

REBOSIS PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

(Registration number: 2010/003468/06)

JSE share code: REA ISIN: ZAE000240552

JSE share code: REB ISIN: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or the "Group" or the "Company" or the "Fund"))

**VOLUNTARY PRE-CLOSE INVESTOR UPDATE FOR THE FINANCIAL YEAR ENDED
31 AUGUST 2021**

MARKET OVERVIEW

Domestic economic activity increased during the year under review, with the easing of hard economic lockdown restrictions, although coming off a low base. Most retailers reported buoyant sales trends, led by sales in grocery products and healthcare services despite the country moving back to an adjusted alert level 4 because of third wave Covid-19 infections.

Tenant sustainability, especially in the entertainment and leisure sectors, remains under pressure, exacerbated by above inflationary increases in electricity and municipal charges and supply disruptions.

Damage to property during the large-scale riots and lootings in July 2021 negatively impacted confidence, with resultant further job losses expected to impact on economic recovery and crime. Insurance premiums are expected to increase substantially because of the riots.

IMPACT OF JULY RIOTS

Shareholders are advised that none of the Company's retail assets reported any instances of looting because of the July 2021 unrest.

In the commercial office portfolio, two ground floor retailers at Schreiner Chambers and West Street Parkade were looted on 11 and 12 July 2021 respectively. The looting was negligible on small shops. None of the offices were affected.

Management implemented a comprehensive crisis management response plan in collaboration with its tenants, the South African Police Service, the taxi associations operating from Rebosis' malls, private security providers and other stakeholders.

Rebosis continues to work closely with local law enforcement, security providers, and other relevant parties to maintain the safety of customers and tenants and to protect its properties. A strong police and security presence is being maintained at all the Company's assets.

Management wishes to express their thanks to the South African Police Service, our teams on the ground, the various security providers and especially the South African National Taxi Council (SANTACO) for their ongoing support.

CAPITAL MANAGEMENT

Rebosis continues to enjoy the support of its funders and has been working closely with funders in its strategy to deleverage the Fund. There has been no material change to the Company's balance sheet.

During the review period, the Company successfully extended expiring debt facilities for a further six months to 28 February 2022 (see below for further information).

Shareholders are referred to the most recent renewal of cautionary announcement dated 16 August 2021, advising them that the Company had signed non-disclosure agreements and was in negotiations with local and offshore institutions and pension funds for a transaction that, if successfully concluded, could fundamentally change the financial matrix of Rebosis. The Company expects to announce further details on this transaction shortly.

Nedbank facilities:

Facility amount - R7.9 billion

Expired date - 31 August 2021

Extension - 6 months

New expiry - 28 February 2022

New all-in rate - 6.4% (weighted average rate)

The renewal of all other facilities is imminent.

Liquidity

Rebosis continued to meet all financial obligations over the period. Lower interest rates have assisted the Fund to generate additional surplus cash reserves, notwithstanding the negative impact on cash to accommodate tenants in distress.

Rental concessions in first half of the financial year under review amounted to R14 million and in the second half to R5 million respectively, comparing favourably with rental concessions totalling R70 million granted in the 2020 financial year.

PORTFOLIO UPDATE

The office sector has performed consistently during the reporting period. The Fund continues to benefit from its tenant exposure largely underpinned by sovereign leases, proving its defensive nature during economic downturns.

We continue to collect 100% of government rental collections, which supported the Fund collecting 108% of total rentals (including retail and arrears) for the six months to 31 August 2021.

Collections on retail leases has increased much better than expected and space take-up has also seen a significant improvement on the rebound of retail turnovers.

In addition, focused asset management initiatives added new brands to the Fund's retail spectrum of top brands.

The entertainment sector is still lagging, led by cinemas in particular, whilst the Food & Beverage sector has seen a big turnaround following the easing of second and third wave lockdown restrictions.

CONCLUSION

Property sector short-term outlook

The immediate outlook for listed property remains uncertain as new variants of the Covid-19 virus are being identified, with possible further waves of the pandemic potentially leading to stricter lockdowns. Recovery remains dependent on an expedient roll-out of vaccines.

Rebosis continues to operate as normal, meeting financial obligations, generating surplus cash for the business and continuing to invest in value accretive and defensive capex.

The Fund's executive team has been bolstered with new incumbents who are providing impetus and momentum to achieving the Company's strategic objectives.

Rebosis enters its closed period as of 01 September 2021. The Company's results for the financial year ended 31 August 2021 will be released on SENS on or about 26 November 2021.

The information presented in this update has not been reviewed or reported on by the Company's external auditors.

1 September 2021

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited