FOR IMMEDIATE RELEASE

Accelerate Property Fund Limited
(Registration number 2005/015057/06)
(Incorporated in the Republic of South Africa)
("Accelerate" or "the Fund" or "the Group")

ACCELERATE POISED FOR GROWTH WITH IMMINENT LAUNCH OF SUPER REGIONAL FOURWAYS MALL; FOCUS ON SHOPPERTAINMENT TO DIFFERENTIATE THE RETAIL EXPERIENCE

- Super regional Fourways Mall set to launch in August 2019
- 178 000 m^2 of unique and large format fashion and entertainment brands introduced
- Balance sheet optimisation strategy gaining traction to reduce LTV to targeted 35% pre-equalisation
- Fourways Mall equalization expected to be settled in debt.
- Debt profile successfully extended to 2.5 years, 82.8% of debt hedged
- Vacancies reduced to 9%
- Offshore blue-chip single tenant portfolio, predominantly in Austria, performing above expectations
- Total distribution per share of 50,97109 cents (2018: 57,54512 cents) in line with guidance

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Thursday, 20 June 2019 – JSE-listed Accelerate Property Fund today reported financial results for the year ended 31 March 2019 in line with company guidance.

Michael Georgiou, Chief Executive noted that the Fund's results are in line with what it anticipated in March this year.

"The launch of Fourways Mall in August this year is a 10-year vision which is finally being realized. We believe the completion and re-launch will be a game changer in the greater Fourways node," he said.

"To create funding capacity for the Fourways Mall equalisation, the executive team continued to focus on optimizing the portfolio by disposing of non-core assets," Georgiou added. "Several disposals have been successfully concluded post our year end date, and should the other planned disposals be achieved it will see our loan to value reduce to approximately 35% pre-equalisation."

The 178 000 m^2 Fourways Mall will be differentiated by its focus on shoppertainment, offering entertainment, convenience and a unique experience aimed at the whole family that enhances the shopping environment for all.

The mall will boast approximately 450 stores on opening and anticipates an average footfall of between 1.8 million and 2 million visitors monthly. The expected weighted lease escalation rate is 8.5% per annum with an anticipated weighted average lease term of 5.8 years.

"The Fourways catchment area is categorized by a stable middle- and upper-income demographic, which has proven more resilient to the current tough economic climate," said Andrew Costa, COO of Accelerate Property Fund. "We hope that 2019 will mark the bottom of the current economic cycle, especially with possible interest rate cuts that will stimulate growth.

"Our focus on tenant retention, balance sheet optimization and other property fundamentals position us well for future growth, especially as the remaining portfolio is underpinned by high-quality assets."

Accelerate will ultimately hold a 50% stake in the super-regional Fourways Mall on completion of the project. To enhance the shopping experience and relieve existing congestion, approximately R400 million has been invested in infrastructure improvements around the precinct, including road widenings, fly-overs and slipways to improve access and egress, as well as with general traffic flow throughout the node. Fourways Mall will boast approximately 8 000 parking bays and 52 entrances, allowing for both car and pedestrian access, including a dedicated commuter hub.

As at 31 March 2019, Accelerate's investment property portfolio was valued at R12.7 billion (2018: R12.3 billion). "The increase in our value is mainly as a result of increased external valuations of our offshore portfolio, and to a lesser degree, the revaluation of our domestic assets," adds Costa.

Vacancies have been reduced to 9% (2018:10.4%) despite considerable income pressure such as increased rates and utility costs and increased finance costs. This necessitated a more pragmatic approach to lease renewals including softer rentals to retain tenants, rent-free periods and tenant installations.

"Our focus remains on tenant retention and introducing new tenants to our portfolio. Partnering with tenants and offering some incentives during these difficult economic conditions far outweighs the cost of replacing tenants," said Georgiou.

Accelerate maintains a diversified funding base with 33.2% of its debt from debt capital markets and the balance through bank debt. During the reporting period, Management successfully refinanced maturing debt, including a R1.6 billion swap that expired at financial year end. The Fund is currently 82.8% hedged.

The Fund's total all-in cost of debt is approximately 8.4% with an extremely defensive weighted average lease expiry of 5.3 years underpinned by listed or other large national tenants.

"Despite tough economic conditions, we have overcome numerous obstacles and are looking forward to the future prospects of Accelerate," concluded Costa.

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NOTES TO EDITORS

Accelerate Property Fund listed on the main board of the JSE in 2013. Accelerate is a real estate investment trust (REIT) offering investors the opportunity to share in a portfolio of well-established, high-quality properties across South Africa and Central and Eastern Europe.

Accelerate's portfolio is valued at R12.7 billion with a gross lettable area of 601 506m^2. The Fund is strategically focused on the Fourways Precinct, Charles Crescent in Kramerville, Sandton, as well as Foreshore in Cape Town, where it enjoys nodal dominance.

The vacancy rate is 9% with a weighted average lease term of 5.3 years across the portfolio. 65.7% of revenue is derived from large national tenants split across retail, commercial offices and industrial assets.

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