

ACCELERATE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2005/015057/06)
Share code: APF ISIN: ZAE000185815
Bond code: APFE
("Accelerate", "APF" or the "Company")

ANNOUNCEMENT RELATING TO THE DISPOSAL BY ACCELERATE OF PICK N PAY FDC

1. INTRODUCTION

Shareholders are advised that Accelerate (the "Seller") has, entered into a sale of letting enterprise agreement (the "Agreement") with Bellingan Properties (Pty) Ltd (the "Purchaser"), to dispose of Pick 'n Pay FDC, Erf 3746 and Erf 3747 North End ("The Property") situated in the Nelson Mandela Bay Metropolitan Municipality, division of Port Elizabeth ("Pick n Pay FDC" or the "Property") ("the Transaction").

2. THE PROPERTY

The Property forms part of Accelerate's portfolio acquired by Accelerate on or about 19 November 2014.

As at 31 March 2020 the Property was valued at R 54 772 849 by management and is being sold for R 50 500 000 ("Consideration") at a yield of 10.0%. The yield is based on current income collected from Pick 'n Pay on a month to month basis.

3. THE CONSIDERATION AND APPLICATION OF THE SALE PROCEEDS

The Consideration of R50 500 000 is in cash without any deduction or set-off whatsoever (the "Consideration"). APF intends to utilise the full sale proceeds towards the reduction of debt.

The Transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by Accelerate's shareholders.

4. RATIONALE FOR THE TRANSACTION AND UPDATE ON BALANCE SHEET OPTIMISATION STRATEGY

Following the Fourways Equalisation, whereby Accelerate own 50% of the completed Fourways Mall Super Regional Centre, the Company has earmarked approximately R1,4 billion of non-core properties for sale and set a target loan to value ratio ("LTV") of below 40%. It is the intention that the proceeds from the sale of these properties will be used to reduce debt.

5. KEY TRANSACTION TERMS

The effective date for the Transaction will be the date on which the last of the conditions precedent are fulfilled or waived, as the case may be, which is expected to be during September 2020.

6. CONDITIONS PRECEDENT

The closing of the Transaction is subject to the following conditions precedent:

- The Purchaser obtaining notification or the necessary funding of a minimum of 70% of the Purchase Price from a financial institution within 25 days of signature of the Sale Agreement (which has been fulfilled); and
- Other necessary consents and approvals customary for a transaction of this nature.

7. INFORMATION RELATING TO THE PROPERTY

Property / Tenant	Location	GLA (m ²)	Net rent per m ² *	Disposal Price	Remaining lease term (years)	Last valuation (ZAR) **	Effective date of the valuation
Pick N Pay FDC	Erf 3746 and Erf 3747 North End situated in the Nelson Mandela Bay Metropolitan Municipality, division of Port Elizabeth	7,983m ²	R52.44	R50 500 000	4.5 years	R54 772 849	31-Mar-20

* The weighted average net rent per m² (also the profit attributable to the net assets of Pick N Pay DC), billed to tenants as at the date of signature of the Agreement, which is an amount of R5 023 542.24 per annum.

** As per the Company's last audited financial results for the 12 months ended 31 March 2020, reported on in terms of International Financial Reporting Standards.

8. WARRANTIES

The Seller has provided warranties and indemnities to the Purchaser that are standard for a transaction of this nature.

Johannesburg

11 September 2020

Sponsor

The Standard Bank of South Africa Limited

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this announcement may be considered forward-looking. Although APF believes that the expectations reflected in any such forward-looking statements relating to the Transaction are reasonable. The information has not been reviewed or reported on by the reporting accountants and auditors and no assurance can be given by APF that such expectations will prove to be correct. APF does not undertake any obligation to publicly update or revise any of the information given in this announcement that may be deemed to be forward- looking.