
# UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS

FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

2021

ACCELERATE
PROPERTY FUND

ACCELERATE PROPERTY FUND LTD
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF

ISIN code: ZAE000185815
Bond code: APFE
(REIT status approved)
(Accelerate, the company or the Fund)

## INTRODUCTION

The interim reporting period for the six months to 30 September 2021 experienced increased economic activity attributable to the easing of the hard and adjusted lockdown restrictions across South Africa. Despite a third wave of COVID-19 infections and a period of adjusted level 4 restrictions, signs of recovery are starting to emerge.

Retail property experienced increased footfall and trading densities over the period, showing increased South Africa consumer sentiment, which is aligning with global economic recovery. Increased trading densities were highlighted by MSCI in apparel, grocery and home décor stores. During the months of adjusted level 4 restrictions, restaurants had limited trading capacity in terms of patrons and liquor sales; however, as the restrictions eased, trading increased.

Consumer sentiment continues to become more positive as the nation's vaccine programme is rolled out across all age groups. The increased consumer sentiment is positive news for the Fund, as shoppers should return to centres, for an increased retail experience, on a more frequent basis.

During July 2021, various shopping centres, retail stores and industrial properties were damaged and looted across KwaZulu-Natal and Gauteng. Accelerate is fortunate that none of the Fund's properties were damaged during this unrest; however, the riots will have an impact on investor confidence for South Africa.

South Africa and its real estate sector are set to continue experiencing other headwinds, including failing municipalities, Eskom's load shedding programme, above-inflation municipal costs and increasing unemployment. The drain on the fiscus by state-owned entities, which has been present for numerous years, is expected to continue.

While property fundamentals will remain subdued into the near future, Accelerate remains actively committed to meeting the changing needs of the market as the property landscape continues to evolve.

## IMMEDIATE FOCUS

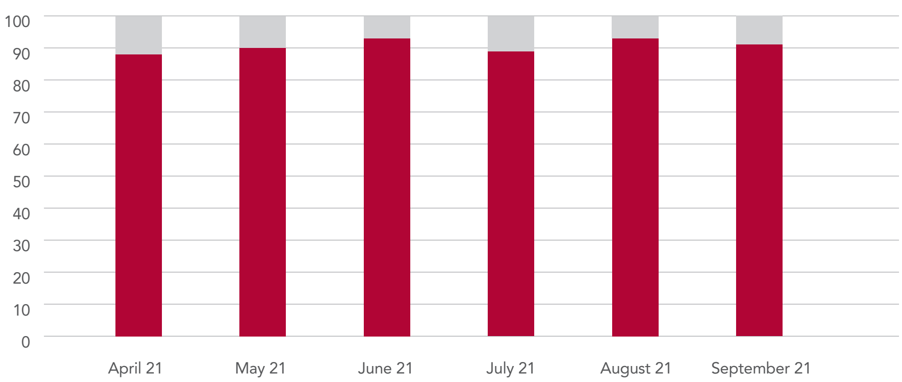
The interim period ended 30 September 2021 has been one of further consolidation for the Fund. The Fund's approach to COVID-19 has been clear, structured and well executed. We remain focused on the long-term sustainability of the Fund and its tenants.

To this end, the Fund has focused on:

- Refinancing debt expiries
- Improving liquidity
- Ensuring the long-term sustainability of tenants through granting sufficient rental assistance during COVID-19
- Extending current and entering into new longer-term leases when granting COVID-19 assistance
- Rebalancing the tenant mix
- Right sizing tenant boxes
- Exploring alternative uses for space
- Managing costs

Rental recoveries, as a percentage of normalised invoiced income, have increased steadily with a 91,4% recovery for September 2021. Non-recovered income predominantly relates to tenants who had limited trading capabilities under lockdown level 3, such as entertainment offerings (Bounce, gyms, restaurants, etc); tenants in business rescue (Ster Kinekor, Virgin Mobile) as well as smaller tenants who are still recovering from the effects COVID-19 had on their business.

**Rental recoveries as a % of normalised invoiced income**




The Fund remains focused on curbing all expenses within our control in order to optimise cash flow available to improve liquidity, repay debt and assist tenants; however, the ongoing above-inflation increases in assessment rates and municipal charges as well as the increased cost of debt continue to be of concern.

The total cost to income (excluding once-off COVID-19 costs) has remained stable at approximately 24%.

## UPDATE ON KEY INDICATORS

| Indicator | **30 September 2021** | 30 September 2020 |
|---|---|---|
| Revenue (excluding COVID-19 effects) (R'000) | 513 210 | 511 648 |
| COVID-19 rental assistance granted (R'000) | (11 233) | (100 086) |
| Basic loss per share | (3,79) | (6,76) |
| Diluted loss per share | (3,74) | (6,63) |
| Weighted average lease expiry (years) | 5,9 | 5,4 |
| Lease escalations (excluding offshore)* | 6,5% | 7,4% |
| Vacancies** | 17,3% | 11,5% |
| Net asset value per share | 6,20 | 6,31 |
| Distributable income (R'000)*** | 135 377 | 11 574 |

* 6,2% including offshore.

** Due to the large box low rental per $m^2$ nature of vacancies, the vacancy figure measured by revenue is 9,5%.

*** No interim distribution was recommended by the Accelerate board.

## LEASING

The Fund's weighted average lease expiry (WALE) remains strong at 5,9 years (4,9 years excluding the offshore portfolio) off the back of:

- Lease extensions negotiated with COVID-19 relief granted
- Long-term leases secured with the opening of Fourways Mall
- Long-term blue-chip office leases
- The offshore portfolio with a WALE of 11,5 years

The strong lease expiry profile has, however, come at a cost with COVID-19 rental assistance granted to tenants as well as rental reversions on renewal of leases.

Contractual escalations have come under pressure, with overall contractual escalation of 6,5% (6,2% including offshore).

## VACANCIES

Vacancies are still a major concern, having risen due to COVID-19 to 17,3% by gross lettable area (GLA) (15,2% when taking into account the headlease at Fourways Mall).

The vacancies in the office space have significantly reduced due to letting concluded in the Cape Town Foreshore area. Noteworthy new leases concluded in the retail space include a long-term lease with Clicks at Eden Meander and a substantial reduction of vacant space at Bela-Bela. However, these positive developments were not sufficient enough to reverse the overall trend.

The bulk of the Fund's vacancies comprises B and C-grade office space as well as low-rental industrial space, resulting in a vacancy by revenue of 9,5%.

## RELATED PARTY MATTERS

- Fourways Mall rebuilt claim:

  As communicated to shareholders via SENS, Accelerate agreed with the developer of Fourways Mall, Azrapart (Pty) Ltd, that the final purchase price for the equalisation of the redeveloped Fourways Mall shopping centre be increased by R300 million in respect of what is known as the rebuilt portion matter. The matter relates to additional costs incurred by the developer to ensure the mall is well positioned for future developments. Shareholders are advised that the dispute has now been settled and payment will be made in due course.

  The rebuilt claim will be settled through the allocation of Accelerate shares. Where appropriate and the necessary shareholder approvals will be sought. The settlement of this claim will not result in any cash outflow from Accelerate.

  The R300 million payable has been recognised as a liability at 30 September 2021, as this payable has been capitalised to the Fourways Mall assets. It has also resulted in a R300 million downward fair value adjustment on Fourways Mall post this capitalisation.

- Related party receivables (note 4):

  A portion of related party receivables, including receivables arising from income guarantees in place at Fourways Mall, are to be utilised by Accelerate to acquire assets at Fourways Mall not yet owned on a 50/50 basis with the developer of Fourways Mall. These acquisitions are to ensure that all assets including bulk and parking at Fourways Mall are owned on a 50/50 basis and that future developments at Fourways Mall are done jointly as co-developers.

  Shareholder approval will be sought where applicable.

  As some of Accelerate's receivables are being realised through the acquisition of assets and not in cash, Accelerate is considering several options in order to recommence the payment of distributions to shareholders including the use of a dividend reinvestment plan and the antecedent divestment of distributions.

## TREASURY OVERVIEW

| Debt funding | 30 September 2021 Rm | % | 31 March 2021 Rm | % |
|---|---|---|---|---|
| Relationship funding (including banks and capital markets) | 5 437 | 92,0 | 5 395 | 89,6 |
| Other debt capital markets | 498 | 8,0 | 630 | 10,4 |
| Total | 5 935 | 100,0 | 6 025 | 100,0 |
| Weighted average debt term (years) | 1,6 | | 1,8 | |
| Short-term portion of debt | 1 629 | 27,0 | 1 775 | 29,5 |
| Debt hedged | | 86,3 | | 81,4 |
| Weighted average swap term (years) | 2,2 | | 2,2 | |
| Blended interest rate | | 7,4 | | 7,4 |
| Interest cover ratio (x) | 2,0 | | 2,0 | |
| Loan to value | | 47,8 | | 48,5 |

Accelerate's main funders have agreed in principle to roll all of their debt expiring up to 30 September 2022 for a minimum of 18 months. These extensions will decrease the short-term portion of debt from R1,6 billion to R367,5 million.

The sale of the offshore portfolio will decrease the loan to value to approximately 42%, improve liquidity reserves and add future growth capacity but will have a minimal impact on the interest coverage ratio due to the termination of the cross-currency swap.

Replacing swaps expiring to 31 March 2022 with new swaps at current market rates will result in annual cost savings of approximately R35 million.

## TREASURY INITIATIVES

(i) Diversification of funding

Accelerate continues with its drive to diversify funding in an effort to create a more balanced pool of suitable funders which will:

- Manage funders' prudential exposure limits
- Encourage competitive debt pricing
- Build up adequate liquidity buffers
- Create enhanced funding flexibility

(ii) Managing overall cost of funding

Accelerate believes there is an opportunity to engage with funders to reduce the current cost of funding which was brought on by shorter-term lending due to COVID-19.

(iii) Improving the debt expiry profile

Accelerate will engage with its funders to meaningfully extend its debt expiry profile, which was brought on by market uncertainty due to COVID-19. Concentration risk will also be addressed and managed.

# Consolidated statement of financial position

as at 30 September 2021

| | Note(s) | For the period ended 30 September 2021 R'000 | For the year ended 31 March 2021 R'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | 214 | 206 |
| Right-of-use assets | | 119 553 | 120 676 |
| Investment property held at fair value | 2 | 10 199 681 | 11 633 782 |
| Investment Property | | 9 906 389 | 11 395 602 |
| Straight line rental revenue adjustment | | 293 292 | 238 180 |
| Derivatives | | 12 997 | 36 341 |
| | | 10 332 445 | 11 791 005 |
| **Current assets** | | | |
| Trade and other receivables | | 697 366 | 597 462 |
| Cash and cash equivalents | | 21 880 | 25 462 |
| Derivatives | | – | 21 332 |
| | | 719 246 | 644 256 |
| Non-current assets held for sale | 2 | 1 563 985 | 127 714 |
| **Total assets** | | 12 615 676 | 12 562 975 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| **Equity attributable to equity holders of parent** | | | |
| Ordinary share capital | | 4 939 713 | 4 937 567 |
| Other reserves | | 93 967 | 131 493 |
| Retained income | | 887 140 | 923 301 |
| | | 5 920 820 | 5 992 361 |
| Non-controlling interest | | 19 551 | 27 150 |
| | | 5 940 371 | 6 019 511 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Derivatives | | 36 881 | 83 725 |
| Lease liabilities | | 116 230 | 116 854 |
| Borrowings | | 4 295 938 | 4 249 916 |
| | | 4 449 049 | 4 450 495 |
| **Current liabilities** | | | |
| Trade and other payables | 3 | 527 951 | 221 804 |
| Derivatives | | 53 969 | 89 653 |
| Lease liabilities | | 5 942 | 5 943 |
| Borrowings | | 1 638 394 | 1 775 569 |
| | | 2 226 256 | 2 092 969 |
| **Total liabilities** | | 6 675 305 | 6 543 464 |
| **Total equity and liabilities** | | 12 615 676 | 12 562 975 |

* Please refer to note 1.

# Consolidated statement of profit or loss and other comprehensive income

for the period ended 30 September 2021

| | Note(s) | For the period ended 30 September 2021 R'000 | For the period ended 31 September 2020 Restated* R'000 |
|---|---|---|---|
| Revenue, excl straight-line rental revenue adjustment and COVID-19 rental relief | 5 | 513 210 | 511 648 |
| Straight-line rental revenue adjustment | | 55 112 | 4 350 |
| COVID-19 rental relief | | (11 233) | (100 086) |
| **Revenue** | | 557 089 | 415 912 |
| Other income | | 557 | 2 330 |
| Unrealised foreign exchange gains | 7 | 47 819 | 302 |
| Expected credit loss | | (14 526) | (44 541) |
| Property expenses | | (168 396) | (159 148) |
| Operating expenses | | (21 980) | (24 941) |
| **Operating profit** | | 400 563 | 189 914 |
| Finance income calculated using the effective interest method | | 20 659 | 24 415 |
| Finance costs | | (193 715) | (205 323) |
| Fair value adjustments | 6 | (262 985) | (72 786) |
| **Loss before taxation** | | (35 478) | (63 780) |
| Taxation | | – | – |
| **Loss for the period** | | (35 478) | (63 780) |
| **Other comprehensive income:** | | | |
| **Items that may be reclassified to profit or loss in subsequent periods:** | | | |
| Exchange differences on translating foreign operations | | (38 962) | 5 461 |
| **Total comprehensive loss** | | (74 440) | (58 319) |
| **(Loss)/profit attributable to:** | | | |
| Shareholders of the parent | | (36 161) | (64 461) |
| Non-controlling interest | | 683 | 681 |
| | | (35 478) | (63 780) |
| **Total comprehensive (loss)/income attributable to:** | | | |
| Shareholders of the parent | | (66 841) | (59 231) |
| Non-controlling interest | | (7 599) | 912 |
| | | (74 440) | (58 319) |
| **Earnings per share** | | | |
| **Per share information** | | | |
| Basic earnings per share (including bulk ceded shares) (cents) | | (3,79) | (6,76) |
| Diluted earnings per share (including bulk ceded shares) (cents) | | (3,74) | (6,63) |

* Please refer to note 1.

# Consolidated statement of changes in equity

for the period ended 30 September 2021

| | Share capital R'000 | Foreign currency translation reserve R'000 | Share incentive reserve R'000 | Total reserves R'000 | Retained income R'000 | Total attri-butable to equity holders of the group/company R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|---|---|
| Balance at 1 April 2020 | 5 125 105 | 141 840 | 24 106 | 165 946 | 1 480 166 | 6 771 217 | 23 075 | 6 794 292 |
| Prior period adjustment (note 1) | (189 138) | – | – | – | 148 838 | (40 300) | – | (40 300) |
| **Balance at 1 April 2020 (restated)** | 4 935 967 | 141 840 | 24 106 | 165 946 | 1 629 004 | 6 730 917 | 23 075 | 6 753 992 |
| Loss for the period | – | – | – | – | (64 461) | (64 461) | 681 | (63 780) |
| Other comprehensive income | – | 5 230 | – | 5 230 | – | 5 230 | 231 | 5 461 |
| **Total comprehensive loss for the year** | – | 5 230 | – | 5 230 | (64 461) | (59 231) | 912 | (58 319) |
| Issue of shares in terms of the share incentive scheme | 1 600 | – | (1 600) | (1 600) | – | – | – | – |
| Conditional share plan reserve | – | – | 548 | 548 | – | 548 | – | 548 |
| **Total contributions by and distributions to owners of company recognised directly in equity** | 1 600 | – | (1 052) | (1 052) | – | 548 | – | 548 |
| **Balance at 30 September 2020** | 4 937 567 | 147 070 | 23 054 | 170 124 | 1 564 543 | 6 672 234 | 23 987 | 6 696 221 |
| **Balance at 1 April 2021** | 4 937 567 | 107 565 | 23 928 | 131 493 | 923 301 | 5 992 361 | 27 150 | 6 019 511 |
| Loss for the period | – | – | – | – | (36 161) | (36 161) | 683 | (35 478) |
| Other comprehensive income | – | (30 680) | – | (30 680) | – | (30 680) | (8 282) | (38 962) |
| **Total comprehensive loss for the year** | – | (30 680) | – | (30 680) | (36 161) | (66 841) | (7 599) | (74 440) |
| Issue of shares in terms of the share incentive scheme | 2 146 | – | (2 146) | (2 146) | – | – | – | – |
| Conditional share plan reserve | – | – | (4 700) | (4 700) | – | (4 700) | – | (4 700) |
| **Total contributions by and distributions to owners of company recognised directly in equity** | 2 146 | – | (6 846) | (6 846) | – | (4 700) | – | (4 700) |
| **Balance at 30 September 2021** | 4 939 713 | 76 885 | 17 082 | 93 967 | 887 140 | 5 920 820 | 19 551 | 5 940 371 |

# Consolidated statement of cash flows

for the six-month period ended 30 September 2021

| | Note(s) | For the period ended 30 September 2021 R'000 | For the period ended 30 September 2020 Restated* R'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 8 | 195 282 | 84 690 |
| Finance income received | | 6 090 | 10 685 |
| **Net cash from operating activities** | | 201 372 | 95 375 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (110) | – |
| Purchase of investment property/capital spend | | (17 086) | (21 227) |
| Proceeds from disposal of investment property and assets held for sale | | 106 200 | – |
| **Net cash from investing activities** | | 89 004 | (21 227) |
| **Cash flows from financing activities** | | | |
| Borrowings raised | | 1 372 649 | 994 750 |
| Borrowings repaid | | (1 463 802) | (860 810) |
| Capital payment on lease liabilities | | (2 923) | (3 420) |
| Finance cost paid | | (199 170) | (170 433) |
| **Net cash from financing activities** | | (293 246) | (39 913) |
| **Total cash movement for the period** | | (2 870) | 34 235 |
| Cash at the beginning of the period | | 25 462 | 33 538 |
| Effect of exchange rate movement on cash balances | | (712) | 1 838 |
| **Total cash at end of the year** | | 21 880 | 69 611 |

* Please refer to note 1.

# Segmental analysis

For investment property, discrete 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, retail and European retail. Consequently, the group is considered to have four 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
- European single-tenant segment: acquires, develops and leases single-tenant space backed by long-term leases

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 funding is secured on portfolio basis and not per segment.

**For the period ended 30 September 2020 (six months)**

| R'000 | Office | Industrial | Retail | European – single tenant | Total |
|---|---|---|---|---|---|
| **Statement of comprehensive income** | | | | | |
| Revenue, excluding straight-line rental revenue adjustment | 111 588 | 24 275 | 312 953 | 62 832 | 511 648 |
| COVID-19 rental assistance | (6 266) | (4 827) | (88 993) | – | (100 086) |
| Straight-line rental adjustment | 4 958 | (670) | 62 | – | 4 350 |
| Property expenses | (27 347) | (13 280) | (100 673) | (17 848) | (159 148) |
| **Segment operating profit** | 82 933 | 5 498 | 123 349 | 44 984 | 256 764 |
| Fair value adjustments on investment property | – | – | – | (3 068) | (3 068) |
| **Segment profit** | 82 933 | 5 498 | 123 349 | 41 916 | 253 696 |
| Other operating expenses | | | | | (24 941) |
| Expected credit loss provision | | | | | (11 136) |
| Expected credit loss provision related to COVID-19 | | | | | (33 405) |
| Other income | | | | | 2 330 |
| Fair value loss on financial instruments | | | | | (69 718) |
| Unrealised gains | | | | | 302 |
| Finance income | | | | | 24 415 |
| Long term debt interest | | | | | (205 323) |
| **Loss before tax** | | | | | (63 780) |

**For the period ended 30 September 2021 (six months)**

| R'000 | **Office** | **Industrial** | **Retail** | **European – single tenant** | **Total** |
|---|---|---|---|---|---|
| **Statement of comprehensive income** | | | | | |
| Revenue, excluding straight-line rental revenue adjustment | 125 589 | 17 726 | 304 258 | 65 637 | 513 210 |
| COVID-19 rental assistance | – | – | (11 233) | – | (11 233) |
| Straight-line rental adjustment | 9 098 | (1 852) | 47 866 | – | 55 112 |
| Property expenses | (32 768) | (6 812) | (111 529) | (17 287) | (168 396) |
| **Segment operating profit** | 101 919 | 9 062 | 229 362 | 48 350 | 388 693 |
| Fair value adjustments on investment property | – | (837) | (300 000) | – | (300 837) |
| **Segment profit** | 101 919 | 8 225 | (70 638) | 48 350 | 87 856 |
| Other operating expenses | | | | | (21 980) |
| Expected credit loss | | | | | (14 526) |
| Other income | | | | | 557 |
| Fair value gain on financial instruments | | | | | 37 852 |
| Unrealised gains | | | | | 47 819 |
| Finance income | | | | | 20 659 |
| Long term debt interest | | | | | (193 715) |
| **Profit before tax** | | | | | (35 478) |

**For the year ended 31 March 2021**

| R'000 | Office | Industrial | Retail | European – single tenant | Total |
|---|---|---|---|---|---|
| **Statement of financial position extracts at 31 March 2021** | | | | | |
| **Assets** | | | | | |
| Investment property balance 1 April 2020 | 2 834 790 | 513 654 | 7 646 168 | 1 832 564 | 12 827 176 |
| Capitalised costs | 31 938 | 2 708 | 35 934 | 6 235 | 76 815 |
| Disposals/classified as held for sale | (16 800) | (258 772) | (44 414) | – | (319 986) |
| Investment property held for sale | 16 800 | 92 000 | 18 914 | – | 127 714 |
| Straight-line rental revenue adjustment | (16 805) | (124) | (61 496) | – | (78 425) |
| Foreign exchange (losses) | – | – | – | (211 571) | (211 571) |
| Fair value adjustments | (79 952) | (95 999) | (412 032) | (72 244) | (660 227) |
| **Segment assets at 31 March 2021** | 2 769 971 | 253 467 | 7 183 074 | 1 554 984 | 11 761 496 |
| **Other assets not managed on a segmental basis** | | | | | |
| Derivative financial instruments | | | | | 57 673 |
| Right of use asset | | | | | 120 676 |
| Equipment | | | | | 206 |
| Current Assets | | | | | 622 924 |
| **Total Assets** | | | | | 12 562 975 |

**For the period ended 30 September 2021**

| R'000 | **Office** | **Industrial** | **Retail** | **European – single tenant** | **Total** |
|---|---|---|---|---|---|
| **Statement of financial position extracts at 30 September 2021** | | | | | |
| **Assets** | | | | | |
| Investment property balance 1 April 2021 | 2 769 971 | 253 467 | 7 183 074 | 1 554 984 | 11 761 496 |
| Capitalised costs | 6 655 | 2 635 | 321 604 | – | 330 894 |
| Disposals/classified as held for sale | – | (92 000) | – | – | (92 000) |
| Straight-line rental revenue adjustment | 9 098 | (1 852) | 47 866 | – | 55 112 |
| Foreign exchange gains | – | – | – | 9 001 | 9 001 |
| Classified as held for sale | – | – | – | (1 563 985) | (1 563 985) |
| Investment property held for sale | – | – | – | 1 563 985 | 1 563 985 |
| Fair value adjustments | – | (837) | (300 000) | – | (300 837) |
| **Segment assets at 30 September 2021** | 2 785 724 | 161 413 | 7 252 544 | 1 563 985 | 11 763 666 |
| **Other assets not managed on a segmental basis** | | | | | |
| Derivative financial instruments | | | | | 12 997 |
| Equipment | | | | | 214 |
| Lease hold asset | | | | | 119 553 |
| Current Assets | | | | | 719 246 |
| **Total Assets** | | | | | 12 615 676 |

# Earnings per share

| | For the period ended 30 September 2021 R'000 | For the period ended 30 September 2020 R'000 |
|---|---|---|
| **Reconciliation of basic/diluted earnings to headline earnings** | | |
| Total comprehensive income attributable to equity holders of the parent | (36 161) | (64 461) |
| Fair value adjustment on investment property attributable to equity holders of the parent excluding straight-lining | 300 837 | 2 957 |
| Headline profit attributable to shareholders of the parent | 264 676 | (61 504) |
| Basic earnings per share (cents)* | (3,79) | (6,76) |
| Diluted earnings per share (cents)* | (3,74) | (6,63) |
| Headline earnings per share (cents) | 27,72 | (6,45) |
| Diluted headline earnings per share (cents) | 27,40 | (6,33) |
| Shares in issue at the end of the year | 957 789 641 | 954 488 734 |
| Weighted average number of shares in issue | 954 940 913 | 954 117 321 |
| Potential shares under the conditional share plan | 11 092 308 | 17 455 252 |
| Weighted average number of deferred shares | 11 092 308 | 17 445 252 |
| **Total diluted weighted average number of shares in issue** | 966 033 221 | 971 562 573 |

* 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 issue for the year.

# Notes to the financial statements

## CORPORATE INFORMATION

The condensed financial statements of Accelerate for the period ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors passed on 22 November 2021. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE Ltd (JSE). The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue. 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 condensed financial statements for the period ended 30 September 2021 are prepared in accordance with the framework concepts and the measurement and recognition requirements of 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 Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended, the JSE Listings Requirements and JSE Debt Listings Requirements.

The accounting policies applied in the preparation of these condensed financial statements are in terms of IFRS and are consistent with those applied in the 31 March 2021 annual financial statements, including the new and amended IFRS that became effective during the 30 September 2021 reporting period, none of which had a material impact on Accelerate's financial results.

These condensed 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.

These condensed financial statements were prepared under the supervision of Mr Dimitri Kyriakides (CA)SA in his capacity as Chief Financial Officer.

## 1. Restatement of financial statements

### 1.1 Financial guarantee

The financial statements for the period ended 30 September 2020, as reported, have been restated to correct the previous non-consolidation of certain special purpose vehicles (SPVs), not owned or controlled by Accelerate, but for which guarantees were provided by Accelerate to Rand Merchant Bank (RMB). The nature and amounts of the correction are detailed below.

#### Origin and nature of the guarantee

In order to retain and align key Executive Directors with shareholders, the group encourages the acquisition of shares by Executive Directors who did not have a material shareholding in the group.

Consequently, in December 2016 an executive buy-in structure was approved by shareholders and certain Executive Directors acquired Accelerate shares through SPVs. The SPVs were funded through bank debt from RMB expiring on 7 December 2020. The interest on bank debt accrued in the SPVs was to be serviced by the distributions received from Accelerate, and RMB had cession over these shares. The directors would only have an unconditional right to the shares in the SPVs once the bank debt had been settled.

Accelerate provided guarantees to RMB for the performance of each SPVs obligations. The maximum liability Accelerate may have under the guarantees is 100% (2020: 100%) of the debt outstanding to the extent that amounts owing to RMB are not settled by the sale of the shares RMB has cession over.

#### Accounting for the guarantee to 30 September 2020

From inception of the structure, Accelerate did not consolidate the SPVs but recognised a liability in its financial statements equivalent to the full value of the obligation Accelerate had under the guarantee to RMB, less the fair value of the shares held by RMB as collateral at reporting date.

The liability recognised net of the value of the shares in the consolidated group annual financial statements of Accelerate for the period ended 30 September 2020 was R179 572 000 (2019: R98 492 000).

As at 30 September 2020 the total loan balance owed to RMB by the SPVs was R229,8 million.

Consequently, for the financial year ended 31 March 2020 and the preceding years the full exposure under the guarantee was recognised.

## 1. Restatement of financial statements continued

### 1.1 Financial guarantee continued

Change in accounting from 31 March 2021 onwards

On reassessment of the accounting treatment of the SPVs by Accelerate, we concluded that the exposure to variable returns as a result of the financial guarantees would lead to consolidation of the SPVs. The group therefore took the decision that the SPVs be consolidated, and the financial statements have been retrospectively corrected as a result.

The effect of correction

The restatement of the annual results of the group resulting from the consolidation of the share SPVs resulted in:

- The full nominal value of the liability owing by the SPVs to RMB being recognised as a liability in the financial statements of the group
- The Accelerate shares held by the SPVs being treated as treasury shares for group reporting purposes
- A reversal of unrealised losses recognised in prior years on the financial guarantee provision created

The restatement of the financial statements as result of the correction of consolidation of the SPVs resulted in the following net effect on the annual financial statements of the group:

| | **Six-month period ended 30 September 2020 R'000** | | | Year ended 31 March 2020 R'000 | | |
|---|---|---|---|---|---|---|
| | **As reported** | **Adjustment** | **Consolidated reporting** | As reported | Adjustment | Consolidated reporting |
| **Statement of financial position** | | | | | | |
| Ordinary share capital | (5 126 705) | 189 138 | (4 937 567) | (5 125 105) | 189 138 | (4 935 967) |
| Retained earnings* | (1 396 089) | (168 454) | (1 564 543) | (1 480 166) | (148 838) | (1 629 004) |
| **Current liabilities** | | | | | | |
| Trade and other payables | (393 538) | 179 572 | (213 966) | (393 774) | 179 571 | (214 203) |
| Borrowings | (605 528) | (229 874) | (835 402) | (1 118 768) | (219 871) | (1 338 639) |
| **Statement of profit or loss and other comprehensive income** | | | | | | |
| Unrealised (losses)/gains | (29 317) | 29 619 | 302 | (19 422) | 81 080 | 61 658 |
| Finance costs | (195 320) | (10 003) | (205 323) | (350 396) | (24 736) | (375 132) |
| **Earnings per share** | | | | | | |
| Basic earnings per share (including bulk ceded shares) (cents) | (8,42) | 1,66 | (6,76) | (90,21) | 1,71 | (88,50) |
| Diluted earnings per share (including bulk ceded shares) (cents) | (8,28) | 1,65 | (6,63) | (88,30) | 1,76 | (86,54) |
| Headline earnings per share (cents) | (8,12) | 1,67 | (6,45) | 10,15 | 6,39 | 16,54 |
| Diluted headline earnings | (7,98) | 1,65 | (6,33) | 9,94 | 6,23 | 16,17 |

* The retained earnings impact includes distributions paid to the SPVs that were eliminated on consolidation.

## 1. Restatement of financial statements continued

### 1.2 Restatement of cash flows

The consolidated cash flows for the period ended 30 September 2020 as reported, have been restated to correct the interest received and interest paid, which previously did not include the removal of interest accruals and therefore did not reflect the actual cash received and paid. This also included borrowing cost capitalised to investment property which was incorrectly included in the purchase of investment property. The distribution paid was also restated as a result of the restatement of the financial guarantee, where the shares held by the SPVs are treasury shares and therefore the dividend. The nature and amounts of the correction are detailed below:

| | 30 September 2020 R'000 | | |
|---|---|---|---|
| | As previously stated | Effect of adjustment | As restated |
| **Statement of cash flows** | | | |
| **Effect on cash flows from operating activities** | | | |
| Cash generated from operations | 107 694 | (23 004) | 84 690 |
| Finance income received | 24 415 | (13 730) | 10 685 |
| **Net cash from operating activities** | **132 109** | **(36 734)** | **95 375** |
| **Effect on cash flows from investing activities** | | | |
| Purchase of investment property | (31 483) | 10 256 | (21 227) |
| **Net cash from investing activities** | **(31 483)** | **10 256** | **(21 227)** |
| **Cash flows from financing activities** | | | |
| Finance cost paid | (196 911) | 26 478 | (170 433) |
| **Net cash from financing activities** | **(66 391)** | **26 478** | **(39 913)** |

## 2. 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 verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (eg rent amounts in rental contracts), market reports (eg 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.

## 2. Fair value measurement of investment properties continued

### Valuation adjustments

For the year ended 31 March 2020 Accelerate took a conservative view on the valuation of investment property with the potential effects of COVID-19 at top of mind. This resulted in a downward valuation of R1 billion (7,0%) recorded at 31 March 2020. In order to ensure transparency and to provide the market with additional comfort regarding the valuation of investment property, the Fund had in excess of 90% of its investment property (by value) externally valued for the year ended 31 March 2021. The additional effect of COVID-19 resulted in a further downwards valuation of the portfolio by R660 million (5,0%) for the year ended 31 March 2021.

During the Funds assessment of the fair value of Investment Property for the period ended 30 September 2021 a further downward valuation adjustments of R 300 million was made as a result of the Fourways Mall rebuilt claim being capitalised to Fourways Mall during the period without this spend resulting in an increase in the value of Fourways Mall.

The directors of Accelerate reviewed the fair values of investment properties at 30 September 2021 and were satisfied that post the adjustment discussed above, the value of investment properties held is fairly reflected in the 30 September 2021 results.

### 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, reletting, 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 cost, 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 Coldwell Banker Richard Ellis (Offshore valuations) 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 in 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.

## 2. Fair value measurement of investment properties continued

### Valuation techniques and inputs derive level 3 fair values

The table below 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 as at 31 March 2021 R'000 | Valuation technique | Key unobservable inputs | Weighted average of key observable inputs | Weighted average equivalent yield % |
|---|---|---|---|---|---|
| Office | 2 769 971 | Income capitalisation/ DCF method | ERV | R180,90 | 8,50 |
| | | | Rental growth pa | 5,1% | |
| | | | Long-term vacancy rate | 2,3% | |
| Industrial | 253 467 | Income capitalisation/ DCF method | ERV | R76,90 | 9,70 |
| | | | Rental growth pa | 4,8% | |
| | | | Long-term vacancy rate | 4,0% | |
| Retail | 7 183 074 | Income capitalisation/ DCF method | ERV | R308,50 | 7,50 |
| | | | Rental growth pa | 5,0% | |
| | | | Long-term vacancy rate | 2,1% | |
| Europe retail | 1 554 984 | Income capitalisation/ DCF method | ERV | R138,60 | 6,46 |
| | | | Rental growth pa | 0% | |
| | | | Long-term vacancy rate | 0% | |
| **Total** | 11 761 496 | | | | |

| Class of property | Fair value as at 30 September 2021 R'000 | Valuation technique | Key unobservable inputs | Weighted average of key observable inputs | Weighted average equivalent yield % |
|---|---|---|---|---|---|
| Office | 2 785 724 | Income capitalisation/ DCF method | ERV | R185,00 | 8,7 |
| | | | Rental growth pa | 5,2% | |
| | | | Long-term vacancy rate | 2,8% | |
| Industrial | 161 413 | Income capitalisation/ DCF method | ERV | R71,40 | 10,1 |
| | | | Rental growth pa | 5,0% | |
| | | | Long-term vacancy rate | 4,3% | |
| Retail | 7 252 544 | Income capitalisation/ DCF method | ERV | R307,70 | 7,5 |
| | | | Rental growth pa | 5,0% | |
| | | | Long-term vacancy rate | 2,1% | |
| Europe retail (held for sale) | 1 563 985 | Income capitalisation/ DCF method | ERV | R 139,40 | 6,46 |
| | | | Rental growth pa | 0% | |
| | | | Long-term vacancy rate | 0% | |
| **Total** | 11 763 666 | | | | |

## 2. Fair value measurement of investment properties continued

### Descriptions and definitions

The table on the previous page 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.

#### Equivalent yield

The equivalent yield is defined as the internal rate of return of the cash flow from the property.

### 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

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.

#### Rental growth

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

## 2. Fair value measurement of investment properties continued

Equivalent yield

| South African portfolio | 50 bps increase % | 50 bps decrease % |
|---|---|---|
| **Equivalent yield – Impact on fair value** | | |
| **31 March 2021** | | |
| Retail | (6,3) | 7,1 |
| Office | (5,6) | 6,3 |
| Industrial | (4,9) | 5,4 |

| European retail | 25 bps increase % | 25 bps decrease % |
|---|---|---|
| **Equivalent yield – Impact on fair value** | | |
| **31 March 2021** | | |
| European retail | (3,6) | 4,2 |

| South African portfolio | 50 bps increase % | 50 bps decrease % |
|---|---|---|
| **Equivalent yield – Impact on fair value** | | |
| **30 September 2021** | | |
| Retail | (6,3) | 7,1 |
| Office | (5,4) | 6,1 |
| Industrial | (4,7) | 5,2 |

| European retail | 25 bps increase % | 25 bps decrease % |
|---|---|---|
| **Equivalent yield – Impact on fair value** | | |
| **30 September 2021** | | |
| European retail | (3,7) | 4,0 |

## 3. Fair value of financial assets and liabilities

| Total financial assets and liabilities | Carried at fair value R'000 | Amortised cost# R'000 | Total R'000 |
|---|---|---|---|
| **Financial assets 31 March 2021** | | | |
| Derivatives* | 57 673 | – | 57 673 |
| Trade and other receivables | – | 596 731 | 596 731 |
| Cash and cash equivalents | – | 25 462 | 25 462 |
| | 57 673 | 622 193 | 679 866 |
| **Financial liabilities 31 March 2021** | | | |
| Derivatives* | (173 378) | – | (173 378) |
| Long-term interest-bearing borrowings | – | (4 249 916) | (4 249 916) |
| Long-term lease liability | – | (116 854) | (116 854) |
| Trade and other payables | – | (170 169) | (170 169) |
| Current portion of long-term debt | – | (1 775 569) | (1 775 569) |
| Current portion of lease liability | – | (5 943) | (5 943) |
| | (173 378) | (6 318 451) | (6 491 829) |
| **Financial assets 30 September 2021** | | | |
| Derivatives* | 12 997 | – | 12 997 |
| Trade and other receivables | – | 692 915 | 692 915 |
| Cash and cash equivalents | – | 21 880 | 21 880 |
| | 12 997 | 714 795 | 727 792 |
| **Financial liabilities 30 September 2021** | | | |
| Derivatives* | (90 850) | – | (90 850) |
| Long-term interest-bearing borrowings | – | (4 295 938) | (4 295 938) |
| Long-term lease liability | – | (116 230) | (116 230) |
| Trade and other payables** | – | (469 840) | (469 840) |
| Current portion of long-term debt | – | (1 638 394) | (1 638 394) |
| Current portion of lease liability | – | (5 942) | (5 942) |
| | (90 850) | (6 526 344) | (6 617 194) |

# 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.

* The values of the derivative financial assets and liabilities shown at fair value are 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 31 March 2021.

** The increase in trade and other payables is due to Accelerate agreeing with the developer of Fourways Mall, Azrapart (Pty) Ltd, that the final purchase price for the equalisation of the redeveloped Fourways Mall shopping centre be increased by a R 300 million in respect of what is known as the rebuilt portion matter. Shareholders are advised that the dispute has now been settled and payment will be made in due course.

Given Accelerate's current liquidity constraints, the rebuilt claim will be settled through the allocation of Accelerate shares to Azrapart or its nominee and, where appropriate, the necessary shareholder approvals will be sought. The settlement of this claim will not result in any cash outflow from APF.

## 4. Related party transactions

Mr Michael Georgiou (100% shareholder of Fourways Precinct (Pty) Ltd and Azrapart (Pty) Ltd through The Michael Family Trust and 100% shareholder of Accelerate Property Management Company (Pty) Ltd) and Mr Andrew Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd.

Cordev Marketing (Pty) Ltd is a related party due to its sole director, Ms Winnie Kyriakides, being the wife of Accelerate's CFO, Mr Dimitri Kyriakides.

| | **For the six-month period ended 30 September 2021 R'000** | For the year ended 31 March 2020 R'000 |
|---|---|---|
| **Related party balances** | | |
| **Loan accounts** | | |
| Fourways Precinct (Pty) Ltd# | 10 803 | 10 431 |
| The Michael Family Trust# | 103 644 | 98 742 |
| **Vacancy Guarantee** | | |
| Fourways Precinct (Pty) Ltd# | 11 748 | 11 220 |
| **Development guarantee** | | |
| Fourways Precinct (Pty) Ltd# | 160 064 | 152 875 |
| **Fourways Mall headlease** | | |
| Fourways Precinct (Pty) Ltd# | 94 597 | 55 603 |
| **Fourways Mall rebuilt matter** | | |
| Azrapart (Pty) Ltd | (300 000) | – |

| | **For the six-month period ended 30 September 2021 R'000** | For the six-month period ended 30 September 2020 R'000 |
|---|---|---|
| **Related party transactions for the period ended 30 September 2021** | | |
| **Fourways Mall Rebuilt claim settlement** | | |
| Azrapart (Pty) Ltd | (300 000) | – |
| **Interest charged on outstanding amounts** | | |
| Fourways Precinct (Pty) Ltd | 8 088 | 7 338 |
| The Michael Family Trust | 5 887 | 4 151 |
| **Accelerate Property Management fees paid** | | |
| Fourways Precinct (Pty) Ltd | (1 202) | (1 364) |
| Accelerate Property Management Company (Pty) Ltd (APMC) | (2 988) | (2 934) |
| **Letting commission** | | |
| Fourways Precinct (Pty) Ltd | (2 658) | (2 448) |
| Cordev Marketing (Pty) Ltd | (76) | – |
| **Marketing** | | |
| Cordev Marketing (Pty) Ltd | (58) | (806) |
| **Fourways Mall headlease** | | |
| Fourways Precinct (Pty) Ltd | 38 994 | 35 877 |

# There is no security in place over related party balances at 30 September 2021; however, security was obtained via a cession over a property held by the owner/trustee of the company and trust above.

## 4. Related party transactions continued

- 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 and 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 on the future taking into account security provided

## 5. Revenue

| | **2021 R'000** | 2020 R'000 |
|---|---|---|
| Rental income | 401 212 | 407 544 |
| Parking | 15 886 | 14 539 |
| Sundry property income | 913 | 227 |
| Revenue before recoveries | 418 011 | 422 310 |
| Revenue from contracts with customers: Recoveries | 95 199 | 89 338 |
| Revenue excluding straight-line rental revenue adjustment | 513 210 | 511 648 |

## 6. Fair value adjustments

| | **2021 R'000** | 2020 R'000 |
|---|---|---|
| Investment property (fair value model) | (300 837) | (3 068) |
| Gains/(losses) on derivatives at fair value through profit and loss | 37 852 | (69 718) |
| | (262 985) | (72 786) |

## 7. Unrealised gains

| | **2021 R'000** | 2020 R'000 |
|---|---|---|
| Net foreign exchange gains | 47 819 | 302 |

## 8. Cash generated from operations

| | **2021 R'000** | 2020 R'000 |
|---|---|---|
| **Loss before tax** | (35 478) | (63 780) |
| **Adjustments for:** | | |
| Depreciation and amortisation | 4 253 | 4 067 |
| IFRS 16 depreciation | 2 046 | 2 353 |
| Debt amortisation fee | 5 185 | 780 |
| Interest income | (20 659) | (24 415) |
| Finance cost | 193 715 | 205 323 |
| Fair value losses | 262 984 | 72 786 |
| Unrealised gains | (47 819) | (302) |
| Share incentive expense | 4 700 | 548 |
| Straight-line rental revenue adjustment | (55 112) | (4 350) |
| **Changes in working capital:** | | |
| Trade and other receivables | (249 843) | (71 421) |
| Trade and other payables | 131 310 | (36 899) |
| | 195 282 | 84 690 |

## 9. Capital commitments

In terms of Accelerate's budgeting process, R114,3 million (2020: R43 million) was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

## 10. Subsequent events

### Debt refinances post-year-end

The following debt facilities at 30 September 2021 have been refinanced post-period-end:

| **Funder** | Nominal amount R'000 | Margin – linked to 3-month JIBAR |
|---|---|---|
| RMB Facility T | 176 488 | 3M JIBAR + 300 bps |
| APF 04 | 50 000 | 3M JIBAR + 230 bps |

## DISTRIBUTION ANALYSIS

| | For the six-month period ended 30 September 2021 R'000 | For the six-month period ended 30 September 2020 R'000 |
|---|---|---|
| DISTRIBUTABLE EARNINGS | | |
| Profit/(Loss) after taxation attributable to equity holders | (36 161) | (64 461) |
| Add/(less): Straight-line rental revenue adjustment | (55 112) | (4 350) |
| Add: Fair value adjustments | 262 985 | 72 676 |
| Add: Unrealised (gains) | (47 819) | (302) |
| Plus: Amortisation | 11 484 | 8 011 |
| **Distributable earnings** | 135 377 | 11 574 |
| Less: Funds not distributed | (135 377) | (11 574) |
| **Interim distribution** | – | – |

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Accelerate assume full responsibility for the preparation of the unaudited condensed interim financial statements.

On behalf of the board

**Mr Timothy Fearnhead**
(Non-Executive Chairman)

**Mr Michael Georgiou**
(Chief Executive Officer)

**Mr Dimitri Kyriakides**
(Chief Financial Officer)

24 November 2021

# Corporate information

## Directors*

Mr TJ Fearnhead (Independent Non-Executive Chairman)
Mr A Costa (Chief Operating Officer)
Mr MN Georgiou (Chief Executive Officer)
Mr D Kyriakides (Chief Financial Officer)
Mr DJ Wandrag (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 Francois Viruly (Independent Non-Executive Director)
(8 October 2021)

## Debt officer

Mr PA Grobler (appointed on 30 October 2020)

## Registered office and business address

Cedar Square Shopping Centre,
Management Office,
1st Floor, Cnr Willow Ave and Cedar Rd,
Fourways,
Johannesburg,
2055

Tel: 010 001 0790
Web: www.acceleratepf.co.za

## Investor relations

Articulate Capital Partners: Morné Reinders
Tel: 082 480 4541
Email: morne@articulatepartners.com

## Company Secretary

Ms Margi Pinto
Cedar Square Shopping Centre,
Management Office,
1st Floor, Cnr Willow Ave and Cedar Rd,
Fourways,
Johannesburg,
2055

## Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers,
15 Biermann Avenue,
Rosebank,

2196 Private Bag X9000,
Saxonwold,
2123,
South Africa

Tel: 011 370 5000
Email: proxy@computershare.co.za
Fax: 011 688 2238

## Sponsor

The Standard Bank of South Africa Ltd
(Registration number 1962/000738/06)
Baker Street, Rosebank, 2196
PO Box, 61344, Marshalltown, 2107

## Debt sponsor

Rand Merchant Bank (a division of FirstRand Bank Ltd)
(Registration number 1929/001225/00)
1 Merchant Place,
Cnr Fredman Drive and Rivonia Road,
Sandton,
2196

## Auditors

Ernst & Young Inc
102 Rivonia Road,
Sandton,
Johannesburg,
2149

Tel: 011 772 3000

## Internal Auditors

LateganMashego Auditors (Pty) Ltd
Registration number: 2001/107847/07
Registered address: 11 Boca Walk, Highveld,
Centurion, 0157
Email: lindie@lateganmashego.co.za
Tel: 0828987644/0836091159

## Attorneys

Glyn Marais Inc
(Registration number 1990/000849/21)
2nd Floor, The Place, 1 Sandton Drive, Sandton,2196
PO Box 652361, Benmore, 2010

* There have been no changes in directors during the reporting period.


www.acceleratepf.co.za