

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

THE DISPOSAL BY ACCELERATE OF THE LEAPING FROG SHOPPING CENTRE

1. INTRODUCTION

Shareholders and noteholders are advised that Accelerate ("**Seller**") has entered into a sale of letting enterprise agreement (**the "Agreement"**) with Dorpstraat Capital Growth Fund Proprietary Limited ("**Purchaser**"), to dispose of The Leaping Frog Shopping Centre ("**Leaping Frog**" or the "**Property**") (the "**Transaction**") on 5 April 2022.

2. THE PROPERTY

The Leaping Frog, a convenience shopping centre located on the corner of William Nicol Drive and Mulbarton Road, Beverley, Fourways, Gauteng forms part of Accelerate's retail portfolio and was acquired by Accelerate on or about 12 December 2013.

As at 30 September 2021, The Leaping Frog was valued at R 140 300 000.00 and is being sold for a maximum cash consideration of R130 000 000.00 (One Hundred and thirty million Rand) at a yield of 8.8%.

3. THE CONSIDERATION AND APPLICATION OF THE SALE PROCEEDS

It is the intention of Accelerate to apply the full proceeds to the reduction of debt and/or reinvestment.

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

While the centre has performed adequately over the years it now requires a significant re-development in order to maintain value and compete with new centres in the area. The purchaser has significant expertise in the redevelopment of convenience and neighborhood shopping centres.

Given Accelerate's ongoing drive to strengthen its financial position, the decision was taken to dispose of the asset, which will be redeveloped by the Purchaser within certain agreed parameters. Accelerate retains at its sole discretion an option to repurchase 50% of the Property post redevelopment.

In light of the above, Accelerate has taken the decision to dispose of the property at a 7,1% discount to current book value.

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 May 2022.

7. CONDITIONS PRECEDENT

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

- Due diligence period of 45 days post signature date;
- Guarantees to be issued within 3 business days after successful completion of the due diligence exercise; and
- Other necessary consents and approvals customary for a transaction of this nature.

8. INFORMATION RELATING TO THE PROPERTY

The details of the Property including location, gross lettable area ("GLA"), net rent, remaining lease term and independent valuation are as follows:

Property / Tenant	Location	GLA (m ²)	Net rent per m ² *	Disposal Price	Remaining lease term (WALE)(years)	Last valuation (ZAR) **	Effective date of the valuation
The Leaping Frog	Erven 937 and 938 Beverley Ext 67 and Portion 351 of the farm Zevenfontein 407 JR, Gauteng	11,027 m ²	R86,6 / m ²	R130 000 000	2,2 years	R140 300 000.00	30 September 2021

* The weighted average net rent per m2 (also the profit attributable to the net assets of Leaping Frog), billed to tenants as at the date of signature of the sale agreements.

** Directors valuation as at 30 September 2021 (which the Company is satisfied with) based on cash flows and forward net income achieved by the Property at valuation date.

9. WARRANTIES

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

10. CATEGORISATION OF THE TRANSACTION

In terms of the Listings Requirements of the JSE Limited the Transaction is classified as a Category 2 transaction for APF and does not require shareholder approval.

Johannesburg

07 April 2022

Equity Sponsor

The Standard Bank of South Africa Limited

Debt Sponsor

Rand Merchant Bank (a division of FirstRand Bank 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.