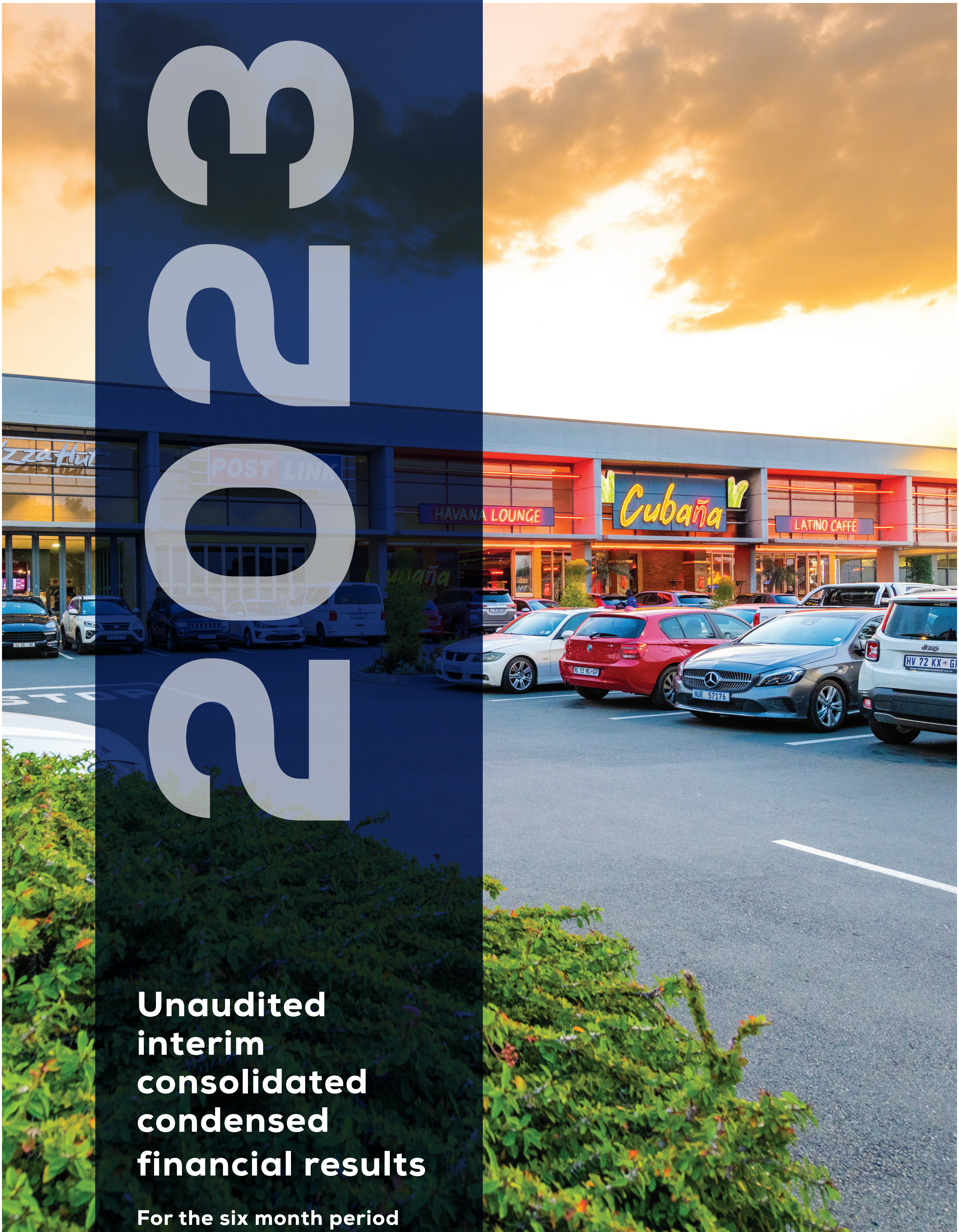
2023



Unaudited interim consolidated condensed financial results

For the six month period ended 30 September 2023

ACCELERATE
PROPERTY FUND

Key indicators

Indicator	30 September 2023	30 September 2022
Revenue from continued operations (incl. COVID-19 effects) (R'000)	**469 767**	443 516
Basic and diluted (loss)/earnings per share (R)	**(6,85)**	17,11
Basic and diluted headline (loss)/earnings per share (R)	**(2,08)**	17,11
Vacancies by GLA*	**17,7%**	19,9%
Weighted average lease expiry (years)**	**3,6**	3,9
Interest cover ratio***	**1,7x**	1,9x
SA REIT Loan-to-value	**47,7%**	42,1%
SA REIT Net asset value per share (R)	**4,06**	5,00
% Hedged	**79,1%**	70,0%

* *Vacancies by GLA will decrease to 12,5% post the conclusion of signed sales currently at various stages of completion.*

** *The reduced WALE is due to lease renewals underway at Fourways Mall (5-year anniversary from opening). Once these 5-year renewals are concluded the WALE is expected to return to normalised levels.*

*** *Accelerate's funders have approved the extension of covenant relief in place to 31 March 2024. The relaxed ICR covenant is 1,7x (normalised 2,0x).*

Introduction

Notwithstanding stronger retail sales reported across most categories, the property sector continued to face significant headwinds, in particular from higher interest rates, fuel costs, load shedding and above-inflation municipal rate increases. Low economic growth and companies adopting a hybrid working model continued to impact especially the B- and C-grade office sector, as traditional tenants can afford to trade up as a result of significant rental reversions in A- and P-grade offices.

Accelerate, however, continues to steadily make progress on strengthening its financial position through various strategic initiatives, including the disposal of non-core assets, and optimising value extraction from its flagship asset, Fourways Mall.

Results overview

Revenue improved by R26,2 million or 5% to R469,8 million mainly due to a better trading performance in the retail sector and prior period Covid-19 effects dissipating in the reporting period.

Despite the revenue improvement, distributable income decreased due to:

- Rising interest rates
- Sustained double-digit growth in municipal and utility costs
- Elevated expenses for providing power backup during ongoing loadshedding.

Consequently, the Group's SA REIT Funds from Operations contracted to R26,9 million from R110,7 million in the prior six-month period.

Strengthening our financial position

Interest rates are at 14-year highs with expectations of a "higher-for-longer" environment that will continue to place significant pressure on domestic trading conditions. Considering an aggregate 425 basis points increase in interest rates since February 2022, Accelerate's executive team continues to prioritise the improvement of the Group's overall credit metrics and reducing debt as key focus areas.

To this end, the board of directors ("the board") has approved property disposals of approximately R1,1 billion as well as a potential rights issue ("Potential Rights Issue") of up to R300 million to be fully underwritten by one of the Company's major shareholders. Shareholders will be kept updated in this regard with details to follow in due course.

ACCELERATE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
LEI: 378900D514788C447E45
JSE code: APF ISIN code: ZAE000185815
Bond company code: APFE
(REIT status approved): 378900D514788C447E4S
("Accelerate" or "the company" or "the Fund")

Asset disposals are at various stages of completion and include:

- The Leaping Frog property that transferred on 30 October 2023 (R125 million)
- The disposal of Eden Meander that became unconditional (only subject to Competition Commission and shareholder approval) in November 2023. The Group anticipates net proceeds of R520 million at a yield of 7,5%
- R350 million of various other smaller disposals that are expected to transfer prior to March 2024.

The conclusion of these objectives will see a reduction in the overall Fund LTV of approximately 9% to 38,5% and an improvement in the ICR of 0,3 times.

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
- The 425 basis points 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 1,7 times to 31 March 2024 in order to allow for initiatives underway to be concluded and take effect.

Diversification of funding

Current undrawn facilities remain at approximately R101,4 million. This is expected to increase significantly as a result of property disposals underway.

Management continues to drive funding diversification to create a more balanced pool of funders to:

- Manage prudential exposure limits
- Encourage competitive pricing
- Build adequate liquidity buffers
- Increase the tenor of the debt expiry profile.

During the prior 12 to 18 months, the Fund has made meaningful progress in diversifying its funding base by raising R775,0 million.

The Buzz Shopping Centre

Progress on key focus areas

Fourways Mall Strategy and Initiatives:

Launched in 2019, Fourways Mall ("FWM" or "the Mall") has consistently posted double-digit turnover and trading density growth post Covid-19, albeit off a low base. This has stabilised during the review period, with a 5,1% annualised growth in trading densities on a year-on-year basis.

Vacancies at the Mall remained fairly flat with a minimal increase of 760m² from 14 349m² in March 2023 to 15 109m² for this reporting period. Management continues to focus on reducing vacancies with the overall vacancy (including Headlease) of 17,0%. Approximately 3 722m² of new tenants (since March 2023) are already trading, with the balance at various stages of fitout.

New tenants who are trading or are in the process of opening include:

- Volvo and Chery Fourways
- McDonalds
- Police
- Hacket London
- Senqu
- John Dory's

FWM's overriding strategy is to become the first-choice family-orientated entertainment and shopping destination in the region. In order to ensure a focused, execution-driven approach that extracts maximum value from FWM, Management is currently re-evaluating the property and asset management functions of the Mall.

A new and revitalised strategy is currently being formulated to address:

- The overall retail experience and offering (addressing the entire LSM categories of the catchment area as well as ensuring that the retail offering remains competitive)
- Increasing the dwell time in the Mall (enabled by a superior entertainment and food offering)
- Increasing the variety of offerings of the Mall by rightsizing the current Mall tenants
- Attracting shoppers from beyond the immediate catchment area.

Key initiatives already underway include:

- The appointment of Flanagan and Gerard, a well-known, independent and experienced retail expert to asset manage Fourways Mall. Details of the appointment will be shared with shareholders in due course.
- Upgrading signage and wayfinding in and around Fourways Mall
- Finalising the Fourways Mall solar project
- Improving internal and external aesthetics
- Optimising tenant mix in order to cater more holistically to the current market.

Capex spend

Accelerate has earmarked a minimum of R200 million to be spent on Fourways Mall, comprising the Group's 50% contribution. The capex spend will primarily be funded through the proceeds of non-core asset disposals.

Letting and increasing revenue streams

On a year-on-year basis, Accelerate's portfolio vacancy level reduced by 2,2%, however, compared to March 2023, overall Fund vacancies increased marginally by 1,3% from 16,4% to 17,7%. Due to the high vacancy levels of some of the non-core assets being disposed of, it is expected that the overall portfolio vacancy will reduce to approximately 12,5% on transfer of the concluded disposal agreements.

The bulk of the Fund's vacancies still remain in the B- and C-grade office space (Charles Crescent) as well as low-income per square meter industrial space.

Solar conversion initiative

The Group is progressing well with solar installations at Cedar Square and other earmarked properties, including at Fourways Mall, BMW Fourways, The Buzz, and Waterford. These power alternatives will not only ensure reliable electricity supply for tenants but will reduce the Group's carbon footprint and save on increasing utility costs.

Treasury snapshot

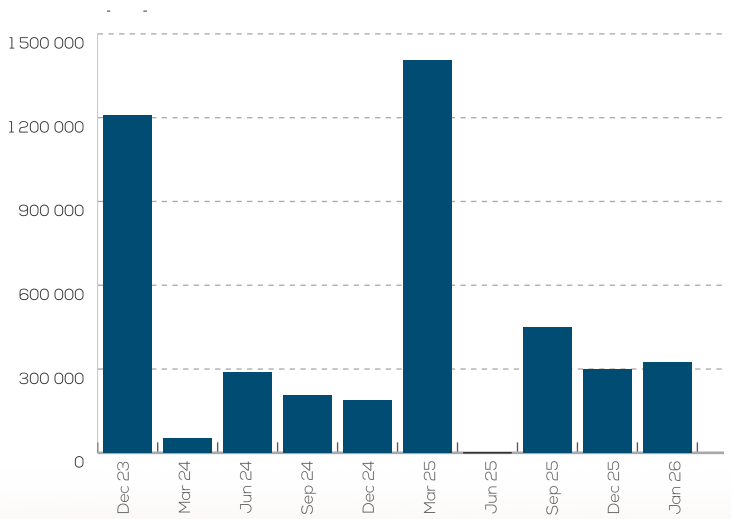
Total debt **R4,4 billion** (Sept 2022: R4,5 billion)	**Short-term portion of debt (note 1)** **R1,9 billion** (Sept 2022: R2,1 billion)	**Weighted average debt term** **1,1 years** (Sept 2022: 1,7 years)	**Debt hedged** **79,1%** (Sept 2022: 70,0%)
Weighted average swap term **1,6 years** (Sept 2022: 2,3 years)	**Undrawn facilities** **R101,4 million**	**SA REIT LTV** **47,7%** (Sept 2022: 44,9%)*	**ICR** **1,7x** (Sept 2022: 1,9x)

Blended interest rate including hedging cost 10,0% (Sept 2022: 9,1%)

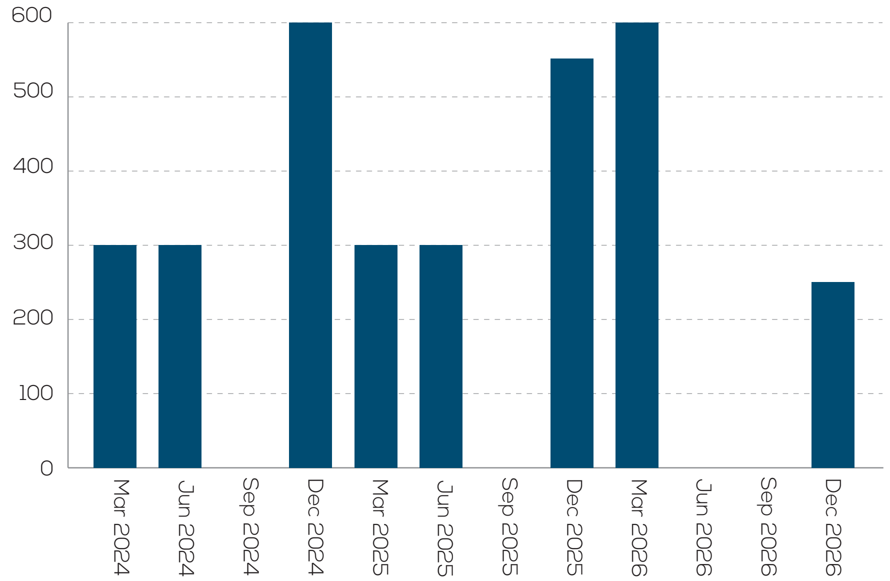
Note 1: Accelerate has already received funding terms to extend R1,1 billion of these expiring facilities. A significant portion of the remaining short-term debt will be settled through the proceeds of asset sales and corporate action.

** SA REIT disclosures were not made during the prior financial period. The calculated value for September 2022 was recalculated using REIT best practice measures.*

Debt expiry (R'm)



SWAP expiry profile (R'm)



The Fund is currently 79,1% hedged, with a weighted average swap expiry of 1,6 years. The percentage hedged will increase as debt is reduced through asset disposals and equity funds.

Given the current interest rate environment, the Fund is not looking to increase the percentage hedged by taking out new interest rate swaps, but rather managing and extending the current swap book in the most efficient and cost-effective manner possible.

Related party settlement

The related party settlement as disclosed in the 31 March 2023 results will be amended to a transaction that will lead to balances due to and from the related party being offset with no cash outflow for Accelerate. Full details will be announced in due course.

BMW Fourways

Consolidated statement of financial position

as at

	Note(s)	30 September 2023 R'000	31 March 2023 R'000
Assets			
Non-current assets			
Property, plant and equipment		**272**	272
Right-of-use assets		**685**	810
Investment property		**8 145 031**	8 909 411
Derivatives	1	**83 626**	36 682
		8 229 614	8 947 175
Current assets			
Trade and other receivables	2	**1 069 715**	1 011 337
Derivatives		**12 874**	52 855
Cash and cash equivalents		**27 849**	38 916
		1 110 438	1 103 108
Non-current assets held for sale	8	**888 400**	292 400
Total assets		**10 228 452**	10 342 683
Equity and liabilities			
Equity attributable to equity holders of parent			
Ordinary share capital	4	**5 186 274**	5 186 274
Other reserves			(3 282)
Retained income		**78 261**	170 259
		5 264 535	5 353 251
Liabilities			
Non-current liabilities			
Derivatives		**3 771**	1 714
Finance lease liabilities		**500**	559
Borrowings	5	**2 496 184**	2 059 866
		2 500 455	2 062 139
Current liabilities			
Trade and other payables	2	**527 772**	509 248
Derivatives		**–**	1 506
Receiver of revenue		**4 077**	–
Finance lease liabilities		**259**	372
Borrowings	5	**1 931 354**	2 416 167
		2 463 462	2 927 293
Total liabilities		**4 963 917**	4 989 432
Total equity and liabilities		**10 228 452**	10 342 683

Consolidated statement of profit or loss and other comprehensive income

for the six months ended

	Note(s)	30 September 2023 R'000	30 September 2022 R'000
Rental income including recoveries	7	**469 767**	443 516
Straight-line rental revenue adjustment		**(53 851)**	(29 322)
Revenue		**415 916**	414 194
Other income/(expense)		**266**	(3 856)
Unrealised gains	9	**-**	4 250
Expected credit loss		**(43 701)**	5 027
Property expenses		**(160 896)**	(150 046)
Operating expenses		**(46 277)**	(27 538)
Operating profit		**165 308**	242 031
Finance income calculated using the effective interest method		**44 389**	28 068
Finance costs		**(232 742)**	(191 139)
Fair value adjustments	8	**(61 594)**	93 342
(Loss)/profit before taxation		**(84 639)**	172 302
Taxation		**(4 077)**	-
(Loss)/profit for the period		**(88 716)**	172 302
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		**-**	85
Total comprehensive (loss)/profit		**(88 716)**	172 387
(Loss)/profit attributable to:			
Shareholders of the parent		**(88 716)**	172 302
Non-controlling interest		**-**	-
		(88 716)	172 302
Total earnings per share			
Basic and diluted (loss)/earnings per share (cents)		**(6,85)**	17,11
Basic and diluted headline (loss)/earnings per share (cents)		**(2,08)**	17,11

Consolidated statement of changes in equity

for the six months ended

	Share capital R'000	Foreign currency translation reserve R'000	Share incentive reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the group/ company R'000
Balance at 1 April 2022	4 948 866	690	13 131	13 821	985 285	5 947 972
Profit for the period	–	–	–	–	172 302	172 302
Other comprehensive income	–	85	–	85	–	85
Total comprehensive profit for the period	–	85	–	85	172 302	172 387
Transfer between reserves	13 131	–	(13 131)	(13 131)	–	–
Dividend reinvestment	179 543	–	–	–	–	179 543
Distribution paid	–	–	–	–	(213 684)	(213 684)
Total contributions by and distributions to owners of company recognised directly in equity	192 674	–	(13 131)	(13 131)	(213 684)	(34 141)
Balance at 30 September 2022	**5 141 540**	**775**	**–**	**775**	**943 903**	**6 086 218**
Balance at 1 April 2023	**5 186 274**	**(3 282)**	**–**	**(3 282)**	**170 259**	**5 353 251**
Loss for the period	**–**	**–**	**–**	**–**	**(88 716)**	**(88 716)**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(88 716)**	**(88 716)**
Transfer between reserves	**–**	**3 282**	**–**	**3 282**	**(3 282)**	**–**
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 September 2023	**5 186 274**	**–**	**–**	**–**	**78 261**	**5 264 535**

Consolidated statement of cash flows

for the six months ended

	Note(s)	30 September 2023 R'000	30 September 2022 R'000
Cash flows from operating activities			
Cash generated from operations	10	**227 331**	189 203
Finance income received		**3 938**	1 395
Net cash from operating activities		**231 269**	190 598
Cash flows from investing activities			
Purchase of property, plant and equipment		**(236)**	(47)
Investment property capital spend		**(28 795)**	(30 804)
Proceeds from disposal of investment property and assets held for sale		**77 000**	17 000
Net cash from investing activities		**47 969**	(13 851)
Cash flows from financing activities			
Borrowings raised		**855 372**	497 000
Borrowings repaid		**(912 763)**	(509 000)
Capital payment on lease liabilities		**(172)**	(179)
Finance cost paid		**(232 741)**	(191 139)
Net cash from financing activities		**(290 304)**	(203 318)
Total cash movement for the year		**(11 066)**	(26 571)
Cash at the beginning of the year		**38 915**	47 868
Effect of exchange rate movement on cash balances		**–**	433
Total cash at end of the period		**27 849**	21 730

Segmental analysis

For investment property, financial information is provided on a property-by-property basis to members of executive management, which collectively comprise the chief operating decision maker. The individual properties are aggregated into segments with similar economic characteristics, such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial and retail.

Consequently, Accelerate is considered to have three reportable operating segments, as follows:

– **Office segment:** acquires, develops and leases offices.
– **Industrial segment:** acquires, develops and leases warehouses and factories.
– **Retail segment:** acquires, develops and leases shopping malls, community centres as well as retail centres.

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are not reported to the members of executive management on a segmented basis. There are no sales between segments.

Finance cost is not disclosed on a segmental basis as Accelerate's funding is secured on an overall portfolio basis and not per segment.

Extract of the statement of comprehensive income for the period ended 30 September 2023

R'000	Office	Industrial	Retail	Total
Rental income including recoveries	**136 287**	**4**	**333 476**	**469 767**
Straight-line rental adjustment	**(8 668)**	**–**	**(45 183)**	**(53 851)**
Property expenses	**(40 658)**	**(339)**	**(119 899)**	**(160 896)**
Segment operating profit	**86 961**	**(335)**	**168 394**	**255 020**
Fair value adjustments on investment property	**–**	**–**	**(61 767)**	**(61 767)**
Segment profit	**86 961**	**(335)**	**106 627**	**193 253**
Other operating expenses				**(46 277)**
Expected credit loss				**(43 701)**
Other income				**266**
Fair value gain on financial instruments				**173**
Unrealised gains				**–**
Finance income				**44 389**
Finance cost				**(232 742)**
Taxation				**(4 077)**
Profit after tax				**(88 716)**

Extract of the statement of comprehensive income for the period ended 30 September 2022

R'000	Office	Industrial	Retail	Total
Revenue, excluding straight-line rental revenue adjustment	121 015	3 348	328 146	452 509
COVID-19 rental assistance	–	–	(8 993)	(8 993)
Straight-line rental adjustment	(6 729)	(146)	(22 447)	(29 322)
Property expenses	(36 630)	(1 835)	(111 581)	(150 046)
Segment operating profit	77 656	1 367	185 125	264 148
Fair value adjustments on investment property	–	–	–	–
Segment profit	77 656	1 367	185 125	264 148
Other operating expenses				(27 538)
Expected credit loss				5 027
Other expense				(3 856)
Fair value gain on financial instruments				93 342
Unrealised gains				4 250
Finance income				28 068
Finance cost				(191 139)
Profit after tax				172 302

Extract of the statement of financial position as at 30 September 2023

R'000	**Office**	**Industrial**	**Retail**	**Total**
Assets				
Investment property	**2 394 467**	**24 504**	**5 726 060**	**8 145 031**
Investment property held for sale	**178 100**	_	**710 300**	**888 400**
Segment assets at 30 September 2023	**2 572 567**	**24 504**	**6 436 360**	**9 033 431**
Other assets not managed on a segmental basis				
Derivative financial instruments				**96 500**
Right-of-use asset				**685**
Equipment				**272**
Current assets				**1 097 564**
Total assets				**10 228 452**

Note that Liabilities are not managed on a segmental basis.

Extract of the statement of financial position as at 31 March 2023

R'000	Office	Industrial	Retail	Total
Assets				
Investment property balance 1 April 2022	2 616 387	24 504	6 268 520	8 910 411
Fair value adjustments	25 400	_	267 000	292 400
Segment assets at 31 March 2023	2 641 787	24 504	6 535 520	9 201 811
Other assets not managed on a segmental basis				
Derivative financial instruments				89 537
Right-of-use asset				810
Equipment				272
Current assets				1 050 253
Total assets				10 342 683

Earnings per share

For the period ended	**30 September 2023 R'000**	30 September 2022 R'000
Reconciliation of basic/diluted earnings to headline earnings		
(Loss)/profit attributable to equity holders of the parent	**(88 716)**	172 302
Fair value adjustment excluding straight-lining	**61 767**	–
Headline profit attributable to shareholders of the parent	**(26 949)**	172 302
Basic and diluted (loss)/earnings per share (cents)*	**(6,85)**	17,11
Basic and diluted headline (loss)/earnings per share (cents)*	**(2,08)**	17,11
Shares in issue at the end of the period	**1 295 868 398**	1 224 439 827
Weighted average number of shares in issue	**1 295 868 398**	1 007 206 250

* *Basic earnings and diluted earnings are based on the same earnings figures, but are different as a result of the use of weighted average number of shares in issue for the six months ended 30 September 2022.*

Notes to the financial statements

Corporate information

The summarised financial statements of Accelerate for the period ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors passed on 15 December 2023. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE Limited ("JSE"). The registered office is located at Cedar Square Shopping Centre, corner of Cedar Road and Willow Avenue, Fourways, Johannesburg. The principal activities of Accelerate are acquisition, development and leasing of properties. The functional and presentation currency of Accelerate is South African rand. All figures are rounded off to R'000 except where otherwise stated.

Basis of preparation

These summarised financial statements for the period ended 30 September 2023 are prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS), contain the minimum information required by 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, as amended, the JSE Listings Requirements, and the JSE Debt Listings Requirements.

The accounting policies applied in the preparation of these summarised financial statements are in terms of the IFRS and are consistent with those applied in the annual financial statements, including the new and amended IFRS that became effective during the 30 September 2023 reporting period, none of which had a material impact on Accelerate's financial results.

These summarised financial statements have been prepared under the historical cost convention, except for investment properties and derivatives, which are measured at fair value.

The fair value of investment properties is determined by directors with reference to market-related information, while other financial liabilities are valued with reference to market-related information and valuations as appropriate. At a minimum, all investment properties are valued by independent external valuers on a three-year rolling cycle. Approximately 70% (by value) of Accelerate's investment properties were externally valued for the year ended 31 March 2023.

Updated external valuations are obtained on an annual basis.

The summarised financial statements were prepared under the supervision of Ms Marelise de Lange (CA)SA in her capacity as chief financial officer.

1. Fair value measurement of investment properties

Levels of fair value measurement

It is the policy of Accelerate to have every property valued by an external valuer on a three-year rotational basis as required by the JSE Listings Requirements. This means that each property Accelerate holds is externally valued at least every three years. The remaining investment properties held at the end of each reporting period are valued by Accelerate's directors.

Each year, the directors appoint an external valuer who is responsible for the external valuations of property for the annual financial statements. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. In addition, the directors are responsible for Accelerate's internal property valuations. Internal methods are aligned with those used by external valuers.

At each reporting date, the directors analyse the movements in each property's value. For this analysis, the directors review the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (e.g. rent amounts in rental contracts), market reports (e.g. market rent and cap rates in property market reports) and other relevant documents. Each property is considered a separate asset class based on the unique nature, characteristics and risks of the property. The directors compare each property's change in fair value with relevant external sources (such as the investment property database or other relevant benchmarks) to determine whether the change is reasonable.

Valuation techniques

The fair values of investment properties are determined using either a discounted cash flow (DCF) method or income capitalisation method (cap rate). These two valuation methods are used across the different property portfolios of Accelerate.

DCF method

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and costs of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash inflows associated with the property. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net cash inflows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted at the appropriate rate.

Income capitalisation method

Under the cap rate method, a property's fair value is estimated based on the normalised and market-related net operating income generated by the property, which is divided by the capitalisation rate. The difference between gross and net rental income includes the same expense categories as those for the DCF method, with the exception that certain expenses are not measured over time, but included on the basis of a time-weighted average, such as the average lease costs.

The external valuations were performed by Mills Fitchet and DJB Hoffman, accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued.

The internal valuations were performed by the directors. The valuation models applied are in accordance with those recommended by the International Valuation Standards Committee and are consistent with the principles of IFRS 13.

Changes in valuation techniques

There were no changes in valuation techniques during the year.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Valuation techniques and inputs derive level 3 fair values

The table on page 17 presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period
- A description of the valuation techniques applied
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

Class of property	**Fair value at 30 September 2023 R'000**	**Value of bulk included in fair value R'000**	**Valuation technique**	**Key unobservable inputs**	**Weighted average of key observable inputs**	**Weighted average equivalent yield**
Office	**2 572 567**	**233 200**	**Income capitalisation/ DCF method**	**ERV**	**R177,84**	**8,10%**
				Rental growth per annum	**5,0%**	
				Long-term vacancy rate	**2,2%**	
Industrial	**24 504**	**–**	**Income capitalisation/ DCF method**	**ERV**	**R85,50**	**10,00%**
				Rental growth per annum	**5,0%**	
				Long-term vacancy rate	**5,0%**	
Retail	**6 436 360**	**589 462**	**Income capitalisation/ DCF method**	**ERV**	**R230,13**	**7,6%**
				Rental growth per annum	**5,0%**	
				Long-term vacancy rate	**4,4%**	
Total#	**9 033 431**	**822 662**				

Class of property	Fair value at 31 March 2023 R'000	Value of bulk included in fair value R'000	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
Office	2 641 787	233 200	Income capitalisation/ DCF method	ERV	R177,84	8,10%
				Rental growth per annum	5,0%	
				Long-term vacancy rate	2,2%	
Industrial	24 504	–	Income capitalisation/ DCF method	ERV	R85,50	10,00%
				Rental growth per annum	5,0%	
				Long-term vacancy rate	5,0%	
Retail	6 535 520	589 462	Income capitalisation/ DCF method	ERV	R230,13	7,6%
				Rental growth per annum	5,0%	
				Long-term vacancy rate	4,4%	
Total#	9 201 811	822 662				

 # Included in the above total are properties held for sale of R888,4 million as at 30 September 2023 and R292,4 million as at 31 March 2023. Properties held-for-sale were revalued in September 2023 based on offer/sale agreements. The remaining properties are still considered to be of the same value as disclosed at 31 March 2023 , as there were no significant changes that would impact the property values.

Descriptions and definitions

The table above includes the following descriptions and definitions relating or valuation techniques and key unobservable inputs made in determining the fair values.

Estimated rental value (ERV)

The gross rent per square metre per month at which space could be let in the market conditions prevailing at the date of valuation.

Rental growth

The estimated average increase in rent per annum based on both market estimations and contractual indexations.

Long-term vacancy rate

The ERV of the expected long-term average structural vacant space divided by ERV of the whole property.

Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.

COVID-19

The long-term impact of COVID-19 on the above inputs is yet to be determined with certainty. Short-term assistance given to tenants will not materially impact the valuation of investment property. The long-term impact on rental levels, vacancies and discount rates cannot yet be determined with any degree of certainty.

Equivalent yield

The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review, but with no further rental growth.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Long-term vacancy rate
- Equivalent yield

ERV (Estimated rental value)

An increase or decrease in ERV is directly correlated to an increase or decrease in the estimated fair value.

A 5% increase or decrease in the ERV would result in a 5% increase or decrease in the estimated fair value.

Long-term vacancy rate

Increases/decreases in the long-term vacancy rate would result in decreases/increases in the estimated fair value. The portfolio is currently 17,7% vacant.

Rental growth

The rental growth rate assumption used to value investment property is a direct input into the discount rate used in a discounted cash flow valuation. Thus, if the growth rate increases the discount rate also increases.

Equivalent yield

Portfolio	50 bps increase %	50 bps decrease %
Equivalent yield – Impact on fair value		
30 September 2023		
Retail	**(6,1)**	**7,1**
Office	**(5,8)**	**6,6**
Industrial	**(4,8)**	**5,3**

Portfolio	50 bps increase %	50 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2023		
Retail	(6,1)	7,1
Office	(5,8)	6,6
Industrial	(4,8)	5,3

Property expenses

Property expenses included in valuations are done on a property-by-property basis taking into account location, property type and layout. Assumed increases of expenses are estimated on a line-by-line basis. The increase/decrease in property expenses would result in a decrease/increase in your estimated property value.

Additional sensitivity analysis

R'000	Increase in fair value from a 6,50% decrease in property expense	(Decrease) in fair value from a 6,50% increase in property expenses	Increase in fair value from a 7,00% increase in rental income	(Decrease) in fair value from a 7,00% decrease in rental income	Increase in fair value from a 9,10% decrease in vacancy	(Decrease) in fair value from a 9,10% increase in vacancy
30 September 2023						
Industrial	**705**	**(705)**	**2 474**	**(2 474)**	**3 216**	**(3 216)**
Office	**62 691**	**(62 691)**	**236 405**	**(236 405)**	**307 326**	**(307 326)**
Retail	**198 167**	**(198 167)**	**603 296**	**(603 296)**	**784 284**	**(784 284)**
	261 563	**(261 563)**	**842 175**	**(842 175)**	**1 094 826**	**(1 094 826)**

R'000	Increase in fair value from a 6,50% decrease in property expense	(Decrease) in fair value from a 6,50% increase in property expenses	Increase in fair value from a 7,00% increase in rental income	(Decrease) in fair value from a 7,00% decrease in rental income	Increase in fair value from a 9,10% decrease in vacancy	(Decrease) in fair value from a 9,10% increase in vacancy
31 March 2023						
Industrial	705	(705)	2 474	(2 474)	3 216	(3 216)
Office	62 691	(62 691)	236 405	(236 405)	307 326	(307 326)
Retail	198 167	(198 167)	603 296	(603 296)	784 284	(784 284)
	261 563	(261 563)	842 175	(842 175)	1 094 826	(1 094 826)

2. Fair value of financial assets and liabilities

Total financial assets and liabilities	Carried at fair value R'000	Amortised cost# R'000	Total
Financial assets 30 September 2023			
Long-term derivatives*	**83 626**	**–**	**83 626**
Current portion of derivatives*	**12 874**	**–**	**12 874**
Trade and other receivables**	**–**	**1 069 715**	**1 069 715**
Cash and cash equivalents	**–**	**27 849**	**27 849**
	96 500	**1 097 564**	**1 194 064**
Financial liabilities 30 September 2023			
Derivatives*	**(3 771)**	**–**	**(3 771)**
Long-term interest-bearing borrowings	**–**	**(2 496 184)**	**(2 496 184)**
Current portion of interest-bearing borrowings	**–**	**(1 931 354)**	**(1 931 354)**
Long-term lease liability	**–**	**(500)**	**(500)**
Current portion of lease liability	**–**	**(259)**	**(259)**
Trade and other payables**	**–**	**(458 279)**	**(458 279)**
	(3 771)	**(4 886 576)**	**(4 890 347)**
Financial assets 31 March 2023			
Derivatives*	89 537	–	89 537
Trade and other receivables**	–	1 011 026	1 011 026
Cash and cash equivalents	–	38 916	38 916
	89 537	1 049 942	1 139 479
Financial liabilities 31 March 2023			
Derivatives*	(3 220)	–	(3 220)
Long-term interest-bearing borrowings	–	(2 059 866)	(2 059 866)
Long-term lease liability	–	(559)	(559)
Trade and other payables**	–	(458 271)	(458 271)
Current portion of long-term debt	–	(2 416 167)	(2 416 167)
Current portion of lease liability	–	(372)	(372)
	(3 220)	(4 941 521)	(4 884 918)

* *The values of the derivative financial assets and liabilities are shown at fair value, based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (ie as prices) or indirectly (ie derived from prices) – level 2. The fair value is determined as the net discounted cash flows to be received from the swaps in place at 30 September 2022.*

\# *The carrying value of financial assets and liabilities carried at amortised cost is considered to approximate the fair value of those financial assets and liabilities. There have been no significant changes in valuation techniques or transfers between fair value hierarchy levels.*

** *Refer to note 6 for balances in respect of related parties..*

3. Non-current assets held-for-sale

	30 September 2023 R'000	31 March 2023 R'000
The Leaping frog	**125 000**	125 000
Ford Fourways	**–**	77 000
Brooklyn Place	**20 000**	25 400
Cherry Lane	**65 000**	65 000
Pri-Movie Park*	**75 000**	–
1 Charles Crescent*	**42 000**	–
99-101 Hertzog Boulevard*	**41 000**	–
Eden Meander*	**520 000**	–
	888 000	292 400

** Reflected in investment property at 31 March 2023.*

4. Ordinary share capital

4.1 Ordinary share capital

	30 September 2023 R'000	31 March 2023 R'000
Authorised		
Ordinary shares of no par value	**5 000 000 000**	5 000 000 000
Reconciliation of number of shares issued:		
Reported as at the beginning of the period	**1 340 323 952**	1 002 245 195
Treasury shares held by the group	**(44 455 554)**	(44 455 554)
	1 295 868 398	957 789 641
Issue of shares – Share incentive scheme	**–**	13 823 078
Issue of shares – Distribution reinvestment	**–**	252 827 108
Issue of shares – Rights issue	**–**	71 428 571
Total number of shares in issue at end of the period/year	**1 295 868 398**	1 295 868 398
Issued		
Ordinary share capital of no par value (R'000)	**5 186 274**	4 948 866
Issue of shares (R'000)	**–**	237 408
Ordinary share capital at period end (R'000)	**5 186 274**	5 186 274

The unissued authorised ordinary shares of no par value in the company are under the control and authority of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the company's MoI and the Listings Requirements of the JSE, provided that:

- Such authority to allot and issue new shares is limited to vendor settlements only
- The number of shares that may be issued (under general authority), in aggregate in any one financial year, is limited to 10% of the total number of shares in issue at the beginning of each financial year, any other issuances require specific authority
- The maximum discount permitted, in respect of vendor settlement, will be 5% of the average trade price of the shares in question, measured over the 30 business days prior to the date of each issue of new shares or the 30 business days prior to the date the directors resolve to issue such new shares.

5. Borrowings

	30 September 2023 R'000	31 March 2023 R'000
Total value of loans secured by investment property		
RMB	**1 304 143**	1 286 008
Domestic medium-term note (DMTN) programme	**1 914 400**	2 041 888
Investec	**876 725**	876 216
Ashburton	**39 797**	39 797
Ninety One	**300 000**	245 000
Debt fees to be amortised over the remaining term of the debt	**(7 527)**	(12 876)
	4 427 538	4 476 033
Less: portion repayable within the next 12 months	**(1 931 354)**	(2 416 167)
	2 496 184	2 059 866
Reconciliation of debt movements		
Opening balance	**4 476 033**	4 574 248
Debt raised	**855 371**	810 000
Debt repayment	**(912 763)**	(917 648)
Movement in debt amortisation reserve	**8 897**	9 433
	4 427 538	4 476 033

Carrying value approximates the fair value of borrowings. Interest payments are made as they fall due and capital repayments are only made as per the maturity dates below. Interest rates on these loans are market related and at arms length with third party lenders.

Accelerate has not acquired any debt in the financial period, nor are any fair value adjustments applicable.

6. Related parties

Relationships

Mr MN Georgiou, through the Michael Family Trust owns 100% of Fourways Precinct Proprietary Limited and Azrapart Proprietary Limited. Mr MN Georgiou owns 100% of Accelerate Property Management Company Proprietary Limited.

	30 September 2023 R'000	31 March 2023 R'000 Restated
Related party balances		
Loan accounts receivable		
Fourways Precinct Proprietary Limited	**13 042**	12 305
The Michael Family Trust	**125 099**	119 370
Fourways Precinct Proprietary Limited	**14 111**	13 478
Fourways Precinct Proprietary Limited	**192 264**	183 629
	344 516	328 782
Other receivables and payables		
Headlease receivable		
Fourways Precinct Proprietary Limited*	**347 004**	287 254
Accelerate Property Management tenant receivable	**–**	3 900
Accelerate Property Management Company Proprietary Limited	**–**	876
Rebuilt matter payable		
Azrapart Proprietary Limited	**(300 000)**	(300 000)

	30 September 2023 R'000	30 September 2022 R'000
Related party transactions		
Interest charged on outstanding amounts		
Fourways Precinct Proprietary Limited	**29 539**	17 568
The Michael Family Trust	**5 730**	5 910
Accelerate property management fees paid		
Fourways Precinct Proprietary Limited	**–**	(348)
Accelerate Property Management Company Proprietary Limited	**–**	(1 603)
Letting commission		
Fourways Precinct Proprietary Limited	**–**	(460)
Fourways headlease		
Fourways Precinct Proprietary Limited	**40 217**	42 417

* *The 31 March 2023 amount includes R49,3 million that was previously disclosed as part of the other receivables and erroneously not included in the related party balance.*

- Related party balances are to be settled either (i) in cash or (ii) through future transactions with the relevant related parties
- No fixed repayment terms have been put in place, interest on balances are charged at market-related interest rates.

The following factors are taken into account when assessing the recoverability of related party balances due to the fund:

- Historical receipts and reduction of the related party balances outstanding
- The nature and timing of current and potential future related party transactions
- The financial ability of the related parties to settle their obligations in the future, taking into account their cash flow and net asset value, and security provided.

The related party settlement as disclosed in the 31 March 2023 results will be amended to a transaction that will lead to balances due to and from the related party being offset with no cash outflow for Accelerate. Full details will be announced in due course.

7. Revenue

	30 September 2023 R'000	30 September 2022 R'000
Rental income	**337 183**	334 044
Parking	**15 278**	21 900
Revenue before recoveries	**352 461**	355 944
Revenue from contracts with customers: Recoveries	**117 306**	96 565
Revenue excluding straight-line rental revenue adjustment	**469 767**	452 509

8. Fair value adjustments

	30 September 2023 R'000	30 September 2022 R'000
Investment property (fair value model)	**(61 767)**	–
Gains on derivatives at fair value through profit and loss	**173**	93 342
	(61 594)	93 342

9. Unrealised gains

	30 September 2023 R'000	30 September 2022 R'000
Net foreign exchange gains	**–**	4 250

With the sale of Accelerate Property Fund Europe ("APFE"), the total consideration to be received for such transaction was R792 million, which includes a portion which relates to the settlement of the inter-company loan. The portion of actual cash received by APFE was R634 million, less sales commission of R23 million. The portion of cash and cash equivalents included in the sale was R13 million.

10. Cash generated from operations

	30 September 2023 R'000	30 September 2022 R'000
(Loss)/profit before tax	**(84 640)**	172 302
Adjustments for:		
Depreciation and amortisation	**20 854**	(3 001)
Interest income	**(44 389)**	(28 068)
Finance cost	**232 741**	191 139
Fair value losses/(gains)	**61 594**	(93 342)
Unrealised gains	**–**	(4 250)
Straight-lining rental revenue adjustment	**53 851**	29 322
Changes in working capital		
Trade and other receivables	**(39 366)**	(78 940)
Trade and other payables	**(17 757)**	4 041
	227 331	189 203

11. Capital commitments

In terms of Accelerate's budgeting process, R99,9 million (2022: R74,0 million) was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

12. Subsequent events

Investment property sales post year-end

The property known as Leaping Frog was disposed of for a consideration of R125,0 million and transferred on 30 October 2023. A sale agreement was entered into for the disposal of Eden Meander for R530,0 million which equates to a 7,5% yield on forward income from December 2023. The transaction is subject to Competition Commission and shareholder approval. The expected date of transfer is expected to be by the end of March 2024.

Debt refinances post year-end

R50 million of debt expiring with RMB in November 2023 has been refinanced prior to expiry at a rate of three-month Jibar +300 bps.

Change in board composition

On 1 August 2023, Ms M de Lange joined Accelerate as an executive director and the chief financial officer.

Ms M de Lange replaced Mr PA Grobler who temporarily fulfilled the role as chief financial officer.

SA REIT disclosures

SA REIT Funds from operations

	For the period ended 30 September 2023 R'000
Loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	(88 716)
Adjusted for:	
Fair value adjustment to Investment Property	61 767
Depreciation and amortisation of intangible asset	235
Straight-line rental adjustment	53 851
Foreign exchange and hedging items	
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(173)
SA REIT Funds from Operations	**26 964**
Number of shares outstanding at end of period (net of treasury shares)('000)	1 295 868
SA REIT FFO per share (cents)	**2,1**

SA REIT Net asset value (SA REIT NAV) per share

	For the period ended 30 September 2023 R'000
Reported net asset value attributable to the parent	5 264 536
Number of shares outstanding at end of period (net of treasury shares)('000)	1 295 868
SA REIT NAV per share	**R4,06**

SA REIT Cost-to-income ratio

	For the period ended 30 September 2023 R'000
Expenses	
Operating expenses per IFRS income statement (includes municipal expenses)	(160 896)
Administrative expenses per IFRS income statement	(46 277)
Exclude:	
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	4 792
Operating costs	**(202 381)**
Rental income	
Contractual rental income per IFRS income statement (excluding straight-lining)	352 461
Utility and operating recoveries per IFRS income statement	117 306
Gross rental income	**469 767**
SA REIT Cost-to-income ratio	**43,1%**

SA REIT Admin cost-to-income ratio

	For the period ended 30 September 2023 R'000
Expenses	
Administrative expenses per IFRS income statement	(46 277)
Administrative costs	**(46 277)**
Rental income	
Contractual rental income per IFRS income statement (excluding straight-lining)	352 461
Utility and operating recoveries per IFRS income statement	117 306
Gross rental income	**469 767**
SA REIT Admin cost-to-income ratio	**9,9%**

SA REIT GLA Vacancy rate

	For the period ended 30 September 2023 R'000
Gross lettable area of vacant space	66 086
Gross lettable area of total property portfolio	372 518
SA REIT GLA Vacancy rate	**17,7%**

No REIT disclosures were made during the previous period.

Directors' responsibility statement

The directors of Accelerate assume full responsibility for the preparation of the unaudited condensed interim financial statements. Any forward looking statements included in this announcement have not been reviewed or reported on by the Fund's external auditors.

On behalf of the board

Mr TT Mboweni
(Non-executive chairperson)

Ms M de Lange
(Chief financial officer)

18 December 2023

Corporate information

Directors
Mr TT Mboweni (independent non-executive chairperson)
Mr AM Schneider (joint chief executive officer)
Mr DJ Wandrag (joint chief executive officer)
Ms M de Lange (chief financial officer)
Mr MN Georgiou (non-executive director)
Ms K Madikizela (independent non-executive director)
Mr JF van der Merwe (independent non-executive director)
Mr AM Mawela (independent non-executive director)
Mr JWA Templeton (non-executive director)

Chief operating officer
Mr PA Grobler

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