THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations contained on pages 7 to 11 of this Circular apply *mutatis mutandis* throughout this Circular, including this cover page.

Action required

- This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Shareholders" which commences on page 4.
- If you are in any doubt as to what action you should take, please consult your Broker, banker, attorney, CSDP or other professional advisor immediately.
- If you have disposed of all your Accelerate Shares, this Circular should be handed to the purchaser of such Accelerate Shares or to the Broker, CSDP, banker or other agent through whom the disposal was affected.
- **Accelerate does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of any holder of Dematerialised Shares to notify such Shareholder of the action required of them in respect of the Proposed Disposal and ancillary matters set out in this Circular.**

ACCELERATE
PROPERTY FUND

Accelerate Property Fund Limited
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
Registration number: 2005/015057/06
Share code: APF ISIN: ZAE000185815
("**Accelerate**" or "**the Company" or "the Group")**

CIRCULAR TO ACCELERATE SHAREHOLDERS

---

regarding:

– **the Proposed Disposal by Accelerate's 96.40% owned subsidiary, Accelerate Property Fund Europe, of its entire interest in the Offshore Portfolio to Slate for a cash consideration of €87 400 000, representing 100% of the selling price and constituting a Category 1 transaction for Accelerate in terms of the Listings Requirements;**

and incorporating:

– **a notice convening a General Meeting of Accelerate Shareholders; and**

– **a Form of Proxy *(blue)* in respect of the General Meeting (for use by Certificated and "own-name" Dematerialised Accelerate Shareholders only).**

Financial Adviser and Transaction Sponsor

RMB

Independent Auditor and Independent Reporting Accountant

EY Building a better working world

Legal Adviser

GRAMA SCHWAIGHOFER VONDRAK Rechtsanwälte GmbH

Independent Property Valuer

CBRE
CB RICHARD ELLIS

Date of issue: Wednesday, 22 December 2021

The Circular is available in English only. A copy of the Circular will made available for inspection by Shareholders during normal business hours from the date of posting of this Circular on Wednesday 22 December 2021, up to and including the date of the General Meeting on Thursday 20 January 2022 at the registered offices of Accelerate and at the offices of the Transfer Secretaries. A copy of the Circular may also be requested electronically by emailing Accelerate's company secretary, Margi Pinto at margi@acceleratepf.co.za and the Circular will also be made available on Accelerate's website www.acceleratepf.co.za

CORPORATE INFORMATION AND ADVISORS

Registered office

Accelerate Property Fund
(Registration number 2005/015057/06)
Cedar Square Shopping Centre,
Management Office, 1st Floor,
Corner Willow Avenue and Cedar Road,
Fourways, 2055,
South Africa.
(Postnet Suite 703, Private Bag X033, Rivonia, 2128)
(Date of incorporation: 16 May 2005)
(Place of incorporation: South Africa)

Accelerate Property Fund Europe B.V.
(Registration number 66590302)
Herikerbergweg 238,
Luna ArenA,
NLD-1101 CM,
Amsterdam,
Netherlands.
(Postal address is the same as the physical address)

Company Secretary

Ms Margi Pinto (Chartered Secretary (FCIS))
Cedar Square Shopping Centre,
Management Office, 1st Floor,
Corner Willow Avenue and Cedar Road,
Fourways, 2055,
South Africa.
(Postnet Suite 703, Private Bag X033, Rivonia, 2128)

Legal advisor to Accelerate Property Fund Europe

Grama Schwaighofer Vondrak Rechtsanwalte GmbH
(Registration number FN 366221 k)
Schottengasse 4,
1010 Wien,
Austria.
(Postal address is the same as the physical address)

Legal advisor to Accelerate

Glyn Marais Inc.
(Registration number 1990/000849/21)
2nd Floor, The Place, 1 Sandton Drive,
Sandton, 2196,
South Africa.
(PO Box 652361, Benmore, 2010)

Independent Property Valuer

CBRE Limited
(Registration number 1232680)
St Martin's Court,
Paternoster Row,
London, EC4M 7HP,
United Kingdom.
(Postal address is the same as the physical address)

Independent Auditor and Independent Reporting Accountant

Ernst & Young Incorporated Registered Auditors
(Registration number 2005/002308/21)
102 Rivonia Road,
Sandton, 2196,
South Africa.
(Private Bag X14, Northlands, 2146, South Africa)

Financial Advisor and Transaction Sponsor

Rand Merchant Bank
A division of FirstRand Bank Limited
(Registration number 1929/001225/06)
1 Merchant Place,
Corner Fredman Drive and Rivonia Road,
Sandown, 2196,
South Africa.
(PO Box 786273, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers,
15 Biermann Avenue,
Rosebank, 2196,
South Africa.
(Private Bag X9000, Saxonwold, 2132)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 7 of this Circular have been used in this *Table of Contents.*

ACTION REQUIRED BY ACCELERATE SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this Circular have been used in this '*Action Required by Accelerate Shareholders'* section.

Please take careful note of the following provisions regarding the action to be taken by Accelerate Shareholders:

- If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all of your Accelerate Shares, please forward this Circular to the purchaser of such Accelerate Shares or the CSDP, Broker, banker or other agent through whom the disposal was affected.
- The General Meeting convened in terms of the notice to Accelerate Shareholders incorporated in this Circular will be held at the Company's registered office, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055 at 10:00 on Thursday, 20 January 2022, for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions set out in the attached Notice of General Meeting.

If you have Dematerialised your Accelerate Shares and have elected:

1. **OWN-NAME REGISTRATION:**

1.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.

1.2 If you are unable to attend the General Meeting but wish to be represented there, you must complete and return the attached Form of Proxy (blue) in accordance with the instructions contained therein, to be received, for administrative purposes, by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132 by no later than 10:00 on Tuesday, 18 January 2022. If you do not deliver the completed Form of Proxy to the Transfer Secretaries by the relevant time, you will nevertheless be entitled to lodge it in respect of the General Meeting immediately prior to the exercising of shareholder rights at the General Meeting, in accordance with the instructions therein, with the chairman of the General Meeting.

2. **REGISTRATION OTHER THAN OWN-NAME REGISTRATION:**

2.1 If you wish to attend or be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or be represented at the General Meeting, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

2.2 If you do not wish to attend or be represented at the General Meeting but wish to vote, and your CSDP or Broker has not contacted you, you are advised to contact your CSDP or Broker and provide them with your voting instructions, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

2.3 You must **not** complete the attached form of proxy (*blue*).

If you hold Certificated Shares:

3. **CERTIFICATED SHAREHOLDERS:**

3.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.

3.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached Form of Proxy *(blue),* in accordance with the instructions contained therein, to be received, for administrative purposes, by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132 by no later than 10:00 on Tuesday, 18 January 2022. If you do not deliver the completed Form of Proxy to the Transfer Secretaries by the relevant time, you will nevertheless be entitled to lodge it in respect of the General Meeting immediately prior to the exercising of shareholder rights at the General Meeting, an accordance with the instructions therein, with the chairman of the General Meeting.

General:

4. **DEMATERIALISATION**

If you wish to dematerialise your Accelerate Shares, please contact your Broker.

5. **ELECTRONIC PARTICIPATION**

Accelerate Shareholders wishing to participate electronically in the General Meeting are required by no later than 10:00 on Tuesday, 18 January 2022 to deliver Written Notice to the Company Secretary at the registered offices of Accelerate at Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways (marked for the attention of the Company Secretary) that they wish to participate via electronic communication at the General Meeting ("**Electronic Notice**").

In order for the Electronic Notice to be valid it must contain: (a) if the Accelerate Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the Accelerate Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number ("**Contact Address/Number**"); and (d) confirmation of whether the Accelerate Shareholder wishes to vote via electronic communication. By no later than 12 hours before the General Meeting, Accelerate shall use its reasonable endeavours to notify an Accelerate Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the Accelerate Shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Act) and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on Page 7 of this Circular have been used in this *'Salient Dates and Times'* section.

	2021/2022
Record date in order to determine which Accelerate Shareholders are eligible receive the circular and Notice of General Meeting	Friday, 17 December
Circular and Notice of General Meeting posted to shareholders and notice convening the General Meeting released on SENS	Wednesday, 22 December
Notice convening the General Meeting published in the press	Thursday, 23 December
Last day to trade in order to be eligible to attend and vote at the General Meeting	Tuesday, 11 January
Record date in order to be eligible to attend and vote at the General Meeting	Friday, 14 January
Last day to lodge forms of proxy for the General Meeting with the transfer secretaries, for administrative purposes, by 10:00 (forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement thereof)	Tuesday, 18 January
General Meeting held at 10:00 at the registered offices of Accelerate at Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055	Thursday, 20 January
Results of the General Meeting released on SENS	Friday, 21 January

Notes:

1. All dates and times in this Circular are local dates and times in South Africa and are subject to change. Any changes will be released on SENS.
2. Accelerate Shareholders are referred to Page 4 of this Circular for information on the action required to be taken by them.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, references to the singular include the plural and *vice versa,* words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

"Accelerate" or "the Company"	Accelerate Property Fund Limited (registration number 2005/015057/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the Shares of which are listed on the Main Board of the JSE in the real estate sector of the list;
"Accelerate Property Fund Europe" or "APFE"	Accelerate Property Fund Europe B.V., (registration number 66590302) a limited liability company, duly incorporated and registered in accordance with the laws of The Netherlands and a 96.40% owned subsidiary of Accelerate with certain members of the APFE management team owning the other 3.60%;
"APFE management team"	consisting of Patrick Kirwan, Nicholas Aplas and Charles Bellhouse;
"Accelerate Property Holding 1" or "APH1"	Accelerate Property Holding 1 GMBH, (registration number FN 448253 x) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and a wholly-owned subsidiary of APFE;
"Accelerate Property Holding 2" or "APH2"	Accelerate Property Holding 2 OG, (registration number FN 460297 h) a full liability partnership, duly incorporated and registered in accordance with the laws of Austria and its partners are APFE and APH1;
"Accelerate Shares" or "Shares" or "Ordinary Shares"	ordinary shares having no par value in the issued and listed share capital of Accelerate;
"Accelerate Shareholders" or "Shareholders"	Certificated Shareholders and Dematerialised Shareholders of Accelerate;
"Act" or "Companies Act"	the South African Companies Act, No 71 of 2008, as amended;
"Anticipated Transfer Date"	31 January 2022;
"Associate(s)"	will bear the meaning assigned to this term in the Listings Requirements;
"Austria"	the Republic of Austria;
"Austrian Subsidiaries"	together, Accelerate Property Holding 1 and Accelerate Property Holding 2;
"Board" or "Directors" or "board of directors"	the board of directors of Accelerate, elected as such from time to time and whose names are set out on page 10 to this Circular;
"bn"	billion units of measure;
"Broker"	any person registered as a "broking member (equities)" in accordance with the provisions of the Financial Markets Act;
"Bruck/Mur"	BM 452 BRU GmbH, (registration number FN 438058 d) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"Business Day"	any day other than a Saturday, Sunday or an official public holiday in South Africa;
"Category 1 disposal"	a disposal in respect of which the consideration receivable constitutes 30% or more of the market capitalisation of a company listed on the JSE, as defined in terms of the JSE Listings Requirements;

"CEE"	Central and Eastern Europe;
"Certificated Shares"	shares that have not been Dematerialised and are represented by share certificates or other physical Documents of Title;
"Certificated Ordinary Shareholders"	Accelerate shareholders who hold Certificated Ordinary Shares;
"Circular"	this bound document to Accelerate shareholders, dated Wednesday, 22 December 2021, including the annexures hereto, the Notice of the General Meeting and, where applicable, the Form of Proxy *(blue)* in respect of the General Meeting;
"Conditions Precedent"	the conditions precedent to the Proposed Disposal, which remain unfulfilled as at the Last Practicable Date, set out in paragraph 4.3 of this Circular;
"COVID-19 pandemic"	the novel corona virus pandemic of 2019;
"CSDP"	Central Securities Depository Participant, being a "participant" as defined in section 1 of the Financial Markets Act;
"Dematerialise" or "Dematerialisation"	the process by which securities held by Certificated Shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or Broker;
"Dematerialised Shares"	Accelerate Shares that have been Dematerialised or have been issued in Dematerialised form;
"Dematerialised Shareholders"	Accelerate Shareholders who hold Accelerate Shares which have been Dematerialised in terms of the requirements of Strate;
"Documents of Title"	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the Board;
"€" or "Euro"	the official currency of the Eurozone;
"Eurozone"	monetary union of 19 of the 28 European Union member states which have adopted the Euro as their common currency and sole legal tender;
"Financial Markets Act"	the Financial Markets Act No. 19 of 2012, as amended;
"Form of Proxy"	the *blue* form of proxy for use by Certificated Shareholders and "own-name" Dematerialised Shareholders, as attached to and forming part of this Circular where applicable;
"General Meeting"	the meeting of Accelerate Shareholders to be held at 10:00 on Thursday, 20 January 2022 at the registered offices of Accelerate, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways on, or any other adjourned or postponed date and time, to be convened in connection with the Proposed Disposal for the purposes of considering and, if deemed fit, approving, without modification, the requisite ordinary resolutions as contained in the Notice of General Meeting attached to and forming part of this Circular;
"GLA"	gross lettable area, being the total area of a property that can be rented to a tenant, measured in m^2;
"GmbH"	Gesellschaft mit beschränkter Haftung, or "company with limited liability", is a type of legal entity common in Germany, Austria, Switzerland, and Liechtenstein;
"GSV" or "legal advisers"	Grama Schwaighofer Vondrak Rechtsanwalte GmbH (registration number FN 366221 k), a limited liability partnership duly and incorporated and registered in accordance with the laws of Austria and the legal advisors to the Company;
"Group"	Accelerate and its subsidiaries;

"Hallein"	BM 514 HAL GmbH, (registration number FN 438125 b) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"IFRS"	International Financial Reporting Standards, as issued by the International Accounting Standards Board;
"iGroup"	K2016336084 (South Africa) (Pty) Limited, a private company duly registered and incorporated in accordance with the laws of South Africa and is a 30.08% shareholder in Accelerate;
"Independent Property Valuer" or "CBRE"	CBRE Limited, (registration number 1232680 a public company duly incorporated and registered in accordance with the laws of England & Wales, regulated by the Royal Institution of Chartered Surveyors, and the independent property valuer to the Company;
"JSE"	the Johannesburg Stock Exchange, operated by the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE, licensed as an exchange under the Financial Markets Act;
"km"	kilometre, a unit of length in the metric system;
"Last Practicable Date"	10 December 2021, being the last practicable date prior to the finalisation of this Circular;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"LTV"	loan to value ratio calculated as interest-bearing debt net of cash divided by the fair value of all property assets owned by Accelerate;
"m"	million units of measure;
"m^2"	square metres;
"Mauthausen"	BM 510 MAU GmbH, (registration number FN 438117 s) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"Mürzzuschlag"	BM 788 MÜR GmbH, (registration number FN 438122 y) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"OBI"	OBI GmbH & Co. Deutschland KG, a company incorporated in Germany and the sole tenant to all the 9 properties in the Offshore Portfolio owned by APFE;
"Offshore Portfolio" or "Disposal Portfolio"	together, the Austrian Subsidiaries and Slovak Subsidiaries that own the nine properties in in the Disposal Portfolio;
"Ordinary Shares"	ordinary shares with no par value in the issued and listed ordinary share capital of Accelerate;
"Ordinary Shareholders"	registered holders of Ordinary shares;
"Own Name" Registration"	the status of Dematerialised Shareholders who have instructed their CSDP to hold their Dematerialised Shares in their own name on the sub-register (the list of Accelerate Shareholders maintained by the CSDP and forming part of the Register);
"Proposed Disposal"	the proposed disposal by Accelerate's wholly-owned subsidiary, Accelerate Property Fund Europe, of its entire interest in the Offshore Portfolio to Slate, via the Sale Shares, for a cash consideration of €87 400 000 (approximately R1.5 billion at the R:€ exchange rate of R17.76:1 on the date of signature of the Share and Purchase Agreement), pursuant to the Share and Purchase Agreement; with effect from the Anticipated Transfer Date;

"Rand" or "R"	South African rand, the official currency of South Africa;
"Register"	Accelerate's securities register maintained by the Transfer Secretaries in accordance with section 50(1) and section 50(3) of the Companies Act, including Accelerate's Dematerialised sub-registers maintained by the CSDPs;
"REIT"	Real Estate Investment Trust having REIT status in terms of the Listings Requirements;
"Rosental"	BM 459 ROS GmbH, (registration number FN 438057 b) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"Independent Auditor" or "Independent Reporting Accountant" or "Ernst & Young" or "EY"	Ernst & Young Incorporated (registration number 2005/002308/21), a personal liability company duly incorporated and registered in accordance with the laws of South Africa and the independent auditor and independent reporting accountant to the Company;
"RMB"	Rand Merchant Bank (A division of FirstRand Bank Limited) (registration number 1929/001225/06), a public company duly incorporated and registered in accordance with the laws of South Africa and the financial advisor and transaction sponsor to the Company;
"SENS"	the Stock Exchange News Service of the JSE;
"Share and Purchase Agreement"	the share and purchase agreement dated 18 November 2021, between Accelerate Property Fund Europe and Slate in relation to the Proposed Disposal, the salient terms of which are set out in paragraph 3 of this Circular;
"SK4 Košice II" or "Košice"	SK4 Košice II s.r.o., (registration number 105875/B) a limited liability company, duly incorporated and registered in accordance with the laws of Slovakia and a 99% owned subsidiary of APFE, where the remaining 1% is held by APH2;
"SK5 Martin" or "Martin"	SK5 Martin s.r.o., (registration number 105677/B) a limited liability company, duly incorporated and registered in accordance with the laws of Slovakia and a 99% owned subsidiary of APFE, where the remaining 1% is held by APH2;
"SK6 Nitra" or "Nitra"	SK6 Nitra s.r.o., (registration number 105652/B) a limited liability company, duly incorporated and registered in accordance with the laws of Slovakia and a 99% owned subsidiary of APFE, where the remaining 1% is held by APH2;
"Slovak Subsidiaries"	together, SK4 Košice, SK5 Martin and SK6 Nitra;
"Sale Shares"	APFE will dispose of the shares owned in Accelerate Property Holdings 1 Gmb, SK4 Košice II, SK5 Martin and SK6 Nitra;
"Sale Claims"	APFE will dispose of all its shareholder claims against the APH1 and Slovak Subsidiaries;
"Slate" or "the Purchaser"	Slate Holdings GmbH, (registration number FN 568448 d) a limited liability company, duly incorporated and registered in accordance with the laws of Austria and SRE III Portfolio Investments Holdings S.à.r.l, (registration number B261124) a limited liability company, duly incorporated and registered in accordance with the laws of Luxembourg. Slate and its beneficial shareholders are not related parties to the Company, as contemplated in the definition thereof in Section 10 of the Listings Requirements;
"Slovakia"	the Slovak Republic;
"South Africa"	the Republic of South Africa;

"Strate"	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated and registered in accordance with the laws of South Africa and a registered central securities depository responsible for the electronic clearing and settlement of trades on the JSE, in terms of the Financial Markets Act;
"Target Companies"	together, 100% of Accelerate Property Holding 1, 99% of SK4 Košice II, 99% of SK5 Martin, and 99% of SK6 Nitra;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated and registered in accordance with the laws of South Africa and the transfer secretaries to the Company;
"VAT"	Value-Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended;
"Wien Vienna"	MTK-SN Immoprojekt GmbH, (registration number FN 345996 v) a limited liability company, duly incorporated and validly registered in accordance with the laws of Austria and 90% owned by APH1 and 10% by APH2;
"Written Notice"	includes 'electronic communication' as defined in the Electronic Communications and Transactions Act, Act No. 25 of 2002, as amended, as read with section 6(10) of the Companies Act and regulation 7 of the Companies Regulations; and
"Yield"	the distribution available to a holder of a Share in any financial year divided by the market price of that share.

Accelerate Property Fund Limited
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number: 2005/015057/06)
Share code: APF ISIN: ZAE000185815

Directors

Executive directors

Michael N Georgiou (*Chief Executive Officer*)
Andrew Costa (*Chief Operating Officer*)
Dimitri Kyriakides (*Chief Financial Officer*)
Dawid J Wandrag (*Executive Director*)

Non-executive directors

Timothy J Fearnhead (*Independent Director and Chairman*)
Kolosa Madikzela (*Independent Director*)
Abel M Mawela (*Independent Director*)
Jacobus Frederick van der Merwe (*Independent Director*)

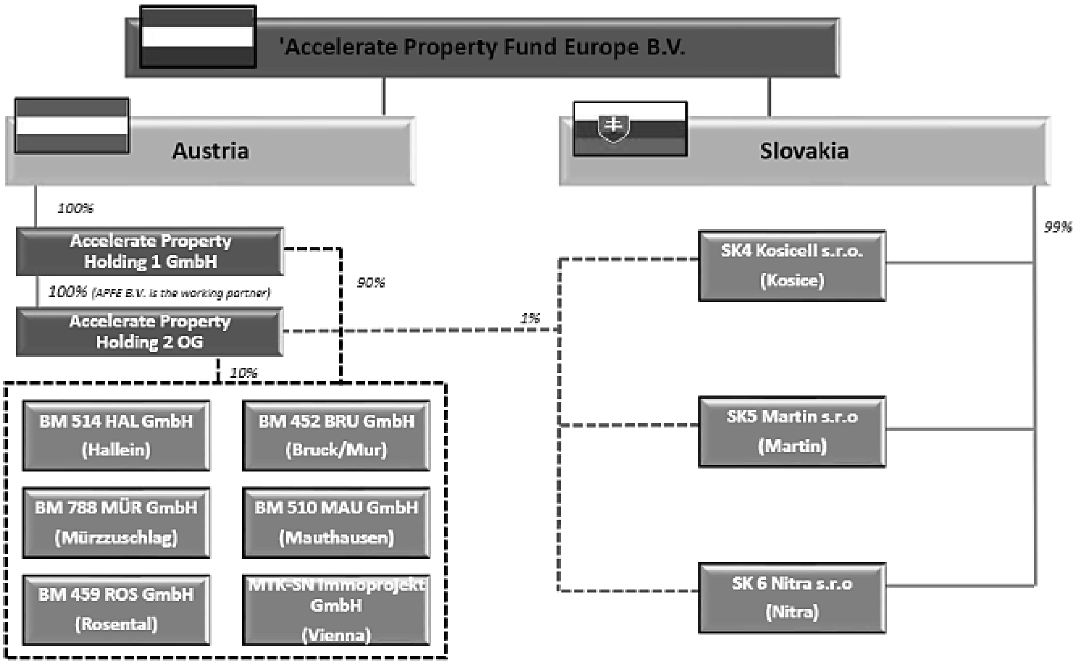
SECTION ONE – OVERVIEW OF THE PROPOSED DISPOSAL

1. INTRODUCTION AND BACKGROUND

Accelerate is a REIT, listed on the JSE, which owns a high-quality, diversified property portfolio with retail, office and industrial property assets. Accelerate, together with its portfolio of properties, are primarily based in South Africa. The Company's property portfolio comprises 45 assets in total as at the Last Practical Date, 36 in South Africa in strong nodes across the country (namely Fourways and Charles Crescent in Gauteng, Foreshore and George in the Western Cape) and nine assets in CEE (six in Austria and three in Slovakia). The property portfolio was valued at R11.76 billion at 30 September 2021 (90% of the investment property, by value, was externally reviewed at 31 March 2021 and the Directors have reviewed the valuations as at 30 September 2021) and comprises a total rentable area of 498 773 m^2, split as follows by value:

- 61.1% retail;
- 23.5% office;
- 2.1% industrial; and
- 13.3% Offshore Portfolio.

Accelerate Property Fund Europe B.V. Group Structure



1.1 The Offshore Portfolio was acquired in 2016 and comprises nine big-box DIY ("Do-it-Yourself") retail property assets (six in Austria and three in Slovakia, together making up the Offshore Portfolio) tenanted exclusively by OBI, one of the largest DIY retailers in the CEE region, through its applicable subsidiaries. All leases are guaranteed by OBI, with escalations at 75% of Austrian CPI once a threshold of cumulative Austrian CPI of 10% is achieved. The Offshore Portfolio is characterised by coveted locations with good access and exceptional visibility, situated in established retail nodes within a large catchment area or in close proximity to retail that is complementary to DIY, such as shopping centres, food retail, furniture retail and convenience retail.

1.2 As announced on SENS on 22 November 2021, Accelerate, through its 96.40% owned subsidiary Accelerate Property Fund Europe, has entered into a Share and Purchase agreement with Slate in terms of which it proposes to dispose of the Offshore Portfolio to Slate for an aggregate cash consideration of €87 400 000, with effect from the Anticipated Transfer Date.

2. PURPOSE OF THIS CIRCULAR

2.1 The Proposed Disposal constitutes a Category 1 transaction in terms of section 9.5(b) and 9.20(a) of the JSE Listings Requirements, requiring the approval of Accelerate Shareholders in a General Meeting, by way of an ordinary resolution.

2.2 The purpose of this Circular is to:

2.2.1 provide Accelerate Shareholders with information relating to the terms and conditions of the Proposed Disposal; and

2.2.2 give notice convening the General Meeting at which Accelerate Shareholders will be requested to consider and, if deemed fit, approve, without modification, the requisite ordinary resolutions contained in the Notice of General Meeting, being necessary to approve and implement the Proposed Disposal.

3. RATIONALE FOR THE PROPOSED DISPOSAL

3.1 In 2016, the Accelerate Board of directors approved a plan to invest in CEE by acquiring a Euro-linked real estate portfolio, based on a defined strategy. The strategy was underpinned by a defined investment philosophy to develop and acquire single tenant net leased properties that are strategic to blue-chip multinational or large regional tenants in the countries. The Offshore Portfolio investment was in line with this strategy.

3.2 Accelerate's core investment strategy is its nodal strategy. Accelerate choose locations for their resilience and growth potential and seeks opportunities to leverage economies of scale and unlock future value. The strategy in South Africa has been negatively impacted by the COVID-19 pandemic which has placed significant pressure on the macro economy resulting in the slow progress of the non-core asset sales pipeline. In addition, the property portfolio value decreased by R1 billion in March 2020 and R660 million in March 2021, negatively impacting Accelerate's LTV ratio. Therefore, the Board of Accelerate decided reducing overall debt levels is the key focus in order to obtain the funds long-term LTV target of 40% (from 47.7% as at 30 September 2021) and strengthening the balance sheet.

3.3 The European strategy has remained resilient throughout the pandemic and delivered solid returns. The Offshore Portfolio has attracted strong interest from prospective buyers given the stable returns and attractive property fundamentals. As interest for the Offshore Portfolio grew, the Board of Accelerate made the decision to dispose of the portfolio as the offer received is close to market valuation for the portfolio and the net proceeds received will be used to ensure that the core strategic focus of strengthening the balance sheet is met.

3.4 The Proposed Disposal proceeds will be used to reduce the existing debt of the Company. The material loans of the Company are set out in **Annexure 9** of the Circular.

3.5 The Board is of the view that it is important to expedite the reduction of the Company's LTV ratio, to improve its credit rating and strengthen the balance sheet, all of which are expected to return market confidence in Accelerate.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

4.1 Effective date

The Proposed Disposal will become effective on the date on which the transfer of the Sale Shares has been registered into the name of the Purchaser, pursuant to fulfilment or waiver (where capable of waiver) of all the conditions precedent to the Disposal ("Closing Date"). The Closing Date is anticipated to be 31 January 2022.

4.2 Proposed Disposal consideration

4.2.1 APFE will dispose of the Sale Shares for a preliminary total equity consideration of €26 290 394, which implies a total portfolio valuation of €87 400 000 for the Offshore Portfolio, and the Sale Claims will be sold for a preliminary total consideration of €13 636 470 (together the "Disposal Consideration") resulting in total gross proceeds of €39 926 864 for APFE (approximately R709 101 105 at the R:€ exchange rate of R17.76:1 on the date of signature of the Share and Purchase Agreement). This preliminary Disposal Consideration will be payable, in cash, to APFE on the Closing Date.

4.2.2 The final Disposal Consideration will be determined within sixty days from the Closing Date, based on the financial position of the APH1 and Slovak Subsidiaries on Closing Date. Accelerate does not expect a material deviation between the preliminary Disposal Consideration and the final Disposal Consideration given the contractual nature of APFE's net rental revenue.

4.3 Conditions precedent

The implementation of the Proposed Disposal is subject to the fulfilment or waiver (where capable of waiver) by 31 January 2022, or waiver as the case may be, of the following outstanding conditions precedent:

4.3.1 the Purchaser having concluded binding and valid agreements with Erste Bank AG for the financing of the Offshore Portfolio;

4.3.2 the Purchaser obtaining all the regulatory approvals required for the implementation of the Disposal from the Austrian Competition Authority and Austrian Cartel Court;

4.3.3 APFE providing a written waiver of any claims and remuneration for the function of the managing director of the Offshore Portfolio;

4.3.4 APFE providing the approval of transfer of the rights and obligations in terms of the SK6 Nitra s.r.o. land lease agreement or an appropriate amendment to that agreement. According to the land lease agreement with the Catholic Church in Nitra, any sublease requires the consent of the landlord. This application has been initiated;

4.3.5 Accelerate obtaining shareholder approval for the Disposal from its shareholders in general meeting by way of an ordinary resolution; and

4.3.6 the Purchaser providing satisfactory evidence of warranty and indemnity insurance.

4.4 **Other salient terms**

Accelerate has provided representations and warranties to the Purchaser that are customary for a transaction of this nature and are considered industry practice in the applicable jurisdictions. Accelerate has, as part of the Proposed Disposal, obtained Warranty and Indemnity insurance for the Disposal.

5. PROSPECTS

5.1 While trading conditions are expected to remain challenging for the remainder of the current financial year, Accelerate will focus on renewing its expiring office leases in order to improve the Company's lease expiry profile. Filling up the remaining vacancies in retail will continue to be an area of importance to the Company.

5.2 The main priority for the short-term will be on the successful completion of the Proposed Disposal. The Company has incurred significant financing costs as a result of its high debt levels, which are expected to reduce significantly following the reduction in the expected LTV level, following implementation of the Proposed Disposal, to slightly above 40%.

5.3 Following implementation of the Proposed Disposal, the Company will have a property portfolio with long term leases and a robust cash flow generation profile. Accelerate's portfolio will comprise 70% retail, 27% office and 3% industrial assets in South Africa.

6. OPINION AND RECOMMENDATION

6.1 It is critical that Accelerate deleverages its balance sheet in order to return the Company to historical profit levels and to unlock value for Shareholders. The Proposed Disposal is an important step towards achieving the Board's stated intention to significantly reduce the Company's gearing.

6.2 The Board is of the opinion that the Proposed Disposal is in line with the strategic priority of reducing Group leverage to below 40% and recommends that Accelerate Shareholders vote in favour of the resolutions necessary to implement the Proposed Disposal.

6.3 Those Directors that hold a beneficial interest in Accelerate Ordinary Shares intend to vote their Accelerate Ordinary Shares in favour of the resolutions necessary to approve and implement the Proposed Disposal.

7. THE GENERAL MEETING

7.1 A General Meeting of Accelerate Shareholders will be held at 10:00 on Thursday, 20 January 2022 at the Company's registered office, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055, for the purpose of considering and, if deemed fit, passing, without modification, the resolutions required to be approved by Shareholders in order to authorise and implement the Proposed Disposal. The Notice of General Meeting is attached to and forms part of this Circular.

7.2 Details of the action required by Accelerate Shareholders in relation to the General Meeting are set out on page 4 of this Circular.

SECTION TWO – PROPERTY PORTFOLIO INFORMATION ON THE OFFSHORE PORTFOLIO

8. **OFFSHORE PORTFOLIO**

8.1 **Overview of the Offshore Portfolio**

The Offshore Portfolio comprises nine big-box DIY retail stores (six in Austria and three in Slovakia) tenanted by A grade tenant, OBI, one of the largest DIY retailers in CEE, valued by the Independent Property Valuer in aggregate at €89 050 000 as at 26 November 2021. A detailed list of the individual properties comprising the Disposal Portfolio is set out in **Annexure 1** of the Circular.

8.2 **Description of the retail warehouses centres**

Austria

8.2.1 ***Mauthausen***

The property comprises a large warehouse building with ancillary storage and yard areas. A large car park extends across the south east corner of the site.

The property is located on a main highway, Donau Bundestraße, and is immediately adjacent to a large roundabout. The River Danube also runs along the site's south boundary. There is a neighbouring business park and retail outlet centre to the site's west boundary, providing a number of retail and office spaces. The site is located approximately a 30-minute drive from Linz, Austria.

8.2.2 ***Hallein***

The property comprises an out-of-town retail warehouse and garden centre thought to be built in 1980. The gross internal floor area is 4 180 m^2 and is spread over ground and two basement levels.

The site is located on the outskirts of Hallein and is within 3km of the A10, a principal motorway linking Salzburg to Slovenia. Adequate capacity is onsite for vehicle parking and local public transport connections are provided via rail from Hallein station.

Surrounding properties predominantly comprise residential and light industrial use classes.

8.2.3 ***Bruck/Mur***

The property comprises a purpose built, out of town retail warehouse and garden centre extending to a gross internal floor area of 6 823 m^2. The property was built in 1997 and further extended from 2002 to 2004, providing the additional retail space to the north and the greenhouse garden centre to the west and overcladding of the front elevations. The property is largely rectangular on plan with the wider site incorporating surface customer car parking, an external garden centre and materials store.

The site is accessible directly from Brucker Strasse (B116) with adequate capacity onsite for vehicle parking. There are limited public transport links to the site.

Surrounding properties predominantly comprise residential and light industrial use classes.

8.2.4 ***Rosental***

The property comprises a purpose built, out of town retail warehouse and garden centre extending to a gross internal floor area of 3 316 m^2. The property was built in 1994 and underwent a cosmetic external refurbishment in 2015. The greenhouse garden centre to the south corner of the building was constructed at the same time as the main building.

The property is largely rectangular on plan and incorporates a glazed garden centre and covered external retail area to the south of the property. Wider site areas include customer car parking to the north and south with goods delivery and cover yard to the north east elevation.

The site is located on Banhofstrasse, directly accessible from the main B70 'Hauptstrasse' road, accessible from junction L347 to the south west, with adequate capacity onsite for vehicle parking. Local public transport connections are limited to bus routes.

Surrounding properties predominantly comprise retail and mid-sized office use classes.

8.2.5 ***Mürzzuschlag***

The property comprises a purpose built, out of town retail warehouse and garden centre extending to a gross internal floor area of 5 822 m^2. The property was built in 1990 and extended in 2000, providing the additional retail space to the east and the greenhouse garden centre to the west.

The site is located on the L118 road accessible from junction B23 from S6 Autobahn to the north east with adequate capacity onsite for vehicle parking. Local public transport connections are provided via rail to the north from the Bahnhof Honigsberg station.

Surrounding properties predominantly comprise residential and light industrial use classes.

8.2.6 ***Wien Vienna***

The property comprises a detached, 16 357m^2, three-storey, out of town retail warehouse with an underground car parking facility and rear service yard. The building is understood to have been constructed in 2011.

The site is located to the south east of Vienna City Centre close to the A23 and accessed from Leopold-Bohm Straße.

Surrounding properties predominantly comprise retail, light industrial and office use classes.

Slovakia

8.2.7 ***Košice***

The property comprises one building and provides office and ancillary warehouse accommodation.

The property sits within a wider shopping area, adjacent to NAY Electro house, Tesco, Mountfield and JYSK.

8.2.8 ***Martin***

The property comprises one building and provides office and ancillary warehouse accommodation.

The property sits within a "Shopping centre Turiec", adjacent to NAY Electro house, Tesco and Mountfield.

8.2.9 ***Nitra***

The property comprises one building and provides office and ancillary warehouse accommodation.

The property sits within a wider shopping area, adjacent to NAY Electro house, MAX shopping centre and Mountfield.

8.3 **Analysis of the overall Disposal Portfolio**

The details of the Disposal Portfolio including location, GLA, net operating income, purchase price, remaining lease term, independent CBRE valuation (as at 26 November 2021) and reversionary yield are disclosed in **Annexure 1** of the Circular.

8.4 **Tenant profile**

The nine Accelerate European retail warehouses are single tenant leased properties.

The properties are tenanted by OBI, a global leader in DIY retail and one of the largest specialist DIY retailers in CEE. OBI was founded in Germany in 1970. It is headquartered in Germany and operates 668 stores in Europe, of which 351 are in Germany. Included in the Disposal Portfolio is the flagship and largest OBI store in Austria.

	Based on rentable area %	**Based on rental revenue %**
A	100	100
B	0	0
C	0	0
Total	**100**	**100**

For the table above, the following key is applicable:

A. Large national tenants, large listed tenants, government and major franchisees

B. National tenants, listed tenants, franchisees, medium to large professional firms

C. Other tenants

8.5 **Analysis of the Disposal Portfolio**

An analysis of the Disposal Portfolio, as at 26 November 2021 is set out below.

8.5.1 *Geographical profile*

	Based on rentable area %	**Based on rental revenue %**	**Based on net operating income %**
Austria	63	70	74
Slovakia	37	30	26
Total	**100**	**100**	**100**

8.5.2 *Sectoral profile*

The nine Disposal Portfolio properties are retail warehouses.

	Based on rentable area %	**Based on rental revenue %**
Retail warehouse	100	100
Total	**100**	**100**

8.5.3 *Vacancy profile*

The Disposal Portfolio properties do not have any vacancies, and OBI is the tenant of all nine properties.

	Based on rentable area %	**Based on rental revenue %**
Retail warehouse	0	0
Total	**0**	**0**

8.5.4 *Lease expiry profile based on existing leases*

8.5.4.1 Total Disposal Portfolio

	Based on rentable area %	**Based on rental revenue %**
Vacant	0	0
June 2021	0	0
June 2022	0	0
June 2023	0	0
June 2024	0	0
June 2025 and beyond	100	100
Total	**100**	**100**

Austria's weighted average lease term = 7.01 years

Slovakia's weighted average lease term = 9.10 years

Overall Disposal Portfolio weighted average lease term = 7.69 years

8.5.5 *Monthly weighted average rental per square metre by rentable area per sector**

	Weighted average rental per m²
Retail warehouse	€8.11
Total	€8.11

8.5.6 *Monthly weighted average rental per square metre by rentable area per geographic profile**

	Weighted average rental per m²
Austria	€9.06
Slovakia	€6.54
Total Portfolio	**€8.11**

8.5.7 *Weighted average rental escalation by rentable area per sector**

	%
Retail warehouse	0
Total	**0**

8.5.8 The average annualised property yield for the Disposal Portfolio, calculated as historic net property income for the Disposal Portfolio for the six-month period ending 30 September 2021, divided by the Proposed Disposal consideration of €87 400 000 is 6.97%.

9. VALUATION REPORTS

9.1 The properties comprising the Disposal Portfolio were valued by CBRE Limited, the independent external registered professional valuers regulated by the Royal Institution of Chartered Surveyors.

9.2 Detailed valuation reports have been prepared in respect of each of the properties comprising the Disposal Portfolio and are available for inspection as further detailed in paragraph 25 of the Circular. A summary of each of the detailed valuation reports has been included in **Annexure 2** of the Circular.

10. **CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION**

10.1 The Consolidated *Pro Forma* statement of financial position of Accelerate as at 30 September 2021 and the Consolidated *Pro Forma* statement of comprehensive income of Accelerate for the six-months then ended, showing the *pro forma* effects of the Proposed Disposal (the "consolidated *pro forma* financial information"), is based on Accelerate's unaudited consolidated interim financial results for the six-month period ended 30 September 2021 and is set out in **Annexure 3** of the Circular.

10.2 The consolidated *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the Proposed Disposal may have impacted the financial position and performance of Accelerate, assuming the Proposed Disposal had been implemented on 30 September 2021 for statement of financial position purposes and on 1 April 2021 for statement of comprehensive income purposes.

10.3 Due to its nature, the consolidated *pro forma* financial information may not fairly represent Accelerate's financial position, changes in equity, results of operations or cash flows after implementation of the Proposed Disposal. The consolidated *pro-forma* Financial Information does not purport to be indicative of what the audited consolidated financial statements and effects of the Proposed Disposal would have been if it had been implemented on a different date.

10.4 The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The consolidated *pro forma* financial information has been prepared in accordance with IFRS, the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants, the JSE Listings Requirements and using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated financial statements of Accelerate for the year ended 31 March 2021.

10.5 The table below is a summary of the detailed *pro forma* financial information as set out in **Annexure 3**.

	Unadjusted unaudited results for the six-month period ended 30 September 2021	***Pro forma* after the transaction for the six-month period ended 30 September 2021**	**Change (%)**
Net asset value per share			
Net asset value per share (R)	6.20	6.10	(1.6)
Tangible net asset value per share (R)	6.20	6.10	(1.6)
Earnings per share ("EPS")			
Basic EPS (including bulk ceded shares) (cents)	(3.79)	(8.32)	119.5
Diluted EPS (including bulk cedes shares) (cents)	(3.74)	(8.23)	120.1
Headline earnings per share ("HEPS")			
Basic HEPS (including bulk ceded shares) (cents)	27.72	23.18	(16.4)
Diluted HEPS (including bulk cedes shares) (cents)	27.40	22.92	(16.4)
Share information			
Total shares in issue	957 789 641	957 789 641	–
Weighted average number of shares in issue	954 940 913	954 940 913	–
Shares subject to conditional share plan	11 092 308	11 092 308	–
Total diluted weighted average number of shares	966 033 221	966 033 221	–

The assumptions used in the preparation of the *pro forma* financial information are detailed in the notes to the *pro forma* financial information as set out in **Annexure 3**.

10.6 The consolidated *pro forma* financial information, as contained in **Annexure 3** of the Circular, should be read in conjunction with the Independent Reporting Accountant's assurance report thereon, as contained in **Annexure 4** of the Circular.

11. **SPECIAL PURPOSE CARVE-OUT COMBINED HISTORICAL FINANCIAL INFORMATION**

11.1 The Disposal Portfolio Statements of Profit or Loss and Other Comprehensive Income, Statements of Cash Flows for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 and the six-month period ended 30 September 2021, Statements of Financial Position as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, accounting policies and the notes thereto ("Special Purpose Carve-Out Combined Historical Financial Information") have been carved out from the consolidated financial statements of Accelerate for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Financial Statements") and the unaudited consolidated interim financial results for the six-month period ended 30 September 2021 (the "Interim Financial Results"). The Disposal Portfolio Statements of Changes in Equity for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 as well as the six-month period ended 30 September 2021, extracted from the consolidation workings of Accelerate, represents changes in equity of the legal entities included in the Special Purpose Carve-Out Combined Historical Financial Information. The Audited Financial Statements, Interim Financial Results and consolidation were prepared in accordance with IFRS and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

11.2 The Special Purpose Carve-Out Combined Historical Financial Information has been prepared in accordance with the Listings Requirements, for purposes of providing financial information to satisfy the requirements of sections 8.1 to 8.13 of the Listings Requirements. As IFRS does not provide for the preparation of Special Purpose Carve-Out Combined Historical Financial Information, certain accounting conventions commonly used in the preparation of historical financial information for inclusion in a Circular have been applied.

11.3 In preparing the Special Purpose Carve-Out Combined Historical Financial Information, the recognition and measurement principles of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council have been applied, except for the material departures from these principles as has been noted in **Annexure 5**. The Special Purpose Carve-Out Combined Historical Financial Information has further been supplemented with certain relevant note disclosures that are considered necessary to understand the Special Purpose Carve-Out Combined Historical Financial Information.

11.4 The Special Purpose Carve-Out Historical Financial Information is the responsibility of the Board of directors of Accelerate.

11.5 The Special Purpose Carve-Out Combined Historical Financial Information, as contained in **Annexure 5** of the Circular, should be read in conjunction with the Independent Reporting Accountant's report on the Special Purpose Carve-Out Combined Historical Financial Information for the year ended 31 March 2021, the Independent Reporting Accountant's review report on the Special Purpose Carve-Out Combined Historical Financial Information for the two years ended 31 March 2020 and 31 March 2019, and the Independent Reporting Accountant's review report on the Special Purpose Carve-Out Combined Historical Financial Information for the six-month period ended 30 September 2021 as contained in **Annexures 6, 7** and **8**, respectively, of the Circular.

12. **MATERIAL LOANS**

12.1 Information on the material loans of APFE and the anticipated schedule of material loans of Accelerate at the Last Practical Date is presented in **Annexure 9** of the Circular.

13. DIRECTORS' INTERESTS

13.1 Directors' interest in Accelerates ordinary shares

13.1.1 As at the Last Practicable Date, the direct and indirect beneficial interests of the Directors and their associates, including any Director who has resigned in the last 18 months, in the Ordinary Shares of Accelerate, are set out in the table below:

	Beneficial			
Director	**Direct**	**Indirect**	**Total**	**%**
MN Georgiou*		295 427 161	295 427 161	29.48
A Costa	6 171 184	24 069 808^	6 171 184	3.02
D Kyriakides	2 117 896		2 117 896	0.16
DJ Wandrag		500 000	500 000	0.05
Total			**327 797 650**	**32.71**

* Pledged as security to the funders of Azrapart, the developer of Fourways Mall.

^ Pledged as security to a funding bank. In terms of IFRS, the shares are eliminated on consolidation in the Group's annual financial statements due to the Group's exposure to variable returns in the entity holding the shares.

13.1.2 There were no changes to the interests of Directors and their associates, including any Director who has resigned in the last 18 months, in Accelerate Ordinary Shares between 31 March 2021, being the end of the preceding financial year, and the Last Practicable Date.

13.2 Directors' interest in transactions

None of the Directors of Accelerate or the Group, including any Director who has resigned in the last 18 months, has any material beneficial interest, whether direct or indirect, in the Proposed Disposal or in transactions that were affected by the Company during the current or immediately preceding financial year, or during an earlier financial year, and remain in any respect outstanding or unperformed.

14. DIRECTORS' EMOLUMENTS AND SERVICE CONTRACTS

14.1 The Directors' remuneration and the benefits of the Directors, prescribed officers and senior management will not be varied as a consequence of the Proposed Disposal.

14.2 The service contracts of the Directors contain terms and conditions that are standard for agreements of that nature as well as pay-out provisions for termination without proper cause. Summaries of the terms of Directors' service contracts are available for inspection in paragraph 25 of this Circular. No service contract has been entered into with a Director or amended during the six-months preceding the Last Practical Date.

14.3 Accelerate has not entered into any contracts, whether written or verbal, which relate to either secretarial or technical fees or restraint payments payable by the Accelerate Group.

15. RELATIONSHIP INFORMATION

15.1 Other than the directors' interest Accelerate ordinary shares as set out in paragraph 13 above, none of the other directors have had any beneficial interests, direct or indirect, in relation to any property held or property to be acquired by the Accelerate group nor are they contracted to become a tenant of any part of the property of the Accelerate group.

15.2 Other than the directors' interest Accelerate ordinary shares as set out in paragraph 13 above, there is no relationship between any parties mentioned in paragraph 15.1 above and another person that may conflict with a duty to the group.

15.3 Other than the directors' interest Accelerate ordinary shares as set out in paragraph 13 above, the directors have not had a material beneficial interest in the acquisition or disposal of any properties of the group during the preceding two years.

16. **MAJOR AND CONTROLLING SHAREHOLDERS**

16.1 **Accelerate ordinary shares**

Set out below are the names of Accelerate ordinary shareholders, other than directors, that were, directly or indirectly, beneficially interested in 5% or more of the issued Accelerate ordinary shares as at the Last Practicable Date.

Accelerate Ordinary Shareholder	**Number of Accelerate Ordinary Shares**	**%**
MN Georgiou (indirect)*	295 427 161	29.48
The iGroup	275 313 460	27.47
Nedbank Group Limited	75 345 456	7.52
Golden Brics Investments SA (Pty) Ltd	59 254 306	5.94
Total	**705 340 383**	**70.41**

*Held through The Michael Family Trust and Fourways Precinct Proprietary Limited.

16.2 The Group does not have a controlling shareholder, nor has it had a controlling shareholder in the five years preceding the Last Practicable Date. There has been no change in the trading objects of the Company or its major subsidiaries during the five years preceding the Last Practicable Date.

16.3 The Proposed Transaction will not result in a change in the major shareholders of the Company set out in paragraph 16.1 above.

17. **IRREVOCABLE UNDERTAKINGS**

17.1 As at the Last Practicable Date, the following shareholders have provided irrevocable undertakings to vote the recorded number of shares, which are either held as principle or on behalf of clients including such additional number of shares as they may hold at the time of the General Meeting (together, the "Relevant Shares"), in favour of the Disposal.

Accelerate Ordinary Shareholder	**Number of Accelerate Ordinary Shares**	**%**
MN Georgiou (indirect)*	295 427 161	29.48
The iGroup	275 313 460	27.47
Total	**570 740 621**	**56.95**

*Held through The Michael Family Trust and Fourways Precinct Proprietary Limited. The signed irrevocable undertaking is in relation to 'approximately 292 882 024' Accelerate Shares at the date of signature and is worded to include in the irrevocable undertaking additional Accelerate Shares acquired between the date of signature and the Last Practicable Date.

17.2 Irrevocable undertakings from Accelerate Ordinary Shareholders represents 56.95% of all shares eligible to vote on the Disposal.

17.3 Copies of the irrevocable undertakings are available for inspection in accordance with paragraph 25.

18. **MATERIAL CONTRACTS**

18.1 The salient features of the material contracts in respect of the Offshore Portfolio are set out in **Annexure 10** of the Circular.

18.2 Save for the material contracts disclosed in **Annexure 10**, there are no other material contracts entered into either verbally or in writing, being a contract entered into otherwise than in the ordinary course of business, within the two years prior to the Last Practicable Date or entered into at any time containing an obligation or settlement that is material to the Disposal Portfolio at the Last Practicable Date.

19. **STATEMENT AS TO WORKING CAPITAL**

19.1 Having made due and careful enquiry as to the working capital requirements of the Company and the Group for the 12 months following the date of issue of this Circular, and having considered the effects of the Proposed Disposal, the Board is of the opinion that the working capital available to the Company and the Group are sufficient for the Group's present requirements, that is, for at least the next 12 months from the date of issue of this Circular.

20. **MATERIAL CHANGES**

20.1 There has been no material change in the financial or trading position of the Disposal Portfolio since the year ended 31 March 2021 and/or the six-month period 30 September 2021, being the last financial period in respect of which Accelerate Group has published its audited year ended financial report and/or unaudited consolidated interim financial results prior to the Last Practical Date.

21. **LITIGATION STATEMENT**

21.1 There are no legal or arbitration proceedings, including any proceedings that are pending or threatened in respect of the Disposal Portfolio (together with the rental enterprises conducted thereon), of which the Accelerate Group is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the Group's financial position or on the Disposal Portfolio (together with the rental enterprises conducted thereon).

22. **DIRECTORS' RESPONSIBILITY STATEMENT**

22.1 The Directors, whose names are given on page 12 of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Circular contains all information required by the JSE Listings Requirements.

23. **CONSENTS**

23.1 RMB, EY, CBRE, GSV, Glyn Marais and the Transfer Secretaries, whose details appear in the 'Corporate Information and Advisors' section of this Circular, have each consented in writing to act in the capacities stated and to their names appearing in this Circular, which consent has not been withdrawn prior to the issue of this Circular.

23.2 In addition, EY and CBRE have each consented to the inclusion of their reports in the Circular in the form and context in which they appear, which consent has not been withdrawn prior to the issue of this Circular. EY has confirmed that nothing has come to their attention within the Circular which contradicts with the information contained in their Independent Reporting Accountant's reports.

24. **PROPOSED DISPOSAL EXPENSES**

24.1 There have been no preliminary expenses relating to the Proposed Disposal and incurred by Accelerate in the three years immediately preceding the date of issue of this Circular.

24.2 The estimated total expenses (excluding VAT) incurred, or to be incurred, by the Company in relation to the Proposed Disposal are set out below:

Expense	**Recipient**	**ZAR**
Financial Advisor and Transaction Sponsor	RMB (acting under one mandate)	7 500 000
Independent Reporting Accountant	EY	1 800 000
Independent Property Valuer's	CBRE	210 120
JSE documentation inspection fees	JSE	131 508
Printing, publication and distribution	INCE	126 000
Total		**9 774 353**

25. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders during normal office hours, from 08:00 to 17:00, from the date of issue of this Circular on 22 December 2021 up to and including the date of the General Meeting on Thursday, 20 January 2022, at the registered offices of the Company and at the offices of the Transfer Secretaries. Copies of the following documents may also be requested electronically, by emailing Accelerate's company secretary, Margi Pinto, at Margi@acceleratepf.co.za during normal office hours, from 08:00 to 17:00, from the date of issue of this Circular on 22 December 2021 up to and including the date of the General Meeting on Thursday, 20 January 2022.

- the Company's memorandum of incorporation and its major subsidiaries;
- the published, audited annual financial statements of Accelerate for each of the three years ended 31 March 2019, 31 March 2020 and 31 March 2021 and the published, unaudited interim financial statements for the six-month ended 30 September 2021;

- summaries of the Directors' service contracts referred to in paragraph 14 above;
- the signed consent letters referred to in paragraph 23 above;
- a signed copy of this Circular;
- the signed Share and Purchase Agreement;
- the signed irrevocable undertakings as set out in paragraph 17 of this Circular;
- the signed Independent Valuer's Offshore Portfolio valuation report, a summary of which is attached as **Annexure 2** of the Circular;
- the signed Independent Reporting Accountant's assurance report on the *pro forma* financial information and the signed Independent Reporting Accountant's report on the Special Purpose Carve-Out Combined Historical Financial Information for the year ended 31 March 2021, the signed Independent Reporting Accountant's review report on the Special Purpose Carve-Out Combined Historical Financial Information for the years ended 31 March 2020 and 31 March 2019, and the signed Independent Reporting Accountant's review report on the Special Purpose Carve-Out Combined Historical Financial Information for the six-month period ended 30 September 2021 attached as **Annexures 4, 6, 7** and **8**, respectively, of the Circular; and
- the material contracts attached as **Annexure 10** of the Circular.

Signed on behalf of the Board

Dimitri Kyriakides
Chief Financial Officer

22 December 2021

DETAILS OF THE DISPOSAL PORTFOLIO

Property	Location	Rentable area (m²)	Net operating income (€)	Net operating income per m² per month (€)	Weighted average rental per m² (€)	Disposal price (€)	Remaining lease term	Independent CBRE valuation	Reversionary yield %
Wien Vienna	Austria	16 357	2 203 710	11	4.46	39 258 843	5.10	40 000 000	5.39
Mauthausen	Austria	5 146	524 188	8	1.06	7 066 592	9.10	7 200 000	7.04
Mürzzuschlag	Austria	5 822	504 240	7	1.02	7 361 033	9.10	7 500 000	6.45
Bruck/Mur	Austria	6 823	450 097	5	0.91	6 418 821	9.10	6 540 000	6.49
Rosental	Austria	3 316	246 439	6	0.50	3 651 072	9.10	3 720 000	6.77
Hallein	Austria	3 739	203 243	5	0.41	3 032 746	9.10	3 090 000	6.73
Nitra	Slovakia	8 687	465 730	4	1.57	7 508 254	9.10	7 650 000	7.46
Martin	Slovakia	7 950	414 310	4	1.40	6 723 077	9.10	6 850 000	7.66
Košice	Slovakia	8 054	405 865	4	1.37	6 379 562	9.10	6 500 000	7.60
Total		**65 894**	**5 417 822**	**6.85**	**6.85**	**87 400 000**	**7.69**	**89 050 000**	**6.32**

Notes:

1. Anticipated Transfer Date of the Proposed Disposal is 31 January 2022.
2. All properties are classified as retail warehouses.
3. The properties comprising the disposal portfolio were valued by CBRE, as at 26 November 2021, the independent external valuers regulated by the Royal Institution of Chartered Surveyors.
4. Property valuations as at 26 November 2021.
5. Weighted average rental per square meter is as at 26 November 2021.
6. The disposal price shown is an attribution of the implied valuation of €87 400 000, the Sale Shares (as defined) will be disposed.
7. The aggregate sales price (of the portfolio) is less than the independent CBRE valuation (of the individual properties) and the difference is less than 2%.

INDEPENDENT SUMMARY VALUATION REPORT IN RESPECT OF THE PROPERTIES COMPRISING THE DISPOSAL PORTFOLIO

15 December 2021

The Directors
Accelerate Property Fund Limited
Cedar Square Shopping Centre
Management Office
1st Floor
Cnr Willow Ave and Cedar Rd
Fourways
Johannesburg
2055

Dear Sir/Madam

RE: ACCELERATE PROPERTY FUND ("ACCELERATE" OR "THE COMPANY") SUMMARY INDEPENDENT PROPERTY VALUER'S REPORT ON THE ACCELERATE PROPERTIES COMPRISING THE DISPOSAL PORTFOLIO AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED

In accordance with your instruction of 26 November 2021, I confirm based on the valuation report completed on 26 November 2021 that our representatives from CBRE Austria and Slovakia have visited and inspected for the purpose of revaluation, most of properties in the portfolio ("The Subject Properties") listed in the attached schedule. We have received all necessary details required to perform a valuation in order to provide you with an opinion of the portfolios aggregate Market Value as at 26 November 2021. Please note that not all properties have been inspected, due to the current lockdown restrictions caused by the recent spike in COVID-19 cases in Austria, we have been unable to re-inspect some assets for the purposes of the current valuation date. The latest inspection dates are noted in the Schedule of Properties below.

1. INTRODUCTION

The valuation of the subject properties has been carried out by valuers who have considered all aspects of the properties. Valuation reports of the properties have been prepared and given to the management of Accelerate Property Fund Limited.

In assessing value historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the Market Value of the properties, which is included in the detailed report and which has been summarised on a summary schedule, attached hereto, for each property. There are nine properties and the important aspects of the valuation report including the property Market Value for all the properties have been summarised in the attached schedule.

2. DESCRIPTION OF THE DISPOSAL PORTFOLIO

2.1 Description

The portfolio of nine retail warehouse properties of which six properties are located in Austria and three properties located in Slovakia. All properties are purpose-built retail warehouses currently fully occupied by OBI, a German multinational home improvement specialist servicing the retail sector. There is no vacancy in the portfolio. All properties are occupied with no current loss of income despite the Austrian assets being temporarily closed due to COVID-19 restrictions.

The company is headquartered in Wermelskirchen, Germany and operates 668 stores spanning Europe, of which 351 are located in Germany. All properties are held on long-leases with differing Weighted Average Unexpired Lease Lengths (WAULT), description of which is presented below:

2.1.1 *Austria*

Property name	Description	WAULT
Mauthausen	Mauthausen is a purpose-built DIY store including a garden centre constructed in 1980. The property is located in Mauthausan, a small town situated in the state of Upper Austria. The site measures 18 424 m² and provides 5 146 m² of retail floor space. The site is roughly rectangular in shape and provides 203 external parking spaces.	9.10 years to expiry
Hallein	Hallein is a purpose-built DIY store constructed in 1980, located north of the federal state of Salzburg between the Salzach River and the A10 federal motorway. Hallein is a large town situated in Salzburg with a large catchment area. The site measures 6 512 m² and provides 3 739 m² of retail floor space. The site is roughly rectangular in shape and provides 50 external parking spaces.	9.10 years to expiry
Bruck/Mur	Bruck Mur comprises a standalone DIY store originally constructed in 1997 and further extended in 2002 and 2004. The property comprises of 6 823 m² of retail space, including a garden centre and external car parking area. The property has been extended twice since its original construction; with shallow pitched roof in the first phase and additional storage areas in the second phase. The property is located in Bruck an der Mur in the district Bruck-Mürzzuschlag, the Austrian state of Styria. It is situated on the periphery of the city circa. 2 km from the exit to the highways S6 and S35 connecting town with Vienna to the north and Graz to the south.	9.10 years to expiry
Mürzzuschlag	Mürzzuschlag comprises a DIY store constructed in 1990 and extended in 2000. The property comprises 5 822 m² of retail space, including a garden centre and external car parking area. The subject property is located in the city of Mürzzuschlag comprising circa 9 000 inhabitants, in the Austrian state of Styria, 85 km southeast of Vienna. Mürzzuschlag benefits from little competition in the immediate node and is situated in a densely populated residential node.	9.10 years to expiry
Rosental	Rosental comprises a DIY store constructed in 1994 and refurbished in 2015. The site extends 10 183 m² and offers 3 316 m² retail space including an attached garden centre and external car parking area. The subject property is located in the small municipality of Rosental an der Kainach, in the Austrian state of Styria 40 km east of Graz, and benefits from ease of accessibility and visibility.	9.10 years to expiry

Wien (3. Bezirk)	Wien 3 is a purpose-built DIY store constructed in 2011. The property comprises of ground and first floor retail space, second floor office accommodation. The site extends 16 357 m². There are 291 parking spaces in total, 229 basement parking spaces and 62 surface parking bays. Wien 3 is located in Vienna. The city of Vienna is the is the largest city in Austria and serves as the capital. Vienna is considered the cultural, economic and political centre of Austria.	5.10 years to expiry

2.1.2 *Slovakia*

Property name	**Description**	**WAULT**
Košice II	Košice II comprises a purpose-built DIY store constructed in 2001, undergoing an internal refurbishment in 2016. The property provides 8 054 m² of retail space and includes 160 external surface parking bays. The property is located in Košice, the second largest city in Slovakia. Košice II is situated in an established retail location surrounded by notable retail properties such as Tesco Hypermarket, Nay Elektrodom and Jysk.	9.10 years to expiry
Martin	Martin comprises a purpose-built DIY store constructed in 2001 and was extended in 2012, furthermore the property was internally refurbished in 2016. Martin provides retail space spanning 7 950 m² including a garden centre, and external car parking area. The property is located in Martin, a regional city in northern Slovakia. The property benefits from good visibility, security and transport links located along the main road No.65.	9.10 years to expiry
Nitra	Nitra comprises a purpose-built DIY store constructed in 2000 and was refurbished in 2016. The property offers retail space across 8 687 m² and 200 surface parking bays. Nitra is located along the R1 Expressway connecting Nitra with Trnava to the west and Banska Bystrica to the northeast. The surrounding uses include established retail and education facilities such as The Agricultural University and Constantine the Philosopher University.	9.10 years to expiry

2.2 Physical inspection

We confirm that CBRE has inspected all properties in the portfolio several times since acquisition in 2016, all properties were reinspected in 2019, whereby during the walk through valuation inspection CBRE did not notice any major structural issues and overall the buildings were in good condition, underwritten by limited CAPEX forecast. As part of this instruction we reinspected those assets which we could – namely all assets in Slovakia (Košice II, Martin and Nitra) and the main Austrian asset in Vienna (Wien 3). The assets inspected represent 68.5% of value of the overall portfolio and were inspected in recent weeks by representatives of the CBRE network. We were unable to inspect all assets in Austria due to the current lockdown restrictions caused by the recent spike in COVID-19 cases, where retail is currently closed until December. The latest inspection dates are noted in the Schedule of Properties below.

Due to our detailed knowledge of the assets and their locations from previous inspections, the fact that the assets are solely tenanted by OBI, are operational & trading (save for COVID-19restrictions), with tenants paying rent and are considered fit for purpose with no major CAPEX forecast, CBRE are therefore comfortable with the values reported on a desktop basis and inspections will not change the valuations referred to.

3. VALUATION

3.1 Basis of valuation and valuation methodology

3.1.1 Our valuation has been prepared in accordance with the RICS Valuation – Global Standards 2020 published by the Royal Institution of Chartered Surveyors (RICS) and in accordance with the International Valuation Standards (IVS) 2020, on the basis of the Market Value.

According to the RICS Valuation – Professional Standards, "Market Value" is defined as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

3.1.2 We confirm that we have sufficient current local and national knowledge of the properties market involved and have the skills and understanding to undertake the valuation competently.

3.1.3 This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

3.1.4 We have valued the properties using the income capitalisation method, using Argus Enterprise. Argus Enterprise is an internationally recognised valuation software. Within this approach we have utilised the Hard core/Top Slice/Reversion method ("main method") of capitalising net income. By adopting this methodology, we capitalise the most secure income ("hard core") but also capitalise any over rent ("top slice") or future upside potential ("reversion"). This is an internationally accepted valuation method with a strong resemblance to the majority of European markets. The net income stream for each tenant is subdivided based on perceived risk. Different yields are applied, to capitalise the identified income streams:

- Hard core yield: This yield is applied to capitalise the believed most secure, certain net income stream and is applied in perpetuity. The believed most secure income stream is either the estimated net rental value or the estimated net rental income, whichever is the lower.
- Top slice yield: When a lease agreement is over-rented (i.e. the rental income received is higher than the estimated rental value) the net present value of the over-rent situation (current rental income minus estimated rental value) is calculated using the top slice yield for the length of the remaining lease term.
- Reversion yield: If a lease agreement is under-rented (the rental income from the tenant is below the estimated rental value), then the potential future rental income increase that might occur after expiry of the lease is capitalised using the Reversion yield. Consequently, the present value of the future value is calculated using the layer yield.

3.1.5 To arrive at the gross value of a property, the different capitalised incomes are added up. Then, the (net) present value of expenditures (i.e. investments in building installations, rent free incentives, break penalties, et cetera or any one-off income) is calculated and added to the gross value to arrive at the market value before acquisition costs. To arrive at market value transfer tax and acquisition costs are deducted.

3.1.6 In the hard core/top slice/reversion method, the important input parameters for the valuer are the market rental value and the yields. We have assessed this based on comparable transactions. Furthermore, we have considered the current tenancy situation and rental income which has been provided in the form of a recent tenancy schedule. The annual non-recoverable items are also an important input parameter. To assess these, the valuer uses information received from the landlord, information available from municipalities (i.e. tax rates) and index booklets.

3.1.7 We are of the opinion that in most situations involving investment property the hard core/top slice/reversion method is the best approach for assessing market value using the hard core/top slice/reversion method provide good insight in the rental values assessed, the landlord's annual non-recoverable items and corrections on property as well as tenant level. The method is easily comparable to market transactions.

The properties have been valued in accordance with their existing uses which represents market value. No alternative use for the properties has been considered in determining value.

3.2 **Assumptions**

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination.

There is no vacancy in any of the properties and the properties have been valued on this basis.

There is no loss of rental due to renovations or refurbishments currently being carried out on the buildings therefore, there is no loss as a result of any of these activities.

No adjustments have been made to future rental streams as a result of the rentals being materially different to the market related rentals of that area, as the properties have been valued on the current basis.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

4. **TERMS OF INTRA-GROUP LEASES**

After inspecting all the tenant schedules and sample of leases, it is noted that there are no intra-group or related party leases to our knowledge.

5. **PROPERTIES IN THE PROCESS OF DEVELOPMENT**

There are no properties that are currently being developed.

6. **PROPERTIES HELD FOR DEVELOPMENT**

There are no properties that are currently being held for development.

7. **OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS**

To my knowledge, there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties.

To my knowledge, there are no options in favour of any parties for any purchase of any of the properties.

8. **RENTALS USED IN VALUATIONS**

All the properties are rented out to OBI who are the sole tenant in all nine properties. The current net estimated rental value ("ERV") as at 26 November 2021 is shown in the schedule of properties below. The current annual rental and future annual rental are not materially different.

9. **EXTERNAL PROPERTY**

All of the properties that have been valued are situated outside the Republic of South Africa.

10. **OTHER GENERAL MATTERS**

A valuation report is available on a property-by-property basis detailing tenancy, town planning, valuer's commentary, expenditure and other necessary details. This has been given to the directors of Accelerate Property Fund and will be available for inspection at the offices of Accelerate Property Fund.

11. **SOURCES AND VERIFICATION OF INFORMATION**

11.1 Information on the properties regarding rental income, and other income, operating costs budgets, Capex plans as well as the schedule of irrecoverable costs has been provided to us by the current owners and managers.

The leases have been read to check against management detail, in order to ensure that management has correctly captured tenant information as per contractual agreement. This has been done to test management information against the underlying agreements. We have further compared certain expenditures provided to us, to the market norms of similar properties. The operational budgets for 2021 have been also compared with historic costs from 2020.

11.2 *Full disclosure*

This valuation has been prepared based on documentation and information delivered to us by Accelerate Property Fund, upon which we have relied as being correct and complete. We do not accept responsibility for any errors or omissions in information and documentation provided to us.

We have to the best of our ability researched the market as well as taken the steps detailed in paragraph 11.3 below.

11.3 *Leases*

Our valuation has been based on a review of tenancy schedules (which includes material terms such as current rents, lease term and break options, step rents and rent-free periods, rentable areas) and other pertinent details supplied to us by the managing agents and by Accelerate Property Fund.

11.4 *Lessee's credibility*

In arriving at our valuation, cognisance has been taken of the lessee's security and rating. In some cases, this has influenced the market rentals applied and capitalisation rate by way of a risk consideration. However, it should be noted that we are not qualified to carry out a detailed analysis of the financial credibility of the lessee. In our valuations, we have assumed that the tenants are in a financial position to meet their obligations and that, unless otherwise stated, there are no material arrears or breaches of covenant. Our valuation does, however, reflect the type of tenants in occupation and the market's general perception of their creditworthiness.

11.5 *Mortgage bonds, loans, etc.*

The properties have been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the property.

11.6 *Calculation of areas*

All areas quoted within the valuation reports are those stated in the information furnished and corresponds with the rent roll provided to us by Accelerate Property Fund management and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents.

Updated plans were not available for the property in respect of internal configuration. The properties generally appear to have the stated square meterage which could only be more accurately determined if re-measured by a professional.

11.7 *Structural condition*

The property has been valued in their existing state. We have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services.

11.8 *Contamination*

The valuation assumes based on the due diligent report carried out that there is no evidence of soil contamination and further that property is not environmentally impaired or contaminated, unless otherwise stated in our report.

11.9 *Town planning*

The valuation was prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations. This is to ensure that for the basis of the valuation that the Property comply with town planning regulations and title deeds. There does not appear to be any infringements of local authority regulations or deeds by the property that we are aware of.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to the property which infringement could decrease the value of the property as stated.

12. **MARKET VALUATION AND EFFECTIVE DATE**

The country totals (aggregate total of the individual property values are as follows and are exclusive of taxes and charges):

We are of the opinion that the aggregate market value of all nine properties situated as of 26 November 2021 is €89 050 000 (Eighty-Nine Million and Fifty Thousand Euros) exclusive of VAT. This comprises the aggregate market value of six properties in the portfolio situated in Austria as of 26 November 2021 of €68 050 000 (Sixty-Eight Million, Fifty Thousand Euros) exclusive of VAT, and the aggregate market value of the three properties in the portfolio situated in Slovakia as at 26 November 2021 of €21 000 000 (Twenty-One Million Euros) exclusive of VAT. A summary of the valuation and details of the property is attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation. Valuations are of the properties 'as is' with no Special Assumptions assumed.

It is our understanding that the sale price of the portfolio is slightly below the aggregate value of the individual assets, however, it is not a like for like comparison, as we understand that the sale price of the portfolio is as a whole and includes the holding company, therefore a slight difference in transaction price is acceptable.

I have more than 15 years' experience in the valuation of all nature of property and on behalf of CBRE Ltd, I am qualified to express an opinion on the Market Value of the property.

I trust that we have carried out the instruction to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

13. **CONSENT**

Yours faithfully,

For an on behalf of **CBRE Limited**
Graham MacMillan MRICS
Executive Director
RICS Registered Valuer
(Registration No. 1150903)

CBRE Ltd
St Martins Court
10 Paternoster Row
London
EC4M 7HP

Tenant	Lease start	Lease expiry	Area (m²)	% of rentable area	Gross rental month 1 (€)
PROPERTY: MAUTHAUSEN OBI	01/01/2016	31/12/2030	5 146	7.80	52 172.92
PROPERTY: HALLEIN OBI	01/01/2016	31/12/2030	3 739	5.67	19 737.67
PROPERTY: BRUCK/MUR OBI	01/01/2016	31/12/2030	6 823	10.34	49 716.42
PROPERTY: ROSENTAL OBI	01/01/2016	31/12/2030	3 316	5.03	23 248.75
PROPERTY: MÜRZZUSCHLAG OBI	01/01/2016	31/12/2030	5 822	8.82	46 033.33
PROPERTY: WIEN VIENNA OBI	01/01/2016	31/12/2026	16 357	24.79	193 533.83
PROPERTY: MARTIN OBI	01/01/2016	31/12/2030	7 950	12.06	37 677.00
PROPERTY: KOŠICE OBI	01/01/2016	31/12/2030	8 054	12.22	36 250.00
PROPERTY: NITRA OBI	01/01/2016	31/12/2030	8 687	13.18	59 836.75

SCHEDULE OF PROPERTIES

No.	Property name	Physical address	Property description and use	Valuer's physical inspection date	Tenure	Rented area (m²)	Age of Building	Building grade	Net estimated rental value (ERV) (€) as at 26 Nov 2021	Net income (€) as at 26 Nov 2021	Valuation (€) as at 26 Nov 2021
1.	Mauthausen	Heinrichsbrunn 1, Mauthausen, Upper Austria, 4310	Retail warehouse	07 June 2019	Long Leasehold – Perpetual Right	5 146	Constructed in 1980	B	514 861	523 416	7 200 000
2.	Hallein	Neualmerstraße 31, Hallein, Salzburg, 5400	Retail warehouse	07 June 2019	Freehold	3 739	Constructed in 1980	B	210 437	211 732	3 090 000
3.	Bruck/Mur	Leobner Bundesstraße 80, Bruck/Mur, Styria, 8600	Retail warehouse	06 June 2019	Long Leasehold – Perpetual Right	6 823	Constructed in 1997	B	444 074	481 185	6 540 000
4.	Rosental	Grazer Straße 85a, Mürzzuschlag, Styria, 8682	Retail warehouse	06 June 2019	Freehold	3 316	Constructed in 1994	B	255 180	255 621	3 720 000
5.	Mürzzuschlag	Bahnhofstraße 7, Rosental, Styria, 8582	Retail warehouse	06 June 2019	Freehold	5 822	Constructed in 1990	B	490 216	518 636	7 500 000
6.	Wien Vienna	Litfaßstraße 8, Wien, Vienna, 1030	Retail warehouse	01 November 2021	Freehold	16 357	Constructed in 2011	B	2 184 123	2 249 263	40 000 000
7.	Martin	obchodné centrum Turiec, Martin, 036 01	Retail warehouse	11 November 2021	Freehold	7 950	Constructed in 2001	B	532 298	414 310	6 850 000
8.	Košice	Trolejbusová 3, Košice, 040 11	Retail warehouse	08 November 2021	Freehold	8 054	Constructed in 2001	B	502 429	405 865	6 500 000
9.	Nitra	Chrenovská cesta 26, Nitra, 949 01	Retail warehouse	29 October 2021	Long Leasehold – expiring 2050	8 687	Constructed in 2000	B	579 322	465 730	7 650 000
Total						**65 894**			**5 712 940**	**5 525 757**	**89 050 000**

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

The definitions and interpretations commencing on Page 7 of the Circular to which this Annexure is attached, apply to this Annexure, unless a word or a term is otherwise defined herein.

The consolidated *pro forma* statement of financial position of Accelerate as at 30 September 2021 and the consolidated *pro forma* statement of comprehensive income of Accelerate for the six-month period then ended and related notes, showing the *pro forma* effects of the Proposed Disposal (the "Consolidated *Pro Forma* Financial Information"), is based on Accelerate's unaudited consolidated interim financial results for the six-month period ended 30 September 2021 and is set out below.

The Consolidated *Pro Forma* Financial Information has been prepared for illustrative purposes only, to provide information on how the Proposed Disposal may have impacted the financial position and performance of Accelerate, assuming the Proposed Disposal had occurred on 30 September 2021 for statement of financial position purposes and on 1 April 2021 for statement of comprehensive income purposes.

Accordingly, due to its nature, the Consolidated *Pro Forma* Financial Information may not fairly present Accelerate's financial position, changes in equity, results of operations or cash flows after implementation of the Proposed Disposal. The Consolidated *Pro Forma* Financial Information does not purport to be indicative of what the audited consolidated financial statements and/or unaudited consolidated interim financial results and effects of the Proposed Disposal would have been if it had been implemented on a different date.

The Consolidated *Pro Forma* Financial Information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The Consolidated *Pro Forma* Financial Information has been prepared in accordance with IFRS, and the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants, the JSE Listings Requirements and using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated financial statements of Accelerate for the year ended 31 March 2021.

The Independent Reporting Accountant's assurance report on the Consolidated *Pro Forma* Financial Information is set out in **Annexure 4** of this Circular.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Unadjusted unaudited results for the six-month period ended 30 September 2021 R'000	Adjustment on sale of the Offshore Portfolio R'000	IFRS and other adjustments affecting Accelerate R'000	Transaction costs R'000	*Pro forma* after the transaction for the six-month period ended 30 September 2021 R'000
	Notes	**1**	**2**	**3**	**4**	**5**
Revenue, excluding straight-line rental revenue adjustment and COVID-19 rental relief		513 210	(54 404)	–	–	458 806
Straight-line rental adjustment		55 112	–	–	–	55 112
COVID-19 rental relief		(11 233)	–	–	–	(11 233)
Revenue		**557 089**	**(54 404)**	**–**	**–**	**502 685**
Other income/(expense)		557	–	(60 491)	–	(59 934)
Unrealised (losses)/gains		47 819	–	–	–	47 819
Expected credit loss		(14 526)	–	–	–	(14 526)
Property expenses		(168 396)	11 764	–	–	(156 632)
Operating expenses		(21 980)	–	–	(9 774)	(31 754)
Operating profit		**400 563**	**(42 640)**	**(60 491)**	**(9 774)**	**287 658**
Finance income calculated using the effective interest method		20 659	–	–	–	20 659
Finance costs		(193 715)	16 876	44 905	–	(131 934)
Fair value adjustment		(262 985)	–	–	–	(262 985)
Loss before taxation		**(35 478)**	**(25 764)**	**(15 586)**	**(9 774)**	**(86 602)**
Taxation		–	–	–		–
Loss for the period		**(35 478)**	**(25 764)**	**(15 586)**	**(9 774)**	**(86 602)**
Other comprehensive income:						
Items that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translating foreign operations		(38 962)	5 648	–	–	(33 314)
Total comprehensive loss		**(74 440)**	**(20 116)**	**(15 586)**	**(9 774)**	**(119 916)**

	Unadjusted unaudited results for the six-month period ended 30 September 2021 R'000	Adjustment on sale of the Offshore Portfolio R'000	IFRS and other adjustments affecting Accelerate R'000	Transaction costs R'000	*Pro forma* after the transaction for the six-month period ended 30 September 2021 R'000
Notes	**1**	**2**	**3**	**4**	**5**
(Loss)/profit attributable to:					
Shareholders of the parent	(36 161)	(20 116)	(13 408)	(9 774)	(79 459)
Non-controlling interest	683	–	(2 178)	–	(1 495)
Total comprehensive (loss)/profit attributable to:	**(35 478)**	**(20 116)**	**(15 586)**	**(9 774)**	**(80 954)**
Shareholders of the parent	(66 841)	(14 468)	(13 408)	(9 774)	(104 491)
Non-controlling interest	(7 599)	–	(2 178)	–	(9 777)
	(74 440)	**(14 468)**	**(15 586)**	**(9 774)**	**(114 268)**
Earnings per share					
Per share information					
Basic earnings per share (including bulk ceded shares) (cents)	(3.79)	(2.11)	(1.40)	(1.02)	(8.32)
Diluted earnings per share (including bulk cedes shares) (cents)	(3.74)	(2.08)	(1.39)	(1.01)	(8.23)
Total shares in issue	957 789 641				957 789 641
Weighted average number of shares in issue	954 940 913				954 940 913
Shares subject to conditional share plan	11 092 308				11 092 308
Total diluted weighted average number of shares	966 033 221				966 033 221
Headline earnings per share (cents)	27.72				23.18
Diluted headline earnings per share (cents)	27.40				22.92
Reconciliation of earnings and headline earnings per share					
Total comprehensive income attributable to equity holders of the parent	(36 161)				(79 459)
Fair value adjustment on investment property attributable to equity holders of the parent	300 837				300 837
Headline profit attributable to equity holders of the parent	**264 676**				**221 378**

The notes that follow are relevant to the Consolidated *Pro Forma* Financial Information of Accelerate. Unless otherwise stated, the adjustments are expected to have a continuing effect on the financial information of Accelerate.

Notes and assumptions:

1. The historical financial information included in the "Unadjusted unaudited results for the six-month period ended 30 September 2021" column has been extracted, without adjustment, from Accelerate's unaudited consolidated interim financial results for the six-month period ended 30 September 2021, published on 24 November 2021.
2. This column presents the historical statement of profit or loss and other comprehensive income of the Offshore Portfolio which has been extracted, without adjustment, from the Special Purpose Carve-Out Combined Historical Financial Information for the six-month period ended 30 September 2021, as presented in **Annexure 5** to the Circular, and should be read together with the Independent Reporting Accountant's assurance report thereon as included in **Annexure 6** and **8** to the Circular. For the purposes of preparing the *pro forma* effects on the consolidated statement of profit or loss and other comprehensive income, it is assumed that the sale of the Disposal Portfolio took place on 1 April 2021.
3. Adjustments to Accelerate following the sale of the Disposal Portfolio not reflected in the Special Purpose Carve-Out Combined Historical Financial Information, including:
   i. the loss on the Proposed Disposal of R60.4 million;
   ii. the inter-company interest cost of R6.1 million that is eliminated on consolidation of the Offshore Portfolio in the historical financial information of Accelerate, however, it is included in the Special Purpose Carve-Out Combined Historical Information and is adjusted for as an inter-company transaction that will not continue;
   iii. the interest cost saving of R44.9 million arising from the disposal consideration; and
   iv. the effect on retained income and non-controlling interests.
4. The financial information shown in the "Transaction costs" column reflects the adjustment to other operating expenses to reflect the balance of the costs of the transaction which amounts to R9.8 million. This adjustment will not have a continuing effect.
5. This column reflects the *pro forma* consolidated statement of profit or loss and other comprehensive income of Accelerate following the sale of the Disposal Portfolio.
6. The Rand/Euro as at interim period end for the Special Purpose Carve-Out Combined Historical Financial Information was R: €17.56. The Rand/Euro as at the Last Practical Date for the Consolidated *Pro Forma* Financial Information was R: €18.07.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Notes	Unadjusted unaudited financial position as at 30 September 2021 R'000	Adjustment on sale of the Disposal Portfolio R'000	IFRS and other adjustments affecting Accelerate R'000	Transaction costs R'000	*Pro forma* after the transaction as at 30 September 2021 R'000
	Notes	**1**	**2**	**3**	**4**	**5**
Assets						
Non-current assets						
Property, plant and equipment		214	–	–	–	214
Right-of-use assets		119 553	(119 553)	–	–	–
Investment property		10 199 681	–	–	–	10 199 684
Derivatives		12 997	–	–	–	12 997
		10 332 445	**(119 553)**	**–**	**–**	**10 212 892**
Current assets						
Trade and other receivables		697 366	(6 992)	–	–	690 374
Cash and cash equivalents		21 880	(18 645)	–	–	3 235
Derivatives		–	–	–	–	–
		719 246	**(25 637)**	**–**	**–**	**693 609**
Non-current assets held for sale		1 563 985	(1 563 985)	–	–	–
Total assets		**12 615 676**	**(1 709 175)**	**–**	**–**	**10 906 501**
Equity and liabilities						
Equity						
Equity attributable to equity holders of parent						
Ordinary share capital		4 939 713	(269 541)	269 541	–	4 939 713
Other reserves		93 967	(25 565)	–	–	68 402
Retained income		887 140	(247 975)	187 484	(9 774)	816 875
		5 920 820	**(543 081)**	**457 025**	**(9 774)**	**5 824 990**
Non-controlling interest		19 551	–	–	–	19 551
		5 940 371	**(543 081)**	**457 025**	**(9 774)**	**5 844 541**

	Notes	Unadjusted unaudited financial position as at 30 September 2021 R'000	Adjustment on sale of the Disposal Portfolio R'000	IFRS and other adjustments affecting Accelerate R'000	Transaction costs R'000	*Pro forma* after the transaction as at 30 September 2021 R'000
	Notes	**1**	**2**	**3**	**4**	**5**
Liabilities						
Non-current liabilities						
Derivatives		36 881	–	–	–	36 881
Lease liabilities		116 230	(116 231)	–	–	–
Borrowings		4 295 938	(845 417)	–	–	3 450 521
		4 449 049	**(961 648)**	**–**	**–**	**3 487 401**
Current liabilities						
Trade and other payables		527 951	(7 298)	–	9 774	530 427
Derivatives		53 969	–	–	–	53 969
Lease liabilities		5 942	(5 942)	–	–	–
Borrowings		1 638 394	(191 206)	(457 025)	–	990 163
		2 226 256	**(204 446)**	**(457 025)**	**9 774**	**1 574 559**
Total liabilities		**6 675 305**	**(1 166 094)**	**(457 025)**	**9 774**	**5 061 960**
Total equity and liabilities		**12 615 676**	**(1 709 175)**	**–**	**–**	**10 906 501**
Number of shares in issue		954 488 735				954 488 735
Net asset value per share (R)		6.20				6.10
Tangible net asset value per share (R)		6.20				6.10
Loan to value		47.67%				41.43%

The notes that follow are relevant to the Consolidated *Pro Forma* Financial Information of Accelerate.

Notes and assumptions:

1. The historical financial information included in the "Unadjusted unaudited results for the six-month period ended 30 September 2021" column has been extracted, without adjustment, and/or derived from Accelerate's unaudited consolidated interim financial results for the six-month period ended 30 September 2021, published on 24 November 2021.
2. This column presents the historical statement of financial position of the Offshore Portfolio which has been extracted, without adjustment, from the Special Purpose Carve-Out Combined Historical Financial Information for the six-month period ended 30 September 2021, as presented in **Annexure 5** to the Circular, and should be read together with the Independent Reporting Accountant's assurance report thereon as included in **Annexure 6** and **8** to the Circular. For the purposes of preparing the *pro forma* effects on the statement of financial position of Accelerate, it is assumed that the sale of the Disposal Portfolio took place on 30 September 2021.
3. Adjustments to Accelerate following the sale of the Disposal Portfolio not reflected in the Special Purpose Carve-Out Combined Historical Financial Information, including:
   i. elimination of the inter-company transactions related to the ordinary share capital and retained income balance;
   ii. recognition of the R60.4 million loss on disposal of the Disposal Portfolio by Accelerate assuming the Proposed Transaction took place on 30 September 2021;
   iii. On disposal, borrowings of R845.4 million attributable directly to the Disposal Portfolio will be assumed by Slate. The net proceeds of R678.8 million have been assumed to be utilised to reduce additional loans of Accelerate. A portion of the borrowings amount (R191.6 million) is shown in current borrowings in the adjustment on the sale of the disposal portfolio column, which relates to a loan between APFE and Accelerate which would have eliminated on consolidation. This has therefore been deducted from the amount in the IFRS and other adjustments affecting Accelerate column, and the net impact is that current borrowings have been reduced by the expected proceeds noted above.
4. The financial information shown in the "Transaction costs" column reflects the adjustment to retained income to reflect the balance of the costs of the transaction which amounts to R9.8 million.
5. *Pro forma* statement of financial position after the sale of the Offshore Portfolio as reflected in the Special Purpose Carve-Out Combined Historical Financial Information, and adjustments as detailed above.
6. The LTV ratio for Accelerate as at 30 September 2021 was 47.67%, and following the Proposed Disposal the LTV ratio will be reduced to 41.43%. The LTV is calculated interest bearing liabilities less cash divided by fair value of investment properties.
7. The Rand/Euro as at interim period-end for the Special Purpose Carve-Out Combined Historical Financial Information was R: €17.56. The Rand/Euro as at the Last Practical Date for the Consolidated *Pro Forma* Financial Information was R: €18.07.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

*The definitions and interpretations commencing on page 7 of the Circular to which this Annexure is attached **do not** apply to this Annexure.*

Independent Reporting Accountant's Assurance Report on the Compilation of *Pro Forma* Financial Information Included in a Circular

To the Directors of Accelerate Property Fund Limited

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Accelerate Property Fund Limited ("**Accelerate**") and its subsidiaries (collectively, the "**Group**"), by the directors.

The *pro forma* financial information, as set out in **Annexure 3** on pages 36 to 42 of the circular, consists of the *pro forma* consolidated statement of financial position as at 30 September 2021, the *pro forma* consolidated statement of comprehensive income for the six-month period ended 30 September 2021 and related notes (collectively the "***Pro Forma* Financial Information**"). The applicable criteria on the basis of which the directors have compiled the *Pro Forma* Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in **Annexure 3** on page 36 of the circular.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the corporate action or event, described in paragraph 4 of Section 1 on pages 14 to 15 of the circular, on the Group's financial position as at 30 September 2021, and the Group's financial performance for the period then ended, as if the corporate action or event had taken place at 30 September 2021 and for the period then ended. As part of this process, information about the Group's financial position, and financial performance has been extracted by the directors from the Group's financial statements for the six-month period ended 30 September 2021, on which no auditor's report was issued.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** on page 34 of the circular.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in **Annexure 3** on page 36 of the circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

The purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the Group as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 30 September 2021 would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *Pro Forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** on page 36 of the circular.

Ernst & Young Inc.
Director: Gerhardus J van Deventer CA(SA)
Registered Auditor
Reporting Accountant
Johannesburg

15 December 2021

SPECIAL PURPOSE CARVE-OUT COMBINED HISTORICAL FINANCIAL INFORMATION

The definitions and interpretations commencing on page 7 of the Circular to which this Annexure is attached, apply to this Annexure, unless a word or a term is otherwise defined herein.

Shareholders are referred to the announcement released on SENS on 22 November 2021 and published in the South African press on 23 November 2021 detailing the terms of the Proposed Disposal.

In terms of the Disposal Accelerate will dispose of the Offshore Portfolio to Slate for a cash consideration of €39 926 864.

The retail warehouses do represent a separate legal entity and operate with a separate bank account. The Directors have therefore included equity movements in the form of a statement of changes in equity, as well as a cash flow statement in the presentation of carve-out financial statements. Similarly, the Directors have not allocated a portion of the other operating expenses which are not directly linked to the retail warehouses. The other operating costs relates to the head office running costs for all the support functions to the properties.

Approval of the Financial Information

The Financial Information, as identified in the first paragraph, was approved by the directors on 15 December 2021 and were prepared under the supervision of Dimitri Kyriakides, being the Chief Financial Officer.

General information

The carve-out operations are currently included in the operations of Accelerate Property Fund (”Accelerate”), a public company registered in South Africa.

The special purpose carve-out combined historical financial information of the Offshore Portfolio comprises of nine retail warehouse properties, six of which are located in Austria and three of which are located in Slovakia. This special purpose carve-out combined historical financial Information has been carved-out of the audited consolidated financial statements of Accelerate for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and for the six-month period ended 30 September 2021 using historical results of operations, assets and liabilities attributable to the Offshore Portfolio. The special purpose carve-out combined historical financial statements will represent the nine property-owning SPVs on a combined basis. Accelerate’s consolidated financial statements for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and unaudited consolidated interim financial results for the six-month period ended 30 September 2021 were prepared in accordance with International Financial Reporting Standards (“IFRS”).

The directors have relied on the fact that the Special Purpose Carve-Out Combined Historical Financial Information, which has been derived from these consolidated financial statements of Accelerate for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 and the six-month period ended 30 September 2021, were free from material misstatement, whether due to fraud or error, and that the Accelerate directors were responsible for the compilation of Accelerate’s consolidated financial statements for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and the six-month period ended 30 September 2021 and the internal controls as they determined are necessary to enable the preparation and presentation of the aforementioned consolidated financial statements.

The Offshore Portfolio that is the subject matter of the Proposed Disposal comprises the following:

Accelerate has a Dutch holding company and all the property assets which are the subject of the Proposed Disposal are held by property-owning special purpose vehicles (“SPV”) in Austria and Slovakia. The intention is for the Dutch holding company to dispose of all the shares in the nine relevant SPVs and not to separately sell each individual underlying property. Accelerate will not dispose of the Dutch holding company as part of the Proposed Disposal, Accelerate Property Fund Europe B.V, and is currently consolidated in the financial statements of Accelerate.

Basis of preparation of the Special Purpose Carve-Out Combined Historical Financial Information

The Offshore Portfolio Statements of Profit or Loss and Other Comprehensive Income, and Statements of Cash Flows for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the six-month period ended 30 September 2021, the Statements of Financial Position as at 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019, accounting policies and the notes thereto (“Special Purpose Carve-Out Combined Historical Financial Information”) have been carved out from the consolidated financial statements of Accelerate for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 ("Audited Financial Statements") and the unaudited consolidated interim financial results for the six-month period ended 30 September 2021 (the "Interim Financial Results"). The Offshore Portfolio Statements of Changes in Equity for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 as well as the six-month period ended 30 September 2021, extracted from the consolidation workings of Accelerate, represents changes in equity of the legal entities included in the Special Purpose Carve-Out Combined Historical Financial Information. The Audited Financial Statements, Interim Financial Statements and consolidation were prepared in accordance with IFRS and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The Special Purpose Carve-Out Combined Historical Financial Information has been prepared in accordance with the JSE Limited's Listings Requirements ("JSE Listings Requirements"), for purposes of providing financial information to satisfy the requirements of sections 8.1 to 8.13 of the JSE Listings Requirements. As IFRS does not provide for the preparation of Special Purpose Carve-Out Combined Historical Financial Information, certain accounting conventions commonly used in the preparation of historical financial information for inclusion in a Circular has been applied.

In preparing the Special Purpose Carve-Out Combined Historical Financial Information, the recognition and measurement principles of IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council have been applied, except for the material departures from these principles as has been noted below. The Special Purpose Carve-Out Combined Historical Financial Information has further been supplemented with certain relevant note disclosures that are considered necessary to understand the Special Purpose Carve-Out Combined Historical Financial Information.

Special Purpose Carve-Out Combined Historical Financial Information

The Offshore Portfolio constitutes a number of separate legal entities, that have not historically been reported publicly on a consolidated basis. The Special Purpose Carve-Out Combined Historical Financial Information has been prepared by aggregating the historical carve-out financial information relating to the Offshore Portfolio. The Special Purpose Carve-Out Combined Historical Financial Information has been prepared with the objective of presenting the results and net assets of the Offshore Portfolio for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the six-month period ended 30 September 2021. The Offshore Portfolio has, for the periods presented, been under the control of Accelerate. Consequently, this Special Purpose Carve-Out Combined Historical Financial Information may not necessarily be indicative of the financial performance that would have been achieved for general purposes, had the Offshore Portfolio operated independently for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and the six-month period ended 30 September 2021.

Functional and presentation currency

The Special Purpose Carve-Out Combined Historical Financial Information is presented in Rand, which is also the functional currency of Accelerate. The functional currency of the Offshore Portfolio is Euro and are translated into Rand in accordance with IAS 21.

IAS 24 — Related Party Disclosures

There are numerous transactions between the Offshore Portfolio and other group companies of Accelerate, including the providing of and receiving of centralised services.

Subsidiaries of Accelerate are considered to be related parties. Related party transactions with these subsidiaries are disclosed in note 14 to the Special Purpose Carve-Out Combined Historical Financial Information.

Throughout the three years ended 31 March 2021, 31 March 2020 and 31 March 2019, and six-month period ended 30 September 2021, those persons having the authority and responsibility for planning, directing and controlling the activities of the Offshore Portfolio were represented by Accelerate key management personnel as the Offshore Portfolio's activities were managed as part of Accelerate.

For this reason, it is not relevant to disclose Special Purpose Carve-Out Combined Historical Financial Information relating to those individuals who will not be the key management personnel of the Offshore Portfolio post acquisition.

Intercompany transactions and funding

All transactions between the Offshore Portfolio and Accelerate, which have historically been eliminated in the consolidated financial statements of Accelerate, have now been presented as transactions to the group in the Special Purpose Carve-Out Combined Historical Financial Information. Corporate head office costs are not recharged to the group in the Special Purpose Carve-Out Combined Historical Financial Information. These costs have been disclosed in Note 15 Recharged costs.

Equity and retained income

Since the Offshore Portfolio does not constitute a separate legal entity, the total shareholders' equity of the Offshore Portfolio as disclosed in the Special Purpose Carve-Out Combined Historical Financial Information represents the cumulative investment of Accelerate in the Offshore Portfolio.

The Special Purpose Carve-Out Combined Historical Financial Information has been prepared based on the accounting policies of Accelerate.

The Accelerate Audited Financial Statements for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019 have been audited by Ernst & Young Inc. and unqualified audit opinions have been issued thereon. The Accelerate Interim Financial Results have not been reviewed or audited. Ernst & Young Inc. is the Independent Reporting Accountant to Accelerate and has issued the Independent Reporting Accountant's report on this Special Purpose Carve-Out Combined Historical Financial Information for the year ended 31 March 2021, the Independent Reporting Accountant's review report on this Special Purpose Carve-Out Combined Historical Financial Information for the two years ended 31 March 2020 and 31 March 2019, and the Independent Reporting Accountant's review report on the Special Purpose Carve-Out Combined Historical Financial Information for the six-month period ended 30 September 2021, which are included as **Annexures 6, 7 and 8**, respectively, to this Circular.

The directors of Accelerate are responsible for the Special Purpose Carve-Out Combined Historical Financial Information of the Offshore Portfolio included in this Circular.

Special Purpose Carve-out Combined Historical Financial Information for the six-month period ended 30 September 2021 and the three years ended of the Offshore Portfolio for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019

Carve-out Combined Statement of Financial Position as at 30 September 2021

Figures in Rand thousand	Notes	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Independently reviewed year ended 31 March 2020 R'000	Independently reviewed year ended 31 March 2019 R'000
Assets					
Non-current assets		**119 553**	**1 675 659**	**1 974 240**	**1 499 923**
Right-of-use assets	2	119 553	120 676	141 676	–
Investment property	3	–	1 554 983	1 832 564	1 499 923
Current assets		**25 637**	**23 137**	**34 802**	**37 945**
Trade and other receivables	5	6 992	4 938	5 887	5 096
Cash and cash equivalents	6	18 645	18 199	28 915	32 849
Non-current assets held for sale	3	1 563 985	–	–	–
Total assets		**1 709 175**	**1 698 796**	**2 009 042**	**1 537 868**
Equity and liabilities					
Equity		**543 081**	**522 965**	**641 562**	**493 952**
Ordinary share capital		269 541	269 541	269 541	269 541
Foreign currency translation reserve		25 565	78 125	134 042	57 426
Retained income		247 975	175 299	237 979	166 983
Liabilities					
Non-current liabilities		**961 648**	**959 723**	**1 095 130**	**794 808**
Lease liabilities	2	116 231	116 854	136 173	–
Borrowings	7	845 417	842 869	958 957	794 808
Current Liabilities		**204 446**	**216 108**	**272 350**	**249 108**
Trade and other payables	8	7 298	5 570	8 076	6 697
Loans from group companies		191 206	204 595	257 529	242 411
Lease liabilities	2	5 942	5 943	6 745	–
Total liabilities		**1 166 094**	**1 175 831**	**1 367 480**	**1 043 916**
Total equity and liabilities		**1 709 175**	**1 698 796**	**2 009 042**	**1 537 868**

Special Purpose Carve-out Combined Historical Financial Information for the six-month period ended 30 September 2021 and the three years ended of the Offshore Portfolio for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019

Carve-Out Combined Statement of Profit or Loss and Other Comprehensive Income as at 30 September 2021

	Notes	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Reviewed year ended 31 March 2020 R'000	Reviewed year ended 31 March 2019 R'000
Revenue, excluding COVID-19 rental relief	9	54 404	122 548	104 427	105 039
COVID-19 rental relief	9	–	(5 216)	–	–
Revenue		**54 404**	**117 332**	**104 427**	**105 039**
Other operating expenses		(11 764)	(22 425)	(17 673)	(19 230)
Operating profit		**42 640**	**94 907**	**86 754**	**85 809**
Finance costs	11	(16 876)	(38 431)	(34 771)	(33 114)
Fair value adjustments	10	–	(72 244)	19 013	32 250
(Loss)/profit before taxation		**25 764**	**(15 768)**	**70 996**	**84 945**
Taxation		–	–	–	–
(Loss)/profit for the year and/or period		**25 764**	**(15 768)**	**70 996**	**84 945**
Other comprehensive income:					
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(5 648)	(102 856)	76 615	4 703
Total comprehensive (loss)/profit		**20 116**	**(118 623)**	**147 610**	**89 648**

Special Purpose Carve-out Combined Historical Financial Information for the six-month period ended 30 September 2021 and the three years ended of the Offshore Portfolio for the three years ended 31 March 2021, 31 March 2020 and 31 March 2019

Statement of changes in equity

	Ordinary share capital R'000	Foreign currency translation reserve R'000	Retained income R'000	Total equity R'000
Balance at 1 April 2018	**269 541**	**32 508**	**82 038**	**348 935**
Profit for the year	–	–	84 945	84 945
Other comprehensive income	–	4 703	–	4 703
Total comprehensive income	**–**	**4 703**	**84 945**	**89 648**
Exchange rate movement	–	20 217	–	20 217
Total contributions by and distributions to owners recognised directly in equity	**–**	**20 217**	**–**	**20 217**
Independently reviewed balance at 31 March 2019	**269 541**	**57 428**	**166 983**	**493 952**
Profit for the year	–	–	70 996	70 996
Other comprehensive income	–	76 614	–	76 614
Total comprehensive income for the year	**–**	**76 614**	**–**	**147 610**
Total contributions by and distributions to owners recognised directly in equity	**–**	**–**	**–**	**–**
Independently reviewed balance at 31 March 2020	**269 541**	**134 042**	**237 979**	**641 562**
Loss for the year	–	–	(15 768)	(15 768)
Other comprehensive loss	–	(102 829)	–	(102 869)
Total comprehensive loss for the year	**–**	**(102 829)**	**(15 768)**	**(118 597)**
Exchange rate movement	–	–	–	–
Total contributions by and distributions to owners recognised directly in equity	**–**	**–**	**–**	**–**
Audited balance at 1 April 2021	**269 541**	**31 213**	**222 211**	**522 965**
Profit for the six months ended 30 September			**25 764**	**25 764**
Other comprehensive loss		**(5 648)**		**(5 648)**
Total comprehensive loss for the year		**(5 648)**	**25 764**	**20 116**
Exchange rate movement				
Independently reviewed balance at 30 September 2021	**269 541**	**25 565**	**247 975**	**543 081**

Statement of cash flows

	Notes	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Reviewed year ended 31 March 2020 R'000	Reviewed year ended 31 March 2019 R'000
Cash flows from operating activities					
Cash generated from operations	12	**50 235**	**96 815**	**90 703**	**90 559**
Cash flows from investing activities					
Purchase of investment property	3	–	(6 235)	–	(4 561)
Net cash from investing activities		**–**	**(6 235)**	**–**	**(4 561)**
Cash flows from financing activities					
Repayment of loans from group companies		(27 280)	(53 207)	(60 289)	(134 986)
Borrowings raised		–	–	–	94 954
Borrowings repaid		(2 130)	(4 899)	(240)	(4)
Capital payment on lease liabilities		(2 996)	(3 426)	(2 894)	–
Finance costs		(16 876)	(38 431)	(34 771)	(33 114)
Net cash from financing activities		**(49 281)**	**(99 963)**	**(98 192)**	**(73 150)**
Total cash movement for the year		**954**	**(9 583)**	**(7 489)**	**12 848**
Cash at the beginning of the year		18 199	28 915	32 849	15 097
Effect of exchange rate movement on cash balances		(508)	(1 333)	(3 555)	15 097
Total cash at end of the year and/ or period	6	**18 645**	**18 199**	**28 915**	**32 849**

COMMENTARY ON THE BUSINESS

The Offshore Portfolio has continued to perform roughly in line with prior year results and current expectations. Rent reductions due to COVID-19 have broadly been offset by savings in corporate expenses and overheads

The stores within the portfolio performed well across board as they DIY sector proved to be very resilient. Although the lingering effects of COVID-19 has touched upon every sector, real estate in Austria and Slovakia has remained surprisingly stable.

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the carve-out combined statement of financial position, carve-out combined statement of profit or loss and other comprehensive income, carve-out combined statement of changes of equity and carve-out combined statement of cash flows are set out below.

1.1 Standards issued but not yet effective

Standards issued but not yet effective as of the date of issuance of the Offshore Portfolio's carve-out combined historical financial information are listed below. This listing of standards and interpretations issued are those that the company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Offshore Portfolio intends to adopt these standards when they become effective.

Other new standards not yet effective:

- COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- AIP IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

These standards are not expected to have a significant effect on the carve-out combined historical financial information of the Offshore Portfolio.

The standards issued during the year, but not listed above, will have no impact on the carve-out combined historical financial information of the Offshore Portfolio.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of the carve-out combined historical financial information in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.2.1 Significant judgments include:

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the carve-out combined historical financial information, are outlined as follows:

1.2.1.1 Judgments and other estimates

In the process of applying the accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the carve-out combined historical financial information.

1.2.1.2 Valuation of property

The fair value of investment property is determined by real estate valuation experts and management using recognised valuation techniques and the principles of IFRS 13. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in the investment property note 3 and 4.

1.2.1.3 IFRS 16

In cases where the Offshore Portfolio is the lessee, significant judgement is applied in determining the incremental borrowing rate used to determine the present value of the right-of-use asset as well as the lease liability for IFRS 16 purposes at the date of initial recognition.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is subsequently measured at fair value in accordance with IAS 40.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to a sale.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses on the retirement or disposal of investment property. Any gains or losses are recognised in profit or loss in the year of retirement or disposal.

1.3.1 Fair value

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.4 Financial instruments

Financial instruments held by the Offshore Portfolio are classified in accordance with the provisions of IFRS 9 Financial Instruments.

1.4.1 Accounting for financial assets

Classification

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Offshore Portfolio's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Offshore Portfolio has applied the practical expedient, the Offshore Portfolio initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Offshore Portfolio's rent and other trade receivables do not contain a significant financing component, they are measured at the lease income determined under IFRS 16. Refer to the accounting policies on revenues.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Offshore Portfolio's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

1.4.2 Recognition and measurement

Initial recognition and measurement

The Offshore Portfolio initially measures a financial asset at its fair value or, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement

For purposes of subsequent measurement, the Offshore Portfolio's financial assets are classified in two categories:

- Financial assets at fair value through profit or loss (derivative financial instruments)
- Financial assets measured at amortised cost (rent and other trade receivables and cash and short-term deposits)

Financial assets at amortised cost

For purposes of subsequent measurement, the Offshore Portfolio measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Offshore Portfolio's financial assets (rent and other trade receivables, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Impairment of assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Rent and other trade receivables note 9 and note 5.
- Financial instruments risk management objectives and policies note 16.

The Offshore Portfolio considers a financial asset to be in default when contractual payments are 90 days past due and legal processes have commenced. However, in certain cases, the Offshore Portfolio may also consider a financial asset to be in default when internal or external information indicates that the Offshore Portfolio is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Offshore Portfolio. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial asset is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Offshore Portfolio has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Offshore Portfolio has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Offshore Portfolio has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Offshore Portfolio continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Offshore Portfolio also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Offshore Portfolio has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Offshore Portfolio could be required to repay.

Accounting for financial liabilities

Recognition and measurement

Initial recognition and measurement

The Offshore Portfolio's financial liabilities comprise interest-bearing loans and borrowings, derivative financial instruments and trade and other payables

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of all financial liabilities except derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

For more information on the interest-bearing loans and borrowings, refer to note 7.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.5 **Leases**

At inception of a contract, the Offshore Portfolio assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Offshore Portfolio allocates the consideration in the contract to each lease component, on the basis of their relative standalone prices.

1.5.1 Offshore Portfolio as lessee

The Offshore Portfolio recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (which is equal to the lease liability adjusted for upfront deposits) and increased with initial direct costs incurred and the amount of any provision recognised where the Offshore Portfolio is contractually required to dismantle, remove or restore the leased asset. The Offshore Portfolio applies the cost model subsequent to the initial measurement of the right-of-use asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the remaining lease payments on the commencement date, discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be determined, the lessee uses the lessee's incremental borrowing rate. The lease liabilities were discounted at the incremental borrowing rate as at 1 April 2019. The discount rate used was 2.23%. In order to calculate the incremental borrowing rate, reference interest rates were derived based on Accelerate Europe's cost of debt. The lease liability is subsequently increased by interest cost on the lease liability and decreased by lease payments made.

Lease payments included in the measurement of the lease liability comprise the following: fixed payments; variable lease payments that depend on an index or a rate; amounts payable under a residual value guarantee; and the exercise price under a purchase option that the group is certain to exercise.

Carve-out combined statement of cash flows

The Offshore Portfolio has classified:

- cash payments for the principal portion of lease payments as financing activities;
- cash payments for the interest portion as finance activities consistent with the presentation of interest payments chosen by the Offshore Portfolio.

1.5.2 Offshore Portfolio as lessor – operating leases

Operating lease income is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

The Offshore Portfolio may reduce past lease payments that are recognised as a lease receivable in an operating lease. For these instances there is an accounting policy choice of either:

1. an extinguishment of the operating lease receivable and the derecognition requirements of IFRS 9 apply, or
2. lease modification under IFRS 16 where the Offshore Portfolio accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease

The Offshore Portfolio has elected to apply the lease modification under IFRS 16. As a result, the amount granted as relief is accounted for as a lease incentive in terms of the new lease agreement. This incentive is recognised as a reduction to lease income over the lease term.

1.6 **Revenue from contracts with customers**

1.6.1 Rental income

Offshore Portfolio is the lessor in operating leases. Rental income arising from operating leases of investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant installations are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of comprehensive income when the right to receive them arises.

Rental income does not fall within the scope of IFRS 15, Revenue from contracts with customers, but is accounted for in terms of IFRS 16, Leases.

1.6.2 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those services.

Service and management charges and other such receipts are included in revenue gross of the related costs, as the directors consider that the company acts as principal in this respect. It is accounted for as a single performance obligation based on the actual provision of utilities services to the customer.

Revenue from service charges, management charges and other expenses recoverable from tenants is recognised over time when the customer receives the benefit of the related service.

1.7 **Employee benefits**

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.8 **Borrowing costs**

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 **Fair value measurements**

The Offshore Portfolio measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, fair values of financial instruments measured at amortised cost are disclosed in the financial statements when the carrying values are not determined to approximate fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Offshore Portfolio must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Offshore Portfolio uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole. Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the carve-out combined historical financial information on a recurring basis, the Offshore Portfolio determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Offshore Portfolio uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The fair value of investment property is determined by using valuation techniques. The Offshore Portfolio uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Techniques include discounted cash flows and cap rate methods.

The carrying value of trade receivables and payables approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Offshore Portfolio for similar financial instruments. The Offshore Portfolio's own non-performance risk is considered.

1.10 **Function and Presentation Currency**

The assets and liabilities of the Offshore Portfolio have been translated at the relevant foreign exchange rates ruling at the reporting date to the presentation currency of the Accelerate. The income and expenses of the Offshore Portfolio are translated to the presentation currency of the Accelerate at the weighted-average rate of exchange for the period. Profits or losses arising on the translation of assets and liabilities of foreign operations are recognised in other comprehensive income (OCI) and presented within equity in a foreign currency translation reserve. Please refer to note 18 for applicable exchange rates.

2. **LEASES (OFFSHORE PORTFOLIO AS LESSEE)**

	Independently reviewed interim 30 September 2021 R'000	**Audited year ended 31 March 2021 R'000**	**Reviewed year ended 31 March 2020 R'000**	**Reviewed year ended 31 March 2019 R'000**
Right-of-use asset				
Opening balance	120 676	141 676	–	–
IFRS 16 adoption balance	–	–	146 399	–
Depreciation	(2 046)	(4 547)	(3 926)	–
Foreign exchange movement	923	(16 453)	(797)	–
	119 553	**120 676**	**141 676**	**–**
Lease liabilities				
Opening balance	122 797	142 918	–	–
IFRS 16 adoption balance	–	–	146 399	–
IFRS 16 interest	1 347	3 145	2 714	–
Repayment	(7 868)	(6 495)	(5 608)	–
Exchange rate movement	5 897	(16 771)	(587)	–
	122 173	**122 797**	**142 918**	**–**
Non-current liabilities	116 231	116 854	136 173	–
Current liabilities	5 942	5 943	6 745	–
	122 173	**122 797**	**142 918**	**–**

The lease liabilities relate to the rental of land in Austria and Slovakia by Accelerate Property Fund Europe B.V. The incremental borrowing rate used by the lessee is 2.23%.

There are no restrictive conditions in place on these leases.

3. INVESTMENT PROPERTY

	Opening balance R'000	Additions R'000	Foreign exchange move-ments R'000	Classified as held for sale R'000	Fair value adjust-ments R'000	Total R'000
Reconciliation of investment property – 30 September 2021 (independently reviewed)						
Investment property*	1 554 983	–	9 002	(1 563 985)	–	–
Reconciliation of investment property – 31 March 2021 (Audited)						
Investment property*	1 832 564	6 235	(211 572)	–	(72 244)	1 554 983
Reconciliation of investment property – 31 March 2020 (independently reviewed)						
Investment property *	1 499 922	–	313 629	–	19 013	1 832 564
Reconciliation of investment property – 31 March 2019 (independently reviewed)						
Investment property *	1 298 010	4 561	165 101	–	32 250	1 499 922

* *The entire portfolio of investment property is pledge as security for borrowings. For detailed borrowings please refer to note 7.*

Investment property summary

	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Reviewed year ended 31 March 2020 R'000	Reviewed year ended 31 March 2019 R'000
Investment properties	1 554 983	1 832 564	1 499 922	1 298 010
Acquisitions/improvements	–	6 235	–	4 561
Fair value (loss)/gain on investment property	–	(72 244)	19 013	32 250
Foreign exchange (loss)/gain	9 002	(211 572)	313 629	165 101
Non-current assets held for sale	(1 563 985)	–	–	–
	1 563 985	**1 554 983**	**1 832 564**	**1 499 922**

	Europe
Balance as at 31 March 2021	1 554 983
Foreign exchange gain	9 002
Classified as held for sale	(1 563 985)
Balance at 30 September 2021	**–**
Balance as at 31 March 2020	1 832 564
Acquisitions/Improvements	6 235
Subtotal	1 838 799
Foreign exchange loss	(211 572)
Fair value loss on investment properties	(72 244)
Balance at 31 March 2020	**1 554 983**
Balance at 31 March 2019	1 499 922
Foreign exchange gains	313 629
Fair value gain on investment properties	19 013
Balance at 31 March 2020	**1 832 564**
Balance at 31 March 2018	1 298 010
Acquisition/Improvements	4 561
Subtotal	1 302 571
Foreign exchange gains	165 101
Fair value gain on investment properties	32 250
Balance at 31 March 2019	**1 499 922**

4. FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

4.1 Levels of fair value measurement

It is the policy of the Offshore Portfolio to have every property valued by an external valuer on a three-year rotational basis as required by the JSE Listings Requirements. This means that each property the Offshore Portfolio holds is externally valued at least every three years. The remaining investment properties held at the end of each reporting period are valued by the Offshore Portfolio's directors.

Each year the directors appoint an external valuer who is responsible for the external valuations of property for the carve-out combined historical financial information. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. In addition, the directors are responsible for Offshore Portfolio's internal property valuations. Internal methods are aligned with those used by external valuers.

At each reporting date, the directors analyse the movements in each property's value. For this analysis, the directors verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (e.g., rent amounts in rental contracts), market reports (e.g. market rent, cap rates in property market reports) and other relevant documents. Each property is considered a separate asset class based on the unique nature, characteristics and risks of the property. The directors compare each property's change in fair value with relevant external sources (such as the investment property database or other relevant benchmarks) to determine whether the change is reasonable.

4.2 **Valuation techniques**

The fair values of investment properties are determined using either a discounted cash flow (DCF) method or income capitalisation method (cap rate). These two valuation methods are used across the different property portfolios of the Offshore Portfolio.

4.3 **Valuation techniques**

4.3.1 DCF method

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and costs of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash inflows associated with the property. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, reletting, redevelopment or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net cash inflows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted at the appropriate rate.

4.3.2 Income capitalisation method

Under the cap rate method, a property's fair value is estimated based on the normalised and market related net operating income generated by the property, which is divided by the capitalisation rate. The difference between gross and net rental income includes the same expense categories as those for the DCF method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease costs.

The external valuations were performed by Coldwell Banker Richard Ellis accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The internal valuations were performed by the directors. The valuation models applied are in accordance with those recommended by the International Valuation Standards Committee and are consistent with the principles in IFRS 13.

4.4 **Changes in valuation techniques**

There were no changes in valuation techniques during the year.

4.5 **Highest and best use**

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

4.6 **Valuation techniques and inputs derive level 3 fair values**

The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period.
- A description of the valuation techniques applied.
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building.
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

Class of property	Fair value as 30 September 2021	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
European retail	1 563 985	Income capitalisation/ DCF method	• ERV • Rental growth pa • Long-term vacancy rate	• R139.40 • 0% • 0%	6.46

Class of property	Fair value as 31 March 2021	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
European retail	1 554 983	Income capitalisation/ DCF method	• ERV • Rental growth pa • Long-term vacancy rate	• R138.60 • 0% • 0%	6.46

Class of property	Fair value as 31 March 2020	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
European retail	1 832 564	Income capitalisation/ DCF method	• ERV • Rental growth pa • Long-term vacancy rate	• R156.60 • 0% • 0%	6.20

Class of property	Fair value as 31 March 2019	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
European retail	1 499 922	Income capitalisation/ DCF method	• ERV • Rental growth pa • Long-term vacancy rate	• R130.40 • 0% • 0%	6.30

Descriptions and definitions

The table on the previous page includes the following descriptions and definitions relating or valuation techniques and key unobservable inputs made in determining the fair values.

Estimated rental value (ERV)

The gross rent per square meter per month at which space could be let in the market conditions prevailing at the date of valuation.

Rental growth

The estimated average increase in rent per annum based on both market estimations and contractual indexations.

Long-term vacancy rate

The ERV of the expected long-term average structural vacant space divided by ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.

COVID-19

The long-term impact of COVID-19 on the above inputs is yet to be determined with certainty. Short-term assistance given to tenants will not materially impact the valuation of investment property. The long-term impact on rental levels, vacancies and discount rates cannot yet be determined with any degree of certainty.

4.7 **Equivalent yield**

The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review, but with no further rental growth.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Long-term vacancy rate
- Equivalent yield

4.8 **ERV**

An increase or decrease in ERV is directly correlated to an increase or decrease in the estimated fair value. A 5% increase or decrease in the ERV would result in a 5% increase or decrease in the estimated fair value.

4.9 **Long-term vacancy rate**

Increases/decreases in the long-term vacancy rate would result in decreases/increases in the estimated fair value. There are currently no vacancies on the Offshore Portfolio.

4.10 **Rental growth**

The rental growth rate assumption used to value investment property is a direct input into the discount rate used in a discounted cash flow valuation. Thus if the growth rate increases the discount rate also increases.

4.11 **Equivalent Yield**

	25 bps increase	25 bps decrease
European retail – Impact on fair value		
31 March 2021	25 bps increase	25 bps decrease
European retail	(3.6%)	4.1%
European retail – Impact on fair value		
31 March 2020	25 bps increase	25 bps decrease
European retail	(3.9%)	4.2%
European retail – Impact on fair value		
31 March 2019	25 bps increase	25 bps decrease
European retail	(3.8%)	4.2%

	Independently reviewed interim 30 September 2021 R'000	**Audited year ended 31 March 2021 R'000**	**Reviewed year ended 31 March 2020 R'000**	**Reviewed year ended 31 March 2019 R'000**
5. **TRADE AND OTHER RECEIVABLES**				
Financial assets:				
Debtors including tenant receivables	6 992	4 938	5 251	5 096
Non-financial assets:				
Prepaid expenses	–	–	626	–
Total trade and other receivables	**6 992**	**4 938**	**5 887**	**5 096**

Carrying value approximates the fair value of trade and other receivables.

Exposure to credit risk

Refer to note 16 Credit risk of trade receivables, which explains how the Offshore Portfolio manages and measures credit quality of receivables.

6. **CASH AND CASH EQUIVALENTS**				
Cash and cash equivalents consist of:				
Cash held on call account	**18 645**	**18 199**	**28 915**	**32 849**

7. **BORROWINGS**				
Total value of loans secured by investment property				
Erste Bank	845 417	842 869	28 915	32 849
Reconciliation of debt movements				
Opening balance	842 869	958 957	794 808	618 379
Debt raised	–	–	–	94 954
Debt repayment	(4 259)	(4 899)	(240)	(4)
Exchange rate movement on foreign debt	6 807	(111 189)	164 389	81 479
	845 417	**842 869**	**958 957**	**794 808**

Carrying value approximates the fair value of borrowings. Interest payments are made as they fall due and capital repayments are only made as per the maturity dates below. Interest rates on these loans are market related and at arm's length with third party lenders.

The Offshore Portfolio has not acquired any debt in the financial period.

		Tranche	Weighting %	Debt amount	Maturity date	Rate
7.1	**DETAILS OF SECURED LOANS AT 30 SEPTEMBER 2021**	**Tranche**	**Weighting %**	**Debt amount**	**Maturity date**	**Rate**
	Erste Bank	A	100%	845 417	November 2023	2.23% fixed
7.2	**DETAILS OF SECURED LOANS AT 31 MARCH 2021**	**Tranche**	**Weighting %**	**Debt amount**	**Maturity date**	**Rate**
	Erste Bank	A	100%	842 869	November 2023	2.23% fixed
7.3	**DETAILS OF SECURED LOANS AT 31 MARCH 2020**	**Tranche**	**Weighting %**	**Debt amount**	**Maturity date**	**Rate**
	Erste Bank	A	100%	958 957	November 2023	2.23% fixed
7.3	**DETAILS OF SECURED LOANS AT 31 MARCH 2019**	**Tranche**	**Weighting %**	**Debt amount**	**Maturity date**	**Rate**
	Erste Bank	A	100%	794 808	November 2023	2.23% fixed

8. TRADE AND OTHER PAYABLES

Financial liabilities:	**Independently reviewed interim 30 September 2021 R'000**	**Audited 31 March 2021 R'000**	**Independently reviewed 31 March 2020 R'000**	**Independently reviewed 31 March 2019 R'000**
Trade payables	**6 857**	**5 570**	**8 076**	**6 697**
Accrued expenses	441	–	–	–
	7 298	**5 570**	**8 076**	**6 697**

Trade and other payables are settled within 30 days of invoice date. Carrying value approximated the fair value of trade and other payables due to the short-term nature of payables.

9. REVENUE

	Independently reviewed interim 30 September 2021 R'000	**Audited 31 March 2021 R'000**	**Independently reviewed 31 March 2020 R'000**	**Independently reviewed 31 March 2019 R'000**
Rental income	54 404	122 548	104 427	105 039
Revenue excluding COVID-19 rental relief	**54 404**	**122 548**	**104 427**	**105 039**
COVID-19 rental relief	–	(5 216)	–	–
Total revenue	**54 404**	**117 332**	**104 427**	**105 039**

10. FAIR VALUE ADJUSTMENTS

Fair value gains (losses)				
Investment property (fair value model)	–	(72 244)	19 013	32 250

	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Reviewed year ended 31 March 2020 R'000	Reviewed year ended 31 March 2019 R'000
11. **FINANCE COSTS**				
Non-current borrowings	9 391	20 925	18 260	15 076
Interest on lease liability	1 347	3 145	2 714	–
Interest on group loans	6 138	14 361	13 797	18 038
Total finance costs	**16 876**	**38 431**	**34 771**	**33 114**
12. **CASH GENERATE FROM OPERATIONS**				
(Loss)/profit before taxation	25 764	(15 768)	70 996	84 945
Adjustments for:				
Depreciation IFRS 16	2 046	4 547	3 926	–
Finance costs	16 876	38 431	34 771	33 114
Fair value losses/(gains)	–	72 244	(19 013)	(32 250)
Changes in working capital:				
Trade and other receivables	7 293	949	(791)	2 343
Trade and other payables	(1 743)	(3 588)	814	2 407
	50 235	**96 815**	**90 703**	**90 559**
13. **CAPITAL COMMITMENTS**				
Leases – offshore portfolio as lessee				
Minimum lease payments due				
– Within one year	1 616	3 135	5 652	–
– In second to fifth year inclusive	13 661	13 552	22 535	–
– Later than five years	106 896	106 404	140 250	–
	122 173	**122 797**	**168 437**	**–**

The lease payments above represent rentals payable in Austria and Slovakia, utilised by the Offshore Portfolio in terms of long term leases.

	Independently reviewed interim 30 September 2021 R'000	Audited year ended 31 March 2021 R'000	Reviewed year ended 31 March 2020 R'000	Reviewed year ended 31 March 2019 R'000
14. **RELATED PARTIES**				
Relationships				
Ultimate holding company Accelerate Property Fund Limited				
Related party balances				
Loan accounts – owing (to) by related parties				
Accelerate Property Fund Limited	(191 206)	(204 595)	(257 529)	(242 411)

- None of the related party balances are secured.
- Related party balances are to be settled in cash.
- The loan is payable on demand to Accelerate Property Fund Limited.
- No fixed repayment terms have been put in place, interest on balances are charged at 6%.

15. **RECHARGE COSTS**

As per the basis of preparation disclosure on page 49, all transactions between the Offshore Portfolio and Accelerate, which have historically been eliminated in the consolidated financial statements of Accelerate Property Fund Limited, have now been presented as transactions to the group in the Special Purpose Carve-Out Combined Historical Financial Information and form part of the related parties loan balance as per note 14. These costs include management fees and salaries and wages. The costs for the periods included in the Special Purpose Carve-Out Combined Historical Financial Information is as follows:

	Independently reviewed interim 30 September 2021 R'000	**Audited year ended 31 March 2021 R'000**	**Reviewed year ended 31 March 2020 R'000**	**Reviewed year ended 31 March 2019 R'000**
Corporate costs	6 789 380	16 190 598	16 220 442	16 154 439

16. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial risk management

Total financial assets and liabilities#

	Carried at fair value R'000	**Amortised cost# R'000**	**Total R'000**
Financial assets 30 September 2021			
Trade and other receivables	–	6 992	6 992
Cash and cash equivalents	–	18 645	18 645
	–	**25 637**	**25 637**
Financial liabilities 30 September 2021			
Long-term interest-bearing borrowings	–	(845 417)	(845 417)
Long-term lease liability	–	(116 231)	(116 231)
Trade and other payables	–	(7 298)	(7 298)
Current portion of lease liability	–	(5 942)	(5 942)
	–	**(974 888)**	**(974 888)**
Financial assets 31 March 2021			
Trade and other receivables	–	4 938	4 938
Cash and cash equivalents	–	18 199	18 199
	–	**23 137**	**23 137**
Financial liabilities 31 March 2021			
Long-term interest-bearing borrowings	–	(842 869)	(842 869)
Long-term lease liability	–	(116 854)	(116 854)
Trade and other payables	–	(5 570)	(5 570)
Current portion of lease liability	–	(5 943)	(5 943)
	–	**(971 241)**	**(971 241)**
Financial assets 31 March 2020			
Trade and other receivables	–	5 887	5 887
Cash and cash equivalents	–	28 915	28 915
	–	**34 802**	**34 802**
Financial liabilities 31 March 2020			
Long-term interest-bearing borrowings	–	(958 957)	(958 957)
Long-term lease liability	–	(136 173)	(136 173)
Trade and other payables	–	(8 076)	(8 076)
Current portion of lease liability	–	(6 745)	(6 745)
	–	**(1 109 951)**	**(1 109 951)**

	Carried at fair value R'000	Amortised cost# R'000	Total R'000
Financial assets 31 March 2019			
Trade and other receivables	–	5 096	5 096
Cash and cash equivalents	–	32 849	32 849
	–	**37 945**	**37 945**
Financial liabilities 31 March 2019			
Long-term interest-bearing borrowings	–	(794 808)	(794 808)
Trade and other payables	–	(6 697)	(6 697)
	–	**(801 505)**	**(801 505)**

\# *The carrying value of financial assets and liabilities carried at amortised cost is considered to approximate the fair value of those financial assets and liabilities. There have been no significant changes in valuation techniques or transfers between fair value hierarchy levels.*

16.1 **Other financial risk management considerations**

The Offshore Portfolio's principal financial liabilities are loans and borrowings. The main purpose of the Offshore Portfolio's loans and borrowings is to finance the acquisition and development of the Offshore Portfolio's property portfolio. The Offshore Portfolio has rent and other receivables, vendor loans, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Offshore Portfolio is exposed to market risk (including interest rate risk and real estate risk), credit risk and liquidity risk.

The board has overall responsibility for the establishment and oversight of the Offshore Portfolio's risk management framework. As such, the Offshore Portfolio's senior management is supported by the audit and risk committee that advises on financial risks and the appropriate financial risk governance framework for the Offshore Portfolio. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

The Offshore Portfolio's risk management policies are established to identify and analyse the risks faced by the Offshore Portfolio, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Offshore Portfolio's activities. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

16.2 **Credit risk**

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Offshore Portfolio is exposed to credit risks from its leasing activities, including deposits with banks and financial institutions and derivatives as well as trade and related party receivables. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

As required by IFRS 9, the Offshore Portfolio used the simplified approach in calculating ECL for trade receivables that do not contain a significant financing component. The Offshore Portfolio calculates ECL evaluating the recoverability of balances on a tenant-by-tenant basis.

16.3 **Tenant receivables**

In determining the expected credit loss for tenant and tenant related receivables the following factors are taken into account:

- The overall state and well-being of the economy.
- The impact of COVID-19 on doing business and cash flows of tenants.
- The nature, sustainability and current performance of a tenants business.
- The financial position of the tenant.
- The quantum of deposits/guarantees/collateral held by the fund to offset future tenant losses.
- The payment history of the tenant.
- Market available forward-looking information regarding tenants.

The Offshore Portfolio's exposure to credit risk is mainly in respect of tenants and is influenced by the individual characteristics of each tenant. The Offshore Portfolio's widespread tenant base reduces credit risk. Tenants are assessed according to the Offshore Portfolio's criteria prior to entering into lease arrangements. Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Offshore Portfolio's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the Offshore Portfolio's credit review includes external ratings. The carrying amount of financial assets represents the maximum credit exposure. The collateral that is held by the Offshore Portfolio as security for credit risk includes deposit payments by tenants upon entering into a lease, bank guarantees provided as well as sureties by the tenant as an individual or by the business entering into the lease. Impairment losses have been recorded for those debts whose recovery was not reasonably assured at year-end. The maximum credit exposure at the reporting date was R7 million (2021: R10.1 million, 2020: R5.9 million, 2019: R5.1 million). Tenants are regarded as being in default if payment of rentals billed is not received within seven days of month end.

16.4 **Liquidity risk**

Liquidity risk is the risk that the Offshore Portfolio will not be able to meet its financial obligations as they fall due or take advantage of property opportunities as they arise. The Offshore Portfolio's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. The Offshore Portfolio seeks to borrow for as long as possible at the lowest acceptable cost. The Offshore Portfolio regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates.

100% (2021: 100%, 2020: 100%, 2019: 100%) of interest-bearing borrowings were economically hedged at 30 September 2021.

For a breakdown of total borrowings please refer to note 7.

The tables below set out the maturity analysis (including future capital and interest payments) of the Offshore Portfolio's financial liabilities based on the undiscounted contractual cash flows.

30 September 2021

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities					
Interest-bearing loan to Erste Bank	–	–	886 273	–	886 273
Related party loans	191 206	–	–	–	191 206
Trade and other payables	7 299	–	–	–	7 299
Lease liability	2 996	5 992	17 975	137 805	164 768
	201 501	**5 992**	**904 248**	**137 805**	**1 249 546**

31 March 2021

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities					
Interest-bearing loan to Erste Bank	–	–	893 026	–	893 026
Related party loans	204 595	–	–	–	204 595
Trade and other payables	5 570	–	–	–	5 570
Lease liability	5 943	5 943	17 831	142 645	172 362
	216 108	**5 943**	**910 857**	**142 645**	**1 275 553**

31 March 2020

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities	–	–	–	–	–
Interest-bearing loan to Erste Bank	–	–	1 037 407	–	1 037 407
Related party loans	257 529	–	–	–	257 529
Trade and other payables	8 076	–	–	–	8 076
Lease liability	6 745	6 745	20 236	168 630	202 356
	272 350	**6 745**	**1 057 643**	**168 630**	**1 505 368**

31 March 2019	Less than 1 year	2 to 5 years	Total
Financial liabilities			
Interest-bearing loan to Erste Bank	–	877 602	877 602
Related party loans	242 411	–	242 411
Trade and other payables	6 697	–	6 697
Lease liability	**249 108**	**877 602**	**1 1260 710**

* *Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the requirements of the Offshore Portfolio. In terms of covenants with its lenders at 30 September 2021, the nominal value of interest-bearing borrowings over secured properties may not exceed 60% of the value of investment property. All loan to value covenants have been met at 30 September 2021.*

16.5 **Debt covenants**

The Offshore Portfolio has also evaluated its ability to comply with debt covenants for the 12 months ending 31 March 2022 and have concluded that debt covenants will be met.

The directors have satisfied themselves that the Offshore Portfolio is in a sound financial position and that it has access to sufficient liquidity to meet its foreseeable cash requirements. Considering the outcomes of the solvency and liquidity projections, the Offshore Portfolio will be solvent and liquid and the directors are confident in the ability of the Offshore Portfolio to continue as a going concern and have no reason to believe that the group will not be a going concern in the year ahead. The directors have therefore concluded that the Offshore Portfolio has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the carve-out combined historical financial information.

16.6 **Exchange rate risk**

An increase or decrease of R1 in the Euro exchange rate would result in an increase or decrease of R48 136 250 (2021: R48 378 750, 2020: R48 500 000, 2019: R48 500 000) of the long-term loan in Rand terms.

16.7 **Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate or that the fair values of financial instruments will fluctuate because of changes in market interest rates. The Offshore Portfolio's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations.

Due to the interest rate on the Erste Bank being fixed, the Offshore Portfolio has no interest rate risk.

16.8 **Market risk**

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Offshore Portfolio that are affected by market risk are the derivative interest rate and cross currency hedging financial instruments.

16.9 **Credit risk related to financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed in accordance with the Offshore Portfolio's policy. Investments of surplus funds are made only with approved counterparties. The Offshore Portfolio only deposits cash with banks with high-quality credit standing. For this reason, the Offshore Portfolio does not consider there to be any significant concentration of credit risk.

17. **CAPITAL MANAGEMENT**

The primary objective of the Offshore Portfolio's capital management is to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. No changes were made in the objectives, policies or processes during the periods ending 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019. The Offshore Portfolio monitors capital primarily using a loan-to-value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio. Banking covenants vary according to each loan agreement, but typically require that the loan-to-value ratio does not exceed 60%. During the period, the Offshore Portfolio did not breach any of its loan covenants and the Offshore Portfolio did not default on any other of its obligations under its loan agreements.

The interest cover ratio is 3.9x (2021: 3.9x, 2020: 3.9x, 2019:3.9x) with the covenant at 1.25x.

18. **Exchange rate**

Exchange rates at year-end	**30 September 2021 R/€**	**31 March 2021 R/€**	**31 March 2020 R/€**	**31 March 2019 R/€**
Rand/Euro exchange rate	17.5630	17.4223	19.7723	16.3878

19. **Non-current assets held for sale**

As per above announcement, Accelerate Property Fund Limited, plans on selling its interest in its Offshore Portfolio. This will result in an important reduction in the Company's LTV Ratio as well as strengthen its balance sheet and return market confidence in Accelerate. As indicated above, the expected timing of the sale is 31 January 2022 to Slate Capital under the conditions discussed earlier in the circular. The Fair Value of the Investment Property to be disposed of is as follows:

Non-current assets held for sale:	**30 September 2021 R'000**	**31 March 2021 R'000**
Investment Property	1 563 985	–

Please refer to **Annexure 3** for further details surrounding such disposal as well as the impact the sale shall have on Accelerate Property Fund Limited's consolidated set of financial statements and loss due to such sale.

20. **Events after the reporting period**

Accelerate has through its 96.3% owned subsidiary, Accelerate Property Fund Europe B.V. ("APFE"), entered into a definitive share and purchase agreement with two wholly-owned subsidiaries of investment funds managed by Slate Asset Management ("Slate" or the "Purchasers"), dated 18 November 2021 ("Signature Date") (the "Transaction Agreement"), in terms of which it will dispose of its nine European retail properties located in Austria and Slovakia (the "Offshore Portfolio") for an aggregate disposal valuation of €87 400 000 ("Portfolio Disposal Value") (the "Disposal"). The Offshore Portfolio is held through special purpose vehicles ("SPV") in Austria and Slovakia which are the subject of the Transaction Agreement.

21. **COVID-19**

Effective 22 November 2021, Austria ordered a full national lockdown. The lockdown ended on 12 December for the fully unvaccinated. In addition, Slovakia ordered a lockdown on 24 November 2021 for an initial 14 days to be re-evaluated after 10 days. There has since been an extension of the curfew and other restrictions until at least 9 January 2022.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE SPECIAL PURPOSE CARVE-OUT COMBINED HISTORICAL FINANCIAL INFORMATION OF THE DISPOSAL PORTFOLIO FOR THE YEAR ENDED 31 MARCH 2021

*The definitions and interpretations commencing on page 7 of the Circular to which this Annexure is attached **do not** apply to this Annexure.*

Independent Reporting Accountant's Assurance Report on the Special Purpose Carve-Out Combined Historical Financial Information of the Offshore Portfolio for the year ended 31 March 2021

To the Directors of Accelerate Property Fund Limited

At your request, we present our independent reporting accountant's report on the special purpose carve-out historical financial information of the Austrian Subsidiaries and Slovak Subsidiaries that own the nine properties (together, the "**Offshore Portfolio**"), which forms part of Accelerate Property Fund Limited ("**Accelerate**" or the "**Company**"), and its subsidiaries (collectively, the "**Group**"), for the year ended 31 March 2021 (the "**Special Purpose Carve-Out Combined Historical Financial Information**") for inclusion in **Annexure 5** on pages 45 to 71 of the circular to be dated on or about 22 December 2021 **("Circular**") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountant and the Independent Auditor of Accelerate.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

Opinion

We have audited the Special Purpose Carve-Out Combined Historical Financial Information, which comprises of the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies and the notes thereto, as presented in **Annexure 5** on pages 45 to 71 to the Circular.

In our opinion, the Special Purpose Carve-Out Combined Historical Financial Information, as presented in **Annexure 5** on pages 45 to 71 of the Circular, is prepared, in all material respects, in accordance with the basis of preparation paragraph as set out in the Basis of Preparation of the Special Purpose Carve-Out Combined Historical Financial Information section included in **Annexure 5** on pages 45 to 71 to the Circular and the JSE Listings Requirements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Independent Reporting Accountant's Responsibilities for the Special Purpose Carve-Out Combined Historical Financial Information section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and Company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and Company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to the Basis of preparation section to the Special Purpose Carve-Out Combined Historical Financial Information, which describes the basis of preparation and presentation of the Special Purpose Carve-Out Combined Historical Financial Information, including the approach to and the purpose for preparing the financial information.

Consequently, the Special Purpose Carve-Out Combined Historical Financial Information may not necessarily be indicative of the financial performance that would have been achieved had the Offshore Portfolio operated as an independent group, nor may it be indicative of the results of operations of the Offshore Portfolio for any future period.

The Special Purpose Carve-Out Combined Historical Financial Information has been prepared solely for the purpose of fulfilling management's financial reporting responsibilities in order to comply with the respective JSE Listings Requirements. As a result, the Special Purpose Carve-Out Combined Historical Financial Information may not be suitable for, or relied on, for another purpose.

Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information contained in this Circular. The other information comprises the information included in the 92-page document titled Circular to Accelerate Shareholders. The other information does not include the Special Purpose Carve-Out Combined Historical Financial Information and our report thereon.

Our opinion on the Special Purpose Carve-Out Combined Historical Financial Information does not cover the other information contained in this Circular and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Special Purpose Carve-Out Combined Historical Financial Information, our responsibility is to read the other information contained in this Circular and, in doing so, consider whether the other information is materially inconsistent with the Special Purpose Carve-Out Combined Historical Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Special Purpose Carve-Out Combined Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation of the Special Purpose Carve-Out Combined Historical Financial Information, in accordance with the basis of preparation as set out in Basis of preparation of the Special Purpose Carve-Out Combined Historical Financial Information paragraph included in **Annexure 5** on pages 45 to 71 to the Circular and JSE Listings Requirements, and for determining that the basis of preparation is acceptable in the circumstances. The directors are also responsible for such internal control as determined necessary to enable the preparation of Special Purpose Carve-Out Combined Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carve-Out Combined Historical Financial Information, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Reporting Accountant's Responsibilities for the Special Purpose Carve-Out Combined Historical Financial Information

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carve-Out Combined Historical Financial Information is free from material misstatement, whether due to fraud or error, and to issue an Independent Reporting Accountant's Assurance Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Special Purpose Carve-Out Combined Historical Financial Information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Carve-Out Combined Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountant's report to the related disclosures in the Special Purpose Carve-Out Combined Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our reporting accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette number 394711 dated 4 December 2015, we report that we have been the auditor of Accelerate Property Fund Limited for 8 years.

____

Ernst & Young Inc.
Director: Gerhardus J van Deventer CA(SA)
Registered Auditor
Johannesburg
15 December 2021

INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE SPECIAL PURPOSE CARVE-OUT COMBINED HISTORICAL FINANCIAL INFORMATION OF THE DISPOSAL PORTFOLIO FOR THE YEARS ENDED 31 MARCH 2020 AND 31 MARCH 2019

*The definitions and interpretations commencing on page 7 of the Circular to which this Annexure is attached **do not** apply to this Annexure.*

Independent Reporting Accountant's Review Report on the Special Purpose Carve-Out Combined Historical Financial Information of the Offshore Portfolio for the years ended 31 March 2020 and 31 March 2019.

To the directors of Accelerate Property Fund Limited

At your request, we present our Independent Reporting Accountant's Review Report on the special purpose carve-out combined historical financial information of the businesses that are the subject matter of the disposal, being the Austrian Subsidiaries and Slovak Subsidiaries that own the nine properties together, the "Offshore Portfolio") which forms part of Accelerate Property Fund Limited ("Accelerate" or the "Company"), and its subsidiaries (collectively, the ("Group") for the year ended 31 March 2020 and 31 March 2019 (the "Special Purpose Carve-Out Combined Historical Financial Information") for inclusion in **Annexure 5** on pages 45 to 71 of the Circular to be dated on or about 22 December 2021 ("Circular") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "JSE") (the "JSE Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountant and Independent Auditor of Accelerate.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

Independent Reporting Accountant's Review Report on the Special Purpose Carve-Out Combined Historical Financial Information

We have reviewed the Special Purpose Carve-Out Combined Historical Financial Information of the Offshore Portfolio set out on in **Annexure 5** pages 45 to 71 which comprise the statements of financial position as at 31 March 2020 and 31 March 2019 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies ("Special Purpose Carve-Out Combined Historical Financial Information") as presented in **Annexure 5** on pages 45 to 71 to the Circular.

Responsibility of the directors for the Special Purpose Carve-Out Combined Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and presentation of the Special Purpose Carve-Out Combined Historical Financial Information, in accordance with the basis of preparation as set out in the Basis of preparation of the Special Purpose Carve-Out Combined Historical Financial Information paragraph included in **Annexure 5** on pages 45 to 47 to the Circular and JSE Listings Requirements, and for determining that the basis of preparation is acceptable in the circumstances. The directors are also responsible for such internal control as management determine necessary to enable the preparation of Special Purpose Carve-Out Combined Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibility on the Special Purpose Carve-Out Combined Historical Financial Information

Our responsibility is to express review conclusions on the Special Purpose Carve-Out Combined Historical Financial Information based on our review in accordance with ISRE 2400 (Revised) International Standard on Review Engagements, which applies to a review of Special Purpose Carve-Out Combined Historical Financial Information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Special Purpose Carve-Out Combined Historical Financial Information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Special Purpose Carve-Out Combined Historical Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Special Purpose Carve-Out Combined Historical Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Carve-Out Combined Historical Financial Information, as set out in **Annexure 5** on pages 45 to 71 to the Circular is not prepared, in all material respects, in accordance with the basis of preparation paragraph included in **Annexure 5** on pages 45 to 71 to the Circular and the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the Basis of preparation section to the Special Purpose Carve-Out Combined Historical Financial Information, which describes the basis of preparation and presentation of the Special Purpose Carve-Out Combined Historical Financial Information, including the approach to and the purpose for preparing the financial information.

Consequently, the Special Purpose Carve-Out Combined Historical Financial Information may not necessarily be indicative of the financial performance that would have been achieved had the Offshore Portfolio operated as an independent group, nor may it be indicative of the results of operations of the Offshore Portfolio for any future period.

The Special Purpose Carve-Out Combined Historical Financial Information has been prepared solely for the purpose of fulfilling management's financial reporting responsibilities in order to comply with the respective JSE Listings Requirements. As a result, the Special Purpose Carve-Out Combined Historical Financial Information may not be suitable for, or relied on, for another purpose.

Our conclusion is not modified in respect of this matter.

Ernst & Young Inc.
Director: Gerhardus J van Deventer CA(SA)
Registered Auditor
Johannesburg
15 December 2021

INDEPENDENT REPORTING ACCOUNTANT'S REVIEW REPORT ON THE SPECIAL PURPOSE CARVE-OUT COMBINED HISTORICAL FINANCIAL INFORMATION OF THE OFFSHORE PORTFOLIO FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

*The definitions and interpretations commencing on page 7 of the Circular to which this Annexure is attached **do not** apply to this Annexure.*

Independent Reporting Accountant's Review Report on the Special Purpose Carve-Out Combined Interim Historical Financial Information of the Offshore Portfolio for the six-month period ended 30 September 2021.

To the directors of Accelerate Property Fund Limited

At your request, we present our Independent Reporting Accountant's Review Report on the special purpose carve-out combined historical financial information of the businesses that are the subject matter of the disposal, being the Austrian Subsidiaries and Slovak Subsidiaries that own the nine properties together, the "Offshore Portfolio") which forms part of Accelerate Property Fund Limited ("Accelerate" or the "Company"), and its subsidiaries (collectively, the ("Group") for the six-month period ended 30 September 2021 (the "Special Purpose Carve-Out Interim Combined Historical Financial Information") for inclusion in **Annexure 5** on pages 45 to 71 of the Circular to be dated on or about 22 December 2021 ("Circular") by the directors.

This report is required for the purposes of complying with Section 8.7 of the Listings Requirements of the JSE Limited (the "JSE") (the "JSE Listings Requirements") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Reporting Accountant and Independent Auditor of Accelerate.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Circular.

Independent Reporting Accountant's Review Report on the Special Purpose Carve-Out Combined Historical Financial Information

We have reviewed the Special Purpose Carve-Out Combined Historical Financial Information of the Offshore Portfolio set out on in **Annexure 5** pages 45 to 71 which comprise the statements of financial position as at 30 September 2021 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the six-month period ended 30 September 2021, and notes to the financial statements, including a summary of significant accounting policies ("Special Purpose Carve-Out Combined Historical Financial Information") as presented in **Annexure 5** on pages 45 to 71 to the Circular.

Responsibility of the directors for the Special Purpose Carve-Out Combined Interim Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and presentation of the Special Purpose Carve-Out Combined Interim Historical Financial Information, in accordance with the basis of preparation as set out in the Basis of preparation of the Special Purpose Carve-Out Combined Interim Historical Financial Information paragraph included in **Annexure 5** on pages 45 to 71 to the Circular and JSE Listings Requirements, and for determining that the basis of preparation is acceptable in the circumstances. The directors are also responsible for such internal control as management determine necessary to enable the preparation of Special Purpose Carve-Out Combined Interim Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibility on the Special Purpose Carve-Out Combined Interim Historical Financial Information

Our responsibility is to express review conclusions on the Special Purpose Carve-Out Combined Interim Historical Financial Information based on our review in accordance with ISRE 2400 (Revised) International Standard on Review Engagements, which applies to a review of Special Purpose Carve-Out Combined Interim Historical Financial Information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Special Purpose Carve-Out Combined Interim Historical Financial Information, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Special Purpose Carve-Out Combined Interim Historical Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Special Purpose Carve-Out Combined Interim Historical Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Carve-Out Combined Interim Historical Financial Information, as set out in **Annexure 5** on pages 45 to 71 to the Circular is not prepared, in all material respects, in accordance with the basis of preparation paragraph as set out in **Annexure 5** on pages 45 to 71 to the Circular and Section 8.7 of the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the Basis of preparation section to the Special Purpose Carve-Out Combined Interim Historical Financial Information, which describes the basis of preparation and presentation of the Special Purpose Carve-Out Combined Interim Historical Financial Information, including the approach to and the purpose for preparing the financial information. The Special Purpose Carve-Out Combined Interim Historical Financial Information is prepared for inclusion in **Annexure 5** on pages 45 to 71 to the Circular for the purposes of complying with Section 8.7 of the JSE Listings Requirements.

Consequently, the Special Purpose Carve-Out Combined Historical Financial Information may not necessarily be indicative of the financial performance that would have been achieved had the Offshore Portfolio operated as an independent group, nor may it be indicative of the results of operations of the Offshore Portfolio for any future period.

The Special Purpose Carve-Out Combined Interim Historical Financial Information has been prepared solely for the purpose of fulfilling management's financial reporting responsibilities in order to comply with the respective JSE Listings Requirements. As a result, the Special Purpose Carve-Out Combined Interim Historical Financial Information may not be suitable for, or relied on, for another purpose.

Our conclusion is not modified in respect of this matter.

____

Ernst & Young Inc.
Director: Gerhardus J van Deventer CA(SA)
Registered Auditor
Johannesburg
15 December 2021

MATERIAL LOANS

MATERIAL LOANS IN RESPECT OF THE DISPOSAL

Details of the material loans provided by external institutions in respect of the Offshore Portfolio are provided below:

No.	Institution	Type of facility	Origination	Loan amount outstanding (€)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
1.	Erste Group Bank AG	Term facility	Funding for the acquisition of the property portfolio and refinancing the initial facility	48 136 250 (balance to reduce to 0 post the disposal)	2.23% (fixed)	31 December 2023 (loan to be repaid)	Interest is serviced quarterly with 1% amortisation per annum[1] and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties

Notes:

1. 1% per annum amortisation due, given that the following conditions are met:
   i. the term or the waiver termination by the tenant of the Lease Agreement between Wien 3 and OBI with respect to the retail premises is prolonged by 10 years on terms based on which the Net Operating Income to be generated from this Lease Agreement is not less than 90% of the Net Operating Income generated from this Lease Agreement prior to the expiry of its terms or its waiver of termination, and on other terms not worse than the terms of the current Lease Agreement; or
   ii. the term or the waiver of termination by the tenant of the Lease Agreement between Wien 3 and OBI with respect to the retail premises is prolonged for such a different period, on such terms, based on which the aggregate Net Operating Income for the entire prolonged term or term or waiver of termination would be at least the same as the minimum aggregate Net Operating Income (for the entire prolonged term) in circumstances described under paragraph (i) above; and
   iii. the Loan to Value Ratio does not exceed 55 percent.
2. The Erste Bank Loan is being taken over by Slate.

MATERIAL LOANS OF THE GROUP AS AT THE LAST PRACTICAL DATE

As at the Last Practical Date, the material borrowings profile of the group is set out below. The table below sets out details of the type of facility, origination, loan amount, interest rate, maturity date, terms and conditions of repayment or renewal and details of security provided for the material loans.

No.	Institution	Type of facility	Origination	Loan amount outstanding (R '000)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
1.	RMB	Term facility	Funding the property acquisitions	176 488* (balance to reduce to 0 post the disposal)	Prime – 0.75 bps	31 October 2021 (loan to be repaid)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
2.	RMB	Term facility	Funding the property acquisitions	269 681	3M JIBAR + 195 bps	13 December 2021 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
3.	RMB	Term facility	Funding the property acquisitions	76 900	3M JIBAR + 255 bps	29 November 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
4.	RMB	Term facility	Funding the property acquisitions	140 649	3M JIBAR + 265 bps	22 May 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
5.	RMB	Term facility	Funding the property acquisitions	87 500	3M JIBAR + 325 bps	24 August 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
6.	RMB	Term facility	Funding the property acquisitions	115 806	3M JIBAR + 300 bps	31 August 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
7.	RMB	Term facility	Funding the property acquisitions	72 500	3M JIBAR + 350 bps	30 November 2021 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
8.	RMB (standalone)	Term facility	Funding the property acquisitions	453 825	3M JIBAR + 270 bps	14 June 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property

No.	Institution	Type of facility	Origination	Loan amount outstanding (R '000)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
9.	RMB (standalone)	Term facility	Funding the property acquisitions	50 000	3M JIBAR + 275 bps	29 November 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
10.	RMB (standalone)	Term facility	Funding the property acquisitions	52 375	3M JIBAR + 325 bps	31 August 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
11.	RMB (standalone)	Term facility	Funding the property acquisitions	182 408	3M JIBAR + 275 bps	17 February 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
12.	RMB (standalone)	Term facility	Funding the property acquisitions	112 247	3M JIBAR + 310 bps	22 May 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
13.	Investec	Term facility	Funding the property acquisitions	226 442	3M JIBAR + 225 bps	11 December 2021 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
14.	Investec	Term facility	Funding the property acquisitions	15 563	3M JIBAR + 255 bps	15 March 2022 (loan to be refinanced post the disposal)	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
15.	Investec	Term facility	Funding the property acquisitions	142 500	3M JIBAR + 245 bps	29 November 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
16.	Investec	Term facility	Funding the property acquisitions	60 000	Prime	31 August 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
17.	Investec	Term facility	Funding the property acquisitions	87 500	Prime	24 August 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property

No.	Institution	Type of facility	Origination	Loan amount outstanding (R '000)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
18.	Investec (standalone)	Term facility	Funding the property acquisitions	127 508	Prime – 0.25 bps	28 January 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
19.	Investec (standalone)	Term facility	Funding the property acquisitions	406 629	Prime – 0.4 bps	28 January 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
20.	Investec (standalone)	Term facility	Funding the property acquisitions	325 639* (balance to reduce to 0 post the disposal)	Prime	02 February 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property and cession of the 96.4% APFE shares held by Accelerate
21.	DMTN programme	DMTN noteholders	Funding the property acquisitions	50 000* (balance to reduce to 0 post the disposal)	3M JIBAR + 230 bps	21 October 2021 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
22.	DMTN programme	DMTN noteholders	Funding the property acquisitions	90 000	3M JIBAR + 214 bps	24 August 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
23.	DMTN programme	DMTN noteholders	Funding the property acquisitions	45 000	3M JIBAR + 210 bps	25 June 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
24.	DMTN programme	DMTN noteholders	Funding the property acquisitions	182 000	3M JIBAR + 208 bps	24 July 2023	Interest is serviced quarterly and loan is repayable on final5repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
25.	DMTN programme	DMTN noteholders	Funding the property acquisitions	31 000	3M JIBAR + 195 bps	11 September 2022 (loan to be refinanced post the disposal)	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
26.	DMTN programme	DMTN noteholders	Funding the property acquisitions	275 000	3M JIBAR + 350 bps	22 September 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property

No.	Institution	Type of facility	Origination	Loan amount outstanding (R '000)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
27.	DMTN programme	DMTN noteholders	Funding the property acquisitions	75 000	3M JIBAR + 290 bps	24 February 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
28.	DMTN programme	DMTN noteholders	Funding the property acquisitions	84 000	3M JIBAR + 325 bps	07 August 2024	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
29.	DMTN programme	DMTN noteholders	Funding the property acquisitions	200 000	3M JIBAR + 300 bps	10 April 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
30.	DMTN programme	DMTN noteholders	Funding the property acquisitions	25 000	3M JIBAR + 300 bps	10 April 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
31.	DMTN programme	DMTN noteholders	Funding the property acquisitions	394 000	3M JIBAR + 300 bps	24 August 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property
32.	DMTN programme	DMTN noteholders	Funding the property acquisitions	309 000	3M JIBAR + 300 bps	06 December 2023	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment property

Notes:

1. The above loan amounts are before repayments from disposal proceeds.
2. The facilities marked with a * are the specific facilities whereby the proceeds from the disposal will be utilised to repay the debts as indicated in the table.
3. All other debts that are repayable within the next 12 months will be refinanced post the disposal.
4. None of the material borrowings set out above have any conversion of redemption rights attaching to them.

MATERIAL CONTRACTS

Other than the Share and Purchase Agreement, the terms of which are disclosed in paragraph 4 of this Circular, set out below are the salient terms of all material contracts concluded in respect of the Disposal Portfolio, being:

- contracts entered into otherwise than in the ordinary course of business, either within the two years prior to the date of the circular or at any other time and containing an obligation or settlement that is or may be material to the disposal portfolio at the last practicable date; and
- contracts that are otherwise considered material to the disposal portfolio.

Reference to an "agreement" shall be reference to the specific agreement in respect of which the terms are detailed, as the context may require.

1. **SALIENT DETAILS OF FACILITY MANAGEMENT AND SERVICE AGREEMENT**

1.1 On acquisition of the Offshore Portfolio in 2016, APFE (through its Austrian and Slovak subsidiaries) entered into a Facility Management and Service Agreements dated 24 November 2016 and the Additional Agreement dated 23 November 2017.

1.2 The agreement is between the Austrian Subsidiaries, Slovak Subsidiaries and M2 Centermanagement GmbH ("M2").

1.3 M2 are responsible for the general facility management, property management and financial management services for all the properties that comprise the Offshore Portfolio.

2. **SALIENT DETAILS OF SALE AND PURCHASE AGREEMENT**

2.1 On 9 December 2021, Accelerate entered into a Sale and Purchase Agreement with Mr Charles Bellhouse and Mr Patrick Kirwan ("sellers") to acquire the sellers 3.6% shareholding in APFE that Accelerate does not already hold for a consideration to be settled in cash on the effective date of the transaction, expected to be on or about 31 January 2022.

2.2 Neither of the sellers is a related party to Accelerate, as defined in Section 10 of the Listings Requirements. . The cash consideration represents less than 5% of Accelerate's market capitalisation at the time that the Sale and Purchase Agreement was entered into and, as such, is not a categorised transaction for purposes of Section 9 of the Listings Requirements.

2.3 The rationale for the transaction was to pave the way for the repatriation of all remaining available funds from the sale to South Africa and for the eventual winding down of APFE, which will have no assets following implementation of the Disposal.

2.4 Prior to implementation of this Sale and Purchase Agreement, the sellers each hold 1.8% of all the issued and outstanding share capital in APFE.

2.5 On implementation of this Sale and Purchase Agreement, Accelerate will acquire the entire issued share capital (3.6%) held in APFE owned by the sellers and Accelerate's shareholding in APFE will therefore increase from 96.4% as at the Last Practicable Date to 100%.

2.6 The completion of this transaction is subject to the APFE receiving the sales proceeds from the Disposal Portfolio.

Accelerate Property Fund Limited
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number: 2005/015057/06)
Share code: APF ISIN: ZAE000185815
("Accelerate" or **"the Company"** or **"the Group")**

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on page 7 of this Circular have been used in the this *Notice of General Meeting.*

Accelerate Shareholders are referred to the Circular, which sets out the information or explanatory material that they may require in order to determine whether to participate in the General Meeting and seek to influence the outcome of the vote on the resolutions set out below.

Notice is hereby given that a General Meeting of the Shareholders of Accelerate will be held at 10:00 on Thursday, 20 January 2022 at the registered offices of the Company, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055, Johannesburg to consider and, if deemed fit, pass, with or without modification, the resolutions set out below.

The record date on which Accelerate Shareholders must be recorded in the Securities Register maintained by the Transfer Secretaries for the purposes of being entitled to receive this Circular incorporating this Notice of General Meeting is Friday, 17 December 2021. The record date on which Accelerate Shareholders must be recorded in the Securities Register maintained by the Transfer Secretaries for the purposes of being entitled to attend and vote at the General Meeting is Friday, 14 January 2022. Accordingly, the last day to trade to be eligible to attend and vote at the General Meeting is Tuesday, 11 January 2022.

In terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the General Meeting is required to provide reasonably satisfactory identification before or at the meeting (including participants via telephone conference). A green barcoded identification document or smart ID card issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport will be accepted at the General Meeting as sufficient identification.

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE PROPOSED DISPOSAL

"RESOLVED AS AN ORDINARY RESOLUTION that (subject to the fulfilment and/or (where possible) waiver of the Conditions Precedent as set out in paragraph 4.3 of the Circular) the Proposed Disposal be and is hereby approved by Shareholders and that the Company be and is hereby authorised to implement and to procure the implementation of the Proposed Disposal materially on the terms more fully set out in the Share and Purchase Agreement, the detail of which has been included in the Circular and copies of which have been made available for inspection by Shareholders."

Reason for and effect of Ordinary Resolution Number 1

In terms of the JSE Listings Requirements, the Proposed Disposal is a Category 1 transaction and requires the approval of the Shareholders by way of an ordinary resolution.

The effect of Ordinary Resolution Number 1, if passed by Shareholders, will be that the Company will have the necessary authority in terms of the JSE Listings Requirements to implement, and procure the implementation of the Proposed Disposal in accordance with its terms.

ORDINARY RESOLUTION NUMBER 1: AUTHORITY TO GIVE EFFECT TO RESOLUTIONS

"RESOLVED AS AN ORDINARY RESOLUTION that any Director of the Company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to Ordinary Resolution Number 1, hereby ratifying and confirming all such things already done and documentation already signed."

Reason for and effect of Ordinary Resolution Number 2

The reason for Ordinary Resolution Number 2 is for Shareholders to authorise the parties referred to in Ordinary Resolution Number 2 to do all things and sign all documentation as is required to give effect to and implement the approvals granted by the Shareholders at the General Meeting.

The effect of Ordinary Resolution Number 2 if passed by the requisite majority of Shareholders will be that the aforementioned parties will be granted the aforementioned authority to act on behalf of the Company and, to the extent that they may have already acted on behalf of the Company in any manner as contemplated by Ordinary Resolution Number 2, any such actions will be ratified.

QUORUM

The General Meeting may not begin until sufficient persons are present (in person or represented by proxy) at the General Meeting to exercise, in aggregate, at least 50% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting. A matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present at the General Meeting (in person or represented by proxy) to exercise, in aggregate, at least 50% of all the voting rights that are entitled to be exercised on that matter at the time that the matter is called on the agenda. In addition, a quorum shall consist of at least 50% Accelerate Shareholders being personally present or represented by proxy (and, if the Accelerate Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting on matters to be decided by Accelerate Shareholders.

VOTING

For an ordinary resolution to be approved, it must be supported by more than 50% of the voting rights of Accelerate Shareholders exercised on the resolution.

On a show of hands, every Accelerate Shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of Accelerate Shares held) and on a poll, every Accelerate Shareholder shall have for each share held by him that proportion of the total votes in Accelerate which the aggregate amount of the nominal value of that share held by him bears to the aggregate amount of the nominal value of all shares issued by Accelerate.

ELECTRONIC PARTICIPATION

Accelerate Shareholders wishing to participate electronically in the General Meeting are required by no later than 10:00 on Tuesday, 18 January 2022 to deliver Written Notice to Accelerate at Accelerate's offices, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055 (marked for the attention of the Accelerate Company Secretary) that they wish to participate via electronic communication at the General Meeting ("**Electronic Notice**"). Shareholders may also pre-register by either sending a request to proxy@computershare.co.za or registering at https://meetnow.global/za.

In order for the Electronic Notice to be valid it must contain: (a) if the Accelerate Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the Accelerate Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution or signed the relevant letter of representation. The letter of representation or resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; (c) a valid e-mail address and/or facsimile number ("**Contact Address/Number**"); and (d) confirmation of whether the Accelerate Shareholder wishes to vote via electronic communication. By no later than 12 hours before the General Meeting, Accelerate shall use its reasonable endeavours to notify an Accelerate Shareholder, who has delivered a valid Electronic Notice, at its Contact Address/Number of the relevant details through which the Accelerate shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in to the dial-in facility on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, from the time of commencement of, and for the duration of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner (and as contemplated in section 63(2) of the Act) and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting. The costs borne by you or your proxy in relation to the dial-in facility will be for your own account.

Participants connecting to the General Meeting will be able to participate in the General Meeting but will not be able to cast their votes electronically at the General Meeting.

Accordingly, and in order for their votes to be recorded, Certificated Shareholders and Dematerialised Shareholders with 'own name' registration making use of the electronic participation facility must submit their duly completed Forms of Proxy *(blue)*, in accordance with the instructions therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, for administrative purposes, by no later than Friday, 14 January 2022. Participants who do not deliver completed Forms of Proxy *(blue)* to the Transfer Secretaries by the relevant time will nevertheless be entitled to lodge such Forms of Proxy *(blue* in respect of the General Meeting immediately prior to the exercising of Shareholder rights at the General Meeting, in accordance with the instructions therein, with the chairman of the General Meeting.

Dematerialised Shareholders, other than those with 'own name' registration, making use of the electronic participation facility must provide instructions to their duly appointed CSDP or Broker, as soon as possible but before commencement of the General Meeting.

Those Dematerialised Shareholders, other than those with 'own name' registration, who wish to be classified as attending in person, must obtain letters of representation from their CSDP or Broker, as well as voting forms from the Company's Transfer Secretaries (also at: proxy@computershare.co.za), and must submit these to the Transfer Secretaries. These Shareholders must also connect to the General Meeting electronically, as explained above.

PROXIES

An Accelerate Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of Accelerate.

Accelerate Shareholders are referred to the attached Form of Proxy in this regard.

If you are a Certificated Shareholder or a Dematerialised Shareholder with own-name registration and unable to attend the General Meeting and wish to be represented thereat, you must complete and return the attached Form of Proxy *(blue)* in accordance with the instructions therein which is requested, for administrative purposes, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, by no later than 10:00 on Tuesday, 18 January 2022. If you do not deliver the completed Form of Proxy to the Transfer Secretaries by the relevant time, you will nevertheless be entitled to lodge it in respect of the General Meeting immediately prior to the exercising of shareholder rights at the General Meeting, an accordance with the instructions therein, with the chairman of the General Meeting.

If you have dematerialised your shares with a CSDP or Broker, other than with own-name registration, you must arrange with them to provide you with the necessary letter of representation to attend the General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Additional Forms of Proxy are obtainable from Accelerate's Company Secretary.

By order of the Board

22 December 2021

Registered office

Cedar Square Shopping Centre
Management Office, 1st Floor
Corner Willow Avenue and Cedar Road
Fourways
Johannesburg, 2055

Accelerate Property Fund Limited
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number: 2005/015057/06)
Share code: APF ISIN: ZAE000185815
("Accelerate" or "the Company")

FORM OF PROXY – GENERAL MEETING

For use by Certificated Shareholders or Dematerialised Shareholders with own-name registration at the General Meeting to be held in at the registered office of the Company, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, 2055, Johannesburg at 10:00 on Thursday, 20 January 2022 and at any postponement or adjournment thereof.

If Accelerate Shareholders have dematerialised their shares with a CSDP or Broker, other than with Own-name Registration, they must arrange with the CSDP or Broker to provide them with the necessary letter of representation to attend the General Meeting or the Accelerate Shareholder must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Accelerate Shareholder and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Accelerate Shareholders with regard to the appointment of proxies.

For the General Meeting

I/We

(Name/s in block letters)

of

(Address in block letters)

being a shareholder of Accelerate and holding ________ shares in Accelerate, and entitled to vote, do hereby appoint (refer to note 1 at the end of this Form of Proxy):

1. or failing him/her,

2. or failing him/her,

3. the chairman of the General Meeting as my/our proxy(ies),

to vote on a poll on my/our behalf at the General Meeting of Accelerate to be held in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Corner Willow Avenue and Cedar Road, Fourways, 2055, Johannesburg on Thursday, 20 January 2022, and at any postponement or adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your proxy to vote in respect of the resolutions to be proposed, as contained in the Notice of the abovementioned General Meeting.

*I/We desire my/our proxy to vote on the resolutions to be proposed, as follows:

	For	**Against**	**Abstain**
Ordinary resolution 1: Approval of the Proposed Disposal			
Ordinary resolution 1: Authority give effect to resolutions			

Signed by me/us this day of

Signature

Assisted by me (where applicable) (see note 12 on reverse of Form of Proxy)

Full name/s of signatory if signing in a representative capacity (see note 8 on reverse of Form of Proxy)

Telephone number/Cell phone number:

** If this Form of Proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.*

Notes

1. An Accelerate Shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a shareholder of Accelerate. An Accelerate Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different Accelerate Shares held by the Accelerate Shareholder.
2. A proxy may not delegate the proxy's authority to act on behalf of the Accelerate Shareholder to another person.
3. The completion and lodging of this Form of Proxy will not preclude the relevant Accelerate Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Accelerate Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Accelerate Shareholder chooses to act directly and in person in the exercise of any rights as an Accelerate Shareholder.
4. A proxy is not entitled to exercise, or abstain from exercising, any voting right of the Accelerate Shareholder without direction from the Accelerate Shareholder.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment, unless revoked in the manner contemplated in 6 below.
6. An Accelerate Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to Accelerate. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Accelerate Shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to Accelerate.
7. Please insert the number of Accelerate Shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Accelerate Shares exercisable by you, insert the number of Accelerate Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the Accelerate Shareholder's votes exercisable thereat. An Accelerate Shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Accelerate Shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Accelerate Shareholder or its/his/her proxy.
8. This Form of Proxy must be completed and returned to Accelerate's Transfer Secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to Private Bag X9000, Saxonwold, 2132, to be received by no later than 10:00 on Tuesday, 18 January 2022, for administrative purposes. If an Accelerate Shareholder entitled to attend and vote at the abovementioned meeting does no deliver the completed Form of Proxy to the Transfer Secretaries by the relevant time, the Accelerate Shareholder will nevertheless be entitled to lodge it in respect of the General Meeting immediately prior to the exercising of shareholder rights at the General Meeting, an accordance with the instructions therein, with the chairman of the General Meeting.
9. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by Accelerate.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries.
13. If the instrument appointing a proxy or proxies has been delivered to Accelerate, as long as that appointment remains in effect, any notice that is required by the Companies Act or Accelerate's MOI to be delivered by Accelerate to the Accelerate Shareholder must be delivered by Accelerate to (i) the Accelerate Shareholder or (ii) the proxy or proxies, if the Accelerate Shareholder has directed Accelerate in writing to do so and paid any reasonable fee charged by Accelerate for doing so.

Summary of the rights established in terms of section 58 of the Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
   - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
   - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the Company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the Company for doing so.
8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
   - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
   - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
   - 9.3 the Company must not require that the proxy appointment be made irrevocable; and
   - 9.4 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.

PRINTED BY INCE (PTY) LTD REF. JOB024024