2021 NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 March 2021

ACCELERATE

PROPERTY FUND

www.acceleratepf.co.za

Contents

Letter to shareholders

Dear shareholder,

On behalf of the board of directors (board), you are invited and encouraged to attend the eighth annual general meeting (AGM) of Accelerate Property Fund Ltd (Accelerate or the company) which will be held at Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 28 September 2021 at 10:00.

The detailed notice of AGM (AGM notice) and supporting documentation accompany this letter. Explanatory notes setting out the reasons for the notice and the effects of all the proposed ordinary and special resolutions are contained in the AGM notice. The full integrated report is available on the company's website at www.acceleratepf.co.za.

If you are not able to attend the AGM, you may vote by proxy. All the information you need to make informed decisions and how to vote by proxy are included in this booklet containing the AGM notice, form of proxy and notes thereto, the condensed consolidated annual financial statements and other supporting documentation.

Yours sincerely

Mr Timothy J Fearnhead
Accelerate Property Fund Ltd
6 August 2021

Notice of annual general meeting

ACCELERATE PROPERTY FUND LTD

(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF ISIN code: ZAE000185815
Bond company code: APFE

Notice is hereby given that the eighth annual general meeting (AGM) of shareholders of Accelerate Property Fund Ltd (Accelerate or the company) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 28 September 2021 at 10:00 (AGM notice).

PURPOSE OF THE MEETING

The purpose of the meeting is to:

- Present the consolidated audited annual financial statements and integrated report of Accelerate group for the year ended 31 March 2021, including the directors' report, the report of the Audit and Risk Committee and the report of the independent auditor, in terms of section 30(3)(d) of the Companies Act, 71 of 2008, as amended (the Companies Act)
- Provide a report to shareholders from the Social, Ethics and Transformation Committee of the company for the year ended 31 March 2021 on matters within its mandate in terms of Regulation 43(5)(c) of the Companies Act Regulations
- Consider, and if deemed fit, pass with or without modification, the ordinary and special resolutions which form part of this AGM notice
- Consider any matters raised by shareholders

ATTENDANCE, VOTING AND PROXIES

Dematerialised shares in own name or certificated shareholder

If you are a registered shareholder who has not dematerialised your shares or has dematerialised your shares with own name registration as at the record date to attend and vote at the AGM, you may attend the meeting in person.

Alternatively, you may appoint one or more proxies, who need not be a shareholder/s of the company, to represent you at the AGM. If you want to appoint a proxy, please complete the attached form of proxy and deliver it in accordance with the instructions contained therein. Alternatively, you may hand the proxy to the chairman of the AGM or to the transfer secretaries in attendance at the AGM, at any time prior to the commencement of the AGM, or prior to voting on any resolutions proposed at the AGM.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

Dematerialised shares without own name

If you are a beneficial shareholder and not a registered shareholder (ie, a shareholder who has dematerialised your shares without own name registration) as at the record date and you wish to attend and vote at the AGM of the company you have the following options:

- *Attend the AGM:* You are required to obtain a letter of representation from your Central Securities Depository Participant (CSDP) or broker to represent the registered holder in respect of your shares
- *Vote but not attend the AGM:* Contact the registered holder in respect of your shares through your CSDP or broker and provide them with your voting instructions, and complete the attached form of proxy

If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.

TELEPHONIC AND VIDEO PARTICIPATION

Accelerate shareholders are advised that they or their proxies may participate in (but not vote at) this AGM by way of telephone and video conference and, if they wish to do so, they:

- Must contact the Company Secretary, Margi Pinto, by email at margi@acceleratepf.co.za before 10:00 on Monday, 27 September 2021 to receive dial-in instructions for the conference call
- Will be required to provide reasonable satisfactory identification, as described below
- Will be billed separately by their own telephone service provider for their telephone call to participate in the AGM

Please note that, while it is possible to participate in the AGM through these media, there is no facility for electronic voting and, accordingly, Accelerate's shareholders are required to submit their forms of proxy to the transfer secretaries, as described above.

PROOF OF IDENTIFICATION REQUIRED

Please note that in terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the AGM 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 driver's licence or a valid passport will be accepted at the AGM as sufficient identification.

QUORUM

The quorum for the AGM and for considering the resolutions to be proposed at the AGM is three shareholders of the company, personally present or represented by proxy (if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the meeting. In addition, a quorum comprises 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

IMPORTANT DATES AND TIMES

Important dates to note	Date
Record date for receipt of AGM notice	Friday, 30 July 2021
Post AGM notice and summarised annual financial statements 2021	Wednesday, 11 August 2021
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 14 September 2021
Record date to determine which Accelerate shareholders are entitled to participate in and vote at the AGM	Friday, 17 September 2021
Last day to lodge forms of proxy for the AGM at 10:00	Monday, 27 September 2021
AGM to be held at 10:00	Tuesday, 28 September 2021
Results of AGM released on the Stock Exchange News Service	Tuesday, 28 September 2021

ORDINARY RESOLUTIONS

Ordinary resolution 1 does not require a vote. Ordinary resolutions 2 to 4 and 6 to 8 require the support of at least 50% plus 1 vote of the total voting rights exercised on the resolutions. Ordinary resolution number 5 requires 75% approval of the voting rights exercised, in order to be adopted.

Ordinary resolution number 1: Presentation of annual financial statements

To receive the audited annual financial statements of the company, as approved by the board of the company, including the directors' report, the independent external auditor's report and the report of the Audit and Risk Committee of the company for the year ended 31 March 2021, which are presented to shareholders as required in terms of section 30(3)(d) of the Companies Act.

Note: the full consolidated annual financial statements and integrated report of Accelerate have been published on the company's website at www.acceleratepf.co.za and are also available on request from the Company Secretary at the registered office of Accelerate.

Ordinary resolution number 2: Re-election of directors

In accordance with the company's Memorandum of Incorporation (MOI), one-third of the Non-Executive Directors must retire from office at each AGM and may, if eligible and willing, offer themselves for re-election. Associate Prof. François M Viruly retires at the upcoming AGM. Associate Prof. François M Viruly is eligible for re-election and has confirmed his willingness to continue to serve as a director on the board.

On the recommendation of the Nominations Committee, the board appointed Mr JF (Derick) van der Merwe as an Independent Non-Executive Director to the board on 1 February 2021. In terms of the company's MOI and the JSE Ltd Listings Requirements, he is required to retire at the first AGM following his appointment, but if eligible and available, may stand for re-election. Mr JF (Derick) van der Merwe is eligible and has indicated that he is available to stand for re-election.

The board recommends that shareholders approve the re-election of Associate Prof. François M Viruly and Mr JF (Derick) van der Merwe as Independent Non-Executive Directors by way of separate resolutions.

Brief résumés of these two directors and the remaining members of the board are detailed on pages 46 and 47 of this AGM notice.

Ordinary resolution number 2.1

"Resolved that Associate Prof. François M Viruly be and is hereby re-elected as an Independent Non-Executive Director of the company."

Ordinary resolution number 2.2

"Resolved that Mr JF (Derick) van der Merwe be and is hereby re-elected as an Independent Non-Executive Director of the company."

Ordinary resolution number 3: Election of the Audit and Risk Committee members

In terms of section 94(2) of the Companies Act, a public company must elect an audit committee comprising at least three members who are independent non-executive directors and who meet the criteria of section 94(4) of the Companies Act at each AGM. Regulation 42 to the Companies Act specifies that one-third of the members of the audit committee must have appropriate academic qualifications or experience in the areas listed in this Regulation.

Based on the recommendations of the Nominations Committee, the board of the company is satisfied that the proposed members of the Audit and Risk Committee meet all relevant statutory requirements, including being Independent Non-Executive Directors as defined in paragraph 28 of the King Report on Corporate Governance™ for South Africa, 2016 (King IV)*.

ORDINARY RESOLUTIONS continued

Brief résumés of these Independent Non-Executive Directors offering themselves for election as members of the Audit and Risk Committee of the company are detailed on page 47 of this AGM notice.

The resolutions pertaining to the election of the members of the Audit and Risk Committee are to be voted on individually.

Ordinary resolution number 3

"Resolved that subject to the passing of ordinary resolution 2.2 on page 5, the Audit and Risk Committee comprising Independent Non-Executive Directors in terms of section 94(4) of the Companies Act, as set out below, be and is hereby elected by way of separate resolutions to hold office until the conclusion of the next AGM:

3.1 Mr JF (Derick) van der Merwe (chairman)

3.2 Ms Kolosa Madikizela

3.3 Mr Abel M Mawela."

Ordinary resolution number 4: Appointment of independent external auditor

The company's Audit and Risk Committee has nominated the reappointment of Ernst & Young Inc (EY) as the company's independent auditor, represented by Mr Gerhard J van Deventer, to hold office until the conclusion of the next AGM. In addition, the company's Audit and Risk Committee has considered the suitability of EY as independent auditor and Mr Gerhard J van Deventer as the designated audit partner, following receipt of the information detailed in paragraph 22.15(h) of the JSE Listings Requirements. Furthermore, in terms of paragraph 3.86 of the JSE Listings Requirements, the Audit and Risk Committee has considered and satisfied itself that EY and the reporting accountant are accredited on the JSE list of auditors and accounting specialists and the aforementioned designated audit partner does not appear on the JSE list of disqualified individual auditors.

Note: the 2021 audit is the first financial year that Mr Gerhard J van Deventer served as the designated audit partner for the company.

"Resolved that, as nominated by the company's Audit and Risk Committee, EY represented by Mr Gerhard J van Deventer as the audit partner, be and is hereby appointed as the independent registered auditor to perform the functions of an auditor and to report on the outcome of the audit for the financial year ending 31 March 2022, meeting the requirements of section 90(2) of the Companies Act, until the conclusion of the next AGM."

Ordinary resolution number 5: Non-binding advisory vote on the company's remuneration policy and implementation report

The JSE Listings Requirements require the company to submit its remuneration policy and implementation report every year to shareholders for consideration, to provide shareholders with an opportunity to express their views on the remuneration policy adopted by the company and the manner in which it has been implemented.

Ordinary resolutions 5.1 and 5.2 are advisory votes and accordingly, failure to pass these resolutions will not have any legal consequences relating to existing remuneration arrangements. However, the board will take the outcomes of these votes into consideration when considering amendments to the company's remuneration policy.

Shareholders are referred to the remuneration report as set out on pages 50 to 74 of this AGM notice.

If either the remuneration policy or the implementation thereof or both are voted against by 25% or more of the votes exercised at the AGM, the company will, in its voting results announcement, as required by the JSE Listings Requirements, extend an invitation to dissenting shareholders to engage with the company. The company will provide a report back on the outcome thereof in the 2022 integrated report, if applicable.

Ordinary resolution 5.1

"Resolved that the remuneration policy included on pages 55 to 67 of this AGM notice, be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements."

Ordinary resolution 5.2

"Resolved that the remuneration implementation report included on pages 68 to 74 of this AGM notice, be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(j) of the JSE Listings Requirements."

Ordinary resolution number 6: To place the unissued authorised ordinary shares of the company under the control of the directors

In terms of the company's MOI, shareholders of Accelerate must approve the placement of the unissued authorised ordinary shares under the control of the directors.

Note: no issue will be made that could effectively transfer control of the company without the prior approval of shareholders at a general meeting.

"Resolved that the unissued authorised ordinary shares of no par value in the company be and are hereby placed under the control and authority of the directors of the company who are authorised (subject to the relevant provisions of the Companies Act, the company's MOI and the JSE Listings Requirements) until the next AGM, provided that it shall not extend beyond 15 months from the date of passing this resolution, to issue and allot any such shares at their discretion, provided that in all instances (save in respect of an offer of unissued shares to existing shareholders pro rata to their shareholdings), the following requirements are complied with:

- The number of shares that may be issued and allotted in aggregate is limited to 10% (representing 99 894 429 shares) of the company's issued shares at the date of posting the AGM notice
- The maximum discount permitted will be 5% of the weighted average traded price of the shares in question, measured over the three business days prior to the date of each issue of new shares or the three business days prior to the date the directors resolve to issue such new shares or the 30 business days prior to the date the directors resolve to issue such new shares."

ORDINARY RESOLUTIONS continued

Ordinary resolution number 7: Specific authority to issue shares to afford shareholders distribution reinvestment alternatives

"Resolved that, subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors be and are hereby authorised, by way of a specific standing authority, to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders of Accelerate opportunities, from time to time, to elect to reinvest their distributions in new ordinary shares of the company."

Ordinary resolution number 8: Report of the Social, Ethics and Transformation Committee

In accordance with Regulation 43(5)(c) of the Companies Act, the chairman of the Social, Ethics and Transformation Committee, or in her absence, any member of the Social, Ethics and Transformation Committee, will be available to verbally report and take questions from shareholders at the AGM on matters within its mandate. The report of the Social, Ethics and Transformation Committee is available on pages 75 to 76 of this AGM notice.

"To receive and accept the report of the Social, Ethics and Transformation Committee for the financial year ended 31 March 2021."

SPECIAL RESOLUTIONS

Special resolutions 1 to 4 require approval from at least 75% of the voting rights exercised on each resolution in order to be adopted.

Special resolution number 1: Non-Executive Directors' fees

In terms of sections 66(8) and 66(9) of the Companies Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of a special resolution of shareholders. Executive Directors are not specifically remunerated for their services as directors, but as employees of the company and as such, the resolution as included in the AGM notice requests approval of the remuneration paid to Non-Executive Directors for their services as directors of the company.

Reason for and effect of this special resolution: to permit the company to remunerate its Non-Executive Directors for their services as directors.

"Resolved that in terms of section 66(9) of the Companies Act and on the recommendation of the Remuneration Committee, the company be and is hereby authorised to remunerate its Non-Executive Directors for their services as directors, each by way of a separate vote, to take effect from the conclusion of this AGM until the conclusion of the 2022 AGM on the basis set out below:

	Proposed 2021/2022 retainer	
	Chairman R'000	Member R'000
Board	600	350
Audit and Risk Committee	110	60
Remuneration Committee	60	20
Nominations Committee	30	20
Social, Ethics and Transformation Committee	50	25
Investment Committee	60	40

Note: refer to Note 4 of the Notes to the Financial Statements on page 35 of this notice for NED fees paid at 31 March 2021 and 31 March 2020.

Special resolution number 2: Financial assistance to purchase or subscribe for securities and financial assistance to a related or interrelated company or corporation

"Resolved that:

(i) For the purposes of section 44 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company's constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 44 of the Companies Act, to any person or entity for the purpose of, or in connection with, the subscription of any securities issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company, on such terms and conditions as the directors of the company deem fit.

(ii) For the purposes of section 45 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company's constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to a director or a prescribed officer of the company or of a related or interrelated company (as defined in section 1 of the Companies Act), or to a related or interrelated company (as defined in section 1 of the Companies Act) or corporation or to a member of a related or interrelated corporation or to a person related to any such company or corporation on such terms and conditions as the directors of the company deem fit."

SPECIAL RESOLUTIONS continued

Reason for and effect of this special resolution: to the extent necessary under sections 44 and 45 of the Companies Act, to authorise the directors of the company to provide financial assistance as contemplated under section 44 of the Companies Act in connection with the issuance of any securities issued or to be issued by the company or any related or interrelated company and to authorise the directors of the company to provide financial assistance as contemplated under section 45 of the Companies Act to a related or interrelated (as defined in section 1 of the Companies Act) company or corporation or to a member of a related or interrelated corporation or to a person related to any such company or corporation.

The board will not authorise any financial assistance in terms of sections 44 or 45 above unless it has considered all reasonably foreseeable financial circumstances of the company at that time and is satisfied that:

(i) The company will, immediately after providing the financial assistance to related or interrelated companies, satisfy the solvency and liquidity test as required in terms of the Companies Act, and that:

   a. The assets of the company (fairly valued) would equal or exceed the liabilities of the company (fairly valued)

   b. It appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of granting the financial assistance as contemplated in sections 44 and 45 of the Companies Act

(ii) In terms of sections 44(3)(b)(ii) and 45(3)(b)(ii) of the Companies Act, the terms under which any financial assistance is proposed to be given are fair and reasonable to the company, and in the best interests of the company

(iii) Any conditions or restrictions in respect of the granting of any financial assistance as set out in the company's MOI have been met

Special resolution number 3: Authority to repurchase ordinary shares

"Resolved that the company be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company, in terms of the Companies Act, the company's MOI and the JSE Listings Requirements, being that:

- Any such acquisition of ordinary shares shall be implemented through the order book operated by the JSE and without any prior understanding or arrangement
- This general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from the date of this special resolution
- An announcement will be published as soon as the company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions
- Acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the company's ordinary shares in issue as at the date of passing of this special resolution or 10% of the company's ordinary shares in issue in the case of an acquisition of ordinary shares in the company by a subsidiary of the company
- In determining the price at which ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares
- The company is duly authorised by its MOI to acquire ordinary shares it has issued
- At any point in time, the company may only appoint one agent to effect any repurchase of ordinary shares on the company's behalf
- The board authorises the acquisition, the company passes the solvency and liquidity test and that, from the time that test is done, there are no material changes to the financial position of the company and the group
- The company shall remain in compliance with the minimum shareholder spread requirements of the JSE
- The company and/or its subsidiaries do not repurchase any shares during a prohibited period in accordance with the JSE Listings Requirements, unless the company has in place a repurchase programme where the dates and quantities of the securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE."

Reason for and effect of this special resolution: to permit the company or any of its subsidiaries, by way of a general approval, to acquire ordinary shares in the company as and when suitable opportunities to do so arise.

Note: an acquisition of ordinary shares is contemplated at the time of this AGM notice. The directors, having considered the effects of an acquisition of the maximum number of ordinary shares in terms of the aforegoing general authority and the current share price and yield, are of the opinion that for a period of 12 (twelve) months after the date of this AGM notice:

- The company and the group will be able, in the ordinary course of business, to pay its debts
- The assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards (IFRS), will exceed the liabilities of the company
- The company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes

The following additional information, which appears in this AGM notice, is provided in terms of section 11.26 of the JSE Listings Requirements, for purposes of the general authority:

- Major shareholders – page 41
- Share capital of the company – page 44

SPECIAL RESOLUTIONS continued

Special resolution number 4: Issue of shares to directors

"Resolved that, subject to the approval of ordinary resolution number 6, in terms of section 41(1)(a) of the Companies Act, the issue and allotment of ordinary shares to directors of the company (in terms of the general authority granted to the directors of the company by ordinary resolution number 6 to issue and allot ordinary shares in terms of a vendor consideration placement), be and is hereby authorised, to the extent that this approval is required."

Reason for and effect of this special resolution: to approve the issue of ordinary shares to a director of the company, in terms of section 41(1)(b) of the Companies Act. Subject to certain exceptions, section 41(1)(a) requires the approval by way of a special resolution of share issues to directors of the company and to persons related to directors of the company in the event that directors choose to participate in a vendor consideration placement.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 46 and 47 of this AGM notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the financial or trading position of the company and its subsidiaries since the financial year ended 31 March 2021 and up to the date of this AGM notice.

INTENTIONS

The directors have no specific intention, at present, for the company to acquire any of its ordinary shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

VOTING AND PROXIES

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company.
2. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.
3. A form of proxy is attached to this AGM notice. Additional forms of proxy may be obtained from the company's share transfer secretaries, Computershare Investor Services (Pty) Ltd, or may be reproduced by photocopying the form of proxy provided.
4. The record date for the meeting in terms of section 62(3)(a) of the Companies Act, shall be on Friday, 30 July 2021.
5. If you are a certificated Accelerate shareholder or an own name dematerialised Accelerate shareholder and are unable to attend the AGM of Accelerate shareholders to be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Tuesday, 28 September 2021 at 10:00, but wish to be represented thereat, you are required to complete the form of proxy attached hereto in accordance with the instructions therein and return it to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) so as to be received by no later than 10:00 on Monday, 27 September 2021 for administrative purposes or thereafter to the company by no later than the commencement of the meeting, being 10:00 on Tuesday, 28 September 2021.
6. If you are a beneficial owner of dematerialised Accelerate ordinary shares and are not an own name dematerialised Accelerate shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the AGM in order for them to vote in accordance with your instructions.
7. If you are a beneficial owner of dematerialised Accelerate ordinary shares and wish to attend the Accelerate AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Accelerate shareholder (who is not an own name dematerialised Accelerate shareholder) and the CSDP or broker.

By order of the board

Ms Margi Pinto
Company Secretary

6 August 2021

Computershare Investor Services (Pty) Ltd
Transfer secretaries

Annexure 1: Condensed consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Note(s)	2021 R'000	2020 Restated* R'000
ASSETS			
Non-current assets			
Property, plant and equipment		206	326
Right-of-use assets		120 676	141 676
Investment property	2	11 633 782	12 231 279
Derivatives		36 341	–
		11 791 005	12 373 281
Current assets			
Trade and other receivables		597 462	531 133
Cash and cash equivalents		25 462	33 538
Derivatives		21 332	–
		644 256	564 671
Non-current assets held for sale		127 714	595 897
Total assets		12 562 975	13 533 849
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Ordinary share capital		4 937 567	4 935 967
Other reserves		131 493	165 946
Retained income		923 301	1 629 004
		5 992 361	6 730 917
Non-controlling interest		27 150	23 075
		6 019 511	6 753 992
Liabilities			
Non-current liabilities			
Derivatives		83 725	168 423
Lease liabilities		116 854	136 173
Borrowings		4 249 916	4 904 762
		4 450 495	5 209 358
Current liabilities			
Trade and other payables		221 804	214 203
Derivatives		89 653	10 912
Lease liabilities		5 943	6 745
Borrowings		1 775 569	1 338 639
		2 092 969	1 570 499
Total liabilities		6 543 464	6 779 857
Total equity and liabilities		12 562 975	13 533 849

* Please refer to note 1.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Note(s)	2021 R'000	2020 Restated* R'000
Revenue, excluding straight-line rental revenue adjustment and COVID-19 rental relief		1 003 605	1 054 228
Straight-line rental revenue adjustment		(78 425)	31 393
COVID-19 rental relief		(182 515)	–
Revenue		742 665	1 085 621
Other income/(expense)		3 606	(303)
Unrealised (losses)/gains	7	(73 547)	61 658
Expected credit loss		(49 137)	(60 268)
Property expenses		(329 651)	(360 963)
Operating expenses		(43 793)	(54 154)
Operating profit		250 143	671 591
Finance income calculated using the effective interest method		38 060	42 321
Finance costs		(396 598)	(375 132)
Fair value adjustments	6	(596 597)	(1 179 930)
Loss before taxation		(704 992)	(841 150)
Taxation		–	(399)
Loss for the year		(704 992)	(841 549)
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		(30 911)	89 396
Total comprehensive loss		(735 903)	(752 153)
(Loss)/profit attributable to:			
Shareholders of the parent		(705 703)	(843 521)
Non-controlling interest		711	1 972
		(704 992)	(841 549)
Total comprehensive (loss)/income attributable to:			
Shareholders of the parent		(739 978)	(756 196)
Non-controlling interest		4 075	4 043
		(735 903)	(752 153)
Earnings per share			
Per share information			
Basic earnings per share (including bulk ceded shares) (cents)		(73,95)	(88,50)
Diluted earnings per share (including bulk ceded shares) (cents)		(72,85)	(86,54)

* Please refer to note 1.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Share capital R'000	Foreign currency translation reserve R'000	Share incentive reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the group/company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2019	5 115 671	54 515	23 372	77 887	2 752 707	7 946 265	19 032	7 965 297
Prior period adjustment (note 1)	(189 138)	–	–	–	78 810	(110 328)		(110 328)
Balance at 1 April 2019 (restated)	4 926 533	54 515	23 372	77 887	2 831 517	7 835 937	19 032	7 854 969
Loss for the year	–	–	–	–	(843 521)	(843 521)	1 972	(841 549)
Other comprehensive income	–	87 325	–	87 325	–	87 325	2 071	89 396
Total comprehensive loss for the year	–	87 325	–	87 325	(843 521)	(756 196)	4 043	(752 153)
Shares repurchased	(2 000)	–	–	–	–	(2 000)	–	(2 000)
Transfer between reserves	11 434	–	(11 434)	(11 434)	–	–	–	–
Conditional share plan reserve	–	–	12 168	12 168	–	12 168	–	12 168
Distribution paid	–	–	–	–	(358 992)	(358 992)	–	(358 992)
Total contributions by and distributions to owners of company recognised directly in equity	9 434	–	734	734	(358 992)	(348 824)	–	(348 824)
Balance at 1 April 2020 (restated)	4 935 967	141 840	24 106	165 946	1 629 004	6 730 917	23 075	6 753 992
Loss for the year	–	–	–	–	(705 703)	(705 703)	711	(704 992)
Other comprehensive income	–	(34 275)	–	(34 275)	–	(34 275)	3 364	(30 911)
Total comprehensive loss for the year	–	(34 275)	–	(34 275)	(705 703)	(739 978)	4 075	(735 903)
Transfer between reserves	1 600	–	(1 600)	(1 600)	–	–	–	–
Conditional share plan reserve	–	–	1 422	1 422	–	1 422	–	1 422
Total contributions by and distributions to owners of company recognised directly in equity	1 600	–	(178)	(178)	–	1 422	–	1 422
Balance at 31 March 2021	4 937 567	107 565	23 928	131 493	923 301	5 992 361	27 150	6 019 511

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Note(s)	2021 R'000	2020 Restated* R'000
Cash flows from operating activities			
Cash generated from operations		350 206	718 799
Finance income received		4 169	8 219
Tax received		–	5 135
Distribution paid		–	(358 992)
Net cash from operating activities		354 375	373 161
Cash flows from investing activities			
Purchase of property, plant and equipment		(43)	(31)
Purchase of investment property		(36 760)	(1 032 412)
Purchase of investments at fair value		–	(6 330)
Proceeds from disposal of investment property and assets held for sale		188 000	597 568
Net cash from investing activities		151 197	(441 205)
Cash flows from financing activities			
Reduction of share capital or buy back of shares		–	(2 000)
Borrowings raised		1 325 875	2 330 958
Borrowings repaid		(1 432 602)	(1 842 190)
Derivative settlement		–	(34 113)
Capital payment on lease liabilities		(3 426)	(2 894)
Finance cost paid		(402 362)	(435 865)
Net cash from financing activities		(512 515)	13 896
Total cash movement for the year		(6 943)	(54 148)
Cash at the beginning of the year		33 538	84 131
Effect of exchange rate movement on cash balances		(1 133)	3 555
Total cash at end of the year		25 462	33 538

Of the total cash at year-end, R18 198 702 is held in Euro denominated bank accounts (2020: R29 540 537).

* Please refer to note 1.

SEGMENTAL ANALYSIS

For investment property, discrete financial information is provided on a property-by-property basis to members of executive management, which collectively comprise the Chief Operating Decision-Maker. The individual properties are aggregated into segments with similar economic characteristics such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial, retail and European retail.

Consequently, the group is considered to have four reportable operating segments, as follows:

- Office segment: acquires, develops and leases offices
- Industrial segment: acquires, develops and leases warehouses and factories
- Retail segment: acquires, develops and leases shopping malls, community centres as well as retail centres
- European single tenant segment: acquires, develops and leases single tenant space backed by long-term leases

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are not reported to the members of executive management on a segmented basis. There are no sales between segments.

- Finance cost is not disclosed on a segmental basis as Accelerate funding is secured on portfolio basis and not per segment.

For the year ended 31 March 2020

R'000	Office	Industrial	Retail	European – single tenant	Total
Statement of comprehensive income 2020					
Revenue, excluding straight-line rental revenue adjustment	231 282	61 032	656 321	105 593	1 054 228
Straight-line rental adjustment	(7 726)	2 470	36 649	–	31 393
Property expenses	(73 213)	(22 219)	(289 067)	(36 732)	(421 231)
Segment operating profit	150 343	41 283	403 903	68 861	664 390
Fair value adjustments on investment property	(323 864)	(76 807)	(618 804)	19 013	(1 000 462)
Segment profit	(173 521)	(35 524)	(214 901)	87 874	(336 072)
Other operating expenses					(54 154)
Other income					(303)
Fair value loss on financial instruments					(173 138)
Fair value loss on equity investments					(6 330)
Unrealised gains					61 658
Finance income					42 321
Finance cost					(375 132)
Loss before tax					(841 150)

Segmental analysis continued

For the year ended 31 March 2021

R'000	Office	Industrial	Retail	European – single tenant	Total
Statement of comprehensive income 2021					
Revenue, excluding straight-line rental revenue adjustment	217 317	44 675	619 065	122 548	1 003 605
COVID-19 rental relief	(5 526)	(682)	(171 091)	(5 216)	(182 515)
Straight-line rental adjustment	(16 805)	(124)	(61 496)		(78 425)
Property expenses	(72 444)	(26 720)	(241 032)	(38 592)	(378 788)
Segment operating profit	122 542	17 149	145 446	78 740	363 877
Fair value adjustments on investment property	(79 952)	(95 999)	(412 032)	(72 244)	(660 227)
Segment profit	42 590	(78 850)	(265 586)	6 496	(296 350)
Other operating expenses					(43 793)
Other income					3 606
Fair value loss on financial instruments					63 630
Unrealised losses					(73 547)
Finance income					38 060
Finance cost					(396 598)
Loss before tax					(704 992)

For the year ended 31 March 2020

R'000	Office	Industrial	Retail	European – single tenant	Total
Statement of financial position extracts at 31 March 2020					
Assets					
Investment property balance 1 April 2019	3 401 207	586 265	7 505 905	1 499 922	12 993 299
Acquisitions	–	–	919 800	–	919 800
Capitalised costs	83 173	1 726	96 118		181 017
Disposals/classified as held for sale	(583 307)	(166 772)	(457 318)	–	(1 207 397)
Investment property held for sale	265 307	166 772	163 818	–	595 897
Straight-line rental revenue adjustment	(7 726)	2 470	36 649	–	31 393
Foreign exchange gains	–	–	–	313 629	313 629
Fair value adjustments	(323 864)	(76 807)	(618 804)	19 013	(1 000 462)
Segment assets at 31 March 2020	2 834 790	513 654	7 646 168	1 832 564	12 827 176
Other assets not managed on a segmental basis					
Derivative financial instruments					–
Property, plant and equipment					326
Lease hold assets					141 676
Current assets					564 671
Total assets					13 533 849

For the year ended 31 March 2021

R'000	Office	Industrial	Retail	European – single tenant	Total
Statement of financial position extracts at 31 March 2021					
Assets					
Investment property balance 1 April 2020	2 834 790	513 654	7 646 168	1 832 564	12 827 176
Capitalised costs	31 938	2 708	35 934	6 235	76 815
Disposals/classified as held for sale	(16 800)	(258 772)	(44 414)		(319 986)
Investment property held for sale	16 800	92 000	18 914		127 714
Straight-line rental revenue adjustment	(16 805)	(124)	(61 496)		(78 425)
Foreign exchange losses	–	–	–	(211 571)	(211 571)
Fair value adjustments	(79 952)	(95 999)	(412 032)	(72 244)	(660 227)
Segment assets at 31 March 2021	2 769 971	253 467	7 183 074	1 554 984	11 761 496
Other assets not managed on a segmental basis					
Derivative financial instruments					57 673
Right-of-use asset					120 676
Property, plant and equipment					206
Current assets					622 924
Total assets					12 562 975

Segmental analysis continued

For the year ended 31 March 2020

R'000	South Africa	Austria	Slovakia	Total
Statement of comprehensive income 2020				
Revenue, excluding straight-line rental revenue adjustment	948 635	79 741	25 852	1 054 228
Straight-line rental adjustment	31 393	–	–	31 393
Property expenses	(384 499)	(27 499)	(9 233)	(421 231)
Segment operating profit	595 529	52 242	16 619	664 390
Fair value adjustments on investment property	(1 019 475)	14 552	4 461	(1 000 462)
Segment profit	(423 946)	66 794	21 080	(336 072)
Other operating expenses				(54 154)
Other income				(303)
Fair value loss on financial instruments				(173 138)
Fair value loss on equity investments				(6 330)
Unrealised gains				61 658
Finance income				42 321
Finance cost				(375 132)
Loss before tax				(841 150)

For the year ended 31 March 2021

R'000	South Africa	Austria	Slovakia	Total
Statement of comprehensive income 2021				
Revenue, excluding straight-line rental revenue adjustment	881 057	91 911	30 637	1 003 605
COVID-19 rental relief	(177 299)	(3 912)	(1 304)	(182 515)
Straight-line rental adjustment	(78 425)	–	–	(78 425)
Property expenses	(340 196)	(28 944)	(9 648)	(378 788)
Segment operating profit	285 137	59 055	19 685	363 877
Fair value adjustments on investment property	(587 983)	(54 183)	(18 061)	(660 227)
Segment profit	(302 846)	4 872	1 624	(296 350)
Other operating expenses				(43 793)
Other income				3 606
Fair value gain on financial instruments				63 630
Unrealised losses				(73 547)
Finance income				38 060
Finance cost				(396 598)
Loss before tax				(704 992)

For the year ended 31 March 2020

R'000	South Africa	Austria	Slovakia	Total
Statement of financial position extracts at 31 March 2020				
Investment property balance 1 April 2019	11 497 938	1 121 521	373 840	12 993 299
Acquisitions	919 800	–	–	919 800
Capitalised costs	181 017			181 017
Disposals/classified as held for sale	(1 207 397)	–	–	(1 207 397)
Investment property held for sale	595 897	–	–	595 897
Straight-line rental revenue adjustment	31 393	–	–	31 393
Foreign exchange gains	–	240 042	73 587	313 629
Fair value adjustments	(1 019 475)	14 552	4 461	(1 000 462)
Investment property at 31 March 2020	10 999 173	1 376 115	451 888	12 827 176
Other assets not managed on a segmental basis				
Derivative financial instruments				–
Property, plant and equipment				326
Lease hold assets				141 676
Current assets				564 671
Total assets				13 533 849

For the year ended 31 March 2021

R'000	South Africa	Austria	Slovakia	Total
Statement of financial position extracts at 31 March 2021				
Investment property balance 1 April 2020	10 999 173	1 376 115	451 888	12 827 176
Capitalised costs	70 580	4 676	1 559	76 815
Disposals/classified as held for sale	(319 986)			(319 986)
Investment property held for sale	127 714			127 714
Straight-line rental revenue adjustment	(78 425)			(78 425)
Foreign exchange losses	–	(158 679)	(52 892)	(211 571)
Fair value adjustments	(587 983)	(54 183)	(18 061)	(660 227)
Investment property at 31 March 2021	10 211 073	1 167 929	382 494	11 761 496
Other assets not managed on a segmental basis				
Derivative financial instruments				57 673
Right-of-use asset				120 676
Property, plant and equipment				206
Current assets				622 924
Total assets				12 562 975

EARNINGS PER SHARE

	2021 R'000	2020 R'000
Reconciliation of basic/diluted earnings to headline earnings		
Total comprehensive income attributable to equity holders of the parent	(705 703)	(843 521)
Fair value adjustment on investment property attributable to equity holders of the parent excluding straight-lining	657 626	1 001 146
Headline profit attributable to shareholders of the parent	(48 077)	157 625
Basic earnings per share (cents)*	(73,95)	(88,50)
Diluted earnings per share (cents)*	(72,85)	(86,54)
Headline earnings per share (cents)	(5,04)	16,54
Diluted headline earnings per share (cents)	(4,96)	16,17
Shares in issue at the end of the year	954 488 735	954 069 026
Weighted average number of shares in issue	954 326 600	953 087 577
Shares subject to the conditional share plan	14 393 215	21 585 499
Weighted average number of deferred shares	14 393 215	21 585 499
Total diluted weighted average number of shares in issue	968 719 815	974 673 076

* Basic earnings and diluted earnings are based on the same earnings figures but are different as a result of the use of weighted average number of shares issue for the year.

Notes to the financial statements

CORPORATE INFORMATION

The condensed financial statements of Accelerate for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors passed on 28 June 2021. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE Limited (JSE). The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue. The principal activities of Accelerate are acquisition, development and leasing of properties. The functional and presentation currency of Accelerate is South African rand. All figures are rounded off to R'000 except where otherwise stated.

BASIS OF PREPARATION

These condensed financial statements for the year ended 31 March 2021 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), contain the minimum information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended, the JSE Listings Requirements and JSE Debt Listings Requirements.

The accounting policies applied in the preparation of these condensed financial statements are in terms of IFRS and are consistent with those applied in the annual financial statements, including the new and amended IFRS that became effective during the 31 March 2021 reporting period, none of which had a material impact on Accelerate's financial results.

These condensed financial statements have been prepared under the historical cost convention except for investment properties and derivatives which are measured at fair value.

The fair value of investment properties is determined by directors with reference to market-related information while other financial liabilities are valued with reference to market-related information and valuations as appropriate. At a minimum all investment properties are valued by independent external valuers on a three-year rolling cycle. In excess of 90% (by value) of Accelerate's investment properties were externally valued for the year ended 31 March 2021.

These condensed financial statements were prepared under the supervision of Mr Dimitri Kyriakides (CA)SA in his capacity as Chief Financial Officer.

1. Restatement of financial statements

1.1 Financial guarantee

The financial statements for the year ended 31 March 2020, as reported, have been restated to correct the previous non-consolidation of certain special purpose vehicles (SPVs), not owned or controlled by Accelerate, but for which guarantees were provided by Accelerate to Rand Merchant Bank (RMB). The nature and amounts of the correction are detailed below.

Origin and nature of the guarantee

In order to retain and align key executive directors with shareholders, the group encourages the acquisition of shares by executive directors who did not have a material shareholding in the group.

Notes to the financial statements continued

1. Restatement of financial statements continued

1.1 Financial guarantee continued

Consequently, in December 2016 an executive buy-in structure was approved by shareholders and certain executive directors acquired Accelerate shares through SPVs. The SPVs were funded through bank debt from RMB expiring on 7 December 2020. The interest on bank debt accrued in the SPVs was to be serviced by the distributions received from Accelerate, and RMB had cession over these shares. The directors would only have an unconditional right to the shares in the SPVs once the bank debt had been settled.

Accelerate provided guarantees to RMB for the performance of each SPVs obligations. The maximum liability Accelerate may have under the guarantees is 100% (2020: 100%) of the debt outstanding to the extent that amounts owing to RMB are not settled by the sale of the shares RMB has cession over.

Accounting for the guarantee to 31 March 2020

From inception of the structure, Accelerate did not consolidate the SPVs but recognised a liability in its financial statements equivalent to the full value of the obligation Accelerate had under the guarantee to RMB, less the fair value of the shares held by RMB as collateral at reporting date.

The liability recognised in the consolidated group annual financial statements of Accelerate for the year ended 31 March 2020 was R179 572 000 (2019: R98 492 000).

As at 31 March 2020 the total loan balance owed to RMB by the SPVs was R219,8 million.

Consequently, for the financial year ended 31 March 2020 and the preceding years the full exposure under the guarantee was recognised.

Change in accounting from 31 March 2021 onwards

On reassessment of the accounting treatment of the SPVs by Accelerate, we concluded that the exposure to variable returns as a result of the financial guarantees would lead to consolidation of the SPVs. The group therefore took the decision that the SPVs be consolidated, and the financial statements have been retrospectively corrected as a result.

The effect of correction

The restatement of the annual results of the group resulting from the consolidation of the share SPVs resulted in:

- The full nominal value of the liability owing by the SPVs to RMB being recognised as a liability in the financial statements of the group
- The Accelerate shares held by the SPVs being treated as treasury shares for group reporting purposes; and
- A reversal of unrealised losses recognised in prior years on the financial guarantee provision created.

1. Restatement of financial statements continued

1.1 Financial guarantee continued

The effect of correction continued

The restatement of the financial statements as result of the correction of consolidation of the SPVs resulted in the following net effect on the annual financial statements of the group:

	31 March 2020 R'000			31 March 2019 R'000		
	As reported	Adjustment	Consolidated reporting	As reported	Adjustment	Consolidated reporting
Statement of financial position						
Ordinary share capital	(5 125 105)	189 138	(4 935 967)	(5 115 671)	189 138	(4 926 533)
Retained earnings*	(1 480 166)	(148 838)	(1 629 004)	(2 752 707)	(78 810)	(2 831 517)
Current liabilities						
Trade and other payables	(393 774)	179 571	(214 203)	(297 231)	98 492	(198 739)
Borrowings	(1 118 768)	(219 871)	(1 338 639)	(1 111 050)	(208 820)	(1 319 870)
Statement of profit or loss and other comprehensive income						
Unrealised (losses)/gains	(19 422)	81 080	61 658	(21 909)	52 910	31 001
Finance costs	(350 396)	(24 736)	(375 132)	(341 781)	(23 955)	(365 736)
Earnings per share						
Basic earnings per share (including bulk ceded shares) (cents)	(90,21)	1,71	(88,50)	56,77	5,69	62,46
Diluted earnings per share (including bulk ceded shares) (cents)	(88,30)	1,76	(86,54)	55,79	5,54	61,33
Headline earnings per share (cents)	10,15	6,39	16,54	45,26	5,15	50,41
Diluted headline earnings	9,94	6,23	16,17	44,47	5,02	49,49

* The retained earnings impact includes distributions paid to the SPVs that were eliminated on consolidation.

Notes to the financial statements continued

1. Restatement of financial statements continued

1.2 Restatement of cash flows

The consolidated cash flows for the year ended 31 March 2020 as reported, have been restated to correct the interest received and interest paid, which previously did not include the removal of interest accruals and therefore did not reflect the actual cash received and paid. This also included borrowing cost capitalised to investment property which was incorrectly included in the purchase of investment property. The distribution paid was also restated as a result of the restatement of the financial guarantee, where the shares held by the SPVs are treasury shares and therefore the dividend. The nature and amounts of the correction are detailed below:

	31 March 2020 R'000		
	As previously stated	Effect of adjustment	As restated
Statement of cash flows			
Effect on cash flows from operating activities			
Cash generated from operations	681 371	37 428	718 799
Finance income received	42 321	(34 102)	8 219
Distribution paid	(372 676)	13 684	(358 992)
Net cash from operating activities	356 151	17 010	373 161
Effect on cash flows from investing activities			
Purchase of investment property	(1 100 817)	68 405	(1 032 412)
Net cash from investing activities	(509 610)	68 405	(441 205)
Cash flows from financing activities			
Finance cost paid	(350 396)	(85 469)	(435 865)
Net cash from financing activities	99 365	(85 469)	13 896

2. Fair value measurement of investment properties

Levels of fair value measurement

It is the policy of Accelerate 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 Accelerate holds is externally valued at least every three years. The remaining investment properties held at the end of each reporting period are valued by Accelerate's directors.

Each year the directors appoint an external valuer who is responsible for the external valuations of property for the annual financial statements. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. In addition, the directors are responsible for Accelerate'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 (eg rent amounts in rental contracts), market reports (eg market rent and 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

2. Fair value measurement of investment properties continued

Levels of fair value measurement continued

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.

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 Accelerate.

COVID-19

For the year ended 31 March 2020 Accelerate took a conservative view on the valuation of investment property with the potential effects of COVID-19 at top of mind. This resulted in a downward valuation of R1 billion (7,0%) recorded at 31 March 2020. In order to ensure transparency and to provide the market with additional comfort regarding the valuation of investment property, the Fund had in excess of 90% of its investment property (by value) externally valued for the year ended 31 March 2021. The additional effect of COVID-19 resulted in a further downwards valuation of the portfolio by R660 million (5,0%) for the year ended 31 March 2021.

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, re-letting, 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.

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 Mills Fitchet and Coldwell Banker Richard Ellis (Offshore valuations) 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.

Notes to the financial statements continued

2. Fair value measurement of investment properties continued

Changes in valuation techniques

There were no changes in valuation techniques during the year.

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.

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 at 31 March 2021 R'000	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield %
Office	2 769 971	Income capitalisation/ DCF method	ERV	R180,90	8,50
			Rental growth pa	5,1%	
			Long-term vacancy rate	2,3%	
Industrial	253 467	Income capitalisation/ DCF method	ERV	R76,90	9,70
			Rental growth pa	4,8%	
			Long-term vacancy rate	4,0%	
Retail	7 183 074	Income capitalisation/ DCF method	ERV	R308,50	7,50
			Rental growth pa	5,0%	
			Long-term vacancy rate	2,1%	
Europe retail	1 554 984	Income capitalisation/ DCF method	ERV	R138,60	6,46
			Rental growth pa	0%	
			Long-term vacancy rate	0%	
Total#	11 761 496				

Included in the above total are properties held for resale of R127 714 243(2020: R595 897 000), R11 395 601 757 (2020: R11 914 674 111) of investment properties and R238 180 000 (2020: R316 604 889) of straight-line revenue adjustment.

2. Fair value measurement of investment properties continued

Valuation techniques and inputs derive level 3 fair values continued

Class of property	Fair value as at 31 March 2020 R'000	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield %
Office	2 834 790	Income capitalisation/ DCF method	ERV	R194,90	8,10
			Rental growth pa	5,9%	
			Long-term vacancy rate	2,4%	
Industrial	513 654	Income capitalisation/ DCF method	ERV	R76,50	9,60
			Rental growth pa	5,8%	
			Long-term vacancy rate	3,3%	
Retail	7 646 168	Income capitalisation/ DCF method	ERV	R315,10	7,10
			Rental growth pa	6,0%	
			Long-term vacancy rate	3,6%	
Europe retail	1 832 564	Income capitalisation/ DCF method	ERV	R156,00	6,20
			Rental growth pa	0%	
			Long-term vacancy rate	0%	
Total#	12 827 176				

Included in the above total are properties held for resale of R127 714 243(2020: R595 897 000), R11 395 601 757 (2020: R11 914 674 111) of investment properties and R238 180 000 (2020: R316 604 889) of straight-line revenue adjustment.

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 metre 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.

Notes to the financial statements continued

2. Fair value measurement of investment properties continued

Descriptions and definitions continued

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.

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

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.

Long-term vacancy rate

Increases/decreases in the long-term vacancy rate would result in decreases/increases in the estimated fair value.

Rental growth

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

2. Fair value measurement of investment properties continued

Equivalent yield

South African portfolio	50 bps increase %	50 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2021		
Retail	(6,3)	7,1
Office	(5,6)	6,3
Industrial	(4,9)	5,4

European retail	25 bps increase %	25 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2021		
European retail	(3,6)	4,2

South African portfolio	25 bps increase %	25 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2020		
Retail	(7,0)	8,0
Office	(6,0)	6,8
Industrial	(4,6)	5,0

European retail	25 bps increase %	25 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2020		
European retail	(3,9)	4,2

Notes to the financial statements continued

3. Fair value of financial assets and liabilities

Total financial assets and liabilities	Carried at fair value R'000	Amortised cost# R'000	Total R'000
Financial assets 31 March 2021			
Derivatives*	57 673	–	57 673
Trade and other receivables	–	596 731	596 731
Cash and cash equivalents	–	25 462	25 462
	57 673	622 193	679 866
Financial liabilities 31 March 2021	–	–	–
Derivatives*	(173 378)	–	(173 378)
Long-term interest-bearing borrowings	–	(4 249 916)	(4 249 916)
Long-term lease liability	–	(116 854)	(116 854)
Trade and other payables	–	(170 169)	(170 169)
Current portion of long-term debt	–	(1 775 569)	(1 775 569)
Current portion of lease liability	–	(5 943)	(5 943)
	(173 378)	(6 318 451)	(6 491 829)
Financial assets 31 March 2020			
Trade and other receivables	–	528 485	528 485
Cash and cash equivalents	–	33 538	33 538
	–	562 023	562 023
Financial liabilities 31 March 2020	–	–	–
Derivatives*	(179 335)	–	(179 335)
Long-term interest-bearing borrowings	–	(4 904 762)	(4 904 762)
Long-term lease liability	–	(136 173)	(136 173)
Trade and other payables	–	(147 743)	(147 743)
Current portion of long-term debt	–	(1 338 639)	(1 338 639)
Current portion of lease liability	–	(6 745)	(6 745)
	(179 335)	(6 534 062)	(6 713 397)

* The values of the derivative financial assets and liabilities shown at fair value are based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (ie as prices) or indirectly (ie derived from prices) – level 2. The fair value is determined as the net discounted cash flows to be received from the swaps in place at 31 March 2021.

\# 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.

4. Directors' remuneration

	2021 R'000	2020 R'000
Total package		
MN Georgiou	975	–
A Costa	4 882	4 795
D Kyriakides	3 628	3 551
JRJ Paterson	–	1 546
DJ Wandrag	1 200	–
Short-term incentive payment	–	–
MN Georgiou	–	–
A Costa	–	3 240
D Kyriakides	–	1 500
Non-executive directors	–	–
GC Cruywagen	315	498
TJ Fearnhead	669	630
K Madikizela	450	420
Associate Prof FM Viruly	450	420
G Cavaleros	421	426
AM Mawela	440	403
DJ Wandrag	–	394
JF van der Merwe	80	–

Directors' direct/indirect interest in the shares of the company 31 March 2021

MN Georgiou#	294 332 138 shares	30,84%	Indirect holding
A Costa	5 076 161 shares	0,53%	Direct holding
D Kyriakides	1 538 710 shares	0,16%	Direct holding
DJ Wandrag	500 000 shares	0,05%	Indirect holding
	301 447 009	31,58%	

Directors' direct/indirect interest in the shares of the company 31 March 2020

MN Georgiou#	294 332 138 shares	31.58%	Indirect holding
A Costa	5 076 161 shares	0,53%	Direct holding
D Kyriakides	1 538 710 shares	0,15%	Direct holding
DJ Wandrag	500 000 shares	0,05%	Indirect holding
	301 447 009	31.58%	

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

There have been no changes to the directors' interest between the end of the financial year and date of approval of the annual financial statements.

	Year ended 31 March 2021	Year ended 31 March 2020
Share options exercised during the year (number of shares)		
MN Georgiou	–	1 341 114
A Costa	–	1 341 114
D Kyriakides	–	398 710
JRJ Paterson	–	833 665
	–	3 914 603

Notes to the financial statements continued

5. Related party transactions

Mr Michael Georgiou (100% shareholder of Fourways Precinct (Pty) Ltd through The Michael Family Trust and 100% shareholder of Accelerate Property Management Company (Pty) Ltd) and Mr Andrew Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd.

Cordev Marketing (Pty) Ltd is a related party due to its sole director, Ms Winnie Kyriakides, being the wife of Accelerate's CFO, Mr Dimitri Kyriakides.

	2021 R'000	2020 R'000
Related party balances		
Loan accounts		
Fourways Precinct (Pty) Ltd#	10 431	9 435
The Michael Family Trust#	98 742	89 590
Vacancy Guarantee		
Fourways Precinct (Pty) Ltd#	11 220	10 238
Development guarantee		
Fourways Precinct (Pty) Ltd#	152 875	139 487
Fourways Mall headlease		
Fourways Precinct (Pty) Ltd#	55 603	–
Related party transactions		
Development guarantee		
Fourways Precinct (Pty) Ltd	–	76 473
Interest charged on outstanding amounts		
Fourways Precinct (Pty) Ltd	15 085	23 254
The Michael Family Trust	8 503	7 017
Accelerate Property Management fees paid		
Fourways Precinct (Pty) Ltd	(3 665)	(993)
Accelerate Property Management Company (Pty) Ltd (APMC)	(5 265)	(8 598)
Letting commission		
Fourways Precinct (Pty) Ltd	(4 220)	(4 550)
Marketing		
Cordev Marketing (Pty) Ltd	(1 260)	(200)
Fourways Mall headlease		
Fourways Precinct (Pty) Ltd	48 350	–

There is no security in place over related party balances at 31 March 2021; however, security was obtained post-year-end via a cession over a property held by the owner/trustee of the company and trust above.

5. Related party transactions continued

- Related party balances are to be settled either (i) in cash or (ii) through future transactions with the relevant related parties
- No fixed repayment terms have been put in place and interest on balances are charged at market related interest rates

The following factors are taken into account when assessing the recoverability of related party balances due to the Fund:

- Historical receipts and reduction of the related party balances outstanding
- The nature and timing of current and potential future related party transactions
- The financial ability of the related parties to settle their obligations on the future taking into account security provided

6. Fair value adjustments

	2021 R'000	2020 R'000
Investment property (fair value model)	(660 227)	(1 000 462)
Gains/(losses) on derivatives at fair value through profit and loss	63 630	(173 138)
Fair value adjustment on equity investment	–	(6 330)
	(596 597)	(1 179 930)

7. Unrealised losses

	2021 R'000	2020 R'000
Net foreign exchange (losses)/gains	(73 547)	61 658

8. Capital commitments

In terms of Accelerate's budgeting process, R50 million (2020: R101 million) was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

Notes to the financial statements continued

9. Contingent liabilities

Azrapart claim

Azrapart (Pty) Ltd (the developer of Fourways Mall) contends that it has a claim against Accelerate arising from the development of Fourways Mall. Azrapart has not instituted a claim as yet. Any claim instituted will be referred to arbitration. Azrapart has advised that should it pursue the claim, it will not exceed R300 million.

Fourways Mall purchase price adjustment

The purchase price adjustment has been calculated separately by both parties involved. The parties have not reached agreement on the price to be paid. As such, this has been referred to arbitration. Any amount payable will be settled via offset against amounts owed to Accelerate by the developer of Fourways Mall.

Constructive dismissal claim

A former executive director has instituted legal action against the company for constructive dismissal. Management and its external legal advisors are confident of the group's position in this matter and do not consider an economic outflow of the claimed amount to be probable when the matter is evaluated in court. In the best interest of the company and expediency, Accelerate and the former executive director are in the process of negotiating a settlement.

10. Subsequent events

Investment property sales post-year-end

No properties held for sale at 31 March 2021 have yet transferred at date of publication.

Debt refinances post-year-end

The following debt facilities at 31 March 2021 have been refinanced post-year-end:

Funder	Nominal amount R'000	Margin – linked to 3-month JIBAR
RMB Facility AC	140 649	3M JIBAR + 265 bps
APF16	60 000	3M JIBAR + 325 bps
APF14 (Tap)	25 000	3M JIBAR + 300 bps

DISTRIBUTION ANALYSIS

	2021 R'000	2020 R'000
DISTRIBUTABLE EARNINGS		
Loss after taxation attributable to equity holders	(705 703)	(843 521)
Add/(less): Straight-line rental revenue adjustment	78 425	(31 393)
Add: Fair value adjustments	594 000	1 180 615
Add: Unrealised losses/(gains)	73 547	(61 658)
Other tax deductible items not distributed	(64 925)	–
Plus: Amortisation	–	16 718
Distributable earnings	(24 656)	260 761

For the year ended 31 March 2021	**2021 R'000**	2020 R'000
DISTRIBUTION ANALYSIS		
Distributable earnings	–	260 761
Less: Interim distribution from profits	–	(151 275)
Less: Cash retention	–	(109 486)
Final distribution	–	–
Shares qualifying for distribution		
Number of shares at year-end	954 488 735	954 069 026
Less: Bulk ceded shares to Accelerate	(51 070 184)	(51 070 184)
Shares qualifying for distribution	903 418 551	902 998 842
Distribution per share		
Final distribution per share (cents)	–	0,00000
Interim distribution per share made (cents)	–	16,12934
Total distribution per share for the year (cents)	–	16,12934

AUDITOR'S REVIEW

This abridged report is extracted from audited information, but is not itself audited. The auditors, Ernst & Young Inc have issued their unmodified opinion on the audited consolidated financial statements for the year ended 31 March 2021 and a copy of the audit opinion, together with the underlying audited consolidated financial statements are available for inspection at the company's registered address.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Accelerate assume full responsibility for the preparation of the condensed financial statements and have been correctly extracted from the underlying annual financial statements.

ANNUAL GENERAL MEETING

The company's annual general meeting (AGM) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg. The date and time of the AGM will be communicated to the market via SENS at a later date. Further details on the company's AGM will be included in Accelerate's integrated annual report to be provided to shareholders on or before 23 July 2021. A PDF of the integrated annual report and notice of AGM will be available to download at www.acceleratepf.co.za on the same day of distribution.

On behalf of the board

Mr Timothy Fearnhead
(Non-Executive Chairman)

Mr Michael Georgiou
(Chief Executive Officer)

Mr Dimitri Kyriakides
(Chief Financial Officer)

28 June 2021

Annexure 2: Directors' report

The directors take pleasure in submitting their report on the consolidated audited annual financial statements of The Accelerate Property Fund Limited group for the year ended 31 March 2021.

1. Review of financial results and activities

The consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 71 of 2008, as amended (the Companies Act), as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies have been applied consistently compared to the prior year.

2. Share capital

	Number of shares	
	2021	2020
Authorised		
Ordinary shares	5 000 000 000	5 000 000 000

			Number of shares	
	2021 R'000	2020 R'000	**2021 R'000**	2020 R'000
Issued				
Ordinary shares	4 937 567	4 935 967	954 488 735	954 069 026

Of the 954 488 735 Accelerate shares in issue at 31 March 2021, 653 041 726 shares are publicly held and 301 447 009 shares are held by directors as tabled below:

	Number of shares	**% holding**
Major shareholders		
MN Georgiou (indirect)	294 332 138	30,84
Coronation Fund Managers	137 984 603	14,45
Government Employees Pension Fund	89 821 529	9,40
Nedbank Group	75 345 456	7,89
Golden Brics Investments SA (Pty) Ltd	49 027 718	5,10
	646 511 444	67,68

Refer to note 12 of the consolidated audited annual financial statements for detail of the movement in authorised and issued share capital.

Annexure 2: Directors' report continued

2. Share capital continued

Directors' direct/indirect interest in the shares of the company 31 March 2021

MN Georgiou*	294 332 138	shares	30,84%	Indirect holding
A Costa	5 076 161	shares	0,53%	Direct holding
D Kyriakides	1 538 710	shares	0,16%	Direct holding
DJ Wandrag	500 000	shares	0,05%	Indirect holding
	301 447 009		31,58%	

Directors' direct/indirect interest in the shares of the company 31 March 2020

MN Georgiou*	294 332 138	shares	30,85%	Indirect holding
A Costa	5 076 161	shares	0,53%	Direct holding
D Kyriakides	1 538 710	shares	0,15%	Direct holding
DJ Wandrag	500 000	shares	0,05%	Indirect holding
	301 447 009		31,58%	

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

There have been no changes to the directors' interest between the end of the financial year and the date of approval of the annual financial statements.

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Date of changes	Changes
TJ Fearnhead	Chairperson	Non-executive Independent		
K Madikizela	Other	Non-executive Independent		
FM Viruly	Other	Non-executive Independent		
MN Georgiou	Chief Executive Officer	Executive		
A Costa	Chief Operating Officer	Executive		
D Kyriakides	Chief Financial Officer	Executive		
AM Mawela	Other	Non-executive Independent		
DJ Wandrag	Other	Executive		
JF van der Merwe	Other	Non-executive Independent		Appointed Monday, 01 February 2021
G Cavaleros	Other	Non-executive Independent		Resigned Friday, 05 March 2021
GC Cruywagen	Other	Non-executive Independent		Resigned Friday, 02 October 2020

Detailed biographies of our directors can be found at https://www.acceleratepf.co.za/about/governance/#Team

4. Accelerate group structure

The Accelerate group consists of Accelerate Property Fund Limited and the following holdings in subsidiaries,

- Wanooka Properties Proprietary Limited 100% held
- Parktown Crescent Properties Proprietary Limited 100% held
- Pybus Sixty-Two (RF) Proprietary Limited 100% held
- Accelerate Property Fund Europe B.V. 96,4% held
- Accelerate Treasury Proprietary Limited 100% held

The following SPVs are not owned or controlled by the group, but are consolidated into the group financial statements due to Accelerate's exposure to the variable returns in the SPVs. Please refer to **note 2** in the financial statements for further information:

- Chesham Blue (RF) Proprietary Ltd
- Tuscany 777 Investments (RF) Proprietary Ltd

5. Auditors

Ernst & Young Inc continued in office as auditors for the group for the year ended 31 March 2021.

At the AGM, the shareholders will be requested to reappoint Ernst & Young Inc as the independent external auditors of the group and to confirm Mr G van Deventer as the designated lead audit partner for the 2021 financial year.

6. Secretary

The company secretary is Margi Pinto.

Business and postal address:
Cedar Square Shopping Centre
1st Floor Management Office
Cnr of Willow Ave and Cedar Road
Fourways
2055

Annexure 3: Share capital

Ordinary share capital

	2021 R'000	2020 R'000
Authorised		
Ordinary shares of no par value	5 000 000 000	5 000 000 000
Reconciliation of number of shares issued:		
Reported as at 1 April	954 069 026	950 395 203
Shares purchases	–	(540 634)
Issue of shares	419 709	4 214 457
Total number of shares in issue at year-end*	954 488 735	954 069 026
Issued		
Ordinary share capital of no par value (R'000)	4 935 967	4 926 533
Issue of shares	1 600	11 434
Shares repurchased	–	(2 000)
	4 937 567	4 935 967

* 44 455 554 (2020: 44 455 554) treasury shares are held by the group.

The unissued authorised ordinary shares of no par value in the company are under the control and authority of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the company's MOI and the Listings Requirements of the JSE, provided that

- such authority to allot and issue new shares is limited to vendor settlements only;
- the number of shares that may be issued (under general authority), in aggregate in any one financial year, is limited to 10% of the total number of shares in issue at the beginning of each financial year, any other issuances require specific authority; and
- the maximum discount permitted, in respect of vendor settlement, will be 5% of the average trade price of the shares in question, measured over the 30 business days prior to the date of each issue of new shares or the 30 business days prior to the date the directors resolve to issue such new shares.

Annexure 4: Material changes statement

The directors of Accelerate report that there have been no material changes in the affairs, financial or trading position of Accelerate since 31 March 2021 to 6 August 2021, other than those disclosed in the integrated report, which is available on the company's website, www.acceleratepf.co.za, or can be requested from the Company Secretary.

Annexure 5: Board of directors

EXECUTIVE DIRECTORS

Mr Michael N Georgiou (51)
Chief Executive Officer
Appointed: 1 January 2013
Committee: IC
Expertise: Acquisitions, disposals, finance, property development, property management

Mr Andrew Costa (50)
Chief Operating Officer
Appointed: 1 April 2013
Qualifications: BCom, LLB
Committee: IC
Expertise: Acquisitions, capital markets, disposals, finance, investment banking, legal, property management

Mr Dimitri Kyriakides (66)
Chief Financial Officer
Appointed: 1 January 2013
Qualification: CA(SA)
Committees: TG, SETCo
Expertise: Audit, accounting, acquisitions, disposals, finance, information technology, property development, property management

Mr Dawid J Wandrag (69)
Executive Director
Appointed: 1 May 2019
Qualifications: BCom (Accounting)
Committees: IC, TG (chairman)
Expertise: Acquisitions, disposals, finance, property development, property management, audit, banking, corporate governance, insurance, risk management, capital markets, legal, compliance, information technology

NON-EXECUTIVE DIRECTORS

Mr Timothy J Fearnhead (72)
Independent Director and Chairman
Appointed: 1 June 2013
Qualifications: CTA, CA(SA), AdvDip (Banking)
Committees: NomCo, (chairman), RemCo
Expertise: Audit, banking, corporate governance, finance, insurance, remuneration, risk management

Mr JF (Derick) van der Merwe (67)
Independent Director
Appointed: 1 February 2021
Qualifications: BCompt (Hons), CA(SA), ACIOB
Committees: ARC (chairman), IC (chairman)
Expertise: Finance, audit, accounting, property development, property management, corporate governance and compliance

Ms Kolosa Madikizela (41)
Independent Director
Appointed: 1 June 2013
Qualification: PrCM, PrCPM, PMP
Committees: ARC, SETCo (chairman)
Expertise: Property development, property management

Mr Abel M Mawela (59)
Independent Director
Appointed: 1 May 2019
Qualifications: MBA, BCom (Hons)
Committees: ARC, SETCo
Expertise: Finance, audit, corporate governance, insurance, risk management, compliance and accounting

Associate Prof François M Viruly (61)
Independent Director
Appointed: 1 April 2014
Qualifications: BA, BA (Hons), MA
Committees: IC, RemCo (chairman)
Expertise: Property economist

Notes
1. Dr Gert Cruywagen resigned on 2 October 2020.
2. Mr JF (Derick) van der Merwe was appointed on 1 February 2021.
3. Mr George Cavaleros resigned on 5 March 2021.

Detailed biographies of our directors can be found on acceleratepf.co.za/about/governance/#Team

ARC	Audit and Risk Committee
RemCo	Remuneration Committee
NomCo	Nominations Committee
SETCo	Social, Ethics and Transformation Committee
IC	Investment Committee
TG	Technology Governance Subcommittee

Annexure 6: Executive management

Mr Michael N Georgiou Chief Executive Officer	**Mr Andrew Costa** Chief Operating Officer; BCom, LLB
Mr Dimitri Kyriakides Chief Financial Officer; CA(SA)	**Mr Dawid J Wandrag** Executive Director; BCom (Accounting)

Annexure 7: Shareholder analysis

Company: Accelerate Property Fund Ltd
Register date: 26 March 2021
Issued Share Capital: 998 944 288

SHAREHOLDER SPREAD	Number of shareholdings	%	Number of shares	%
1 – 100 shares	4 092	58,53	80 053	0,01
101 – 1000 shares	1 199	17,15	418 048	0,04
1001 – 50 000 shares	1 321	18,90	14 743 536	1,48
50 001 – 100 000 shares	116	1,66	8 630 219	0,86
100 001 – 10 000 000 shares	240	3,43	225 478 058	22,57
More than 10 000 000 shares	23	0,33	749 594 374	75,04
Totals	6 991	100,00	998 944 288	100,00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Banks/Brokers	21	0,30	21 472 153	2,15
Close Corporations	12	0,17	1 312 008	0,13
Endowment Funds	22	0,31	4 424 061	0,44
Individuals	6 553	93,73	57 921 300	5,80
Insurance Companies	16	0,23	17 108 552	1,71
Investment Companies	4	0,06	41 350 224	4,14
Medical Schemes	6	0,09	1 135 819	0,11
Mutual Funds	76	1,09	269 644 350	26,99
Other Corporations	4	0,06	3 733	0,00
Private Companies	71	1,02	398 267 169	39,87
Public Companies	2	0,03	407 963	0,04
Retirement Funds	115	1,64	128 049 095	12,82
Treasury Stock	2	0,03	10 247 404	1,03
Trusts	87	1,24	47 600 457	4,77
Totals	6 991	100,00	998 944 288	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-Public Shareholders	17	0,24	335 764 221	33,61
Directors of the company	15	0,21	325 516 817	32,59
Treasury Stock	2	0,03	10 247 404	1,03
Public Shareholders	6 974	99,76	663 180 067	66,39
Totals	6 991	100,00	998 944 288	100,00

Directors of the shareholder	Number of shares	%
M Georgiou (CEO)	294 332 138	30,85
Costa, A	5 076 161	0,53
Wandrag, D	500 000	0,05
Kyriakides, D	1 538 710	0,15

Annexure 8: Remuneration report

This report sets out APF's remuneration policy and implementation for Executive Directors (EDs) and non-executive directors' (NEDs) remuneration for the 2021 financial year (FY2021) and is presented in three parts:

i) Part 1: The background statement which provides context to the company's remuneration policy and performance

ii) Part 2: An overview of the forward-looking remuneration policy applicable in FY2022

iii) Part 3: The implementation report which sets out in detail how the existing policy was implemented during FY2021, including disclosure on payments made to EDs and NEDs during the year

The Remuneration committee's (the committee) mandate is to ensure that APF's remuneration policies and decisions continue to support the achievement of the group's strategic objectives in a fair and responsible way, while encouraging individual performance.

The committee remains committed to maintaining a strong and healthy relationship with APF's shareholders and other stakeholders, which is built on trust and a clear understanding of our remuneration policy and the practices that were implemented. The committee is satisfied that it has fulfilled its responsibilities in accordance with its mandate for FY2021 and that the remuneration policy achieved its stated objectives.

PART 1: BACKGROUND STATEMENT

Introduction

Dear shareholder,

2021 was a challenging year for all our stakeholders: for our shareholders, our executives and employees who worked relentlessly as a result of the impact of the COVID-19 pandemic; the board of directors (board) who dealt with the uncertain environment despite the economic challenges faced and our tenants who faced difficulties of their own and whose impact we felt in our own performance outcomes. Despite these challenges, APF remained focused on delivering the business strategy and achieving the business objectives.

The depressed economy, pre-existing and aggravated by the COVID-19 pandemic, had an impact on the remuneration decisions and outcomes, as reflected later in this report. Despite difficult trading circumstances, our key performance achievements during the year included the following:

- We refinanced and/or reduced our debt, either through the banks or through the use of debt capital markets
- We improved our hedging profile by increasing its duration at low interest rate levels and reducing our cost of funding from 7,8% to 7,4%
- We introduced new debt funders into the APF
- We maintained a tenant retention profile of 86,7% which we consider a significant achievement given the impact of COVID-19 on many of our tenants' core businesses
- Rental reversions were kept to an acceptable level of -1,7%
- During contract negotiations with our tenants, mandated by the pandemic, in exchange for rental assistance, we negotiated longer lease profiles which increased our weighted average lease expiry (WALE) from 5,6 to 6,1 years

Further detail on APF's strategy and how it addressed challenges can be found in the COO's review on pages 37 to 39 of the integrated report. Given the often challenging and uncertain macroenvironment we are operating in, it remains important for there to be an effective realisation and deliverance of our business strategy, and as such, the committee acknowledges the need to ensure that our remuneration structures achieve the objectives of attracting, motivating, retaining and rewarding high-calibre employees.

In setting and determining executive remuneration, due consideration is given to provide for rewarding high levels of performance and effective decision-making for the long-term sustainability of the company. This approach aims to align the interests of EDs with those of shareholders and other stakeholders. We endeavour to build appropriate safeguards into the remuneration structures to discourage behaviour that exposes the group or shareholders to inappropriate and excessive risk taking and that in delivering the business strategy, the interests of the group are at the forefront. Failure to meet business and personal performance targets may result in no payment of short-term incentives (STIs) and/or long-term incentives (LTIs) to the EDs.

In light of the unprecedented circumstances facing the global and local economy, and the consequential effects on APF and its internal and external stakeholders, the committee took a number of remuneration-related decisions:

- EDs received no total guaranteed package (TGP) increases for FY2021
- No STI was provided for in FY2021
- No LTI award was made in FY2021

These changes, compounded with the 2018 performance LTI awards not vesting due to the lack of achievement against the set performance conditions caused by the impact of COVID-19 created the outcome of EDs only receiving their TGP during FY2021. It has been agreed that in FY2022 no TGP increases will be effected for any of the EDs, save for Dawid Wandrag where an adjustment will be made due to his appointment in the role during FY2021 and the CEO whose TGP has also been adjusted to reflect the more active role he has played and will continue to play as APF navigates the challenges presented by COVID-19 and beyond.

Ahead of FY2022, APF engaged the services of PwC to review and recommend changes to the existing STI and LTI structures, so as to provide alignment to market practice and APF's business strategy. Following this process and shareholder engagement, updates have been made to the STI and LTI structures for awards made from FY2022 onwards. The refreshed STI and LTI structures retain the core designs but have been updated for alignment to best practice in terms of the market and corporate governance principles. More detail on the updated incentive structures is provided in part 2 of this report.

Voting outcomes and shareholder engagement

At the 2020 annual general meeting (AGM), we received dissenting votes of 57,2% (2019: 15,6%) for the remuneration policy and 56,5% dissenting votes (2019: 15,6%) for our implementation report. As we did not receive the necessary level of support in either vote as required by King IV and the JSE Listings Requirements, we invited all dissenting shareholders to engage with us on their concerns and engaged with two of our shareholders who provided feedback, discussing their concerns on our remuneration structures and remuneration report. Based on our shareholder feedback, as provided in the table below, we have taken various steps to address shareholder feedback, provide more extensive disclosure in our report and align our remuneration report disclosures and remuneration policy principles to leading market practice principles. We will also engage with our shareholders prior to the release of this remuneration report.

Part 1: Background statement continued

Shareholder concern	Resolution
Remuneration policy	
1. Lack of environmental, social and governance (ESG) measures in variable pay	The revised STI and LTI performance conditions applicable to FY2022, have been recalibrated to provide for measures linked to transformation and sustainability being included in determining EDs' performance, aiding APF in meeting its ESG goals as indicated on pages 142 – 143 of the integrated report.
2. Lack of benchmarking of executive pay	During 2021, the committee engaged with PwC to perform ED and NED benchmarking. Details regarding this process are set out in part 2 of this report.
3. Transparency regarding the disclosure of performance measures for variable pay and their associated weightings	To provide transparency regarding our remuneration structures, this year's remuneration report includes disclosure of prospective performance conditions for both STI and LTI structures, along with the weightings of each measure.
4. Pay-for-performance alignment in the LTI	As part of APF's commitment to high performance and shareholder alignment, for the FY2022 STI, we have included performance conditions which link to performance aligned to a mixture of absolute and relative returns measures (60%) and absolute distributable income per share (15%), with the remaining performance conditions being linked to ESG and risk measures.
5. The use of retention shares in the LTI	The awarding of retention awards is predominantly made to lower level employees. There is no intention to make such awards to EDs going forward, save for where deemed necessary.
6. LTI plan limits and dilutionary impact on shareholders	From FY2022 onwards, APF has adopted a non-dilutive LTI structure, which will be settled through the market purchase of shares. Full details are disclosed in part 2 of this report.
Implementation report	
7. Quantification of the STI outcomes for FY2020	The committee took the decision not to provide an STI in FY2021; however, going forward, in line with our commitment to improved disclosure, we will provide more detail on the calculation of the STI.

The remuneration policy and implementation report will be tabled for non-binding votes by shareholders at the AGM. If either the remuneration policy or implementation report receive dissenting votes in excess of 25%, the committee will:

- Embark on formal engagements with dissenting shareholders regarding their dissenting votes
- Address legitimate and reasonable objections raised
- If required, amend the remuneration policy or clarify and/or adjust the remuneration governance, processes or disclosure

Areas of focus during the year

The committee fulfilled the following main duties during FY2021:

- Reviewed and updated the remuneration policy to ensure its appropriateness to our business strategy and revised remuneration structures
- Performed ED and NED benchmarking as set out in part 2, ensuring our remuneration policy remains appropriately benchmarked
- Based on shareholder feedback and to align to APF's strategy, in consultation with PwC, performed a holistic review of our STI and LTI structures and refined and changed the applicable performance metrics for awards made in 2022 onwards
- Approved the malus and clawback policy to ensure alignment with leading corporate governance principles and best practice
- Considered and integrated ESG in our remuneration policy
- Introduced a new LTI structure that is non-dilutive, for which new LTI awards will be made
- Reviewed performance outcomes, in terms of the vesting of LTI awards made in 2018, which were not achieved
- Approved guaranteed pay and increases for EDs and Senior Management and determined no increases at ED level (other than Michael Georgiou and Dawid Wandrag)
- Prepared the remuneration report for inclusion in the integrated report and for voting at the AGM

Future areas of focus

In the course of FY2022, the committee plans to focus on:

- Finalising the updates to APF's remuneration policy
- Considering the introduction of a minimum shareholding requirement policy for EDs
- Continued improvement in terms of proactively engaging with shareholders
- Ensuring that ESG measures are appropriately developed and benchmarked in the APF remuneration policy

Part 1: Background statement continued

Remuneration consultants

The committee engaged the services of PwC as remuneration consultants during FY2021. During FY2021, PwC conducted ED and NED benchmarking, and assisted APF in reviewing, and implementing revised STI and LTI plans. The committee is satisfied that the consultants were independent and objective in providing the relevant services.

The committee is satisfied that the remuneration policy is fair, transparent and responsible in that it is reviewed and approved annually. The committee is satisfied that the remuneration policy achieved its stated objectives. In addition, the committee is satisfied that it has satisfactorily discharged its functions and has complied with its terms of reference during FY2021.

Approval

The committee recommended this remuneration report to the board of APF on 9 June 2021 for approval, which was granted on 25 June 2021.

The company strives to improve our remuneration practices and looks forward to receiving your support on the resolutions for the remuneration policy and implementation report at the 2021 AGM.

Signed on behalf of the board

Associate Prof François M Viruly
Chairman of the Remuneration Committee

29 July 2021

PART 2: MAIN OVERVIEW OF THE REMUNERATION POLICY

The remuneration policy applies to all permanent employees of the company and in part 2, in line with King IV, we have provided the remuneration elements and design principles applicable to the EDs and, on a high level, other employees.

Remuneration governance

The committee is appointed by the board and its terms of reference represent the scope of responsibility delegated to the committee by the board, to review and make decisions on the remuneration policy and its implementation. The NEDs comprising the committee can be viewed on page 102 of the integrated report.

The committee reports on its activities at board meetings following committee meetings. The committee met once during FY2021. The chair of the committee attends the AGM to respond to questions from shareholders within the committee's areas of responsibility.

Key principles of remuneration

The principles of remuneration underpin each component of the remuneration policy and represent the company's remuneration approach, providing guidance for the basis upon which employees are rewarded, namely:

- Remuneration structures will be designed to promote the strategy of the business in the short and medium term but will also promote long-term sustainability
- Remuneration structures should be designed so as to not expose shareholders to unreasonable financial risk
- Remuneration policies should align closely and transparently with the agreed company strategy and be reviewed regularly in light of changes in the business strategy
- The remuneration structures should encourage that employees act in the best interests of the company in delivering the business strategy
- Total rewards are set at levels that are competitive within the relevant market and will consist of TGPs, STIs and LTIs
- Remuneration policies should be considered in light of their affordability to the company, with particular consideration paid to the aggregate impact of employees' remuneration on the finances of the company, its capital and investment needs, and distributions to shareholders
- Remuneration policies should promote risk management and not encourage behaviour which is contrary to the company's risk management strategy and which may drive excessively risky behaviour
- Remuneration policies should be transparent and easy to understand and apply
- Through the use of effective performance management, APF aims to assist and support employees in optimising their performance in their current roles and in supporting employees' ongoing development and growth
- Remuneration policies should be equitable, striking a balance between internal and external equity
- Guaranteed remuneration should be aligned to the job requirements and competence of each individual employee

Part 2: Main overview of the remuneration policy continued

- Variable remuneration should be strongly linked to performance and the deliverance of the business strategy and shareholders' interests, resulting in sustainable long-term benefits to the company. Remuneration should be delivered in the form of a balanced pay-mix, which comprises the following components:
  - A basic cash salary; and
  - Variable remuneration (STI and LTI).
- Compliance with all applicable laws and regulatory codes
- In consultation and collaboration with the Social and Ethics Committee, consideration of ESG and how APF's remuneration structures can meet the changing ESG requirements

Fair and responsible remuneration

Our high-performance culture is embodied in the passion our employees bring to APF. Performance is reviewed annually against KPIs to ensure our company's strategic objectives are met and that employees achieve their goals. This includes performance as it relates to STI and LTI awards, which are structured to encourage stretch performance but to be cautious of, and guard against, excessive risk taking. Employees understand their value to the company in terms of ongoing training and professional development, as well as career path guidance.

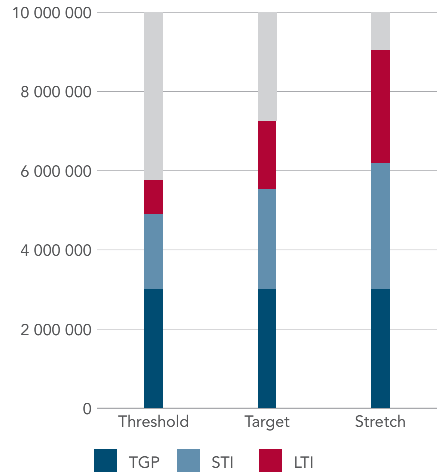
There is no intention to make retention awards to EDs going forward, save for where deemed necessary.

ELEMENTS OF REMUNERATION

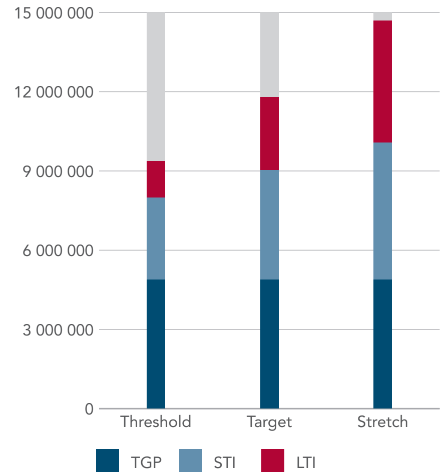
Illustrative remuneration outcomes for FY2022

Executive remuneration consists of TGP, STI and LTI participation. Given their line of sight and level of influence on the company, the STI and LTI components of an ED's remuneration is more heavily weighted than that of other employees. The scenario graphs below indicate the minimum, on-target and stretch (or maximum) levels of remuneration outcomes available to EDs, depending on their performance under the STI and LTI.

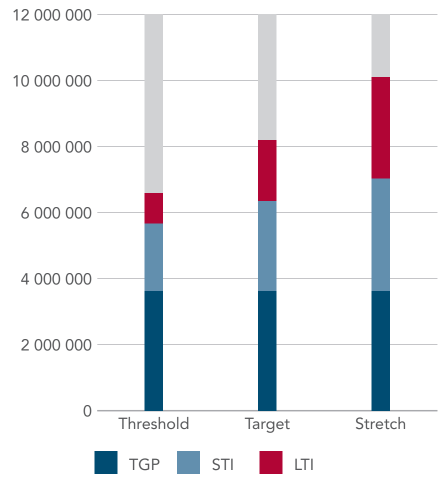
Michael Georgiou (CEO) (R)



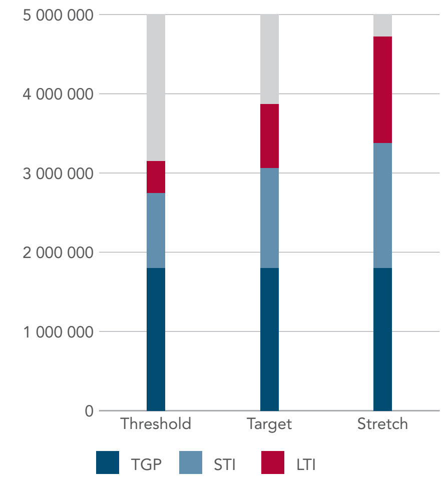
Andrew Costa (COO) (R)



Dimitri Kyriakides (CFO) (R)



Dawid Wandrag (ED) (R)



Elements of remuneration continued

Fixed remuneration and benefits

APF adopts a TGP approach to structured remuneration. The TGP includes the total benefit for the individual and the total cost to the company, consisting of a cash salary and benefits. The TGP approach reflects employees' job worth within the company and the package is payable for executing the expected day-to-day requirements. We believe that this approach enables APF to attract and retain the necessary high-calibre skills. APF values high-performance employees and expects them to make decisions in the company's best long-term interest.

Annual reviews

The annual review process assesses employee remuneration in relation to the market, as well as performance of the company, so that necessary adjustments can be made in line with the remuneration policy, where warranted. The annual review commences in March and any rate changes become effective on 1 July.

Annual adjustments

APF considers numerous factors when determining an appropriate annual adjustment, including performance, the consumer price index (CPI), affordability, the company's financial position, market movements, the employee population's market position and the necessity to retain top talent.

The adjustments are conducted in accordance with the following guidelines:

- Cost of living adjustments consider the current CPI and other factors such as external environment and market pressures
- Market adjustment and/or parity increases seek to address internal inequalities within the company by awarding additional remuneration to employees who perform well but are remunerated below market
- The desire to reward and retain top talent in an environment with scarce skills

Benchmarking and position in the market

All aspects of remuneration are subject to regular reviews against relevant market and peer data to ensure that the company remains competitive for all levels of remuneration. Remuneration for EDs and NEDs is benchmarked by an independent service provider annually. As mentioned in the background statement, during FY2021, PwC conducted benchmarking for both EDs and NEDs, with the aim of establishing whether the remuneration payable to EDs and NEDs remained competitive.

APF's benchmarking takes place against an appropriate peer group of comparable companies, the most recent comparator group for which appears below:

Arrowhead Prop Ltd	Attacq Ltd
Dipula Income Fund	Emira Property Fund Ltd
Equites Property Fund Ltd	Exemplar REITail Ltd
Heriot REIT Ltd	Hyprop Investments Ltd
Liberty Two Degrees Ltd	Rebosis Property Fund Ltd
S.A. Corporate Real Estate Ltd	StorAge Property REIT Ltd
Vukile Property Fund Ltd	

Given our challenging business environment, in recognition of the expansion of APF over the years and our overarching business strategy, APF endeavours to benchmark and align the remuneration of its EDs and Senior Management between the median and upper quartile of the comparator group, in order to sufficiently attract, retain and motivate highly skilled individuals who possess the required skill to perform their role and responsibilities.

Variable remuneration

APF links its remuneration policy and practices with the achievement of strategic objectives in terms of two plans that reward performance in the short and long term:

1. The STI plan is designed to create a performance culture and reward employees against pre-determined short-term targets
2. The LTI plan, which is structured as conditional rights to shares (Conditional Share Plan or CSP), is designed to attract, retain and reward participants with an annual award of conditional rights to shares (providing employees with an opportunity to share in the success of the company, incentivising delivery of the business strategy, encouraging employees to make the right decisions for the company's long-term sustainability and success, and aligning key employees with shareholders and other stakeholders). For FY2022, given the LTI limits in terms of the 2018 CSP, any awards to be made, will be made in terms of the new CSP which is discussed in more detail on page 63.

The company's variable pay structures entrench the company's philosophy of 'pay-for-performance' which motivates employees to achieve stretching performance targets, resulting in increased variable pay outcomes.

STI

The STI plan's main purpose is to align the interests of eligible employees with those of shareholders in the short term. The STI also serves to attract talent to key positions by means of appropriate and competitive remuneration.

The applicable principles, as set out in a set of formalised rules, are as follows:

- The annual STI is calculated on an 'additive' basis, which means that outcomes are calculated based on an employee's job level and calibrated based on personal and business performance factors (determined with reference to the achievement of personal KPIs and the company's performance, respectively) and other measures set by the committee from time to time
- As with an employee's STI earning potential, the weightings of the applicable business and personal performance factor conditions vary according to job grade. Performance conditions for employees in higher job levels (with a higher level of line of sight and influence in the company), such as EDs, are more heavily weighted towards company performance, rather than personal performance, whereas lower level employees have a greater weighting for personal performance and commensurately smaller weighting for business performance
- Individual STIs are limited to a maximum of 1,25 times TGP
- Performance conditions are reviewed annually to ensure that they remain relevant
- For the purposes of risk management and to ensure the adequate liquidity of the company, a free cash flow condition is applied before any calculated STIs are paid out in a given year

Elements of remuneration continued

- In recognition of APF's recovery phase and to encourage stabilisation during the uncertain period, each performance measure has a payment level assigned, ranging between 75% for threshold performance, up to 125% for stretch performance
- The performance levels provide employees with a higher entry point into the STI with less upside than is typically observed in the market
- There are appropriate provisions in place to adjust STIs in the event of an employee's termination of employment, that is, forfeiture (in the case of resignation or dismissal) or pro-rating (in the case of a termination deemed to be 'no fault')

The following formula is applied in the calculation of an individual's STI:

Individual STI = (TGP x on-target %) x [(personal performance factor x weighting %) + (business performance factor x weighting %)]

For FY2022, the following performance conditions and targets will be applied in the calculation of STIs, with linear vesting applying between the performance target levels:

Performance condition	Weighting	Threshold (75%)	Target (100%)	Stretch (125%)
Determination of business performance factor				
Financial metrics				
Total NTAV return (relative): versus prior year[1]	CEO: 10% COO: 10% CFO/treasury: 20%	5,4%	6,1%	7,2%
Total NTAV return (relative): versus peer index	CEO: 20% COO: 20% CFO/treasury: 10%	100,0%	102,5%	110,0%
Distributable income growth	CEO: 10% COO: 10% CFO/treasury: Not applicable	2 yr CPI	2 yr CPI +2%	2 yr CPI +3%

[1] Total net tangible asset value (NTAV) is the growth in net asset value (NAV) per share plus distributable income and has been based on the most recent year (prior to COVID-19).

Performance condition	Weighting	Threshold (75%)	Target (100%)	Stretch (125%)
Determination of business performance factor				
Risk/balance sheet management				
Hedge ratio (interest rates)	CEO: 2,5% COO: 5% CFO/treasury: 5%	Within upper and lower bound of 10%	Within upper and lower bound of 5%	70,0%
Loan-to-value ratio	CEO: 2,5% COO: 2,5% CFO/treasury: 5%	50,0%	45,0%	40,0%
Interest cover ratio	CEO: 2,5% COO: 2,5% CFO/treasury: 5%	2,00x	2,10x	2,20x
Debt rating	CEO: 2,5% COO: 2,5% CFO/treasury: 5%	A-	A	A+
Net Fund expense ratio	CEO: 5% COO: 5% CFO/treasury: 10%	110,0%	100,0%	90,0%
Operational performance				
Vacancies	CEO: 2,5% COO: 2,5% CFO/Treasury: 2,5%	8,1%	7,3%	6,6%
Tenant arrears and write-offs[1]	CEO: 2,5% COO: 5% CFO/treasury: 5%	110,0%	100,0%	90,0%
Retail trading densities: versus CPI[2]	CEO: 2,5% COO: 5% CFO/treasury: 5%	90,0%	100,0%	110,0%
Net property expense: revenue ratio	CEO: 2,5% COO: 5% CFO/treasury: 7,5%	110,0%	100,0%	90,0%

[1] Discretion will be required in extraordinary circumstances such as COVID-19 where there are material rental credit and concessions granted to tenants.

[2] Discretion will be required in extraordinary circumstances such as COVID-19 where trading restrictions were imposed upon retail tenants.

Elements of remuneration continued

Performance condition	Weighting	Threshold (75%)	Target (100%)	Stretch (125%)
Determination of business performance factor				
Strategic priorities				
Development profit	CEO: 5% COO: 2,5% CFO/treasury: Not applicable	90,0%	100,0%	110,0%
Development pipeline roll-out: versus plan[1]	CEO: 2,5% COO: Not applicable CFO/treasury: Not applicable	90,0%	100,0%	110,0%
Non-core asset disposals: versus plan[2]	CEO: 5% COO: 2,5% CFO/treasury: 5%	80,0%	90,0%	100,0%
Non-core asset disposal within price range	CEO: 5% COO: 2,5% CFO/treasury: Not applicable	10% under book value	Book value	Over book value
Determination of personal performance factor				
Qualitative metrics				
Transformation: B-BBEE rating level	CEO: 2,5% COO: 2,5% CFO/treasury: 2,5%	7	6	4
Sustainability: renewables	CEO: 2,5% COO: 2,5% CFO/treasury: 2,5%	60,0%	80,0%	100,0%
Compliance and governance	CEO: 2,5% COO: 2,5% CFO/treasury: 2,5%	3[3]	4	5
Employee management, leadership and succession	CEO: 5% COO: 5% CFO/treasury: 2,5%	3	4	5
Stakeholder management	CEO: 5% COO: 5% CFO/treasury:5%	3	4	5

1 Discretion will be required considering the restrictions on the construction industry as a result of nationwide shutdowns.
2 Discretion will be required considering the market conditions that are present due to the COVID-19 pandemic and associated shutdowns.
3 Reviewed by an independent party/parties on a scorecard basis, from 1 to 5.

LTI

For the 2022 award cycle going forward, APF will be introducing a revised CSP. The final in-flight awards under the company's legacy CSP are expected to vest, and will be settled in terms of the previous CSP rules, in April 2022, which include settlement through the issuing of shares and use of treasury shares, subject to the achievement of threshold performance levels.

The CSP structure as approved by shareholders will remain in place, as set out below, with the following key changes being made:

- Awards will be settled through the market purchase of shares and will therefore not cause any shareholder dilution
- All awards are subject to malus and clawback

The essential features of the CSP are detailed below:

Structure	Two types of awards may be made under the CSP: 1. Retention shares – only subject to continued employment (retention awards are used sparingly and on rare occasions, and predominantly to lower level employees), and 2. Performance shares – subject to the achievement of the performance conditions and continued employment
Instrument	Conditional rights to shares. Participants are not entitled to any shareholder rights (dividends or voting rights) prior to settlement.
Purpose	The purpose of the CSP is to deliver APF shares in the company to EDs and Senior Management to align their interests with those of shareholders and other stakeholders with performance measures that are aligned to long-term shareholder value creation.
Participants	At the committee's discretion, selected senior employees of the company and identified employees of property management companies who predominantly perform such services for APF.
Performance period and vesting	3 (three) years, aligned to the company's financial year-end. Each performance measure will have threshold, target and stretch measures attached, resulting in vesting on a sliding scale depending on the level of achievement. Further details are disclosed below.
Maximum value of award	The maximum annual face value of the LTI is awarded based on market benchmarks obtained from independent experts and other factors the committee considers relevant in terms of the remuneration policy.
Plan limits	The CSP will be settled only through a market purchase of shares and, accordingly, there are no dilution concerns.
Performance conditions	The committee will review the performance conditions on an annual basis taking into consideration the operating environment and APF's business strategy.

Elements of remuneration continued

During the year, APF reconsidered the performance conditions to create a greater alignment with shareholders and in integrating and providing for measures driving long-term sustainability. The performance conditions applicable for the 2022 LTI award are as per the table below:

LTI KPI matrix	Weighting	Threshold 30% vesting	Target 60% vesting	Stretch 100% vesting
Financial performance conditions				
Absolute measures				
Total shareholder return	15%	Cost of equity over the period	The midpoint between threshold and stretch	Compounded CoE over the PP + 4%
Total return	15%	WACC	WACC + 1%	WACC + 3%
Distributable income per share	15%	CPI + 1	CPI + 2	CPI + 3
Relative measures				
Total shareholder return	15%	Median of the comparator group	Linear interpolation between median and upper quartile	Upper quartile of the comparator group
Total return	15%	Median of the comparator group	Linear interpolation between median and upper quartile	Upper quartile of the comparator group
Non-financial performance conditions[1]				
ESG (rating based on scorecard)	15%	TBC	TBC	TBC
Risk	10%	TBC	TBC	TBC

[1] At the time of publishing of this report, APF has not finalised the specific conditions to be met. However, prior to the making of any awards under the CSP, the committee will work with the Social and Ethics Committee to determine an ESG scorecard and consult with the Audit and Risk Committee on setting appropriate long-term risk mitigation measures.

Malus and clawback

The committee, in its discretion, may, in terms of the malus and clawback policy, apply malus and/or clawback mechanisms to the STI and LTI awards where a trigger event as provided for in the policy has occurred. Malus is applied to reduce awards between the start of a performance period and payment (in the case of an STI) or settlement (in the case of an LTI), whereas clawback is applicable to recoup portions of awards for a period of up to 3 (three) years post-payment or post-settlement, respectively.

Trigger events are set out in the malus and clawback policy, which is available upon request, and include the following instances:

- The Participant misled any member of the Group and/or the market and/or the shareholders of any member of the Group in relation to the financial performance of any member of the Group
- The Participant committed any act of fraud or dishonesty or was involved in the falsification or misrepresentation of the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees or to the boards or committees of the boards of any member of the Group or failed to disclose such falsification or misrepresentation when the Participant became aware of same
- The management accounts, annual financial statements, regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees or to the board or its committees of any member of the Group or of or in respect of any company, business or undertaking in which the Participant worked or works or for which he/she was or is directly or indirectly responsible are found to have been incorrect or misleading and this is likely to result or has resulted in either the relevant award being granted and/or Vesting over a greater number of Shares than would otherwise have been the case
- The performance of any company, business or undertaking in which that Participant worked or works or for which he/she was or is directly or indirectly responsible is found by the Board and/or the RemCom to have been misstated or based upon any misrepresentation and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case
- There is an error in the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the Board or its committees and/or the management accounts, the annual financial statements, any regulatory returns, any information presented to providers of finance or any information provided to the board or its committees of any member of the Group, and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case
- The Participant acted in a way which damaged, or is likely to damage, the reputation of any member of the Group or the directors of any member of the Group, or has brought, or is likely to bring, any member of the Group or the directors of any member of the Group into disrepute in any way
- The actions of the Participant amounted to gross misconduct and/or gross incompetence and/or poor performance and/or gross negligence

Elements of remuneration continued

- The Participant contributed to and/or was responsible for a failure in the risk management of any member of the Group
- The Participant committed any other conduct or act of malfeasance which in the reasonable opinion of the Board and/or the RemCom would ordinarily justify the dismissal of the Participant for cause
- Any member of the Group in which that Participant worked or works or for which he/she was or is directly or indirectly responsible: (i) has been the subject of a regulatory investigation as a result of a breach and/or any non-compliance of any or all Applicable Laws; and/or (ii) has breached or not complied with any or all Applicable Laws which has or is likely to result in the Company or any member of the Group suffering loss, reputational damage or other prejudice
- There is an error or misrepresentation that has an effect on the calculation of any award, the Vesting of any award and/or the Board and/or the RemCom's determination as to whether and to what extent the condition/s for Vesting of the award (as set out in the letter informing a Participant of the award awarded to him/her) have been fulfilled and this is likely to result or has resulted in the relevant award being granted over a greater number of Shares than would otherwise have been the case
- There is the discovery of an event that has led or could lead to the censure by a regulatory authority of any member of the Group in which that Participant worked or works or for which he/she was or is directly or indirectly responsible, and/or
- Any other matter which, in the reasonable opinion of the Board and/or the RemCom, is required to be taken into account by any member of the Group to comply with prevailing legal and/or regulatory requirements

ED service agreements

EDs hold permanent contracts of employment and are subject to a termination notice period of a minimum period of three months. As a practice, APF does not grant sign-on awards to any EDs or other employees upon employment by the company. Given APF's business model, the employment contracts of certain EDs contain provisions linked to a payment equal to five years' annual package, where there is control/change of control resulting in the termination of employment, without valid reason. The committee is looking to standardise these contracts to align to market practice.

Minimum shareholding requirement

Given the EDs' existing shareholding as set out on page 22 of the 2021 consolidated financial statements released on 30 June 2021, the company does not currently enforce a minimum shareholding requirement for its EDs. This matter is under consideration for the future.

NEDs' fees

NEDs' fees reflect the directors' roles and membership of the board and its committees. Currently, the fees comprise an aggregate board base fee plus additional fees for membership per committee. In the committee's view, the fees paid to NEDs are sufficient to attract board members with the appropriate level of skill and expertise. NEDs do not hold contracts of employment with the company and they take part in neither the STI nor the LTI. The fees of NEDs are reviewed annually and submitted to shareholders for approval.

As mentioned above, during FY2021, PwC conducted benchmarking on the fees APF pays its NEDs, wherein it was found that the fees paid to NEDs are generally within the tolerance band (80% to 120%) of the benchmark reference point of the company's comparators, with exception to the board Chairman, who is slightly above the tolerance band. The Chairman will be taking a decrease in fees in FY2022, to align his fees closer to those of the board members and in view of the outcomes of the benchmarking.

The fees paid to NEDs during FY2021 are included in the implementation report below, while the proposed fees for FY2022 are set out in the notice of AGM.

Non-binding vote on remuneration policy

The remuneration policy, as set out in part 2 of this report, will be tabled for a separate non-binding advisory vote at the AGM.

PART 3: IMPLEMENTATION REPORT

Compliance with the remuneration policy

The committee is satisfied that all remuneration practices during FY2021 complied with the company's remuneration policy without deviation, details of which are provided below.

TGP adjustments

After consideration of the more active role the CEO has played in the preceding year and given the impact of COVID-19 on APF, the CEO's salary has been adjusted to R3 million for FY2022. Similarly, Dawid Wandrag, who has transitioned from an NED to an ED, received a salary adjustment to R1,8 million to reflect his new role.

Remuneration outcomes

We have provided the remuneration outcomes for EDs for FY2021 below and have additionally included comparative tables for the prior year's single figures:

Single figure table

	TGP R	STI[1]	LTI reflected[2]	Total single figure of remuneration R
31 March 2021				
M Georgiou	1 300 000	–	–	1 300 000
A Costa	4 881 716	–	–	4 881 716
D Kyriakides	3 628 058	–	–	3 628 058
D Wandrag[3]	1 200 000	–	–	1 200 000
31 March 2020				
M Georgiou	–	–	–	–
A Costa	4 795 000	3 240 000	–	8 035 000
D Kyriakides	3 551 000	1 500 000	–	5 051 000

1 No STIs were accrued for FY2021.

2 The performance awards made on 15 December 2017 with a performance period ending on 31 March 2020 were forfeited during the year, due to the performance conditions not being met. There is therefore a R0 value included in the single figure of remuneration for 31 March 2020 for all executives. The expected vesting of the performance awards granted on 25 September 2018, with a performance period ending on 31 March 2021, is 0%. The value included in the 31 March 2021 single figure of remuneration is therefore R0 for all executives.

3 David Wandrag was appointed as an ED of the company on 1 April 2020.

Variable remuneration

For FY2021, variable remuneration outcomes were as follows:

STI outcomes

In light of COVID-19 and the discretionary nature of STI awards, the committee elected not to make any STI awards during 2021.

LTI awards and outcomes

There were no LTI allocations during FY2021, given the dilutionary nature of the legacy CSP. As mentioned in part 2, a revised non-dilutive CSP will apply from FY2022.

Performance shares awarded in 2018 had a performance period which ended on 31 March 2021. The performance conditions were not met over the period and as a result no awards vested in 2021.

Part 3: Implementation report continued

Table of unvested CSP awards

The table below sets out the unvested LTIs awarded to EDs as at 31 March 2021:

Name	Grant date	Share type	Opening number on 1 April 2019	Granted during 2020	Forfeited during 2020	Vested during 2020	Closing number on 31 March 2020	Value of receipts 2020 R[1]	Estimated closing fair value on 31 March 2020 R[2]	Granted during 2021	Forfeited during 2021	Vested during 2021	Closing number on 31 March 2021	Value of receipts 2021 R	Estimated closing fair value on 30 June 2021 R[3]
M Georgiou	14/02/2017	Performance shares	1 422 386		(81 272)	(1 341 114)	–	4 264 743	–				–		–
	15/12/2017	Performance shares	1 617 626				1 617 626		–		(1 617 626)		–		–
	25/08/2018	Performance shares	1 095 023				1 095 023		–				1 095 023		–
	25/08/2018	Retention shares	1 095 023				1 095 023		849 406				1 095 023		789 786
	25/07/2019	Performance shares		1 769 231			1 769 231		–				1 769 231		–
	25/07/2019	Retention shares		1 769 231			1 769 231		1 372 387				1 769 231		1 276 059
			5 230 058				7 346 134		2 221 794				5 728 508		2 065 845
A Costa	14/02/2017	Performance shares	1 422 386		(81 272)	(1 341 114)	–	4 264 743	–				–		
	15/12/2017	Performance shares	1 617 626				1 617 626		–		(1 617 626)		–		–
	25/08/2018	Performance shares	1 095 023				1 095 023		–				1 095 023		–
	25/08/2018	Retention shares	1 095 023				1 095 023		849 406				1 095 023		789 786
	25/07/2019	Performance shares		1 769 231			1 769 231		–				1 769 231		–
	25/07/2019	Retention shares		1 769 231			1 769 231		1 372 387				1 769 231		1 276 059
			5 230 058				7 346 134		2 221 794				5 728 508		2 065 845

1 The value of receipts reflects the cash value of the shares that vested during FY2020.

2 The fair value of the unvested shares on 31 March 2020 was calculated using the 30-day volume weighted average price (VWAP) at 31 March of R0,78 multiplied by the expected vesting estimate of the awards.

3 The fair value of the unvested shares on 31 March 2021 was calculated using the 30-day VWAP at 31 March of R0,72 multiplied by the expected vesting estimate of the awards.

Part 3: Implementation report continued

Name	Grant date	Share type	Opening number on 1 April 2019	Granted during 2020	Forfeited during 2020	Vested during 2020	Closing number on 31 March 2020	Value of receipts 2020 R[1]	Estimated closing fair value on 31 March 2020 R[2]	Granted during 2021	Forfeited during 2021	Vested during 2021	Closing number on 31 March 2021	Value of receipts 2021 R	Estimated closing fair value on 30 June 2021 R[3]
D Kyriakides	14/02/2017	Performance shares	422 872		(24 162)	(398 710)	–	1 267 898	–				–		–
	15/12/2017	Performance shares	524 635				524 635		–		(524 635)		–		–
	25/08/2018	Performance shares	579 186				579 186		–				579 186		–
	25/08/2018	Retention shares	579 186				579 186		449 273				579 186		417 738
	25/07/2019	Performance shares		1 307 692			1 307 692		–				1 307 692		–
	25/07/2019	Retention shares		1 307 692			1 307 692		1 014 373				1 307 692		943 173
			2 105 879				4 298 391		1 463 646				3 773 756		1 360 912

1 The value of receipts reflects the cash value of the shares that vested during FY2020.

2 The fair value of the unvested shares on 31 March 2020 was calculated using the 30-day volume weighted average price (VWAP) at 31 March 2020 of R0,78 multiplied by the expected vesting estimate of the awards.

3 The fair value of the unvested shares on 31 March 2021 was calculated using the 30-day VWAP at 31 March 2021 of R0,72 multiplied by the expected vesting estimate of the awards.

NEDs' remuneration

The fees paid to NEDs for FY2021 are reflected in the table below, as approved by the committee and the board under the authority granted by shareholders at the AGM held on 18 September 2020.

The resolutions relating to NEDs' fees for FY2022 can be found in the notice of AGM.

NED	31 March 2021 R	31 March 2020 R
G Cruywagen*	315 000	498 000
D vd Merwe**	80 000	–
T Fearnhead	669 167	630 000
K Madikizela	450 000	420 000
F Viruly	450 000	420 000
G Cavaleros ***	421 249	426 250
A Mawela	440 000	403 333
DJ Wandrag	–	394 167

* Resigned on 2 October 2020.
** Appointed on 1 February 2021.
*** Resigned on 5 March 2021.

Non-binding vote on implementation report

The implementation report as set out in part 3 of this report, will be tabled for a separate non-binding advisory vote at the AGM.

Annexure 9: Social, Ethics and Transformation Committee report

ROLE AND MANDATE

The Social, Ethics and Transformation Committee (the committee) provides an oversight role to ensure that Accelerate meets its social, ethics and transformation objectives and fulfils its statutory obligations relating to social and economic development; good corporate citizenship; consumer relationships; commitment to transformation; the environment; health and safety; and labour and employment. These statutory duties are prescribed by section 72 of the Companies Act and clause 43 of the Companies Regulations, 2011.

COMMITTEE COMPOSITION

The committee comprises two Independent Non-Executive Directors and one Executive Director. The profiles of the committee members are available on pages 46 and 47.

The Chairman of the committee reports to the board on the committee's activities and all matters discussed.

The Corporate Affairs Manager, Head of Asset Management, External Consultant on Social and Ethics, BBBEE and Employment Equity Matters, and the Managing Director of Accelerate Property Management Company (Pty) Ltd are standing invitees to the committee's meetings, as are the Chairman of the board, CEO and COO. Invitations to attend committee meetings are also extended to senior executives and professional advisers, as required. Directors of the board who are not members of the committee have the right of attendance at all committee meetings.

The number of meetings held during the year and attendance thereat can be viewed on page 103 of the integrated report.

ACTIVITIES AND AREAS OF FOCUS DURING THE YEAR

The committee carried out its duties by:

- Monitoring Accelerate's ethical culture
- Monitoring the company's bursary programme, as well as ongoing professional development initiatives for employees and directors as part of the company's responsible corporate citizenship
- Reviewing the Accelerate Property Management Company (Pty) Ltd undertaking to subscribe to the company's code of ethics
- Monitoring progress made against the company's employment equity plan
- Monitoring progress and plans for ESG projects and proposals
- Reviewing and recommending the company's ethics matrix to the board for approval
- Approving various CSI proposals

The committee continues to support educational initiatives for our existing students by covering tuition and accommodation fees and giving students an additional monthly stipend for essentials. Accelerate provides each bursary recipient with a dedicated mentor who offers regular guidance. If emotional guidance is required, the Fund facilitates appropriate additional support. Accelerate also encourages bursary recipients to give back by offering academic support and life guidance to students at their previous schools.

Activities and areas of focus during the year continued

COVID-19 posed many problems for bursary students as their residences were closed and students were sent home during lockdown. This meant that studies needed to be completed remotely and, in many instances, our students did not have sufficient access to data to study remotely. To mitigate this challenge, Accelerate booked affected students into temporary accommodation with the necessary Wi-Fi amenities.

The committee is very pleased with the improvement in the company's BBBEE accreditation score from level 8 to level 7 following the 2020 BBBEE audit, and looks forward to continued improvement in this area.

There were no fines or sanctions for non-compliance with laws and regulations or incidents of fraud or impropriety in 2021.

The committee is satisfied that it has complied with all of its statutory responsibilities, and discharged its duties under its terms of reference, for the reporting period.

COMMITTEE PERFORMANCE

The committee assesses its performance on an annual basis to determine whether or not it has delivered on its mandate and continuously enhances its contribution to the board. The assessment takes the form of a questionnaire, which is independently completed by each member of the committee. The composition of the self-assessment questionnaire, as well as the consolidation of the results and feedback to committee members, was the responsibility of the Company Secretary.

KEY FOCUS AREAS FOR 2022

The committee's key focus areas for the 2022 financial year include the following:

- Continued focus on education and communities, which will translate into supporting the eight bursary students completing tertiary studies
- Providing support to cultural programmes – a partnership with the Johannesburg Youth Orchestra has been established, which will see Accelerate sponsoring aspiring young musicians
- Increased focus on ESG items, including the roll out of solar energy

Details of our corporate citizenship activities can be viewed on pages 140 to 143 of the integrated report.

On behalf of the Social, Ethics and Transformation Committee

K Madikizela
Social, Ethics and Transformation Committee Chairman
29 July 2021

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Corporate information

Accelerate Property Fund Ltd

(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF ISIN: ZAE000185815
Bond company code: APFE
(Approved as a REIT by the JSE)

Registered office and business address

Cedar Square Shopping Centre, Management Office, 1st Floor,
Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg, 2055
Tel: 010 001 0790
Web: www.acceleratepf.co.za

Investor relations

Articulate Capital Partners
Morné Reinders
Email: morne@articulatepartners.com
Tel: 082 480 4541

Company Secretary

Ms Margi Pinto
Tel: 011 465 6925

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196
Private Bag X9000, Saxonwold, 2132
Tel: 011 370 5000
Email: proxy@computershare.co.za
Fax: 011 688 2238

Equity sponsor

The Standard Bank of South Africa Ltd
(Registration number 1962/000738/06)
30 Baker Street, Rosebank, 2196
PO Box 61344, Marshalltown, 2107
Tel: 011 721 6125

Debt sponsor

Rand Merchant Bank, a Division of FirstRand Bank Ltd
(Registration number 1929/001225/06)
1 Merchant Place, Rivonia Road, Sandton, 2196
PO Box 786273, Sandton, 2146
Tel: 011 282 8000

Auditor

EY
102 Rivonia Road, Sandton, Johannesburg, 2149
Tel: 011 772 3000

Internal auditor

LateganMashego Audit and Advisory (Pty) Ltd
(Registration number 2001/107847/07)
11 Boca Walk, Highveld, Centurion, 0157
Email: lindie@lateganmashego.co.za
Tel: 082 898 7644/083 609 1159

Attorneys

Glyn Marais Inc
(Registration number 1990/000849/21)
2nd Floor, The Place, 1 Sandton Drive, Sandton, Johannesburg, 2196
PO Box 652361, Benmore, 2010
Tel: 011 286 3700

Contact details

Chief Executive Officer: Mr Michael Georgiou
Email: michaelg@acceleratepf.co.za

Chief Operating Officer: Mr Andrew Costa
Email: andrew@acceleratepf.co.za

Chief Financial Officer: Mr Dimitri Kyriakides
Email: dimitri@acceleratepf.co.za

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