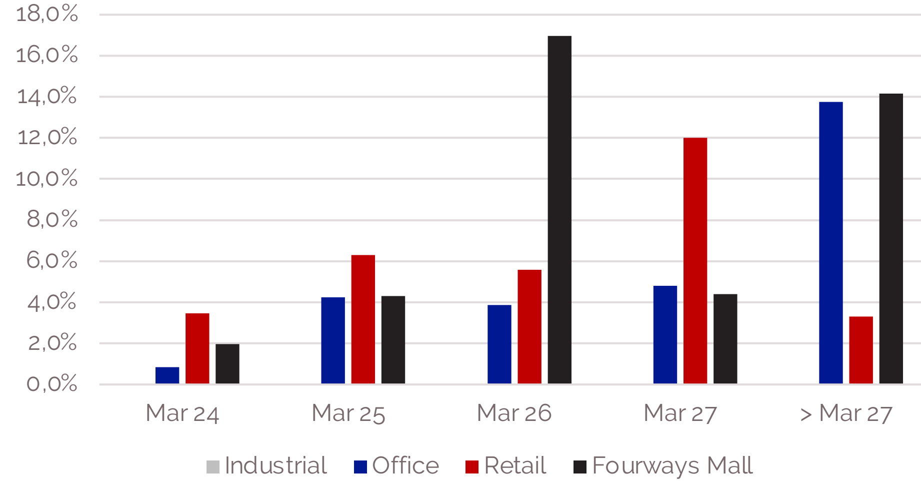
(2022: 3,9 years)

Rental escalations

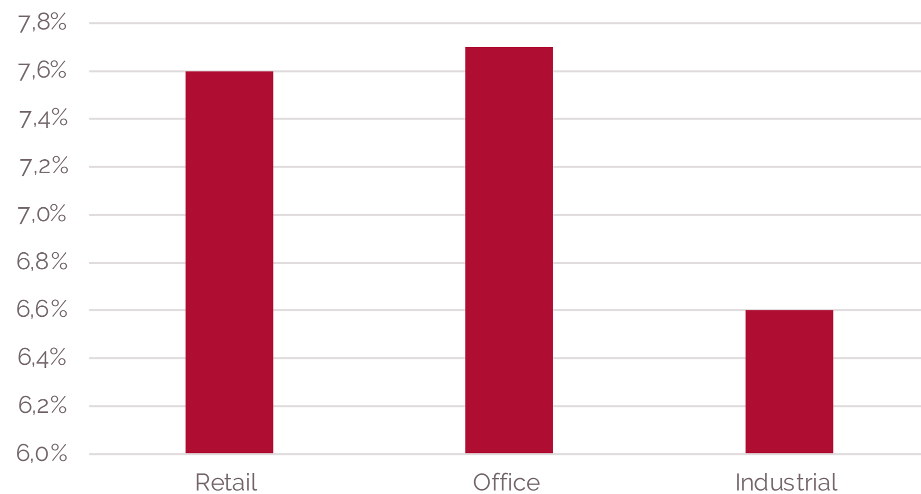
7,6%

(2022: 7,0%)

Lease expiry profile by revenue



Contractual escalations



Tenant retention and rental reversion

KEY TAKE AWAYS

- Retail and office rentals still under pressure
- Strong tenant retention

	Expired (m²)	Renewals (m²)	Retention ratio	Expired avg rental (R/m²)	New avg rental (R/m²)	Rental reversion (%)
Office*	8 581	6 940	80,9%	189.2	168.07	(11,2)
Retail	31 830	27 742	87,2%	207.8	166,7	(19,8)
Industrial**	917	-	0%	-	-	-

The negative rental reversions in both office and retail are due to some long-term leases that were above market expiring and reverting back to market.

*** This expiry relates to one industrial property which was disposed of during the financial period.*

Vacancy profile

KEY TAKE AWAYS

- Overall vacancy decreased significantly
- Majority of vacancies sitting in industrial and B- and C-grade office space

Vacancies

16,4% by GLA

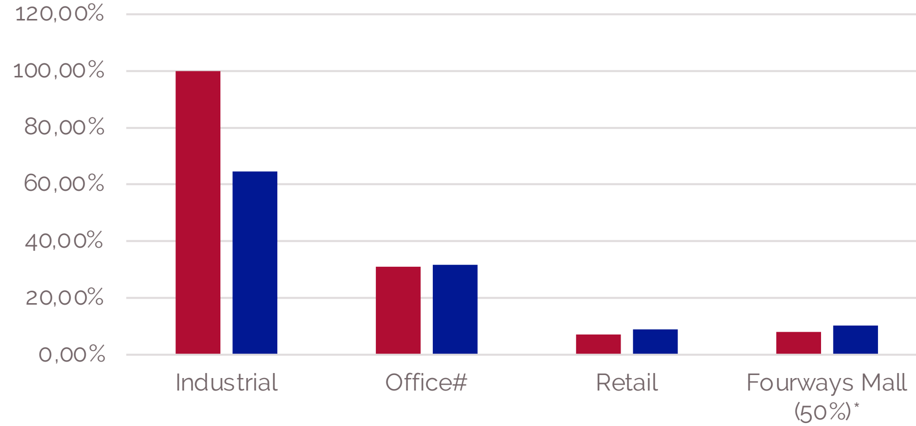
(March 2022: 21,2%)

Vacancies

7,1% by revenue

(March 2022: 9,1%)

Vacancy % by GLA



Vacancies shown above exclude vacant areas under head lease at Fourways Mall of 7 292m².

The majority of the office vacancy relates to B- and C-grade properties and office space attached to neighbourhood centres.

Treasury overview

Debt facilities (overall fund level)

TOTAL DEBT	SHORT-TERM PORTION OF LONG-TERM DEBT	DEBT HEDGED	LTV*
R4,5 billion (March 2022: R4,6 billion)	R2,4 billion (March 2022: R648 3illion)	75,6% (March 2022: 70.8%)	44,8% (March 2022: 42,8%)

WEIGHTED AVERAGE SWAP TERM	BLENDED INTEREST RATE**	INTEREST COVER RATIO	UNDRAWN FACILITES	WEIGHTED AVERAGE DEBT TERM
2,0 years (March 2022: 2,3 years)	9,7% (March 2022: 8,1%)	1,8x (March 2022: 2,1x)	R218 million	1,3 years (March 2022: 1,6 years)

* *Includes receivables from vendors.*
** *Includes the effect of interest rate swaps.*

Debt facilities
(Security SPV 1 – Accelerate listed debt SPV)

		March 2022
TOTAL DEBT	R3,0 billion	R3,1 billion
WEIGHTED AVERAGE DEBT TERM	1,3 years	1,7 years
DEBT HEDGED	75,6%	70,8%
LTV	47,5%	42,8%
WEIGHTED AVERAGE SWAP TERM	2,0 years	2,3 years
BLENDED INTEREST RATE*	9,6%	8,1%
INTEREST COVER RATIO	1,8x	2,1x
UNDRAWN FACILITES	R218 million	R223 million

** Includes the effect of interest rate swaps.*

Debt expiry and hedging

KEY TAKE AWAYS

- R1,3 billion of capital market debt refinanced during the period
- Undrawn facilities of approximately R218 million
- Debt expiry profile has compressed due to shorter term lending as a result of COVID-19
- APF is currently engaging with all funders regarding the restructuring of the lending book

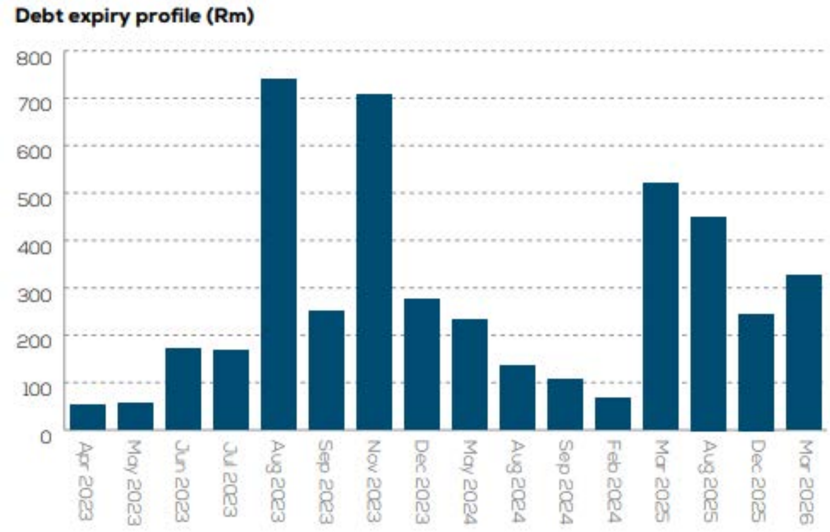
in order to:

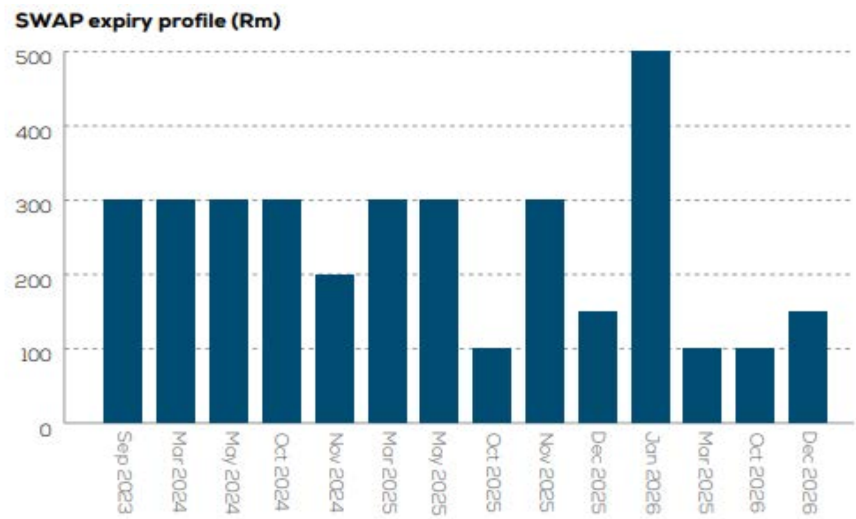
i. Ensure adequate covenant headroom

ii. Reduce all-in cost of funding

iii. Improve the weighted average debt expiry

- R300 million of swaps expiring in 2023
- % hedged to increase with the sale of non-core assets





Portfolio update

Portfolio overview

	GLA (m^2)	GLA (%)	Value (R'bn)	Value (%)	Revenue (R'm)	Revenue (%)
Retail	246 935	64,9	6,5	71,5	641,9	71,7
Office	130 085	34,2	2,6	28,2	248,2	27,7
Industrial	3 343	0,9	0,02	0,3	5,5	0,6

Retail portfolio

KEY DEVELOPMENTS AND FOCUS AREAS

– Disposal of non-core assets:

Property	Value (R)	Timing of transfer
Cascades Shopping Centre	16 500 000	Transferred
Corporate Corner	17 000 000	Transferred
Ford Fourways	77 000 000	Transferred
The Leaping Frog	125 000 000	August 2023
Cherry Lane	65 000 000	September 2023
	300 500 000	

– The disposal of these assets will have an ICR impact of 0,1x and an LTV impact of 1,7%
– Current focus is on defensive capex spend (R211 million budgeted) on core assets and development of unutilised bulk
– Re-purposing of space
– Maximise non-GLA income and signage income
– Solar roll out across several retail assets
– Unlocking full value at Fourways Mall
– Increasing the WALE
– Managing costs

WALE

2,5 years

Fair value

R6,5 billion

(including bulk of R589 million)

Vacancy GLA*

7,5%

In force escalations

7,6%

** Excluding space covered by the Fourways Mall headlease.*

Fourways Mall

TRADING

- Consistent improvement in trading densities (18% December 2021 to December 2022)
- 12% year-on-year increase in parking numbers

LEASING

- Focus on renewal of leases expiring 5-years post opening
- Larger new and prospective tenants:
  - JB Active (2 742 m^2) – Open
  - Volvo and Chery dealership (3 885 m^2) – Open
  - Value Co (4 102 m^2) to open November/December 2023
  - Tactical HQ (3 000m^2) to open August 2023
- Kidzania Mexico – Meeting held with executives in Mexico June 2023 to conclude way forward

KEY PRIORITIES

- Investment in technology to track tenant behaviour and foot traffic
- Solar roll out – Consultants appointed
- Improve and diversify the restaurant and food offering throughout the mall
- Re-balance tenant mix
- Improvement of façade, signage and way-finding
- Cater for the full LSM spectrum in our catchment area (higher LSM tenants)

COVID -19 LOSS OF INCOME INSURANCE CLAIM

- Court date set for 23 October 2023

WALE

2,8 years

Fair value (APF portion)

R4,0 billion

(including bulk of R190 million)

Vacancy GLA*

7,9%

** Excluding space covered by the Fourways Mall headlease. 15.9% in total including headlease vacancy.*

Cedar Square

KEY DEVELOPMENTS (all open and trading)

1. Pick n Pay clothing 439m^2
2. Durama restaurant 368m^2
3. Venture workspace (co-working space) – 1 095m^2
4. The golf space – 459m^2
5. Padel courts

FOCUS AREAS

- Increasing the entertainment and food offerings
- Solar rollout
- Development of bulk (including padel courts and potential drive through food hub)
- Alternative uses for space (converting to office and other uses)
- Maximising non-GLA income

TRADING

- Year on year trading density growth 7,7%

WALE

2,0 years

Fair value

R841 million

(including bulk of R202 million)

Vacancy GLA

8,2%

Eden Meander

KEY DEVELOPMENTS

- Centre almost fully let
- A motor dealership, Tiger Wheel & Tyre, and a car wash planned to open on unutilsied bulk

FOCUS AREAS

- Overall refurbishment of look and feel
- Activating all areas in the centre with the strategic placement of anchor tenants
- APF exploring expanding footprint in this node

TRADING

- Double digit year-on-year growth in trading densities
- 14% year-on-year growth in seasonal trade

WALE

3,7 years

Fair value

R522 million

(including bulk of R30 million)

Vacancy GLA

0,35%

Office portfolio

NON-CORE PROPERTY DISPOSALS

- Brooklyn place sale signed for R25,4 million
- The disposal of remaining non-core office assets will have a positive ICR effect of 0,22x and 2,6% positive effect on LTV
- Post these sales the office portfolio remaining will predominantly consist of:
  - KPMG crescent
  - Cape Town Foreshore P- and A-grade assets
  - The CITI bank building in Sandton

OVERVIEW AND KEY DEVELOPMENTS

- 94,0% of office portfolio consists A- and P-grade by revenue – performing well
- Vacancies predominantly in B- and C-grade offices
- Many of these properties are currently held for sale/redevelopment
- CITI bank vacancy reduced to close to 0% post year end.

FOCUS AREAS

- Attracting and retaining quality tenants
- Tailored upgrades and enhancements to existing assets
- Reduce existing vacancies/repurpose space
- Sale of non-core assets

WALE
4,2 years

Fair value
R2,6 billion
(including bulk of R233 million)

Vacancy GLA
31%

Building	Type	Region	Vacancy	WALE	GLA	% of total office net income
Oceana House	Office	Western Cape	0%	2,2	7 254	8,9%
Thomas Pattullo Building	Office	Western Cape	0%	1,5	6 084	4,4%
Portside	Office	Western Cape	0%	2,1	25 253	29,7%
CITI Bank*	Office	Gauteng	30,6%	3,8	12 431	13,9%
KPMG Crescent	Office	Gauteng	0%	6,4	20 096	33,8%
KPMG Polokwane	Office	Limpopo	0%	6,4	1 481	2,2%
KMPG Secunda	Office	Mpumalanga	0%	6,4	835	1,1%

** The CITI Bank building vacancy was reduced to 10,2% post year end*

Conclusion

Conclusion

EXECUTIVE MANAGEMENT FOCUS

The executive team remains focused on strengthening the core fundamentals of the company with a number of key strategic objectives:

- Fourways Mall trading and overall retail experience;
- Development of unitilised bulk;
- Non-core property disposals and improvement of overall liquidity;
- Resolution of related party matters in the best interest of APF;
- Improvement of overall financial position; and
- Normalising LTV and ICR levels.

RETENTION OF DISTRIBUTABE INCOME

In line with the continued objective of strengthening the Funds financial position and improvement of liquidity to ensure adequate capital spend is made on core properties the board has elected not to declare a distribution.

Due to tax-deductible items and assessed losses carried over no tax outflow due to the non-payment of distributions is expected.

Thank you

Joint CEO
Abri Schneider

Tel: 083 456 1229

Email: abri@acceleratepf.co.za

Joint CEO
Dawid Wandrag

Tel: 082 770 9260

Email: dawid@acceleratepf.co.za

Interim CFO
Pieter Grobler

Tel: 082 453 4175

Email: pieter@acceleratepf.co.za

Disclaimer

This presentation is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published in whole or in part for any other purpose.

This presentation does not constitute an offer or invitation to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. Any decision to purchase securities in the context of a proposed offering of securities, if any, should be made solely on the basis of information contained within an offering circular, programme memorandum or prospectus published in relation to such an offering.

This presentation is intended only for persons who have professional experience in matters relating to investments and to persons to whom it may be lawful to communicate it to (all such persons being referred to as relevant persons). This presentation is only directed at relevant persons and any investment or investment activity to which this presentation relates is only available to relevant persons or will be engaged in only with relevant persons. Solicitations resulting from this presentation will only be responded to if the person concerned is a relevant person. Other persons should not rely or act upon this presentation or any of its contents.

This presentation is for distribution in the Republic of South Africa only.

Nothing in this presentation should be construed as legal, financial, accounting, tax or other advice and relevant persons should determine for themselves the relevance of the information contained in this presentation.

This presentation is a summary of Accelerate's financial results. Any decisions made should be based on the full 31 March 2023 audited consolidated financial statements which are available on the company's website.

By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

The information included in this presentation has not been reviewed or reported on by the company's auditors.