

## **ACCELERATE PROPERTY FUND LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2005/015057/06)

Share code: APF ISIN: ZAE000185815

LEI: 378900D514788C447E45

Bond company code: APFE

("Accelerate", "APF" or the "Company")

## **EXPRESSION OF INTEREST FOR THE DISPOSAL BY ACCELERATE OF EDEN MEANDER**

### **1. INTRODUCTION**

Shareholders and noteholders are advised that Accelerate ("Seller") has entered into an expression of interest (the "Offer") with Sasol Pension Fund ("Purchaser"), to dispose of Eden Meander Shopping Centre situated on Erf 26207 and together with vacant land on Erf 26832, George Township, Registration Division George, Province of the Western Cape measuring 107,2502m<sup>2</sup> and 7,094m<sup>2</sup> respectively ("Eden Meander" or the "Property") (the "Proposed Transaction").

### **2. THE PROPERTY**

The Property, a retail shopping centre, forms part of Accelerate's retail portfolio and was acquired by Accelerate in October 2016.

As at 31 March 2023, the Property was valued at R 521,696,598.00 and is being sold for a consideration equal to 7.5% of the net income yield capitalised for 12 months from 1 December 2023 which is expected to be a minimum consideration of approximately R521 000 000.00 (Five Hundred and Twenty-One Million Rand). The final purchase price will be determined following the due diligence investigation.

### **3. THE CONSIDERATION AND APPLICATION OF THE SALE PROCEEDS**

It is the intention of Accelerate to apply the full proceeds of the Proposed Transaction to reduce debt and/or capital reinvestment into its core property portfolio.

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

In line with the Company's stated intention of strengthening its financial position by improving the interest cover ratio ("ICR"), partly through the disposal of assets, the board of directors have resolved to dispose of Eden Meander which will have a significant impact on the ICR level.

While this decision was not taken lightly, we believe that it is in the best interest of the Company and its shareholders.

Since year-end, the Company disposed of the Ford Fourways and Leaping Frog (transfer imminent) which reduced the LTV by 1.2% and improved the ICR by 0.1 times. The disposal of Eden Meander will further reduce the LTV by 3.0% and result in a meaningful further improvement in the ICR.

#### **5. EFFECTIVE DATE**

The effective date for the Proposed 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 in November 2023.

#### **6. CONDITIONS PRECEDENT**

The Proposed Transaction is subject to the following conditions precedent:

- The Entering into a binding sale agreement by the parties;
- The satisfactory outcome of a due diligence investigation of the property, which includes the confirmation of all zoning and town-planning approval;
- Competition Commission approval (as may be required);
- Approval of Sasol Pension Fund's Investment Committee of the Proposed Transaction; and
- Accelerate shareholder approval.

#### **7. 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:	Eden Meader Shopping Centre including vacant land
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Legal description:	Erf 26207, George Township, situated in the George Municipality, Registration Division George, Province of the Western Cape measuring 107,2502m <sup>2</sup> and Erf 26832, George Township, situated in the George Municipality, Registration Division George, Province of the Western Cape measuring 7,094m <sup>2</sup>
GLA (m <sup>2</sup> ):	31,136m <sup>2</sup>
Net rent per m <sup>2</sup> :	R131.4/m <sup>2</sup>
Selling price:	7.5% of the net income yield capitalised for 12 months from 1 December 2023 (of R39.1 million)
Net operating income to 31 March 2023 <sup>1</sup> :	R38.5 million
Vacancy rate per GLA as at 31 March 2023 <sup>1</sup> :	0.35%
Valuation <sup>2</sup> :	R521,696,598.00
Date of valuation <sup>2</sup> :	31 March 2023
Effective date of disposal:	On or about 30 November 2023, being the date of the transfer of the property into the name of the purchaser
Forecast revenue <sup>3</sup>	R62.3 million
Forecast net operating income <sup>3</sup>	R39.4 million

**Notes:**

1. The Net rental per square metre, Net operating income and vacancy rate in respect of the property have been extracted from the Company's results for the year ended 31 March 2023, which were prepared in terms of International Financial Reporting Standards.
2. The valuation was performed at 31 March 2023 by the directors of the Company.
3. The forecast revenue and net operating income represents the expected results for this property for the period 1 April 2023 to 31 March 2024.

**8. REPRESENTATION AND WARRANTIES**

The Seller shall provide warranties to the Purchaser that are standard for a transaction of this nature.

## **9. CATEGORISATION OF THE TRANSACTION**

In terms of the Listings Requirements of the JSE Limited, the Transaction is classified as a Category 1 transaction for Accelerate and require shareholder approval. A further announcement setting out the salient dates of the posting of the Category 1 transaction circular as well as the salient times and dates for the general meeting of Accelerate shareholders to approve the Transaction, will be published in due course.

Johannesburg

23 August 2023

### **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.