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
LEI: 378900D514788C447E45
(REIT status approved)
("Accelerate" or the "the Fund" or "Company")

VOLUNTARY PRE-CLOSE OPERATIONAL UPDATE

Shareholders are advised that the Company's closed period with respect to the financial year ending 31 March 2025 ("**the financial results**" or "**the year under review**") commences on 1 April 2025 and is anticipated to conclude on or about Monday, 30 June 2025, with the publication of the financial results on SENS.

Introduction

Accelerate has been undergoing a significant restructuring since June 2024, strategically realigning the Fund for the future. This entails, amongst other activities, a board approved R300 million rights offer (comprising a R200 million Rights Offer which concluded during the year under review and a further R100 million Rights Offer which is currently under consideration) and the divestment of around R1,9 billion worth of assets to reduce debt.

Following the restructuring, which is expected to be concluded by 31 March 2026, a smaller, premium retail-oriented portfolio will remain, with management concentrating on optimising the value of core assets.

In the period to 31 March 2025 Accelerate continued to make significant progress on its restructuring, with key focus areas including:

- the planning of a further fully underwritten Rights Offer of R100 million,
- increased property disposals,
- the implementation of interventions to improve the performance of Fourways Mall (the "Mall" or "Fourways Mall"), and
- the extension of debt facilities for 24 months.

Rights Offer

An immediate focus area in terms of the Group's restructuring is the conclusion of a further fully underwritten Rights Offer of R100 million by 30 June 2025, to add to the R200 million Rights Offer that was concluded in June 2024, to fund additional capital expenditure for Fourways Mall (apart from the approved facility) as well as for working capital requirements.

Shareholders will be updated on the publication of a Rights Offer circular and salient dates in line with the JSE's Listings Requirements.

Property disposals

A key pillar of Accelerate's restructuring is the reduction of debt through the disposal of non-strategic assets.

During the year under review, a total of six assets were disposed of for an aggregate consideration of R704 million. Of the remaining R1,2 billion in ongoing asset sales, R148,2 million is unconditional and expected to transfer shortly after 31 March 2025.

Proceeds from these disposals are allocated towards reducing debt levels with a concomitant positive impact on the Group's loan-to-value and interest cover ratios.

Fourways Mall trading highlights and progress made

The Mall demonstrated a strong upwards trajectory, closing the 2024 calendar year with significant gains in leasing, foot traffic and overall retail performance. The Mall's festive season trade reinforced its growth, with a 9.5% increase in total spend compared to the previous year, off a strong November trading period, highlighting renewed consumer confidence and retailer success.

The independent retail experts, Flanagan & Gerard and Moolman Group, have had a significant impact on lease renewals. In addition to attracting new tenants and shoppers to the Mall, they have renewed 121 leases totalling a gross lettable area (GLA) of 46 972m² for an average of 4,2 years.

Strong letting activity and extensions resulted in vacancies at the Mall reducing from 19,0% in the prior financial year to 13,4% for the year under review. Further new leases with a combined GLA of 27 515m² have been concluded to date or are in the process of being concluded.

In the year under review approximately R144 million in capital expenditure has been invested in the Mall by both co-owners. This investment has mainly been allocated towards enhancing the overall shopper experience, with a focus on lighting, signage and wayfinding, ingress and egress, security, and waterproofing.

A significant portion of the impending planned capital spend at the Mall will be applied to a 50 000m^2 roof structure on the upper-level parking deck, followed by the installation of a 6MW solar plant at a total cost of R222,4 million.

Debt reduction and refinancing

Interest-bearing borrowings reduced significantly by R700 million from R 4,4 billion on 31 March 2024 to R 3,7 billion currently, due to the settlement of debt through asset disposals and proceeds from the R200 million rights offer during the year under review.

Effective 31 March 2025, Accelerate's entire debt book will be renewed for two years to 31 March 2027, underscoring the ongoing support and commitment of the Group's restructuring initiatives by its funders.

Changes to the Board of Directors

On 31 August 2024 Mr D Wandrag retired as Joint Chief Executive Officer and member of the Board. Mr Wandrag also served as a member of the Investment Committee. Consequently, Mr AM Schneider became the sole Chief Executive Officer.

On 12 October 2024, Accelerate's Chairman and Independent Non-Executive Director, Mr TT Mboweni sadly passed away. Mr Mboweni served as Chairman and member of the Remuneration Committee. He also held the position of Chairman of the Nominations Committee.

Mr James Templeton was appointed as interim Chairman of the Board with effect from 3 December 2024, pending the appointment of a permanent Chairman. Consequently, Mr Templeton is no longer a member of the Audit and Risk Committee and assumed Chairmanship of the Nominations Committee. Mr Derick van der Merwe will continue to serve as the Company's Lead Independent Director.

Mr James Day was appointed to the board and the Audit and Risk Committee with effect from 1 February 2025. Mr Day is a Chartered Accountant (SA) with extensive international and local experience in the listed property sector.

Outlook

The Group will continue to drive its restructuring initiatives by focusing on the key objectives listed above.

Post the restructuring, the Group's aim is to have a Loan-To-Value ratio (LTV) of below 40% and to improve the Interest Cover Ratio (ICR) to 1.6 times.

Fourways

31 March 2025

Equity and Debt Sponsor

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CORPORATE ADVISORY