

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

CONDENSED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

Key indicators

	2023	2022
Revenue (R'000) (continued operations) (excl. COVID-19 effects)	895 774	897 376
Remaining COVID-19 rental assistance granted (R'000)	(15 348)	(35 127)
Fair value adjustment on Investment Properties (R'000)	(809 183)	(428 722)
Basic gain/(loss) per share (R)	(52.27)	6,46
Diluted gain/(loss) per share (R)	(52.27)	6,42
Weighted average lease expiry (years)	3,3	3,9
Lease escalations	7,6%	7,0%
Vacancies by GLA	16,4%	21,2%
Vacancies by revenue	7,1%	9,1%
Interest cover ratio	1,8x	2,1x
Net asset value per share (R)	4,13	6,21
Loan-to-value	44,8%	42,8%
Distributable income (R'000)#	56 840	210 527
Final distribution per share (cents)*	-	21.98051

Net of once off tax deductible items of R110 million.

* In order to further strengthen the financial position of the company and due to the liquidity requirements of capital spend on properties over the next 12 months the Accelerate board has elected not to declare a distribution.

Vacancies reduced to 16,4% from 21,2% in FY2022

Weighted average lease expiry 3,3 years

Cost-to-income ratio: 23,4% down from 25,8% in FY2022

Financial performance and trading

At Fourways Mall we have seen an 18% year on year growth in trading densities from December 2021 (3 131 per m2) to December 2022 (3 699 per m2) as well as an 12% year on year increase in parking revenue. These trading figures exclude the benefit of any new leasing underway.

Eden Meander has seen continued double digit growth in trading densities and turnover figures year on year with an average trading density for the year ended 31 December 2022 of R2 522 per m2 per month vs R2 215 per m2 per month for the year ended 31 December 2021 (14% year on year growth). The seasonal trade continues to be strong in the George area with the trading density jumping to R4 752 per m2 for December 2022 (December 2021: 4 215 per m2).

Cedar Square has also shown positive growth in trading with a 7,7% year on year growth in trading densities to 2 366 per m2 per month. We have also seen a reduction on vacancies at Cedar to 4,8% with all retail space being occupied and only some upstairs office space remaining which is currently under negotiation.

Trading at some of the smaller centres such as the Buzz and Waterford has also improved to well above pre-COVID-19 levels with vacancies at both of these centres close to 0%.

Revenue from continued operations remained stable at R895 million with our cost to income ratio reducing from 25,8% to 23,4%. This resulted in a distributable income (net of once off tax deductible items of R110 million) of R56,8 million (FY2022 R210 million).

Focus on strengthening APF's financial position

APF's financial strategy in the financial period was to meet the following targets:

- Improving revenue streams of core assets
- Effective disposal of non-core buildings
- Managing and reducing finance costs
- Increasing tenor of debt
- Reducing administration costs
- Effective and efficient cash flow management

Sale of non-core assets to re-invest in our core portfolio/reduced debt

The following non-core property disposals have been concluded by 31 March 2023:

Property	Amount
Cascades Shopping Centre	R16 500 000
Corporate Park	R17 000 000
32 Steeldale	R26 000 000
8 Charles Crescent	R55 200 000
Meschape	R32 000 000
Total	R146 700 000

Held for sale at 31 March 2023:

Property	Price	Timing of transfer
The Leaping Frog	R125 000 000	July 2023
Ford Fourways	R77 000 000	July 2023
Brooklyn Place	R25 400 000	July 2023
Cherry Lane	R65 000 000	August 2023
Total	R292 400 000	

Proactive treasury management

Areas of Focus

Diversification of funding

Creating a more balanced pool of suitable funders to manage prudential exposure limits, encourage competitive pricing, build adequate liquidity buffers and enhance funding flexibility.

Our funding base has been improved to include seven core relationship funders.

Improving credit metrics and rating

Disposal of non-core assets to enhance revenue with accretive spend on core assets, manage costs and a continued focus on appropriate LTV and ICR levels.

Funds from the sale of non-core assets to the value of R146 million in the financial period, with a further R292 million in the pipeline.

The fund has applied for and received approval from its funders to temporarily reduce overall ICR covenant levels to 1,7x up to and including the 31st March 2023 reporting period. The Fund is in negotiation with funders to extend this covenant relief for a minimum further two periods due to the progress made through the reduction of debt and improvement of revenue streams being counteracted by the 425 basis points increase in interest rates since February 2022.

Restructuring debt

We engage with funders regarding our cost of funding and expiry profile to extend our debt expiry profile, reduce our overall cost of funding and manage our concentration of expiry risk.

54% of the Funds debt is expiring up until 31 December 2023. The concentration of expiries is due to shorter term re-financing of debt during the COVID-19 pandemic.

The bulk of the balance expiring is held by key relationship funders and is in the process of being termed out.

Treasury snapshot

Total debt	Short-term portion of debt	Weighted average debt term
R4,5 billion (March 2022: R4,5 billion)	R2,4 billion (March 2022: R648 million)	1,3 years (March 2022: 1,6 years)
Debt hedged	Weighted average swap term	Blended interest rate
75,6% (March 2022: 70,8%)	2,0 years (March 2022: 2,3 years)	9,7% (September 2022: 8,1%)
Undrawn facilities	LTV#	ICR
R218 million (2022: R223 million)	44,8% (September 2022: 42,8%)	1,8x (March 2022: 2,1x)

Takes into account vendor loan receivables.

Auditor's review

This short form announcement is extracted from audited information, but is not itself audited. The auditors, Ernst & Young Inc have issued their unmodified opinion on the audited consolidated financial statements (including key audit matters) for the year ended 31 March 2023 and a copy of the audit opinion, together with the underlying audited consolidated financial statements are available for inspection at the company's registered address and on the company's website at www.acceleratepf.com

Annual general meeting

The company's annual general meeting (AGM) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Friday, 1 September 2023 at 10h00. Further details on the company's AGM will be included in Accelerate's notice of AGM and integrated annual report to be posted to shareholders on or before Monday, 31 July 2023. A PDF of the integrated annual report and notice of AGM will be available to download at www.acceleratepf.co.za on the same day of distribution.

General

This short-form announcement is the responsibility of the directors of Accelerate. It is a summary of the information as set out on the full announcement.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on the company's website (www.acceleratepf.co.za) and on SENS: <https://senspdf.jse.co.za/documents/2023/jse/isse/apf/FY2023.pdf>.

Copies of the full announcement may also be requested from the registered office of Accelerate Property Fund Limited and the Company's sponsor at no charge during office hours.

The separate financial statement of Accelerate will be published on the company's website.

Johannesburg
19 July 2023

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Sponsor
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