

## ACCELERATE PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

Registration Number: 2005/015057/06

Share Code: APF ISIN: ZAE000185815

Bond code: APFE

LEI: 378900D514788C447E45

("the Company" or "APF")

(Approved as a REIT by the JSE)

### Update On The Disposal By Accelerate Of Cherrylane Shopping Centre

#### A. PREVIOUSLY ANNOUNCED TRANSACTION NOT PROCEEDING

Shareholders are referred to the announcement released on SENS on Wednesday, 27 March 2024 wherein shareholders were advised that APF has entered into a Sale of Letting Enterprise Agreement to dispose of Cherry Lane Shopping Centre, Erf 437 Nieuw Muckleneuk Township, Pretoria ("**Cherry Lane**" or the "**Property**").

Shareholders are hereby advised that the disposal of the Property to Cadastral Assets (Pty) Limited will no longer be proceeding and the agreement has been terminated. The Company has however entered into a new disposal agreement relating to the Property, as detailed below.

#### B. NEW DISPOSAL AGREEMENT ENTERED INTO

##### 1. INTRODUCTION

Shareholders and noteholders are advised that Accelerate ("**Seller**") has entered into a sale of letting enterprise agreement (the "**Agreement**") with QSPACE (Pty) Limited (the "**Purchaser**") on Monday, 10 June 2024 to dispose of Cherry Lane (the "**Transaction**").

The ultimate beneficial shareholder of the Purchaser is Herman Zolty who is not a related party to Accelerate as defined in the Listings Requirements of the JSE Limited ("**JSE**").

## 2. THE PROPERTY

The Property, a retail building located at 471 Fehrson Street, Nieuw Muckleneuk Township, Pretoria forms part of Accelerate's retail portfolio and was acquired by Accelerate on or about 11 December 2013.

As at 30 September 2023, the Property was valued at R 65,000,000 and is being sold for a cash consideration of R57,000,000.00 (Fifty Seven million Rand). The indicative valuation of the Property for the 31 March 2024 year end results is R 60,000,000.

## 3. APPLICATION OF THE SALE PROCEEDS

It is the intention of Accelerate to apply the full proceeds to the reduction of debt and capital reinvestment into its core property portfolio.

## 4. RATIONALE FOR THE TRANSACTION

This decision was made as part of Accelerate's ongoing efforts to review its assets and ensure that they align with the Company's current business strategy and growth plans.

## 5. KEY TRANSACTION TERMS

The Transaction is subject to Agents commission of R 1 140 000 (plus VAT), payable to Platinum Hill Property Advisors.

## 6. CONDITIONS PRECEDENT

A 25 calendar days due diligence period from the date of signature of the Agreement.

## 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:

Description	For the year to	For the six months to
	31 March 2023	30 September 2023
GLA (m <sup>2</sup> ):	11,429m <sup>2</sup>	11,429m <sup>2</sup>
Weighted average rent per m <sup>2</sup> :	R68,92/m <sup>2</sup>	R56,42/m <sup>2</sup>
Vacancy:	32.3%	47.8%
Net property income:	R4,48 million	R2,10 million
Weighted average lease expiry:	0,54 years	0,55 years

- The figures above do not take into account a new 10-year lease signed with Builders Warehouse, to take up 2 700m<sup>2</sup> of vacant space commencing Q3 2024.
- Directors' valuation as at 31 March 2023 (which the Company is satisfied with) was based on cash flows and forward net income achieved by the Property at valuation date.

## **8. WARRANTIES**

The Seller has provided warranties and indemnities 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, the Transaction is classified as a Category 2 transaction for Accelerate and does not require shareholder approval.

### **Johannesburg**

11 June 2024

#### **Equity sponsor**

The Standard Bank of South Africa Limited

#### **Debt sponsor**

Rand Merchant Bank (a division of FirstRand Bank Limited)