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ACCELERATE PROPERTY FUND INTEGRATED REPORT 2021

2021 INTEGRATED REPORT

ACCELERATE
PROPERTY FUND

CONTENTS

Welcome to our 2021 report

Accelerate Property Fund Ltd (Accelerate or the Fund) is a South African-based Real Estate Investment Trust (REIT) listed on the Johannesburg Stock Exchange (JSE).

Our 2021 integrated report enables us to share our business strategy and our activities, and shows how our quality assets can ensure future value creation for providers of financial capital and other stakeholders.

Our response to the evolving COVID-19 pandemic is addressed throughout the report. Given the variability in the operating context, we have highlighted the potential uncertainties and our responses, where applicable.

For details on how this report was compiled and approved, please refer to page 145.

NAVIGATION

🗎 This page reference icon is applied throughout the report to improve usability and show the integration between relevant elements of the report.

The COVID-19 icon indicates where the pandemic has impacted our business and/or our response.

The following icons are used to illustrate linkage to our strategic pillars:

- Enhancing returns on our assets
- Growing our quality nodes
- Optimising our balance sheet
- Delivering value to stakeholders

> Our diversified portfolio focuses strongly on nodal investments in leading economic hubs.

Cedar Square Shopping Centre

Our investment case

Accelerate offers shareholders direct access to a high-quality, nodal-focused property fund that aims to deliver long-term income and capital growth.

We offer investors the opportunity to share in a portfolio of high-quality properties in the retail, office and industrial sectors. Our properties are located in specifically identified nodes across South Africa. We also offer international exposure to a quality portfolio of nine retail assets in Central and Eastern Europe.

- ✓ Located in key strategic nodes
- ✓ Geographic diversification
- ✓ Property fundamentals focus
- ✓ Mutual value creation partner
- ✓ Meeting the needs of the communities in which we operate
- ✓ Building cities of the future – cities with soul

WHAT MAKES US UNIQUE

World-class diversified property portfolio with local and international exposure

Our local portfolio provides an appropriate balance of quality retail, commercial and industrial property assets.

Our footprint provides an attractive, single-entry point for shareholders seeking exposure to quality South African and European assets. Our offshore portfolio delivers solid and steady returns, even during uncertain times, with the international investment acting as a rand hedge.

Our top 10 properties (page 24)

Asset value

R11,8 billion

86,7%
South African

13,3% European

Portfolio optimisation strategy

Our portfolio optimisation strategy enables us to remain relevant under difficult trading conditions.

While we have chosen to be conservative with capital expenditure and dividend distributions in the short term, this strategy allows the Fund to ensure a better long-term future.

We prioritise portfolio optimisation by enhancing the quality of our portfolio through the disposal of non-core assets and reducing gearing.

Our LTV (page 43)

Reducing gearing

Focused nodal strategy

We differentiate by investing in strategic nodes. We apply a focused nodal approach to property investments, rather than targeting specific property sectors.

Our nodes are located in key economic hubs and feature quality assets with reliable tenants and good transport access, with further growth densification potential in high LSM areas.

We strengthen these nodes through redevelopment spend and capital expenditure on existing properties and through the acquisition of high-quality properties.

This approach has historically proven to be extremely successful and affords us the ability to leverage economies of scale and ensures resilience.

We can also diversify our offering in these nodes and optimise tenant mix by having the agility to find the right space for each and every tenant.

Our nodal strategy (page 67)

Four
nodes in economic hubs

Operational expertise

Our professional and dedicated management team brings a broad and deep skill set to the business, including property, finance, retail, operations and development experience.

Its collective experience, energy and original thinking result in the delivery of mutual value creation for the company, our investors and our tenants.

Our management team (page 92)

Average
15 years
property experience among the executive team

Development pipeline

In line with our nodal strategy, we are well positioned to add self-storage, flexible office space and residential as three new sub-sectors to our property offering. This can be achieved by developing the surplus bulk in our nodes and repurposing existing space not optimised.

Leadership reviews (page 30)

Approximately
110 000 m²
of surplus bulk available for development

Year in review

ENSURE LONG-TERM SUSTAINABILITY BY FORGOING SHORT-TERM PROFITS

Business as usual is no longer an option. COVID-19 and its impacts have forced us to re-evaluate how we preserve value. This meant we are making difficult decisions to position our business for the future – to ensure our long-term sustainability.

Throughout this pandemic, tenant sustainability has been at the forefront of our considerations. We recognised the need to act fairly and to accommodate our tenants where possible. This past year will be remembered as a busy one for our leasing team – negotiating multiple rental concessions and long-term leases.

KEY FOCUS AREAS IN 2021

To ensure long-term sustainability, our management team placed particular focus on:

41	Minimising COVID-19 impact
42	Strengthening the balance sheet
43	Treasury management
50	Diversifying our revenue streams
55	Implementing safety protocols at all properties to safeguard our tenants and customers
58	Improving liquidity
72	Optimising tenant mix
113	Overhauling the remuneration policy post engagement with shareholders (pages 117 – 129)

🗎 For more information on our focus areas and material trends, please read pages 50 – 52

PERFORMANCE OVERVIEW

↓
Investment property portfolio valued at
R11,8 billion
(2020: R12,6 billion)

↑
Loan to value (LTV) ratio
48,5%
(2020: 45,5%)

↓
Interest cover ratio (ICR) ratio
2,0x
(2020: 2,1x)

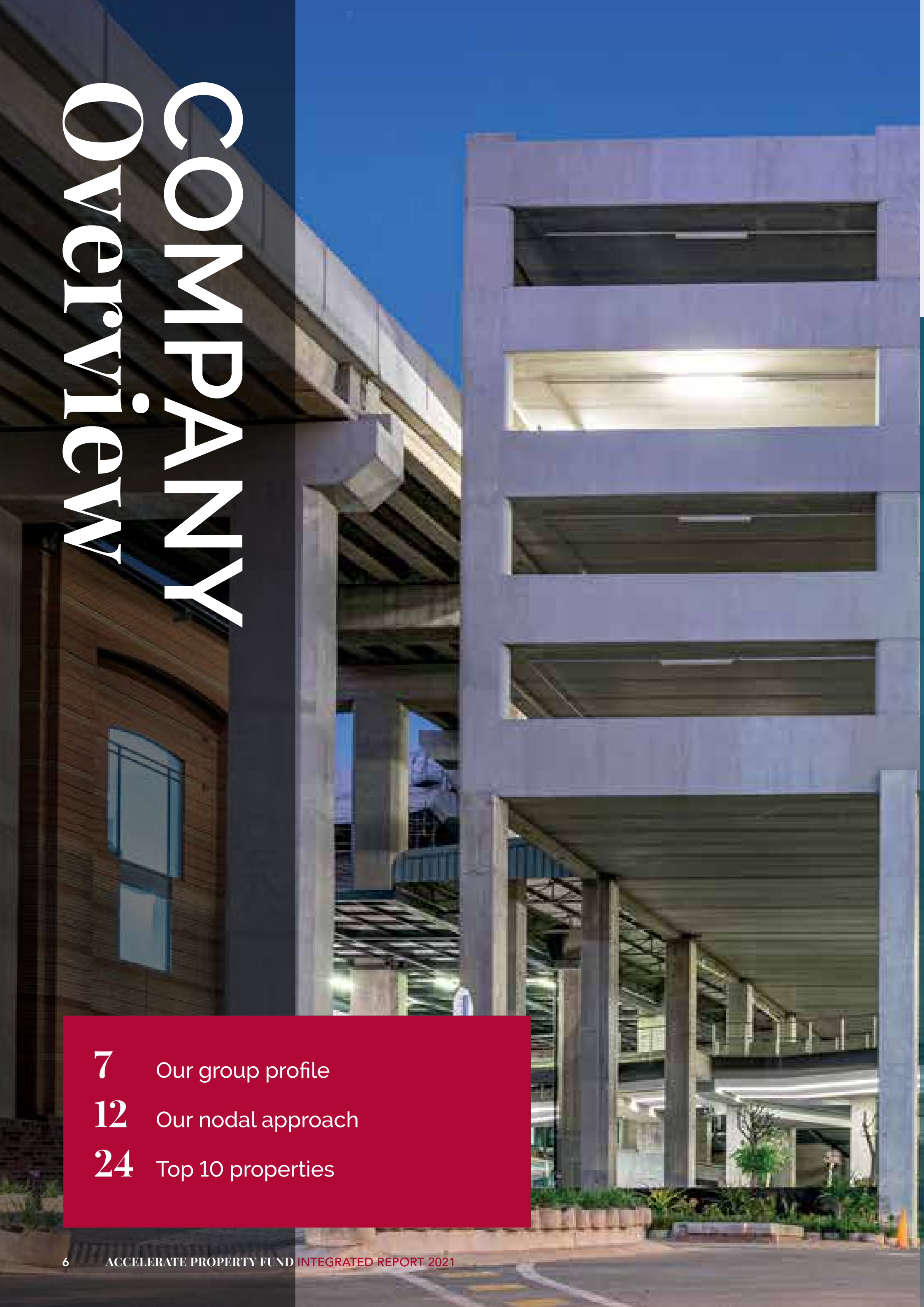
↓
Net asset value (NAV) per share
R6,28
(2020: R7,05)

↓
Total Fund gross lettable area (GLA)
498 773 m²
(2020: 529 363 m²)

↓
Contractual escalation
6,2%
(6,6% excluding offshore)
(2020: 7,6%)

↑
Weighted average lease expiry (WALE) remained strong in excess of
6,1 years
(2020: 5,6 years)

Zero
retrenchments during COVID-19 pandemic



COMPANY Overview

Our group profile

WHO WE ARE

Accelerate is a JSE-listed REIT. Our local portfolio comprises retail, commercial and industrial assets and is complemented by our single-tenant, long-term lease investments in Austria and Slovakia. We differentiate ourselves by adopting a nodal investment approach, underpinned by sound property fundamentals that support our strategy to build cities of the future.

Our vision

To be a well-valued and respected company in the property sector by focusing on the business of tomorrow but not at the expense of today or the communities we operate in.

Our strategy

Building cities of the future by focusing on property fundamentals within specifically identified nodes.

Our nodal focus

We create value through a focused nodal approach to property investments. We identify a strategic node by analysing transport routes, growth and densification. We then buy, develop or redevelop in these strategic nodes. Our flexibility enables us to assist tenants and maximise value by developing properties that enhance these areas.

WHAT WE DO

We seek ways to maximise value preservation and creation for our stakeholders by investing through the property life cycle – by **purchasing, selling, developing, letting** and **managing** our properties.

FINANCIAL AND ASSET MANAGEMENT

Buy

Invest in key **strategic nodes** by acquiring high-quality assets with strong property fundamentals.

Develop

Redevelop and upgrade our properties to maintain and enhance their **value**.

Let and manage

Deliver on **tenants' expectations** by providing safe, well-maintained buildings and excellent levels of customer service.

Sell

Recycle capital through the disposal of non-core assets.

This capital is used to lower debt levels and strengthen our balance sheet, or it is reinvested back into our core assets, thereby enhancing the value of our overall portfolio.

Stakeholder relationship management

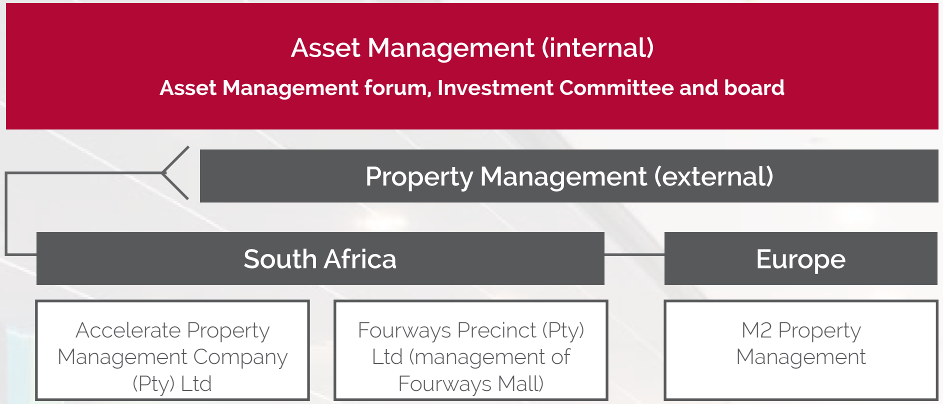
Value creation is shaped by our socio-economic context and the strength of our stakeholder relationships. We are committed to delivering our services in a **socially responsible** manner and meeting the needs of the communities in which we operate.

Our business model on page 62 expands on how these activities preserve and create long-term value.

Our group profile continued

HOW WE OPERATE

Our board of directors is responsible for the overall direction and supervision of the company. General management is delegated to Executive Directors. Executive Directors and specific Senior Management members are responsible for the Asset Management function, which, in turn, directs our Property Management function.



Asset Management (internal)

Asset Management forum, Investment Committee and board

Property Management (external)

South Africa

- Accelerate Property Management Company (Pty) Ltd
- Fourways Precinct (Pty) Ltd (management of Fourways Mall)

Europe

- M2 Property Management

Asset Management function

- Consider acquisitions, disposals, developments and redevelopments
- Recommend appropriate acquisitions, disposals and redevelopments to the Investment Committee
- Implement transactions and capital expenditure
- The Investment Committee makes recommendations to the board for transactions and capital expenditure that fall outside its approved mandate

Property Management functions

- Portfolio management
- Leasing
- Marketing
- Operations (administration, collections and maintenance)
- Finance
- Legal
- Facilities

Our group structure is illustrated on page 145.

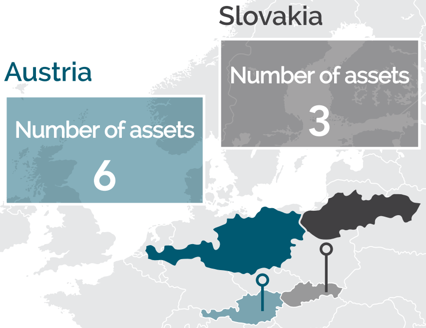
Fourways Mall

A SNAPSHOT OF OUR PORTFOLIO

> Our diversified portfolio focuses on nodal investments in leading economic hubs, where we create symbiotic commercial, recreational, investment and community nodes to build a better future for everyone, thereby creating cities with soul.

We acquire, develop and let quality commercial, industrial and retail properties. **Based primarily in South Africa**, we focus on creating a balanced and diversified portfolio of properties in strong nodes across the country. We hold a portfolio of nine well-located retail warehouse properties in **Central and Eastern Europe**, offering investors **international exposure**.

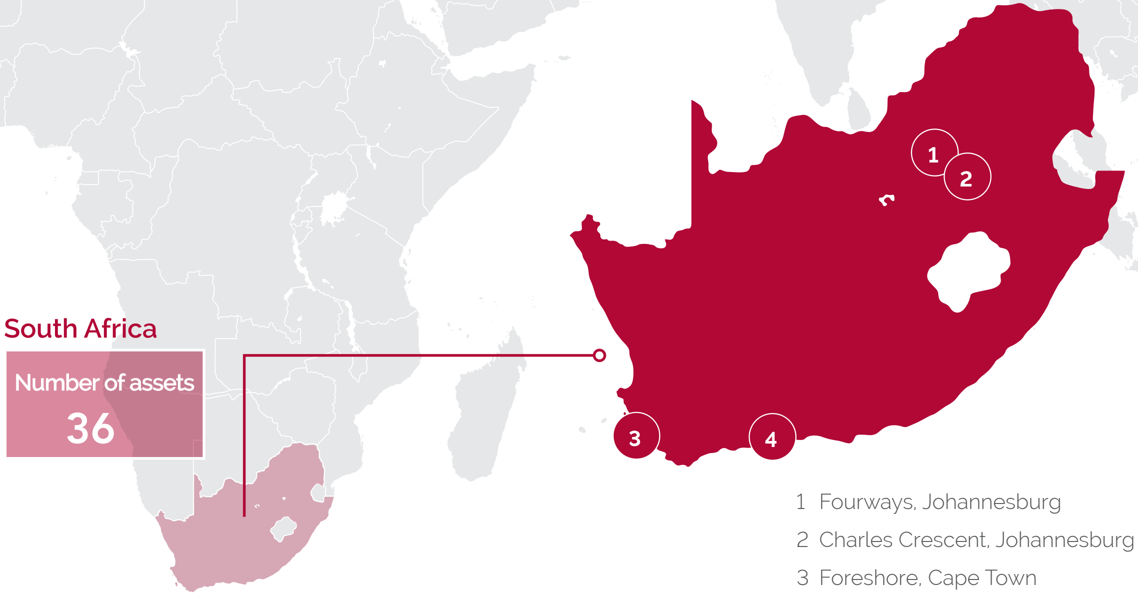
Our **strategic nodes** are in leading economic hubs, namely Johannesburg (Fourways and Charles Crescent, Sandton), as well as the Foreshore in Cape Town and George.



Geographic profile by value	2020 (%)	**2021 (%)**
South Africa	85,6	86,7
Austria	11,0	10,1
Slovakia	3,4	3,2

Geographic profile by GLA	2020 (%)	**2021 (%)**
South Africa	87,6	86,8
Austria	7,8	8,2
Slovakia	4,6	5,0

Geographic profile by revenue	2020 (%)	**2021 (%)**
South Africa	89,8	87,9
Austria	7,7	9,1
Slovakia	2,5	3,0



1 Fourways, Johannesburg
2 Charles Crescent, Johannesburg
3 Foreshore, Cape Town
4 Eden Meander, George

Our nodal approach

LOCAL INVESTMENT STRATEGY

Our investment strategy is focused on creating sustainable nodes. We choose locations for their resilience and growth potential and seek opportunities to leverage economies of scale and unlock further value.

We identify a strategic node by looking at a number of factors, including transport routes, growth and densification. Within our chosen nodes, we look for quality assets with sound property fundamentals, including appropriate price, reliable tenants and growth potential.

We then buy, develop or redevelop in these nodes and focus on extracting maximum value from these areas rather than targeting a specific split between the retail, office or industrial properties. This approach affords us the ability to leverage economies of scale.

In addition to the nodes we focus on, Accelerate also owns other A-grade office space anchored by blue chip tenants such as the KPMG head office as well as the Citibank building in Sandton.

Fourways Mall

Our nodal approach continued

Fourways

The Fund's far-reaching strategy for the Fourways area is to leverage the node's existing and growing residential classification to raise the node's status as the ultimate retail, entertainment and commercial offering in South Africa.

Why Fourways

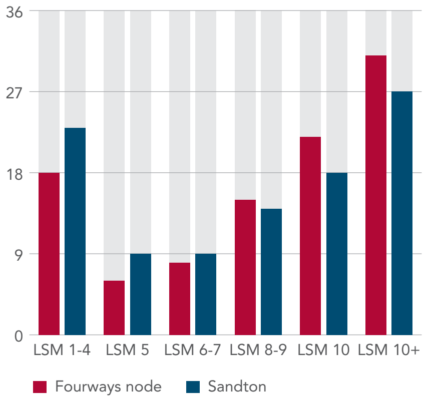
✓ Affluent area
✓ Growth potential
✓ Transport hubs
✓ Quality assets

An affluent node with high-growth potential

Fourways is a fast-developing commercial and residential hub in Johannesburg with massive future growth potential. The node has grown exponentially due to urban sprawl, and it is a popular choice for many Johannesburg homeowners. We expect the node's densification to expand as development in the Dainfern, Steyn City and Lanseria areas continues. It has always been our aim to create a decentralised central business district (CBD) in Fourways. We own 178 202 m^2 of GLA within the node.

The area boasts a stable and affluent population, with 53% at the upper end of the living standards measure (LSM).

LSM distribution (%)



Close to current and future transport hubs

Fourways Mall is situated at the corner of two main arterials, William Nicol Drive (renamed Winnie Madikizela Mandela Drive) and Witkoppen Road. The N1 highway is nearby, connecting commuters from Johannesburg and Pretoria to the node.

Future Gautrain rail expansion plans include adding new routes to both Lanseria International Airport and Soweto. The route to Lanseria will include train stations in Randburg and Fourways.

Providing property offerings across sectors

The continued densification in the Fourways node has resulted in an increased demand for space across all asset types – residential, retail, industrial, hospitality and commercial use. Accelerate's differentiated portfolio in the Fourways node makes it the perfect investment vehicle for investors choosing to invest there.

Underpinned by quality assets

The new Fourways Mall is a catalyst for future value creation. While it has the typical offerings of a super-regional, Fourways Mall is differentiated by an experiential retail offering, or shoppertainment.

Our Fourways portfolio is underpinned by other quality assets such as the 44 418 m^2 Cedar Square regional shopping centre, which anchors our convenience offering in the Fourways area. It offers an exceptionally diverse shopping experience to our patrons, comprising food retailers, family entertainment and restaurants, as well as wide-ranging fashion, lifestyle, beauty, do-it-yourself (DIY) and health offerings, including Virgin Active.

Our Fourways strategy

Fourways Mall (the Mall) is a flagship property for the Fund. At 179 238 m^2, it challenges the likes of Sandton City and Mall of Africa as the best and largest mall in South Africa. The hard lockdown impacted trading and put a severe strain on many retailers and tenants. As expected, due to the mall opening shortly prior to COVID-19, many tenants in the Mall have not fully settled, and we remain focused on ensuring the Mall's success through:

- Optimising the tenant mix
- Bedding down property management process, procedures and reporting
- Focusing on shoppertainment
- Increasing footfall and trading densities
- Exploring storage, flexible office and residential as new asset class options for the node
- Improving the appeal, allure and drawcards

Total GLA owned in the node

178 202 m^2

Valuation

R6,4 billion

Key Properties:

- Fourways Mall
- Cedar Square
- Valleyview
- Ford Fourways
- BMW Fourways
- The Buzz shopping centre
- Waterford shopping centre
- The Leaping Frog

Undeveloped bulk

- The area surrounding the BMW dealership on Cedar Road, the bulk around Cedar Square Shopping Centre and The Buzz Shopping Centre and bulk at Fourways Mall

Plans for undeveloped bulk

- Residential development at The Buzz, potential motor dealership and fast food drive-through at Cedar Square/ BMW, as well as a potential hotel and conference centre

Our nodal approach continued

The Foreshore

The Foreshore node holds a strong geographic position in the resilient Cape Town CBD and has the potential to be enhanced significantly through expansion.

Centrally located along major transport routes

The Foreshore is situated between Cape Town city centre and the Port of Cape Town. Much of this area is occupied by transport infrastructure for the port, office buildings and the Cape Town railway station. The Cape Town CBD remains extremely resilient as a premier, global destination. We own 52 152 m² of GLA within this node.

Redevelopment and revitalisation opportunities

With the intention of developing a large-scale, mixed-use development in the Foreshore, 5 470 m² of office space and 5 108 m² of bulk was added to this node in 2017. The properties acquired for this development were erf 7 (currently a parking lot) and erf 8 (the Murray & Roberts building), located adjacent to the Mustek Building and Oceana House on the Foreshore.

The development has not progressed as planned due to recent economic conditions. The Fund is now concentrating efforts on letting these buildings for the time being.

Total GLA

52 152 m²

Valuation

R1,1 billion

Properties:

Portside, 101 Hertzog, Thomas Pattullo Building, Oceana Head Office, 89 Hertzog Boulevard, 73 Hertzog Boulevard and erf 7

Acquisition potential

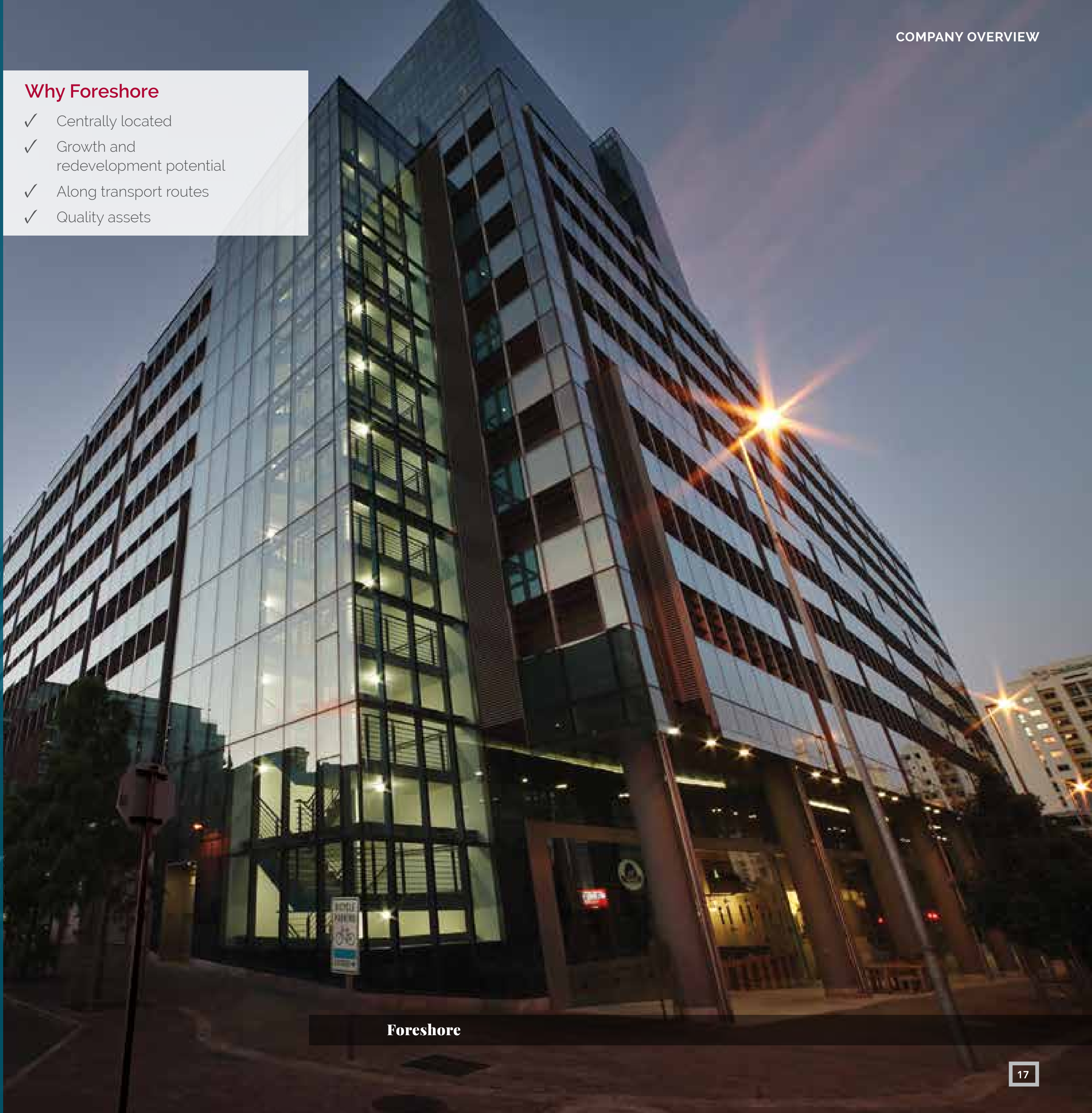
We hold the first right of refusal on quality buildings such as Chevron, BMW and Netcare Christiaan Barnard Memorial Hospital

Development potential

The 73 to 101 Hertzog Boulevard acquisition comprises two erfs adjacent to Accelerate's Foreshore properties in a precinct with significant commercial and retail development potential, which we intend to unlock

Why Foreshore

- ✓ Centrally located
- ✓ Growth and redevelopment potential
- ✓ Along transport routes
- ✓ Quality assets



Foreshore

Our nodal approach continued

Charles Crescent

Charles Crescent's prime location in the heart of Sandton lends itself to future development.

Accessible, prime CBD location

Charles Crescent is an impressively located node in our portfolio. It is conveniently situated near the M1/N3 highways and Sandton, and close to major transport routes, including the Sandton and Marlboro Gautrain stations and the Rea Vaya bus rapid transit system.

The distinctive Citibank building, a 12 433 m^2 A-grade office building, is one of our key assets close to this node. Citibank holds a prime location in the Sandton CBD adjacent to Nelson Mandela Square and 300 m from the Sandton Gautrain station.

Our Charles Crescent strategy

We believe this node offers exceptional potential for future mixed-use development, including residential, retail and office, making it an attractive purchase for potential joint venture development partners.

Mixed-use development potential

The area offers current value and potential for future development that will include residential, retail and office property (mixed-use development).

Total GLA

47 692 m^2

Valuation

R364 million

Future strategy

Consider selling this property or initiate plans to extract value through redevelopment

Properties:

1, 8, 9 and 10 Charles Crescent, Primovie Park, MB Technologies and Brooklyn Place

Current strategy

Active asset management with a focus on income generation and collection. Unlock advertising potential, consider redevelopment and sale opportunities

Why Charles Crescent

- ✓ Prime location
- ✓ Growth and redevelopment potential
- ✓ Along transport routes

Charles Crescent

Our nodal approach continued

Eden Meander

Eden Meander Lifestyle Centre in the retail hub of George in the Western Cape.

A growing residential node

The acquisition of the Eden Meander Lifestyle Centre has allowed Accelerate to create another strategic node within the Western Cape.

George is the administrative and commercial hub of the Garden Route and one of the largest towns in the Western Cape. With an engaged local government, good schools, excellent amenities and beautiful scenery; George is an increasingly popular place to live in South Africa.

Accelerate also owns bulk adjacent to Eden Meander held for future development.

Investing in a growing residential node

Eden Meander is a multi-tenanted lifestyle shopping centre serving residential clientele. Since the mall's opening, tenant trading densities and footfall have grown consistently year on year, and the centre is central to our growth plans.

Total GLA
30 817 m²

Tenants

@Home, Checkers, Pick n Pay Clothing, Sportsmans Warehouse, Mr Tekkie and Builders Warehouse

Valuation
R491 million

Development potential

The lifestyle centre offers us the opportunity to create a strategic node supported by a growing town with undeveloped bulk for future expansion and development

Why Eden Meander

- ✓ Popular and scenic location
- ✓ Growth potential
- ✓ Excellent amenities

Eden Meander

Our nodal approach continued

INTERNATIONAL INVESTMENT STRATEGY

Our European portfolio has remained resilient throughout the pandemic and delivered solid returns.

Our international investment focus is on gaining exposure to foreign real estate markets through quality properties with long-term leases in Central and Eastern Europe that offer attractive yields and lower interest rates. We have an experienced local management team in place and a scalable offshore investment platform.

Our portfolio consists of nine properties: six in Austria and three in Slovakia.

We own a portfolio of long-term, single-tenanted properties that house OBI – the largest DIY retailer in Central and Eastern Europe. This investment offers a scalable platform with on-the-ground deal origination, asset management and finance functions. Our core rationale for investing internationally was to diversify our rand risk and establish an international node for the Fund by investing in hard currency-yielding properties.

Total GLA

65 893 m^2

Valuation

€89 050 000

(acquired for €82,1 million)

Building specifics

100% occupied by OBI

Tenant

9-year to 16-year single-tenant leases backed by a guarantee from the holding company

Our offshore portfolio is outlined on page 84.

Why Europe?

- ✓ Foreign real estate exposure
- ✓ Scalable platform
- ✓ Diversified rand risk
- ✓ Healthy returns
- ✓ Attractive property fundamentals

Why Austria?

Austria is considered a low-risk investment due to its stable political situation, high gross fixed capital formation percentage of gross domestic product (GDP), and GDP per capita in excess of the United Kingdom (UK) and Germany. Austria's high consumer confidence levels and real wages that continue to increase off a high base also motivated this investment.

Why Slovakia?

Slovakia's real GDP growth far exceeds the Eurozone average. It has high fixed capital formation as a percentage of GDP, and the GDP per capita is just behind Spain and the UK. From a consumer perspective, private consumption of GDP indicates a high domestic demand, and Slovakia has experienced real wage growth since 2010.

TOP 10 properties

OUR TOP 10 PROPERTIES BY VALUE

Fair value (%)

Top 10 properties	Rest of property portfolio
79,4%	20,6%
(2020:77,8)	(2020:22,2)

Fourways Mall

Fourways Mall is now a super-regional shopping centre at the heart of our **Fourways node**. This landmark shopping centre has the unique differentiator of being the first truly integrated shoppertainment destination in southern Africa. The recent redevelopment linked the mall with Fourways View and incorporated Fourways Game, Sasol Delta and the Exact Mobile properties. The Fund now owns 50% of this combined prestigious property.

Property type: Super-regional retail
Region: Gauteng

Fair value:
R4 676 272 616
(2020:R4 803 343 616)

GLA	Vacancies	Ownership
89 619 m^2 (Accelerate 50%)	3,2%	50%

Cedar Square Shopping Centre

Cedar Square is a lifestyle and family centre in our **Fourways node**, which is home to a Virgin Active gym, Builders Express, Pick n Pay, a flagship Woolworths food market, a Ster Kinekor and strategic tenant mix of other convenience-led lifestyle tenants. This has expanded the Square's appeal to couples and families, as well as firmly establishing it as a daytime and evening entertainment destination.

Property type: Regional retail
Region: Gauteng

Fair value:	Ownership
R849 240 799 (2020:R964 275 855)	100%

GLA	Vacancies
44 418 m^2	5,6%

KPMG Crescent

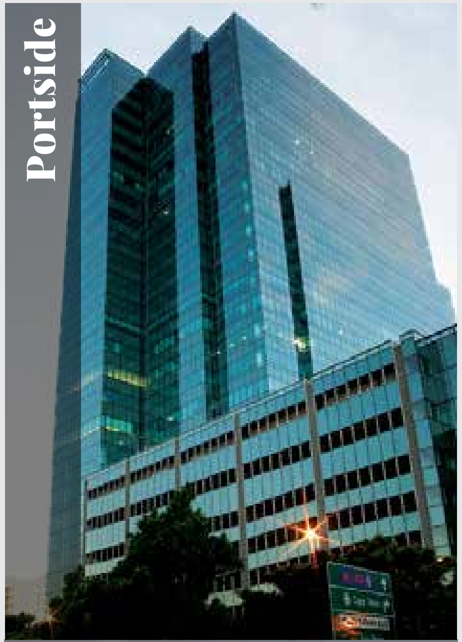
The KPMG head offices are conveniently located in Parktown near the M1 highway and City of Johannesburg. The property is close to major transport routes, including the Rea Vaya bus rapid transit system.

Property type: A-grade office
Region: Gauteng

Fair value:	Ownership
R707 100 000 (2020:R686 900 000)	100%

GLA	Vacancies
20 096 m^2	0%

Portside



Portside is situated in a prime location and comprises a full city block in our **Foreshore node**. It capitalises on the magnificent panoramic views of Table Mountain and the Atlantic Ocean while complementing the beauty of the Mother City. Portside is rated by the Green Building Council of South Africa as the country's only five-star green tall building. The Fund owns approximately 50% of this property.

Property type: P-grade office
Region: Western Cape

Fair value:
R680 100 000
(2020:R768 700 000)

Ownership
100%

GLA
25 224 m^2

Vacancies
12,3%

OBI Wien

We own a portfolio of six properties in Austria that house OBI – the largest DIY retailer in Central and Eastern Europe. We have signed a long-term lease agreement with this retailer.

Property type: International investment
Region: Austria

Fair value:
€40 000 000
(2020:€43 691 000)

Ownership
96,4%

GLA
16 356 m^2

Vacancies
0%

Citibank

Bordering Nelson Mandela Square, this property is conveniently located in walking distance from the Sandton Gautrain station and Sandton Convention Centre. This quality commercial property has recently undergone a complete internal refurbishment to modernise the look and feel.

Property type: A-grade office
Region: Gauteng

Fair value:
R554 144 000
(2020:R291 002 838)

Ownership
100%

GLA
12 433 m^2

Vacancies
26,4%

Eden Meander

Eden Meander is a multi-tenanted lifestyle shopping centre located near the residential hub of George in the Western Cape.

Property type: Regional retail
Region: Western Cape

Fair value:
R490 504 500
(2020:R465 126 087)

Ownership
100%

GLA
30 817 m^2

Vacancies
0,2%

The Buzz Shopping Centre

The Buzz Shopping Centre forms part of our strategic **Fourways node**. The vacant land behind The Buzz is being zoned for a residential development. The development will be a co-partnership with a specialist residential property developer. It has taken some time to get all the necessary approvals for the residential development. However, all approvals needed to begin development are now in place and building can commence once market demand returns.

Property type: Regional retail
Region: Gauteng

Fair value:
R265 750 000
(2020:R283 850 998)

Ownership
100%

GLA
14 118 m²

Vacancies
21,3%

BMW Fourways

BMW Fourways is a unique property located in our **Fourways Mall Development node**. This quality asset forms part of the significant 'other' convenience retail presence in the Fourways node.

Property type: Significant 'other' convenience retail presence in the Fourways node

Region: Gauteng

Fair value:
R254 100 000
(2020:R261 377 888)

Ownership
100%

GLA
7 857 m²

Vacancies
0%

Oceana House

Situated in the **Foreshore node**, between Cape Town city centre and the Port of Cape Town, Oceana House is a prime office location currently occupied by Oceana Group.

Property type: Development opportunity
Region: Western Cape

Fair value:
R150 000 000
(2020:R181 361 313)

GLA
7 254 m²
(Accelerate 50%)

Vacancies
0%

Ownership
100%

LEADERSHIP Review

Chairman's review

Q&A WITH OUR CHAIRMAN, MR TIMOTHY J FEARNHEAD

> The team's collective effort enabled the Fund to successfully manage vacancies, maintain our assets, and make progress on selling 'held-for-sale' properties at reasonable prices.
>
> Mr Timothy J Fearnhead

KEY MESSAGES

- Achieved reasonable performance against the tough economic backdrop
- Aligning governance to best practice
- Optimise the board skill mix
- Prioritise governance

Q: From an overall Accelerate business perspective, how would you describe the year under review?

Tim: It was an unprecedented and challenging year that forced the Fund to make difficult decisions to ensure its long-term sustainability. We saw the COVID-19 pandemic have a devastating impact on economies globally. South Africa's hard lockdown and the subsequent adjusted levels of lockdown imposed by the government meant that businesses across all sectors were impacted, resulting in many of our tenants unable to trade to their full potential or at all.

The performance of the Fund reflected these extremely difficult trading conditions. However, the team managed to keep vacancies to a reasonable level, maintaining selected properties and selling some of the held-for-sale properties at reasonable prices.

I had hoped to be able to report to shareholders that we had cleared all the related party issues in respect of the Fourways Mall equalisation but, regrettably, although we have made very considerable progress, we were not able to resolve all the outstanding issues by the year-end.

Q: Please provide an overview of any changes to Accelerate's strategy.

Tim: The impact of an underperforming economy and COVID-19 has forced many businesses to review their strategy; we are no exception.

New trends, such as online shopping and work-from-home, have changed people's habits. We expect this to continue. We are seeking ways to integrate these trends into our offering to remain competitive and relevant. This means we are looking at our existing space differently by exploring new purposes for it. It is important that we understand how tenants envision their future and how we can remain a part of it.

Our portfolio is split across retail, office and industrial in strategic nodes. While retail remains our dominant sector, we are considering how it may change in the future and what we need to do to remain relevant.

Q: How would you characterise Accelerate's approach to governance, and how does this add value to the business?

Tim: Accelerate grew from an owner-managed, entrepreneurial business into a listed company. As a result of its history, we recognise that our governance must be – and must be perceived to be – world-class, while still preserving the entrepreneurial spirit that sets Accelerate apart.

The board is fully committed to the principles of good governance and collectively works to ensure all governance standards are aligned with best practice. There are always improvements that can be made in governance processes and we are working to ensure that, where these are identified, they are adequately addressed by the board and executive management.

The board is also committed to robust and transparent stakeholder engagement, while guarding price-sensitive and privileged information during closed periods. By engaging meaningfully with our stakeholders, we are able to understand their legitimate concerns and ensure we adequately address them, at board and operational levels.

During the year we had two directors resign: Gert Cruywagen, who had been on the board since listing, and George Caveleros, who was appointed in May 2019. Their input to the board will be missed.

We have since appointed Derick van der Merwe as an Independent Non-Executive Director with effect from 1 February 2021. Derick is a Chartered Accountant with a long career in the property and construction sector. Derick's appointment strengthens the board's property, corporate governance and risk management skills and we welcome his experience and insight.

The Nominations Committee is currently engaged in the identification and potential recruitment of two additional Independent Non-Executive Directors, whom I hope will be appointed in the next six-month period.

Q: What are the board's priorities for the year ahead?

Tim: The board's priorities will be focused on meeting our covenants with our bankers and funders and adapting to the new world in which we find ourselves. This entails a concerted focus on property fundamentals and the real basics of the business – retaining tenants, filling vacancies, collecting rent and ruthlessly managing cash flow and costs.

Q: What would you like to say in closing?

Tim: I would like to thank my fellow board members for their commitment and contributions to the difficult debates required in this challenging environment. I would also like to thank the executive team for its valued contribution, long hours and board support. I appreciate our employees' continued dedication and commitment during these difficult times.

Keep safe.

Mr Timothy J Fearnhead
Chairman
29 July 2021

Chief Executive Officer's review

> In light of the uncertain macroeconomic environment, management prioritised the long-term sustainability of the Fund – focusing on the quality of the portfolio through consolidation, prudent treasury management and managing the elements under our control.

Mr Michael N Georgiou

KEY MESSAGES

- Coping with an extraordinary economic environment
- Improving the quality of our portfolio
- Diversifying to ensure sustainability

Our long-term approach to our strategy, along with our holistic focus on property management, ensures we understand and address the needs of our stakeholders to create value for them and the business.

REFLECTING ON OUR OPERATING ENVIRONMENT

2021 was an extraordinary year, as the COVID-19 pandemic challenged global stability and upended the South African economy. The pandemic-related lockdown period further compounded economic pressures already felt in prior years and hit South African listed property particularly hard – wreaking havoc on property fundamentals and valuations, and disrupting returns historically enjoyed by investors.

South Africa's hard lockdown impacted economic activity and trading, with many companies unable to trade at all. Business sustainability dominated conversations in every sector – as business and consumer confidence plummeted, and unemployment and social inequality continued to grow.

While there were many factors beyond our control this past financial year, we remained focused on those elements we could influence, choosing to make decisions that support the Fund's long-term sustainability.

For more detail on our operating context, please refer to pages 50 – 52.

IMPROVING THE QUALITY OF OUR PROPERTY PORTFOLIO

Our nodal focus differentiates us and is at the heart of our strategy. We focus on owning several properties in a strategic node; this enables us to leverage economies of scale and be the landlord of choice within that node. We allocate capital where we believe the best market opportunities lie. This approach enhances our flexibility and enables us to meet tenant demands and create long-term value sustainably.

Our strategy is currently in a consolidation cycle as part of our balance sheet strengthening initiative. This means we have focused on the quality of our portfolio, not on the number of assets. We chose to invest, redevelop and hold only our most defensive assets and sell all non-core assets. In total, R595 million worth of non-core assets were held for sale at 31 March 2020. To date, sales worth R188 million have been completed, with another R200 million at different stages of the sale cycle still to be finalised. The COVID-19 lockdown and the closure of the deeds office have been the main cause of delays. A further R759 million of South African assets have been earmarked for sale.

DIVERSIFYING FOR SUSTAINABILITY

In line with our nodal strategy, we are seeking ways to diversify our revenue streams, reduce our LTV and increase our ICR. We are well positioned to proceed with adding self-storage as a sub-sector to our property offering, through organic growth in the Fourways node (by developing the surplus parking bays at Fourways Mall) or through the acquisition of existing self-storage businesses in the node. Self-storage represents an exciting opportunity for the Fund, with the sector showing sustained growth and resilience.

Our European investment platform has proved resilient throughout the pandemic – highlighting the importance of this strategic investment. The platform also offers immense opportunity for future acquisitions because it is easily scalable, can support multi-tenanted buildings and is supported by a dedicated on-the-ground management team. While we are currently in the consolidation phase of our strategy, the platform's fundamentals will enable us to act on similar asset opportunities when we move to the acquisition phase.

Fourways Mall

PROGRESS IN THE FOURWAYS NODE

The Fourways node benefited from the redevelopment of the Fourways Mall, which remains a significant highlight for the Fund. As part of this redevelopment, Fourways View, Sasol Delta, Exact Mobile and Fourways Game were incorporated into Fourways Mall, thereby making Fourways Mall the largest super-regional mall in Africa, competing with the likes of Sandton City, Menlyn and Mall of Africa.

In future, mall customers will be able to access the recently constructed home improvement mega-retailer Leroy Merlin via a retail bridge over Fourways Boulevard. While Accelerate does not own the Leroy Merlin property, this addition to the Mall will add significant value for our shoppers.

For more information on Fourways Mall, refer to page 14.

WITH SINCERE GRATITUDE

I would like to thank the executive team for its resilience and agility in a complex and changing operating environment. To my fellow board members, thank you for your insight and counsel, guiding us through this unprecedented period. To our loyal tenants, thank you for our continued partnership and I look forward to strengthening our mutually beneficial relationship further. To our investors and funders, thank you for your engagement and support.

Mr Michael N Georgiou
Chief Executive Officer (CEO)
29 July 2021

Chief Operating Officer's review

> This year we have responded proactively to the immediate challenges we have faced, while ensuring we are building long-term value for our stakeholders.
>
> Mr Andrew Costa

KEY MESSAGES

- Restructure of our tenant mix
- Robust tenant engagement and industry collaboration to promote sustainability
- The importance of business adaptability and flexibility
- The competitive edge gained through differentiation
- Focus on balance sheet and debt refinancing and prudent treasury management

COVID-19: RESPONDING WITH FLEXIBILITY AND AGILITY

Borne from our entrepreneurial spirit, we take great pride in proactively understanding and responding to the changing operating environment. Never before have we been called to respond with such agility and flexibility as we have during the COVID-19 pandemic, balancing the critical immediate needs of the Fund and our stakeholders with the need to simultaneously make decisions to support long-term sustainability.

As the pandemic unfolded, we immediately prioritised the health and safety of our tenants and their customers by expanding and intensifying our hygiene protocols across our portfolio, with increased cleaning hours, enhanced disinfectants, and hand sanitisers available throughout our buildings.

We understand that our long-term sustainability is inextricably connected to that of our tenants. We chose to view the pandemic as an opportunity to actively connect and engage with our tenants, many of whom needed support such as rental discounts and deferrals to survive the lockdowns. We worked with each tenant to provide rental relief and operational assistance as far as possible, taking time to understand how the pandemic impacted their operations and liquidity. In doing so, we sought mutually beneficial arrangements that ensured our collective sustainability through the pandemic and for the future. Pleasingly, we achieved a tenant retention rate of 86,7% by GLA.

Our participation with the Property Industry Group helped the sector coordinate a rental concession guideline for tenant relief measures. We largely followed the Property Industry Group's guidelines and offered tenants rental relief packages in exchange for longer-term leases. This resulted in our weighted average lease expiry (WALE) increasing to 6,1 years at 31 March 2021 from 5,6 years in the prior year. However, our contractual escalations for the Fund lowered to 6,6% in South Africa and 6,2%, including offshore. We also used this time to rebalance and optimise our tenant mix and explore opportunities to use our space for alternative purposes.

At the beginning of the financial year, we communicated a clear balance sheet strengthening initiative to the market in an effort to increase our liquidity and reduce our overall debt levels.

Given the pressure on our income generation capabilities, treasury management, preserving cash flow and cutting overall costs became a critical focus area for the Fund. During the year, we saw our normalised cost-to-income ratio decrease to 24,3% compared to 26,2% for the year ended 31 March 2020.

We also sought ways to proactively refinance our debt, causing us to form new relationships with additional funders. These efforts, together with decreasing interest rates, resulted in a lower blended interest rate down to 7,4% from 7,8% in 2020 and reduced our debt levels to under R6 billion.

REFLECTING ON THE 2021 FINANCIAL YEAR AND BEYOND

The retail sector was impacted by pre-existing weak economic conditions that were exacerbated by COVID-19, including constrained consumer spend, lower footfall, smaller basket sizes, and a shift towards value convenience and e-commerce. Our nodal approach provided a buffer against some of these impacts, and we also benefited from the work-from-home and decreased mobility trends, especially our Fourways node, which is a predominantly residential, high-density node.

Our regional and neighbourhood retail centres, especially Eden Meander, have been solid performers, with their trading densities growing and spend per head increasing year on year. However, their growth has been at the expense of our large super-regional mall, as consumers remained apprehensive about closed-air malls.

While Fourways Mall has been particularly impacted by COVID-19 (opening only a few months prior to the pandemic), we believe that its strong property fundamentals will ensure its long-term value offering. As we responded to the current crisis during the year, we were mindful of the need to futureproof our malls so they continue to be relevant in the light of changing consumer preferences.

Shoppertainment remains a critical differentiator. While COVID-19 has impacted this trend in the short term, we expect the COVID-19 vaccine roll-out to improve consumer confidence and increase trading densities.

We have seen that, as consumer behaviour changes, the definition of anchor tenants has evolved. There has been a move away from traditional grocery stores to entertainment and leisure offerings. Anchor tenants that draw foot traffic remain key, but the move towards experiential shopping implies the need for a far broader tenant mix, including luxury brands where shoppers want to have a sensory experience before they buy from novel, independent stores. By differentiating our malls with experiential offerings and providing more reasons to visit, we can attract more consumers, increase their dwell time, increase footfall and retain high-quality tenants.

COVID-19 further expedited the shift towards online shopping, with online retailers such as Takealot, Superbalist, Zando and others seeing a large uptick in users. Online shopping will not evaporate after COVID-19; malls must evolve and enhance their online offerings too.

As office landlords, we predict another year of uncertainty but expect the office sector to normalise over the medium term, as the national vaccination programme is rolled out. The flexible working trend will remain, but we expect that South Africa's prohibitive data costs, unreliable energy supply, and employees' need to interact, collaborate and be part of corporate culture will drive employees back to the office in more flexible ways. We expect to see further growth in the coworking office model, especially when that office space is attached to a retail offering.

APPRECIATION AND OUTLOOK

Looking ahead, we face uncertainty about what a third or fourth wave of COVID-19 infections could mean for our business, the sector and the economy. All we can be certain of is that further challenges will arise. While the operating context is expected to remain taxing, I am confident that Accelerate is well positioned to meet these challenges.

I am extremely proud of what we have achieved this financial year, considering the enormous obstacles faced. I am immensely grateful for my supportive and competent team. Their grit, resilience, varied skill set, energy and professionalism combined with the sound fundamentals of our property portfolio have ensured our sustainability and will build our future success. I believe the pandemic has increased our resilience and strengthened our team.

I want to thank our board for its wise counsel during this challenging time. To our tenants: thank you for your continued partnership as we work to find mutually beneficial value. And to our investors, thank you for your patience and commitment to what we are building.

I look forward to working with you in the year ahead.

Mr Andrew Costa

Chief Operating Officer (COO)

29 July 2021

Chief Financial Officer's review

> Our proactive decision to strengthen our balance sheet, which commenced in 2018, has stood us in good stead to weather the COVID-19 storm.

Dimitri Kyriakides

KEY MESSAGES

- COVID-19
- Balance sheet strengthened
- Active treasury management
- Prudent property valuations

KEY THEMES DURING 2021

COVID-19 impact

Our response

The Fund's approach to COVID-19 has been clear, concise and well executed. It is focused on the long-term stability of the Fund and its tenants.

Response was guided by the PI Group recommendations on COVID-19 tenant relief as the basis of its negotiation

- Ensuring the long-term sustainability of tenants through granting sufficient rental assistance during COVID-19
- Tenant engagement
- Entering into new longer-term leases when granting COVID-19 assistance
- Rebalancing tenant mix
- Exploring alternative uses for space
- Cutting costs

Impact on Accelerate

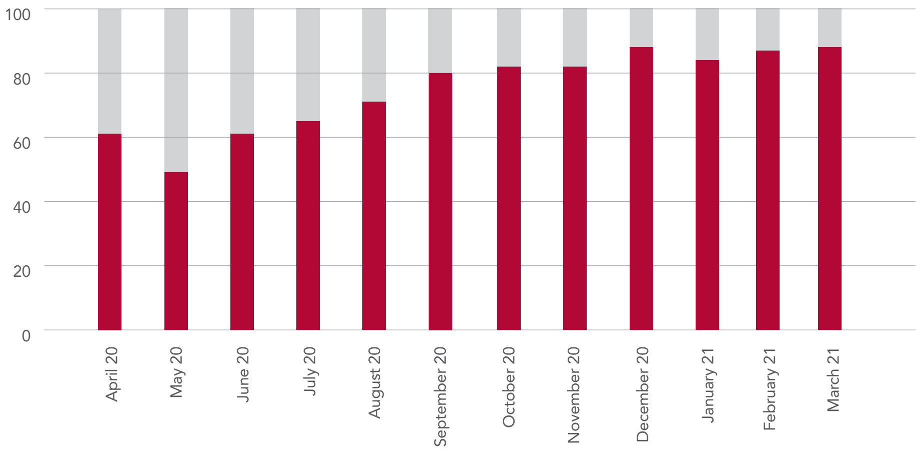
R182 million
COVID-19 relief
(31 March 2021)

Weighted average lease expiry
increased to 6,1 years
(2020: 5,6 years)

2020
Valuation write-down
R1 billion
(31 March 2020)

2021
Valuation write-down
R660 million
(31 March 2021)

Rental recovery (%)



Strengthening the balance sheet

In anticipation of the Fourways Mall equalisation payment we would have had to make and considering our depressed share price at the time (which would not allow for an equity issuance, in the best interest of the group and the shareholders), we had identified the need to strengthen our balance sheet, through a number of interventions, in order to:

- Increase liquidity
- Reduce overall debt levels
- Decrease our LTV
- Strengthen our interest coverage ratios (ICRs)

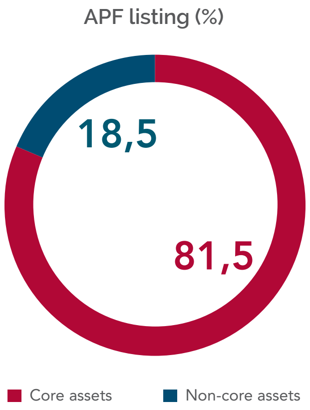
Our approach to simplifying and strengthening the balance sheet relied on the following levers:

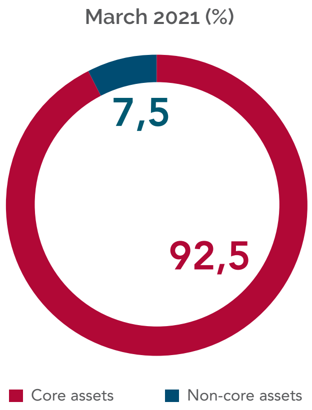
1 The sale of non-core assets, with the proceeds used to repay debt

2 Unlocking additional value on existing assets

1. Sale of non-core assets

Since the commencement of this initiative in 2018, the Fund has sold a total of R1,3 billion of non-core assets. Of the R595 million of assets held for sale at 31 March 2020, sales worth R188 million have been completed to date. The Fund has experienced significant delays in the conclusion of sales due to COVID-19 closures at the deeds office, and due to the depressed economic climate. Sales worth another R200 million are close to completion, with a remaining non-core sales pipeline post these sales of R759 million. To ensure the objective to reduce gearing is reached, the Fund is also actively marketing its offshore portfolio, the sale of which will have a positive LTV impact and a marginal ICR effect.





2. Unlocking additional value on existing assets

We are currently reviewing a number of opportunities to unlock additional value on existing properties, including establishing a storage platform utilising and repurposing its vacancies and excess parking, which is progressing well.

Proactive treasury management

A large part of how we create value is through our treasury management practices. This year, we focused on proactively optimising our debt in terms of:

- Reducing our debt
- Diversifying our funding sources
- Pre-emptively refinancing debt and in this regard, we refinanced R141 million due in May 2021. We are in active discussions with funders to refinance all DCM and bank debt expiring in the next 12 months, including the APF08 note that is in the process of being finalised.
- Optimising our hedging
- Managing the overall cost of our funding

As a result of the work undertaken this year, our blended interest rate is down to 7,4% as at 31 March 2021 (31 March 2020: 7,8%) and our ICR remained stable at 2,0x. The weighted average swap term improved to over two years with new at-market swaps taken out as old swaps expire.

The Fund has made significant progress with regard to diversification of funding with:

- One new relationship funder added towards the end of 2020
- Additional new relationship funders are in various stages of discussion

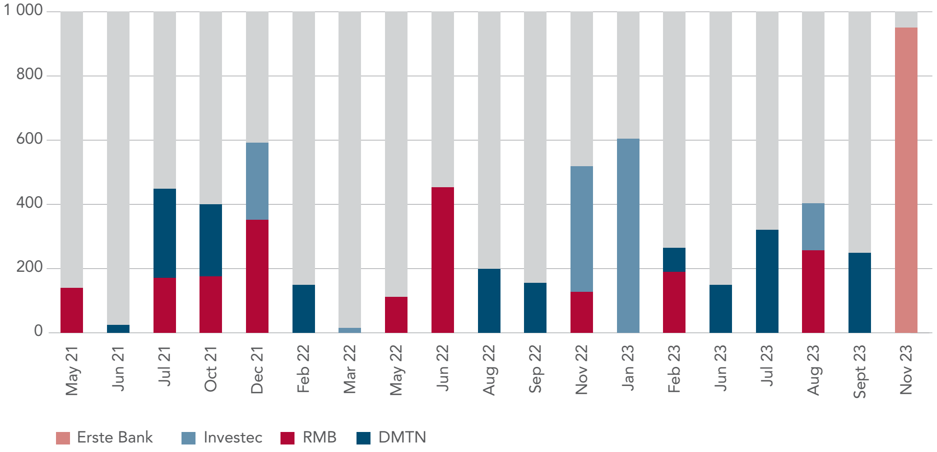
Long-term debt allocation

Debt funding	31 March 2021 (Rm)	%	31 March 2020 (Rm)	%
Other debt capital markets	630	10,5	649	10,4
Relationship funding (including banks and dept capital markets)	5 395	89,5	5 594	89,6
Total	6 025	100.00	6 243	100,0
Weighted average debt term (years)	1,8		2,2	
Short-term portion of debt*	1 775	29,5	1 118	18,6
Debt hedged		81,4		72,6
Weighted average swap term (years)	2,2		1,8	
Blended interest rate		7,4		7,8
Interest cover ratio (x)	2,0		2,1	
LTV ratio#		48,5		45,5

* R225 million of this has been refinanced post-year-end.

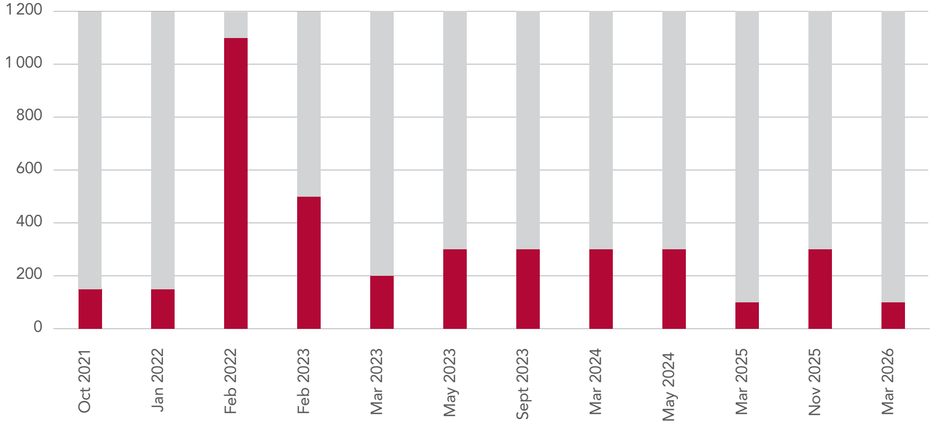
\# Takes into account vendor loan receivables.

Debt expiry (Rm)



* The May 2021 expiry has been refinanced post-year-end.

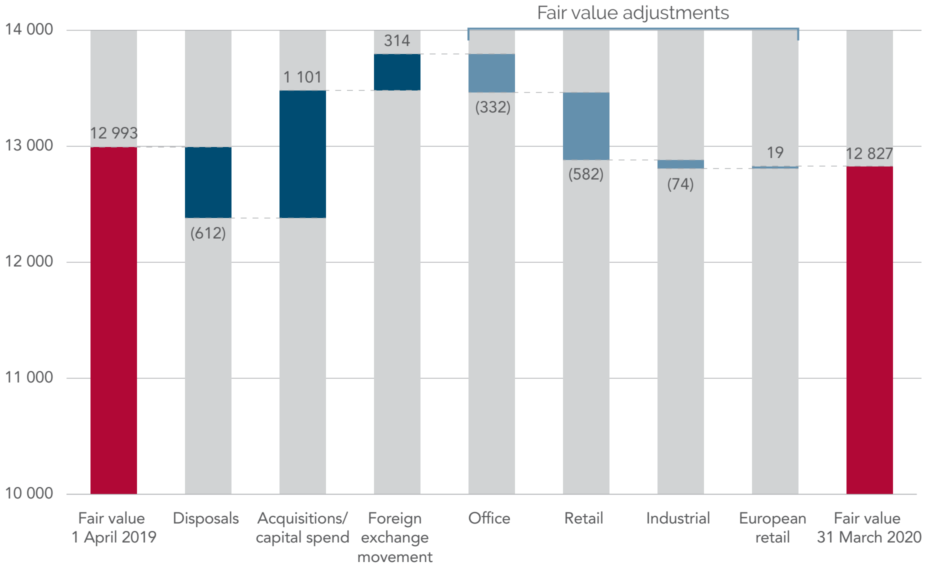
SWAPS expiry



Prudent property valuations

Our investment properties are valued based on future cash flows at market-related discount rates. While we recognise that these assessments are inherently subject to judgement and reflect the point-in-time measure of our assets, the valuations are critical as they determine the underlying value of our portfolio and are linked to LTV ratios.

Property valuation bridge 2020 (Rm)



Given the impact of COVID-19 during the year, and to enhance the trust of our stakeholders, we have elected to have the majority of our investment properties (over 90% by value) externally valued.

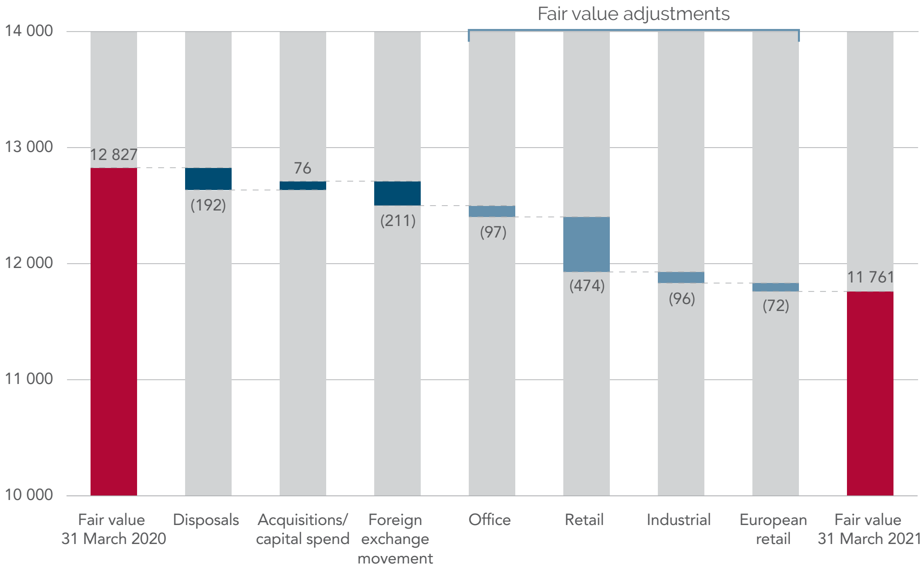
EXECUTIVE BUY-IN SCHEME

In order to align key Executive Directors with shareholders, the group encouraged the acquisition of shares by Executive Directors who did not have a material shareholding in the group.

A decision has been taken to terminate the scheme, which is no longer serving its intended purpose due to the substantial drop in the price of Accelerate rate shares. In order to unwind the scheme, Accelerate has settled R67 million of exposure, with the remaining balance of R171 million due to be settled in the new financial year.

Prudent property valuations continued

Property valuation bridge 2021 (Rm) continued



OUTLOOK

We expect the coming financial year to continue to be fraught with challenges. However, we believe the difficult decisions taken this year will give Accelerate the necessary resilience and flexibility to respond to the ongoing challenges posed by the operating environment, ensuring the Fund is well placed to capitalise on the emerging opportunities, now and into the future.

My sincere thanks go to all our stakeholders, especially our tenants, investors and funders for their continued support during this challenging time. We look forward to working with you to create mutual value in the year ahead.

Mr Dimitri Kyriakides
Chief Financial Officer (CFO)
28 June 2021

CEO AND CFO RESPONSIBILITY STATEMENT IN TERMS OF SECTION 3.84 (K) OF THE JSE LISTINGS REQUIREMENTS

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements released on 30 June 2021 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the annual financials statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Mr Michael N Georgiou
Chief Executive Officer (CEO)
29 July 2021

Mr Dimitri Kyriakides
Chief Financial Officer (CFO)
29 July 2021

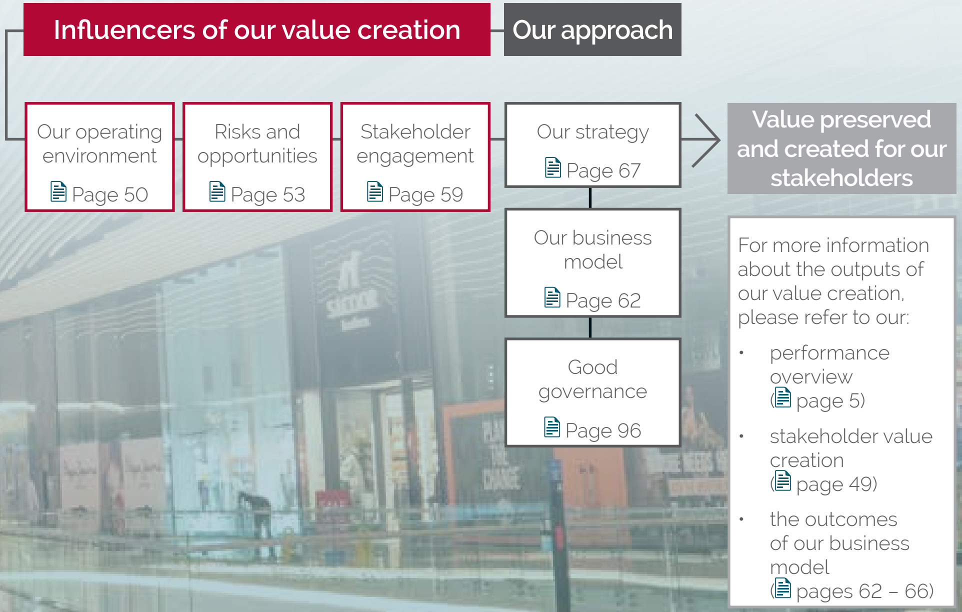
HOW
ACCELERATE
creates value

Our value creation **process**

Value preservation and creation depend on our current business context, operating environment, the availability of key resources, and the health of our stakeholder relationships (both internal and external).

We consider all material matters that could impact our ability to preserve and create value in the short, medium and long term – reviewing both risks and opportunities when formulating our group strategy and assessing whether our business model is fit for purpose.

Our business model focuses on the life cycle of our property assets – purchasing quality properties, exploiting and enhancing value through redevelopment, letting to quality tenants, engaging consistently with stakeholders to ensure robust relationships, and selling all non-core properties.



Influencers of our value creation

Our operating environment
Page 50

Risks and opportunities
Page 53

Stakeholder engagement
Page 59

Our approach

Our strategy
Page 67

Our business model
Page 62

Good governance
Page 96

Value preserved and created for our stakeholders

For more information about the outputs of our value creation, please refer to our:

- performance overview page 5)
- stakeholder value creation page 49)
- the outcomes of our business model pages 62 – 66)

Our operating environment

KEY THEMES AND FOCUS AREAS

We have identified the key themes that have the potential to impact our business.

1 The macroeconomic environment impacted by COVID-19
2 Weakened property market/infrastructure/growing unemployment
3 Rapidly changing consumer preferences
4 Rise of new asset classes
5 The changing work environment

1 The macroeconomic environment impacted by COVID-19

Overview

South Africa

South Africa is currently in an economic recession, which has intensified poor economic growth, inequality and poverty. The sovereign credit downgrade to sub-investment grade status and the onset of COVID-19 further exacerbated these pressures and hampered new business, thereby reducing demand and lowering consumer and business confidence.

The property sector reflects the country's recessionary economy. When the economy recedes, the property sector struggles. South Africa's continued uncertainty around property rights and the government's policy on land expropriation without compensation has lowered investor confidence further.

Europe

Europe is experiencing low rental growth due to the low interest rate and low inflation environment.

Impact on Accelerate

Economic challenges have impacted our tenants across all property sectors (retail, office and industrial). We have seen how changing consumer preferences and decreased footfall have dampened demand for space in the sector, thereby resulting in:

- Increased vacancies and supply of space
- Increased competition for tenants
- Lower revenue generation
- Decreased property valuations

Our response

- Treasury management, which includes improving our liquidity
- Strengthen the balance sheet and lower LTV
- Seek ways to diversify revenue streams
- Explore other uses and purposes of space

For more information please view **our leadership reviews**

2 Weakened property market/infrastructure/growing unemployment

Overview

The South African listed property sector's overall return for the year was down 34,5% in 2020, as a result of COVID-19 lockdown impacts on trading and economic pressures.

This increased vacancies and competition for quality tenants, which lowered revenue generation, reduced economies of scale and depressed property valuations.

Tenants faced liquidity pressures, which impeded their ability to pay rentals and increased arrears. Property companies were also pressured into giving tenant discounts and deferrals, and experienced negative rental reversions.

To preserve cash flow in the face of reduced income generation, with an inability to raise capital and battle rising operating costs, many REITs reduced or withheld their distributions in an effort to strengthen their balance sheets.

Impact on Accelerate

- Fewer tenants, COVID-19 rental concessions and increased vacancies have resulted in lower income generation
- Withdrawal of foreign tenants from South Africa
- Increased municipal cost

Our response

- Engage and collaborate proactively with tenants
- Optimise tenant mix
- Repurpose rental space
- Adapt to changing consumer preferences
- Focus on shoppertainment as a means to differentiate our portfolio and increase footfall
- Efficiently reduce and manage costs
- Develop other revenue streams

For more information please view **our operational review**

3 Rapidly changing consumer preferences

Overview

To best serve tenants, landlords must understand changing consumer habits in the context of both social and technological changes. This helps property owners remain relevant and competitive while keeping up to date with new technological innovations and disruptions.

The rise of ecommerce has created online shopping platforms where consumers can easily purchase goods from the comfort of their own homes. Therefore, the challenge for landlords is to determine how they can continue to attract consumers to retail centres and ensure those centres are geared towards the future. COVID-19 and its subsequent social distancing requirements have further expedited the shift towards online shopping.

Impact on Accelerate

- Reduced foot count
- Increased vacancies
- Shift towards online shopping expedited by COVID-19, creating competition in our tenants' market

Our key focus areas

- Understand changing consumer habits in the context of both social and technological changes
- Futureproof malls, differentiating offering through shoppertainment
- Optimise tenant mix and retain high-quality tenants
- Adapt to online shopping by adopting a click-and-collect service in collaboration with tenants
- Explore innovation
- Capturing online sales

Our operating environment continued

4 Rise of new asset classes

Overview

Alternative asset classes such as self-storage have shown strong growth and resilience throughout the pandemic

Impact on Accelerate

- Opportunity to diversify our revenue streams and asset class offering

Our key focus areas

- Proceed with adding storage and residential as new sub-sectors to our asset class offering
- Redevelop surplus parking bays at Fourways Mall
- Explore opportunities to acquire existing self-storage businesses in our strategic nodes
- Decentralised office hubs

🗎 For more information please view **our leadership reviews**

5 The changing work environment

Overview

In accordance with COVID-19 social distancing requirements, many corporates still have their administrative and non-essential employees working from home, with the trend expected to continue until the successful roll-out of vaccine programmes

Flexibility is expected to prevail going forward

Impact on Accelerate

- Workplace flexibility and decreased mobility as a result of COVID-19 regulations have impacted the corporate office sector by increasing vacancies and lowering demand for traditional office space
- Our predominantly residential, high-density nodes have benefited from the work-from-home and decreased mobility trends, as people remain local

Our key focus areas

- Trading growth at our regional and neighbourhood retail centres
- Increased usage of in-mall shared office space offering
- Engagement with office tenants to strengthen relationships

Risks and opportunities

AN INTEGRATED RISK AND OPPORTUNITY MANAGEMENT APPROACH

Our hands-on approach to integrated risk and opportunity management plays a critical role in monitoring and managing the risks and opportunities that stem from our operating context and market.

We consider risk management an opportunity to strengthen both our strategic direction and operational practices. This enables an agile response to stakeholder needs and ensures an internal culture of adaptability.

Our risk governance model contains checks and balances to support the appropriate consideration of risk and opportunity management throughout the Fund. We identify and manage risks that could affect our strategic objectives and include these material risks in our risk register. These risks are identified in terms of impact and likelihood. Each risk is then linked to the relevant strategic objective.

Board	Management	Independent audit	Internal controls
The board is responsible for the governance of risk. The board reviews and monitors the effectiveness of our internal control systems, assisted by the Audit and Risk Committee.	Management is accountable for developing a culture of performance monitoring and compliance throughout the Fund.	Our independent external audit assurance partners assist us with risk oversight.	Our system of internal controls is designed to provide reasonable assurance as to the integrity and reliability of our financial statements and is intended to safeguard accountability. The controls are also designed to minimise significant potential loss and liability while ensuring we comply with all applicable laws and regulations.

Risk appetite

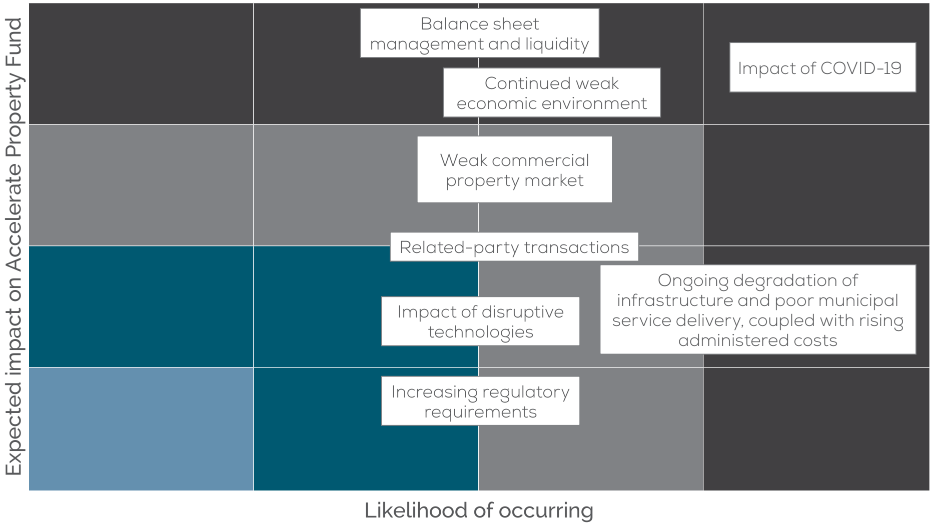
Our risk appetite reflects a balanced and integrated approach to risk management. This enables the Fund to take calculated risk in our pursuit of long-term value creation. Material risks are frequently reviewed, challenged and prioritised by executive management.

Management formulates strategic plans to mitigate these risks. These plans are then reviewed and recommended by the Audit and Risk Committee to the board for approval. This process determines the residual risks to be assessed and thereby determines our risk appetite.

Risks and opportunities continued

Risk tolerance

Our risk matrix (below) guides the Fund. Where a risk remains residually high, the activity giving rise to the risk is closely monitored by management. These risks are identified in terms of their probability and potential impact on the Fund. Each risk is mapped to the strategic objective that it could impact.



Impact on strategy

Enhancing returns on our assets

Optimising our balance sheet

Delivering value to stakeholders

Likelihood

› Unchanged

^ Increasing

˅ Reducing

Impact

● High

● Significant

● Moderate

Description and implications for value creation

IMPACT OF COVID-19

The hard lockdown in 2020 followed by subsequent adjusted levels of lockdown reduced many businesses' ability to trade to varying degrees.

This placed significant pressure on rental collections and rental levels and resulted in lower property valuations and increased vacancies.

The super-regional trading densities have not yet returned to pre-COVID-19 levels. However, our regional and neighbourhood retail centres began to see trading grow to levels comparable to the previous year, with spend per head at increased levels year on year.

Mitigating actions

We chose to ensure the long-term sustainability of the Fund and our tenants' financial well-being by offering rental assistance during the pandemic.

Leasing activity is driven by tenant retention initiatives and right-sizing of retailers' premises.

We have historically approached property valuations conservatively. R1 billion was written down on 31 March 2020 with potential COVID-19 impacts top of mind. Further write-downs of R660 million were done at 31 March 2021.

We practise proactive balance sheet management (as outlined in a later risk below). The sale of non-core properties reduces our debt levels and strengthens our balance sheet.

We continue to focus on our experiential and shoppertainment differentiation to attract shoppers back into our closed malls.

We enforce safety protocols at all properties to safeguard stakeholders.

Opportunities

We approached COVID-19 rental assistances as an opportunity to:

- Extend tenant leases
- Optimise our tenant mix
- Enhance tenant relationships
- Increase tenant engagement

We believe the COVID-19 vaccine roll-out will improve consumer and business confidence.

CONTINUED WEAK ECONOMIC ENVIRONMENT

COVID-19 pushed the already unstable South African economy into a recession and increased uncertainty. Many companies were forced out of business, and the majority entered survival mode.

South Africa's sovereign credit downgrade to sub-investment grade status further compounded impacts by increasing borrowing costs.

Mitigating actions

We will improve the quality of our portfolio through strategic disposals, development projects and by expanding our shoppertainment experience as a means to differentiate ourselves to attract and retain high-quality tenants.

To avoid increased vacancies, we chose to assist our tenants by reducing rental fees in exchange for longer leases.

Our diversification into Europe provided the Fund with offshore hard currency exposure.

Opportunities

- Negotiation with key stakeholders
- Cost-saving opportunities
- Reduction of funding costs
- Geographic diversification

WEAK COMMERCIAL PROPERTY MARKET

The commercial property sector was already characterised by an oversupply of space pre-COVID-19. This, combined with an economic recession and a lack of business confidence, has impacted trading.

Consumers have less disposable income, which results in reduced trading and more value-focused spending.

More business failures result in fewer tenants and increased vacancies.

Poor returns of the South African property market has reduced investor appetite.

Mitigating actions

Tenant retention is vital for our sustainability.

We have increased our tenant engagement to build mutually beneficial relationships.

Our experienced leasing team takes a proactive approach to meeting tenants' needs and strengthening these relationships.

We ensure accurate, transparent and timely information is communicated with our stakeholders via the appropriate channels.

Opportunities

- Enhance mutually beneficial relationships with our tenants
- Entrench innovation to further differentiate our offering, for example, using technology to enhance our experiential offerings, as well as offering shared office space within our malls and repurposing unused space into storage space
- Differentiate our offering through shoppertainment to attract tenants and consumers

ONGOING DEGRADATION OF MUNICIPAL INFRASTRUCTURE AND POOR SERVICE DELIVERY COUPLED WITH RISING ADMINISTERED COSTS

Increased water and electricity supply disruptions impact tenants' trading.

Inflated rates and rising utility costs put additional pressure on our tenants.

COVID-19 has increased zoning requirement delays and deeds office transfer delays.

Mitigating actions

Our property team works closely with our tenants to find innovative ways to manage these expenses, as well as frequent follow-ups with our transferring attorneys and the deeds office to contain delays.

We have invested time in the feasibility of increasing our green technology usage – to be pursued and implemented in the next financial year.

Opportunities

- Explore the further implementation of alternative energy sources like solar
- Improve usage efficiencies
- Reduce our environmental footprint
- Reduce our reliance on municipal services

INCREASING REGULATORY REQUIREMENTS

Frequent changes to lockdown regulations impact tenant trading conditions.

Not remaining at the forefront of regulatory changes could impact our legitimacy and sustainability as a business.

Mitigating actions

We remain cognisant of all regulatory changes. This protects our reputation and ensures alignment to best practice.

We prioritise legal, regulatory and governance excellence.

We uphold good governance and sound ethics.

We conduct all our business with integrity.

Opportunities

- Improve compliance and reporting
- Build relationships with council and industry bodies
- Enhance industry collaboration on key areas affecting REITs

IMPACT OF DISRUPTIVE TECHNOLOGIES

Growth in ecommerce, consumer growth and technological disruptors continue to impact consumer behaviour.

Disruptive technologies could create new markets and disrupt traditional business models, changing the way consumers shop, as well as influencing the businesses they choose to engage with, potentially impacting on other retailers.

Mitigating actions

We track and understand changing consumer preferences.

We analyse consumer habits and monitor retail trends.

We will adapt to online shopping by exploring a click-and-collect service.

We will futureproof our malls by incorporating experience and convenience into our tenant mix.

We are exploring ways to be more innovative.

We are vigilant about cybersecurity.

Opportunities

- Work with retailers to maximise profits
- Understand tenant and shopper behaviour – trend analyses
- Monitor retail trends to surpass our competitors in capturing opportunities as they arise

RELATED PARTY TRANSACTIONS

We are finalising ongoing related matters which were established at listing and during the Fourways Mall development and equalisation.

Mitigating actions

We prioritise business integrity and follow governance and ethics best practice guidelines.

The board and ARC are tasked with ensuring proper governance and risk mitigation of related party matters.

Opportunities

- Use our governance protocols to leverage the extensive property experience of our development partner to grow the Fund

BALANCE SHEET MANAGEMENT AND LIQUIDITY

COVID-19 impacts have pressured our liquidity ratio and hindered our ability to raise debt.

Mitigating actions

We began a balance sheet strengthening initiative to mitigate the impacts of COVID-19. This initiative was undertaken to:

- Protect liquidity
- Reduce overall debt levels

The levers being implemented by the Fund in order to achieve these goals are:

- Sale of non-core assets and repayment of debt
- Unlocking further value on current assets

Opportunities

- Diversify our funding mix and form new funding relationships
- Improve funding rates
- Improve the quality of core portfolio, via the sale of non-core properties

Enhancing stakeholder relationships

Engaging with stakeholders is a critical part of our business strategy and provides an essential input into strategic decision-making. We strive to understand and address the legitimate needs of our stakeholders to create mutual value.

To ascertain the value we generate for our stakeholders, we measure the quality of our relationships. We have also used the pandemic to increase our stakeholder collaboration and engagement.

The board and executive team monitor and ensure that all communication to stakeholders is accurate and transparent. Our goal is to provide stakeholders with all the relevant information they need to accurately assess our performance and prospects. We understand that our reputation hinges on our relationship with our stakeholders.

Tenants

Our goal is to strengthen and build long-term relationships with tenants to enhance tenant retention and optimise tenant mix.

Value created for our tenants

- Ensured tenant sustainability and business survival by accommodating multiple rental concessions
- Offered tenants support and assistance through difficult economic times
- Increased safety measures in response to the pandemic

Value created for the Fund

- Ensured our long-term sustainability by signing long-term leases
- Optimised our tenant mix

Material engagements

We communicated extensively with our tenants regarding:

- Mutually beneficial COVID-19 rental relief negotiations, where tenants received rental relief in exchange for longer leases

Enhancing stakeholder relationships continued

Investors and providers of financial capital

Our goal is to communicate our strategy transparently to providers of financial capital to gain their buy-in, trust and support, thereby enabling us to grow our business and, in turn, provide a return on their investment.

Value created for our investors and providers of financial capital

- Engage transparently and frequently with investors

Value created for the Fund

- Increased engagement and strengthened relationships
- Developed relationships with new funding partners, to diversify our funding mix

Material engagements

We proactively engaged with our investors and providers of financial capital regarding our intention to:

- Relax our debt covenants
- Lower debt levels
- Improve weighted average debt term

Employees

We engage with our employees to understand their concerns and improve talent retention and job satisfaction.

Value created for our employees

- Regular feedback regarding performance and improvement, including identifying career development and training opportunities

Value created for the Fund

- Motivated and engaged employees

Material engagements

We engaged with our employees about:

- Workplace safety concerns during COVID-19
- Work-from-home feasibility
- Long-term sustainability and job security
- Succession planning and key person dependency

COVID-19 stakeholder safety

Ensuring the health and safety of our employees, consumers and tenants was vital. Our goal throughout this pandemic was to remain resilient and productive. We enhanced our health and safety protocols to implement all precautions, measures and actions necessary to curb the spread of the virus at our properties. Our safety measures included stakeholder awareness signage in our properties, compulsory mask wearing, hand sanitising and enforced social distancing.

Suppliers

By engaging with our suppliers, we form mutually beneficial partnerships that support business growth for both parties.

Value created for suppliers

- Efficient contract management
- Transparent and efficient tender process
- Efficient and well-controlled payment processes

Value created for the Fund

- Quality of services rendered

Material engagements

We engaged with our suppliers about:

- Contract negotiations to reduce costs and improve efficiencies

Community

We engage with community groups to preserve our social licence to operate and enhance our brand.

Value created for communities

- Bursary opportunities
- Job creation

Value created for the Fund

- Community engagement and increased footcount in malls

Material engagements

We engaged with our communities about:

- COVID-19 health and safety in our properties

Regulatory and industry authorities

We comply with mandatory laws and standards and engage with those authorities to further our understanding and application of governance best practice to support value creation.

Value created for communities

- Compliance with laws and regulations

Value created for the Fund

- Enhanced governance

Material engagements

We engaged with our regulatory authorities about compliance.

Business model

VALUE CREATION

Property is a long-term asset class, which requires a long-term approach to strategy. This means that we approach property management holistically, using our capital inputs responsibly and sustainably. We recognise the interconnectivity between the capitals we use, which informs our decision-making and our strategic choices.

Our business model explains how we preserve and create long-term value to remain successful and sustainable in the context of our operating environment, as we adapt to changes in the availability, quality and affordability of our inputs.

What differentiates us

- ✓ Investment in strategic nodes
- ✓ Property fundamentals focus
- ✓ Mutual value creation partner
- ✓ Skilled property management team
- ✓ Meeting the needs of the communities in which we operate
- ✓ Building cities of the future – cities with soul

For more information read our investment case on page 2.


Cedar Square Shopping Centre

WHAT WE DO

Buy
We invest in key strategic nodes by acquiring high-quality properties with long-term leases and strong tenants.

Develop
Redeveloping and upgrading our properties enhances their value.

Let and manage
We deliver on tenants' expectations.

Sell
We dispose of non-core properties to enhance the value of our portfolio.

HOW WE DO IT

Financial management

We ensure continued access to financial capital by prudently managing the Fund, optimising our property portfolio and delivering on our strategy.

Optimising our balance sheet

Asset management

Our long-term objective is to optimise our asset base through active management, pursuit of investment opportunities as they arise, delivering on developments and refurbishments, and disposing of non-core assets.

Growing our quality nodes

Property management

Our leading property professionals maintain and manage our buildings to the highest standards with maximum operational efficiency. Efficient buildings use fewer natural resources and thus preserve natural capital.

Enhancing returns on our assets

Relationship management

Accelerate is committed to creating and maintaining inclusive and mutually beneficial relationships with all stakeholders.

Delivering value to stakeholders

WHAT WE DELIVER

We deliver quality spaces to our tenants and attractive returns to our investors and shareholders.

Business model continued

THE CAPITAL WE USE AND TRANSFORM

Our financial resources

Our funds are derived from rental income, equity and debt funding, and proceeds from property disposal.

Challenges in raising financial capital include economic pressure, poor returns on investments, and subdued growth prospects due to weaker business and consumer sentiment.

Financial management

Inputs

- Rental income
- Equity funding
- Debt funding
- Property disposal proceeds

Outcomes

- Generated revenue of R1 billion
- Sold non-core assets worth R1,3 billion since the start of the balance sheet optimisation initiative; a further pipeline of sales to the value of R1,08 billion is at various stages of completion

How we create value

We continue to focus on rebalancing our portfolio. This helps us maintain stability in the short to medium term and refocuses our strategy on nodal growth to ensure sustainable returns in the future.

Our property portfolio and assets

Our property portfolio makes up the manufactured capital that enables us to generate revenue by renting space in our properties.

Challenges include tenant retention under adverse economic conditions, with increasing property costs.

Asset management

Inputs

- Net asset value of R6,0 billion
- Property portfolio by GLA
- 62,4% retail
- 25,9% office
- 11,7% industrial

Outcomes

- Enhanced our portfolio in line with our strategy
- Focused on extracting value out of existing assets
- Used the proceeds of non-core property sales to repay debt and improve quality of our core asset portfolio

How we create value

We have proactively managed tenant relationships with rental reductions, rent-free periods, tenant installation allowances and other measures to mitigate economic pressure.

Our property knowledge and processes

Our intangible assets include the balanced and diverse experience of our management team, the board of directors, our governance structures, and our employee and tenant management processes.

Challenges in enhancing and retaining our intellectual capital include scarcity of skills in the property sector, changing consumer behaviours, evolving workplace environments and rapidly changing technology.

Property management

Inputs

- Balanced and diverse experience of our management team and board of directors
- Governance structures
- Investment in research to understand stakeholder needs
- Changing consumer and technological drivers
- Employee and tenant management processes

Outcomes

- Maintained strong and ethical leadership in challenging times
- Supported and rewarded a high-performance culture
- Developed a leading offering underpinned by research and experience

How we create value

Through the leadership of our board and Management Committee, the Fund refocused its efforts on its nodal strategy, which is a key differentiator and driver of value creation.

Our people

We depend on our employees and our property management companies for their competency, capability, experience and motivation.

Challenges include developing and retaining skilled employees, and providing adequate incentives and rewards that align with the interests of employees and the company during tough times.

Relationship management

Inputs

- Investment in skills development and fair remuneration
- Ethical culture and values

Outcomes

- Maintained a solid leadership team
- Recruited, retained and developed high-performing employees

How we create value

Our investment in employee development addresses the skills shortages in the sector.

Business model continued

Our relationships

We uphold our social licence to operate by maintaining relationships with local communities, suppliers, tenants, shoppers and government.

Challenges include the increasing needs of communities affected by global and national socio-economic difficulties.

Relationship management

Inputs

- Educational development
- After-school programmes

Outcomes

- Tertiary studies completed by eight bursary students
- Supported schools in the main business area of Accelerate and surrounds
- Established a partnership with the Johannesburg Youth Orchestra which will see Accelerate sponsor aspiring young musicians

How we create value

Accelerate invests in education to increase employment opportunities for young people while building sustainable relationships with local institutions to improve facilities and social welfare.

Our natural resources

Our business relies on adequate supplies of natural resources such as water, electricity and land. Challenges include global impacts of climate change, scarcity of natural resources and constraints in delivery by service providers.

Asset management

Inputs

- High standards of operational efficiency
- Dedicated focus on 'greening' buildings to reduce reliance on natural resources
- Exploration of renewable energy options

Outcomes

- Installed energy-efficient lighting
- Implemented water-saving interventions
- Sought solar photovoltaic solutions
- Implemented recycling project and awareness programme at shopping centres
- Approved the installation of motion-controlled energy-efficient lighting in parking garages

How we create value

By minimising our consumption, we preserve our natural resources and respect environmental sustainability.

Our strategy

OUR STRATEGY

Our nodal approach to investment maximises value creation and preservation.

Delivering and preserving long-term value to our stakeholders is of critical importance to the Fund. We achieve this by applying an integrated and holistic approach to delivering value, which includes social as well as natural value.

Our focus on investing in strategic nodes enables us to extract maximum value for our stakeholders. This approach enables us to leverage economies of scale and take advantage of the current position in the property cycle. We preserve and create long-term value by buying and developing or redeveloping in these strategic locations.

- Enhancing returns on our assets
- Growing our quality nodes
- Optimising our balance sheet
- Delivering value to stakeholders

> Building cities of the future, cities with soul. We achieve this by focusing on property fundamentals in specific nodes.

Our strategy continued

Enhancing returns on our assets

Our objectives

- Extract maximum value from our existing bulk by redeveloping and upgrading properties to enhance their value
- Maximising return on assets by optimising rental returns, rebalancing tenant mix, managing costs and diversifying our offering

Our performance

Various redevelopments and upgrades of properties, including:

- The Foreshore redevelopment
- The Buzz bulk development
- Cedar Square tenant optimisation
- Exploration of potential opportunities at Eden Meander
- Upgrading and tenanting of smaller centres and expansion of our offering
- Solar power investment and initiatives
- Future hospitality, residential and mixed use development at Fourways Mall on existing bulk

Growing our quality nodes

Our objectives

- Build cities of the future
- Invest in quality property assets
- Concentrate on existing strategic nodes and create new nodes
- Leverage our core portfolio to expand our offering
- Grow our offshore platform

Our performance

- 67,2% of tenants qualified as A-grade by revenue (listed or large national tenants)
- Unlocking further potential from Fourways Mall, by adding storage as a new tenant offering
- Total investment per strategic node:
  - Fourways, Johannesburg: R6,4 billion
  - The Foreshore, Cape Town: R1,1 billion
  - Charles Crescent, Sandton: R364 million
  - George, Western Cape: R491 million
  - Offshore exposure 13,3% of the portfolio by value

Optimising our balance sheet

Our objectives

- Diversify our funding mix
- Proactively manage interest rate risk
- Lower debt
- Improve liquidity
- Recycle non-core assets

Our performance

- 81,4% of debt hedged
- Weighted average swap maturity of 2,2 years (to be improved to >2,5 years)
- Funding diversity:
  - 10,5% financed through other debt capital markets
  - 89,5% financed through relationship funders (DCM and bank)
  - 7,4% blended interest rate
- R188 million in non-core properties sold during the year, with additional sales of R200 million at various stages of completion. A further sales pipeline of R759 million post these results

Delivering value to stakeholders

Our objectives

- Invest in long-term quality and growth
- Maintain tight control of property expenses
- Understand our tenants' expectations and support them during difficult economic times

Our priorities

- Unlock the value of the completed Fourways Mall Development
- Achieved tenant retention rate of 86,7% (to be improved to >90%)

OPERATIONAL Review

Tenants and leasing

The sustainability of our business would not be possible without our tenants. Throughout the pandemic, we focused on long-term sustainability of the Fund by being mindful of our tenants' sustainability.

The primary purpose of our portfolio managers and leasing team is to manage tenant relationships, ensure tenant retention and create new tenant opportunities. The leasing team worked closely with tenants to grant sufficient and fair rental assistance during the pandemic. We also used the pandemic as an opportunity to optimise and rebalance our tenant mix, aligning it to changing consumer trends so we remain relevant and competitive.

We understood that we had to make difficult decisions in the short term to ensure our long-term sustainability. All tenants that received assistance were required to sign longer-term leases in exchange for rental relief.

To finance these rental relief packages, the Fund undertook an extensive cost-cutting exercise to optimise the funds available and reduce debt. Our current cost-to-income ratio (excluding once-off COVID-19 items) has decreased to 24,3% from 26,2% at 31 March 2020.

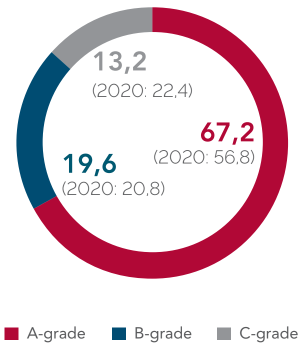
We persistently seek out innovative opportunities to transform existing space for alternative use. Such opportunities offer both diversification of our asset base and revenue generation. We are currently implementing self-storage as a new asset class in our portfolio. We have made good progress in establishing a storage platform by repurposing our vacancies and excess parking at Fourways Mall.

TENANT PROFILE

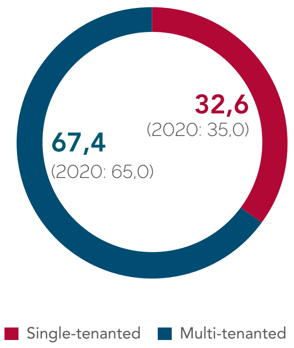
Tenants in our retail sector are categorised by grade:

- A-grade: Large national tenants, large listed tenants and major franchises
- B-grade: National tenants, listed tenants, franchises and medium to large professional firms
- C-grade: Other, smaller non-listed and non-franchised businesses, mainly owner-operated

Tenant profile by GLA (%)



Single versus multi-tenanted by GLA (%)



Tenants and leasing continued

Tenant attraction and retention

We monitor consumer needs and trends closely to maintain an optimal tenant mix in our properties. Our shopping centre and portfolio managers ensure that tenants are correctly placed to serve the centre's market, cognisant of nearby competitors, and to present the best possible options to current and future tenants. We also see that anchor tenants are strategically placed to maximise foot traffic in each centre.

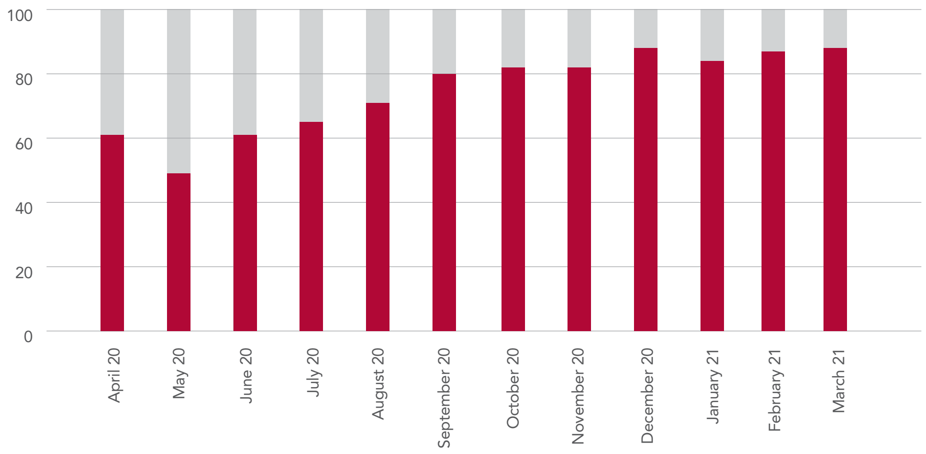
While COVID-19 has accelerated trends already underway, it has not fundamentally changed what we do. Instead, we have considered new ways to protect ourselves through diversification, thereby being able to adapt more rapidly to our changing context. This, in turn, necessitated the exploration of alternative uses for our existing asset classes.

As a socially responsible corporate citizen, we accommodated tenants affected by the pandemic with R182 million rental concessions granted. We also viewed COVID-19 as an opportunity to restructure our tenant mix and sign long-term leases with quality tenants. This meant we made the difficult decision, in certain instances, to **forgo short-term revenue generation to ensure our long-term sustainability**.

Rental recovery

The Fund has seen a steady rise in rental recoveries (as a % of normalised rental levels).

Rental recovery (%)



The slight decrease in January 2021 was due to the alcohol ban affecting restaurants and alcohol traders.

Tenant evaluation

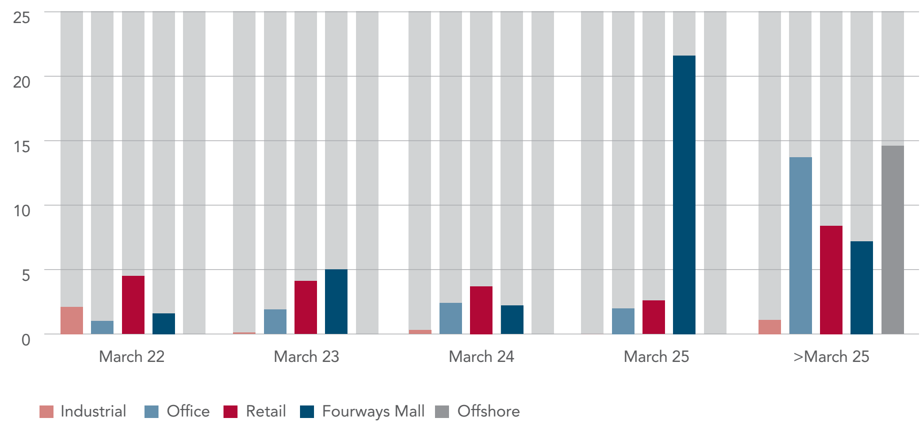
All prospective tenants are evaluated for creditworthiness and trade history before a lease is signed, and we seek to understand their business or product, to ensure the product or service meets the needs of consumers in that particular node. We then compile a comprehensive tenant portfolio to align our leasing strategy with the optimal tenant mix in terms of customer needs and attractions, complementary tenants and Fund profitability.

LEASING

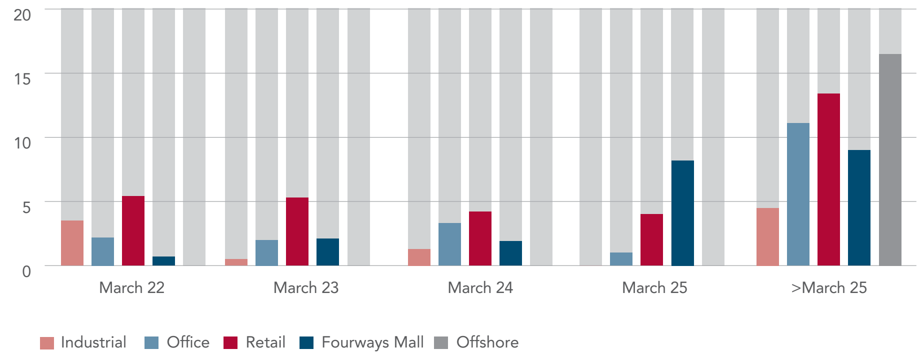
The weighted average lease expiry

Our weighted average lease expiry (WALE) by gross rental has increased to year on year to 6,1 years from 5,6 years. This increase is due to a 10-year extension of OBI Vienna's lease and the multiple lease extensions signed with South African tenants who received COVID-19 assistance. Our European portfolio's WALE has increased to 12 years.

Lease expiry by revenue (%)



Lease expiry by GLA (%)



Contractual escalations

We have experienced significant pressure on our contractual escalations, with an overall contractual escalation in place of 6,6% (6,2% including offshore).

VACANCIES

Portfolio Managers, as well as Executives and Senior Management, monitor all vacancies and develop strategies to manage current and future vacancies weekly.

Vacancies in the retail space have remained constant with vacancies in the office space reducing slightly. The vacancy in the Fund's small industrial portfolio has increased due to one industrial tenant going into liquidation. This additional industrial vacancy has resulted in an increase in the overall Fund vacancy by GLA of approximately 1,0%.

The vacancies per sector are shown in the table below.

Actual vacancy profile per sector as at 31 March 2021

Vacancy (%)[1]	Total	Retail	Office	Industrial	Offshore portfolio
2021	**15,0***	**8,5**	**29,5**	**27,5**	**0**
2020	10,8	6,5	25,1	8,6	–

[1] Excludes properties under development.

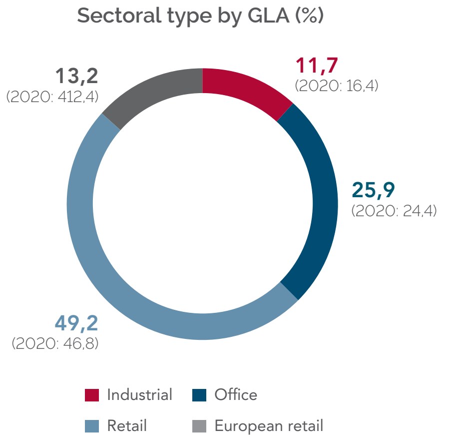
* Reduced to 14% post-year-end.

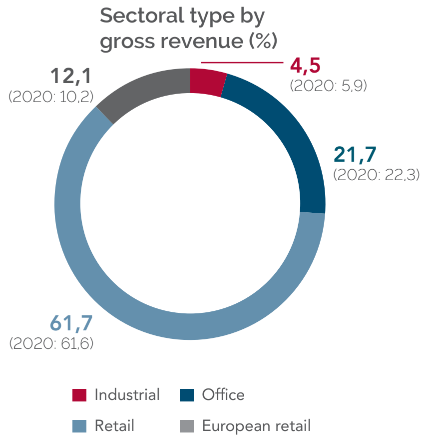
The Fund's vacancy by revenue is only 7,2%, due to the vacancies consisting mainly of B- and C-grade office space and large industrial space with lower rentals per m².

Sectoral reviews

Our portfolio comprises properties located in specific nodes, covering retail, office and industrial sectors.

		Total	Retail	Office	Industrial	Offshore portfolio
Number of properties	**2021**	**45**	**15**	**16**	**5**	**9**
	2020	51	19	16	7	9
Average escalation (%) (6,6% excluding offshore)	**2021**	**6,2**	**6,1**	**7,4**	**7,8**	**–**
	2020	6,4	7,6	7,7	7,3	–
Weighted average lease period (years)	**2021**	**6,1**	**54,7**	**6,1**	**3,1**	**12,5**
	2020	5,6	5,3	6,0	4,7	8,9





Sectoral reviews continued

RETAIL

Our retail portfolio includes a diverse selection of malls and shopping centres nationwide, differentiated through our shoppertainment offering.

Properties:
15
(2020: 19)

GLA
245 394 m^2
(2020: 247 820 m^2)

Property value
R7,2 billion
(2020: R7,50 billion)

Year in review

Super-regional malls' trading densities suffered as a result of COVID-19 social distancing impacts. We have, however, seen a resurgence in regional and neighbourhood centres' trading. These centres remained extremely resilient, because consumers favoured open air and convenience centres. We expect super-regional malls to bounce back once the majority of the population is vaccinated.

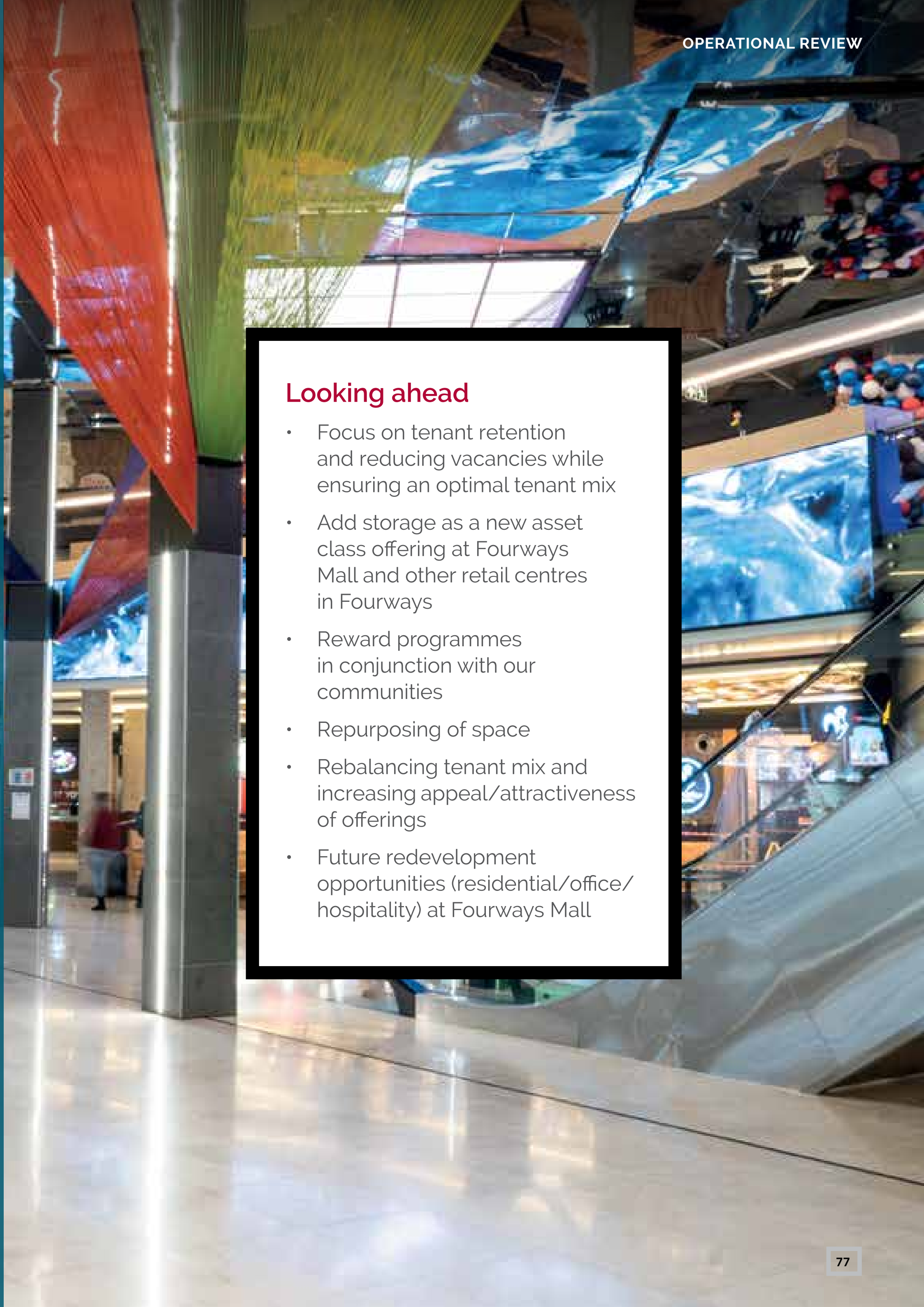
Revenue (%)

Highlights

- Fourways Mall head lease reduced from 22 022 m^2 at equalisation to under 15 000 m^2 due to vacancies being filled
- A new La Liga flagship store opened at Fourways Mall
- Cedar Square Builders Warehouse box was revamped, with a new five-year lease signed

Challenges

- Ster Kinekor went into business rescue. The Fund's exposure to Ster Kinekor is 1,3% of GLA and 0,6% by rental income
- Rates and utility costs increases
- Growth prospects were subdued due to weaker business and consumer sentiment
- COVID-19 regulations continued to have impact
- We experienced municipal infrastructure issues including loadshedding



Looking ahead

- Focus on tenant retention and reducing vacancies while ensuring an optimal tenant mix
- Add storage as a new asset class offering at Fourways Mall and other retail centres in Fourways
- Reward programmes in conjunction with our communities
- Repurposing of space
- Rebalancing tenant mix and increasing appeal/attractiveness of offerings
- Future redevelopment opportunities (residential/office/hospitality) at Fourways Mall

Cedar Square

Trading at regional and neighbourhood centres has done exceptionally well during the pandemic. Cedar Square delivered strong performance this past year, with high trading densities and low vacancies. The centre is situated in the Fourways node, which is a densely populated residential node, and as such has benefitted from the work-from-home trend.

The centre's open layout, convenient location and its unique lifestyle, shopping and entertainment offering have added to its appeal, with shoppers more confident to frequent an open air centre during COVID-19.

The centre's recent upgrade includes the replacement of all lifts, air conditioning and escalators, new lighting and fresh painting, plus a new decking area. Our new bathroom upgrades focused on ensuring a family-friendly environment.

Property type:	Regional lifestyle and family centre
Region:	Gauteng
Anchor tenants:	Pick n Pay, Woolworths, Baby City, Clicks, Saigon Suzy, Big Bad Wolf, The Refillery, Sofaworx, Oh My Cake, Sorbet (nail salon and dry bar), Smoke Daddy's, Postlink, Guilt Eatery, MiniGoods and Queenspark.
Differentiation:	Open air, family-friendly environment
Trading:	Trading density is up to pre-COVID-19 levels The alcohol ban affected trading at various restaurants The Builders Warehouse box was revamped with a five-year lease signed

Number of stores	GLA	Vacancies	Ownership
83	44 418 m²	5,6%	100%

Property	Type	Region	GLA (m²)	Net rental (R/m²)	Fair value 31 March 2021 (R)
Fourways Mall (50%)	Retail	Gauteng	89 619	288	4 676 272 616
Cedar Square Shopping Centre	Retail	Gauteng	44 418	91	849 240 799
Eden Meander	Retail	Western Cape	30 817	100	490 504 500
The Buzz Shopping Centre	Retail	Gauteng	14 118	96	265 750 000
BMW Fourways	Retail	Gauteng	7 857	157	254 100 000
The Leaping Frog	Retail	Gauteng	11 027	99	140 300 000
Bela-Bela Shopping Centre	Retail	Limpopo	10 626	95	123 800 000
Cherry Lane	Retail	Gauteng	11 504	58	85 500 000
FORD Fourways	Retail	Gauteng	2 469	213	74 349 558
Waterford	Retail	Gauteng	6 682	78	73 389 884
Edgars Polokwane	Retail	Limpopo	4 500	70	45 100 000
Beacon Isle	Retail	Gauteng	2 080	105	30 000 000
Valleyview Centre	Retail	Gauteng	2 012	82	28 800 000
Corporate Park Corner Shopping Centre	Retail	Gauteng	4 252	41	20 923 880
Cascades Shopping Centre	Retail	Gauteng	3 413	43	18 914 243
					7 176 945 480*

* Asset value including capitalised letting commission is R7 183 074 000.

Sectoral reviews continued

OFFICE

Our P-grade and A-grade offices are situated in strategic nodes in Sandton and Fourways in Gauteng, and on the Foreshore in the Western Cape.

Properties:
16
(2020: 16)

GLA
129 093 m²
(2020: 129 093 m²)

Property value
R2,8 billion
(2020: R2,7 billion)

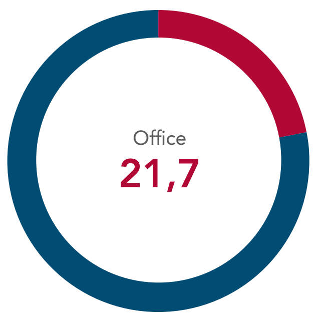
Key nodes

- Foreshore
- Charles Crescent/Sandton

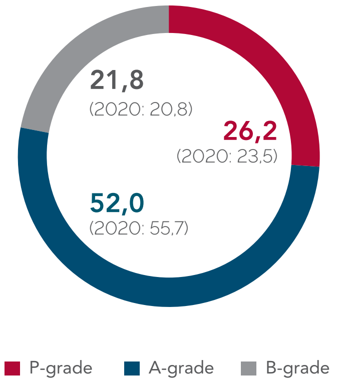
Year in review

The vacancies are mainly in our B- and C-grade offices, with many of these properties currently held for sale or redevelopment.

Revenue (%)



Office ratings by revenue (%)



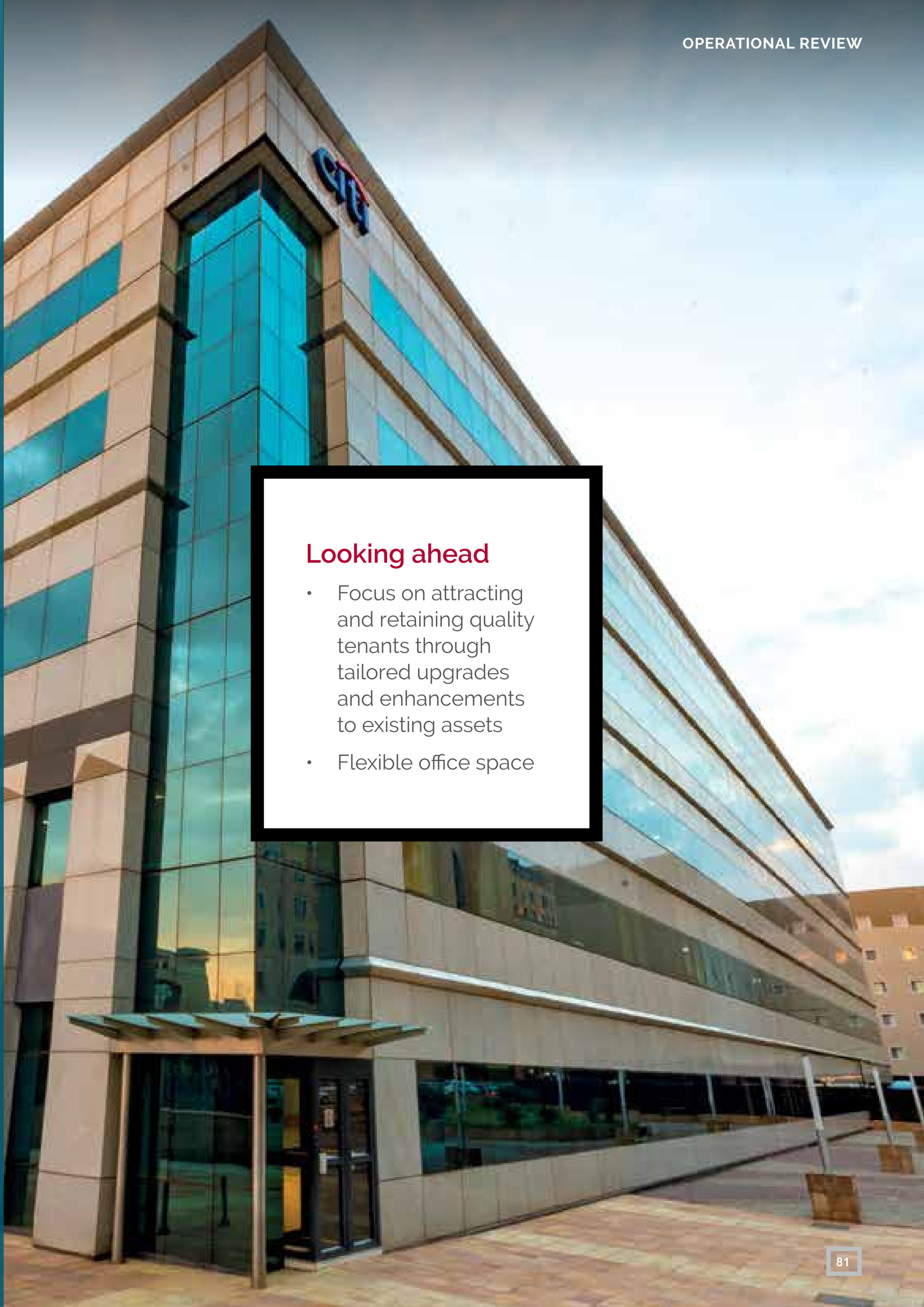
We have mainly blue-chip national tenants. Leading tenants include Primedia, Oceana, Bytes, Citibank, EXL, Lindt, China Construction Bank and KPMG.

Highlights

- P-grade and A-grade properties continue to perform well with quality as a differentiator in the constrained office market

Challenges

- Oversupply of office space in Sandton
- Increased rates and utility costs
- Vacancy rates of B-grade offices high due to oversupplied market
- COVID-19 social distancing requirements have increased the work-from-home trend



Looking ahead

- Focus on attracting and retaining quality tenants through tailored upgrades and enhancements to existing assets
- Flexible office space

Property	Type	Region	GLA (m²)	Net rental (R/m²)	**Fair value 31 March 2021 (R)**
KPMG Crescent	Office	Gauteng	20 096	245	707 100 000
Portside (approximately 50%)	Office	Western Cape	25 224	183	680 100 000
CITIbank	Office	Gauteng	12 433	143	554 144 000
Oceana House	Office	Western Cape	7 254	172	150 000 000
Pri-movie Park	Office	Gauteng	17 364	62	129 600 000
Murray & Roberts	Office	Western Cape	5 470	111	123 873 758
1 Charles Crescent	Office	Gauteng	13 723	63	100 300 000
Thomas Pattullo Building	Office	Western Cape	6 084	105	84 416 000
Mustek (89 Hertzog Boulevard)	Office	Western Cape	4 500	87	49 719 621
99 – 101 Hertzog Boulevard	Office	Western Cape	3 620	106	47 800 000
KPMG Polokwane	Office	Limpopo	1 484	191	37 100 000
9 Charles Crescent	Office	Gauteng	4 298	58	31 200 000
Brooklyn Place	Office	Gauteng	2 862	76	25 400 000
KPMG Secunda	Office	Mpumalanga	830	170	17 000 000
KPMG Port Elizabeth	Office	Eastern Cape	1 054	121	16 800 000
ABSA Brakpan	Office	Gauteng	2 797	16	4 873 818
					2 759 427 197*

* Asset value including capitalised letting commission is R2 769 971 000.

INDUSTRIAL

We own seven quality industrial properties in strategic locations in Johannesburg.

Properties:
5
(2020: 7)

GLA
58 393 m²
(2020: 86 557 m²)

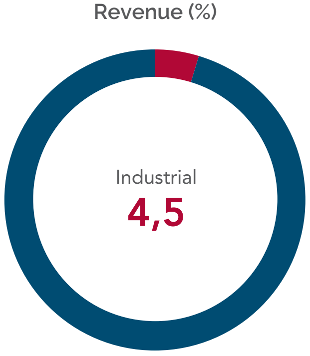
Property value
R251 million
(2020: R0,5 billion)

Year in review

The Fund's industrial portfolio is small. Our vacancies have increased to approximately 25% due to one of our industrial tenants going into liquidation as a consequence of COVID-19. This additional industrial vacancy pushed the overall Fund GLA vacancy up by approximately 1,0%.

While our industrial exposure is limited, we are committed to managing these properties to optimise value for the company and our tenants.

Revenue (%)



Highlights

- The majority of our properties in our industrial portfolio are underpinned by long-term net leases

Challenges

- One of our industrial tenants was liquidated, thereby increasing our vacancies

Looking ahead

- Focus remains on maximising value by reducing vacancies

Property	Type	Region	GLA (m²)	Net rental (R/m²)	**Fair value 31 March 2021 (R)**
Checkers Montague	Industrial	Western Cape	21 484	36	92 000 000
MB Technologies	Industrial	Gauteng	6 000	85	55 200 000
Accentuate	Industrial	Gauteng	13 566	25	44 200 000
Meshcape Building	Industrial	Gauteng	13 898	28	37 400 000
10 Charles Crescent	Industrial	Gauteng	3 445	54	22 449 220
					251 249 220*

* Asset value including capitalised letting commission is R253 467 000.

OFFSHORE PORTFOLIO

Our European portfolio of nine big box retail OBI stores (six in Austria and three in Slovakia) has proven to be extremely resilient during and post-COVID-19 lockdown in these countries.

Year in review

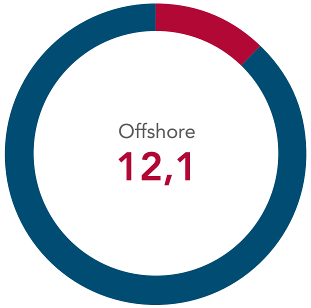
Our European portfolio in Austria and Slovakia has proven to be extremely resilient during the COVID-19 crisis.

The initial 2020 lockdown resulted in the issuing of €272k in credit notes because of statutory requirements and lease obligations; this equates to 5% of total net operating income (NOI) for the year. We received all outstanding rental income by December 2020.

Our international investment strategy is built on developing and acquiring long-term, single-tenant net lease properties, which house blue-chip multinational or large regional tenants, in countries that meet our minimum investment criteria and are considered core markets to tenants.

Our offshore investment has proven to be defensive with a WALE of 12,5 years and is an important source of geographic revenue diversification for the Fund.

Revenue (%)



Highlights

- A 10-year extension of the OBI Vienna lease was signed on 1 January 2021
- The portfolio was externally valued at €92,5 million
- There was exceptional trading in all OBI stores
- Limited impact on capitalisation rates is expected

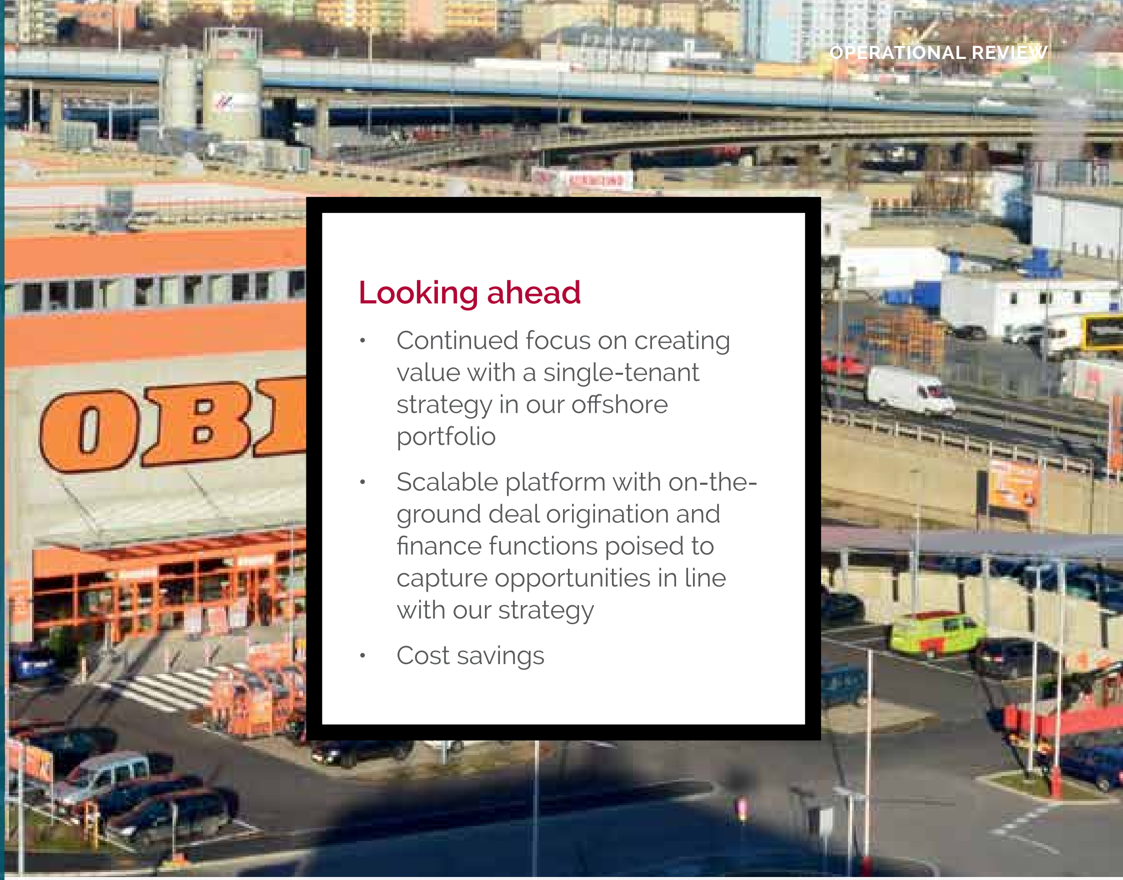
Challenges

- Credit notes were issued during lockdowns
- Rental growth is challenging in a low-inflation environment

Properties:
9
(2020: 9)

GLA
65 893 m²
(2020: 65 893 m²)

Property value
R1,6 billion
(2020: R1,8 billion)



Looking ahead

- Continued focus on creating value with a single-tenant strategy in our offshore portfolio
- Scalable platform with on-the-ground deal origination and finance functions poised to capture opportunities in line with our strategy
- Cost savings

Property	Type	Region	GLA (m²)	Net rental (€/m²)	**Fair value 31 March 2021 (€)**
Mauthausen	European retail	Austria	5 146	8	7 200 000
Hallein	European retail	Austria	3 739	5	3 090 000
Bruck / Mur	European retail	Austria	6 823	6	6 540 000
Mürzzuschlag	European retail	Austria	5 822	7	7 500 000
Rosental	European retail	Austria	3 316	6	3 720 000
Wien 3	European retail	Austria	16 356	13	40 000 000
Martin	European retail	Slovakia	7 950	4	6 850 000
Kosice	European retail	Slovakia	8 054	4	6 500 000
Nitra	European retail	Slovakia	8 687	5	7 650 000
					89 050 000*

* Rand value at 31 March 2021 is R1 554 984 000.

LEADERSHIP AND Governance

Our leadership

OUR BOARD OF DIRECTORS

Our board's extensive experience in property and business management and, particularly, corporate governance, serves as the foundation of our value-creation strategy.

Executive Directors

I

Mr Michael N Georgiou (51)

CEO

Appointed:
1 January 2013

Expertise:
Acquisitions, disposals, finance, property development and property management

I

Mr Andrew Costa (50)

COO

Appointed:
1 April 2013

Qualifications:
BCom, LLB

Expertise:
Acquisitions, capital markets, disposals, finance, investment banking, legal and property development and management

SET TG

Mr Dimitri Kyriakides (66)

CFO

Appointed:
1 January 2013

Qualification:
CA(SA)

Expertise:
Audit, accounting, acquisitions, disposals, finance, IT, property development and property management

I TG ●

Mr Dawid J Wandrag (69)

Executive Director

Appointed:
1 May 2019

Qualification:
BCom (Accounting)

Expertise:
Acquisitions, disposals, finance, property development, property management, audit, banking, corporate governance, insurance, risk management, capital markets, legal, compliance and IT

Committees

AR Audit and Risk Committee
SET Social, Ethics and Transformation Committee
R Remuneration Committee
I Investment Committee
N Nominations Committee
TG Technology Governance Subcommittee
● Committee chair

Our leadership continued

Non-Executive Directors

N● R

Mr Timothy J Fearnhead (72)

Independent Director and Chairman

Appointed:
1 June 2013

Qualifications:
CTA, Chartered Accountant, AdvDip (Banking)

Expertise:
Audit, banking, corporate governance, finance, insurance, remuneration and risk management

AR N SET●

Ms Kolosa Madikizela (41)

Independent Director

Appointed:
1 June 2013

Qualifications:
PrCM, PrCPM, PMP

Expertise:
Property development and property management

I N R●

Associate Prof François M Viruly (60)

Independent Director

Appointed:
1 April 2014

Qualifications:
BA, BA (Hons), MA

Expertise:
Property economist

AR SET R

Mr Abel M Mawela (59)

Independent Director

Appointed:
1 May 2019

Qualifications:
MBA, BCom (Hons)

Expertise:
Finance, audit, corporate governance, insurance, risk management, compliance and accounting

AR● I●

Mr Jacobus Frederick (Derick) van der Merwe (67)

Independent Director

Appointed:
1 February 2021

Qualification:
BCompt (Hons), CA(SA), ACIOB

Expertise:
Audit, accounting, corporate governance, finance, property management, property development and risk management

Committees

- AR Audit and Risk Committee
- SET Social, Ethics and Transformation Committee
- R Remuneration Committee
- I Investment Committee
- N Nominations Committee
- TG Technology Governance Subcommittee
- ● Committee chair

Appointments and resignations

Appointments

Mr Derick van der Merwe, effective 1 February 2021, to strengthen the property, corporate governance and financial skills on the Board

Mr Dawid Wandrag was appointed as an Executive Director on 1 April 2020 (he was formerly appointed as an Independent Director on 1 May 2019)

Resignations

Dr Gert Cruywagen, 2 October 2020 due to ongoing work commitments

Mr George Cavaleros, 5 March 2021 due to differences of opinion between Mr Cavaleros and Accelerate

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

Our leadership continued

OUR MANAGEMENT TEAM

We have an accomplished, professional management team in place, with more than 200 years combined experience in finance, legal, retail and property.

Each member of our management team leads with proficiency and dedication. We cultivate a culture of collaboration across the team to ensure our company continues to deliver our renowned high-quality shopping, leisure, office and industrial experience in key nodes.

Accelerate Property Fund

Michael Georgiou
CEO

Andrew Costa
COO

Dimitri Kyriakides
CFO

Dawid Wandrag
Executive Director

Pieter Grobler
Head of Finance and Treasury

Margi Pinto
Company Secretary

Maria Varfis
Head of Marketing

Dimitri Kokinos
Head of Asset Management

Accelerate Property Management Company

Ashley du Toit
Managing Director: Accelerate Property Management Company

Leon Louw
Deputy Managing Director: Accelerate Property Management Company

Lauren van Staden
Head of Administration

Angelique Grigoratos
Head of Legal and Compliance

Maxi Henning
Head of Utilities

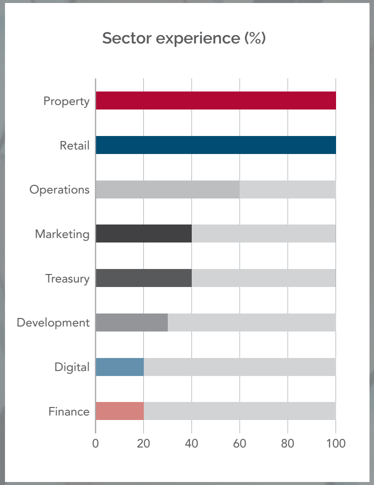
Karlien Kruger
Head of Finance

Fourways Mall Management

Tony Koupis
General Manager Fourways Mall

Andri Pienaar
Head of Administration

Lynette Robinson
Head of Administration

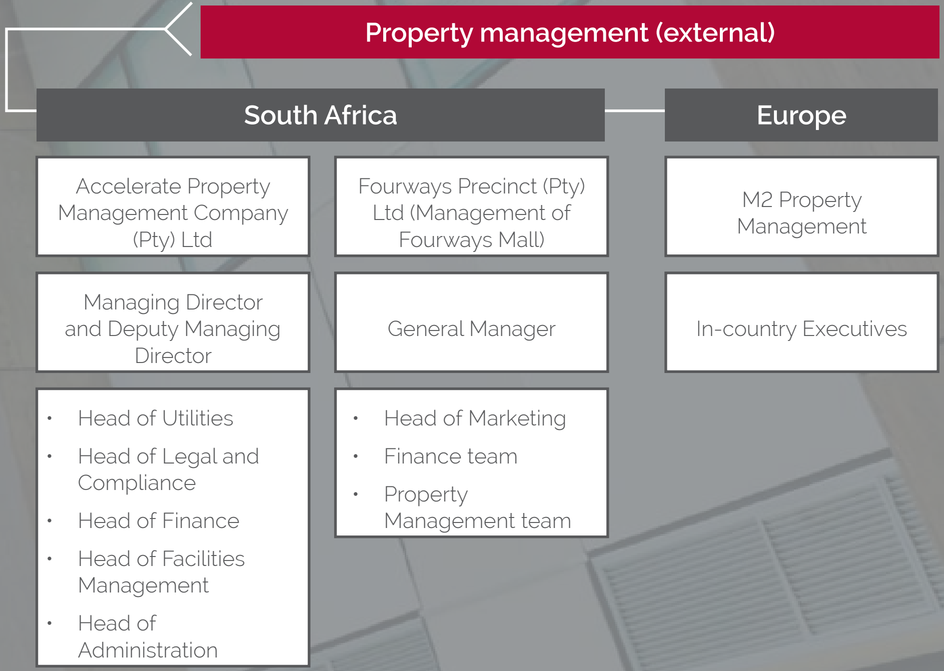


43%
have been with Accelerate group since the inception of the company

47%
Male

53%
Female

An average of
16 years'
property experience per person



Property management (external)

South Africa

- Accelerate Property Management Company (Pty) Ltd
  - Managing Director and Deputy Managing Director
    - Head of Utilities
    - Head of Legal and Compliance
    - Head of Finance
    - Head of Facilities Management
    - Head of Administration
- Fourways Precinct (Pty) Ltd (Management of Fourways Mall)
  - General Manager
    - Head of Marketing
    - Finance team
    - Property Management team

Europe

- M2 Property Management
  - In-country Executives

How we are governed

Our company culture is driven by excellent corporate governance, along with our dedication to creating sustainable value in the long term.

Please refer to our website for our King IV register, which details our application of the principles.

BOARD COMPOSITION

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence needed to support the strategic direction of the company.

Independence

The board complement is designed to ensure a balance of power so that no individual director has undue influence on board processes and decision-making. The Chairman of the board is independent, and a lead independent director is accordingly not required; the majority of directors on the board are independent. This strengthens the overall balance and independent judgement brought to decision-making. Having four Executive Directors reassures the board that it receives diverse points of view from an executive perspective. This contributes to robust debates and an effective decision-making process.

Assessment outcome

Assessing the independence of non-executive board members was included in the 2020 board evaluation process. The board concluded that no Non-Executive Director has served on the board long enough to compromise objective judgement or cause any bias in decision-making.

5

Independent Non-executive Directors

4

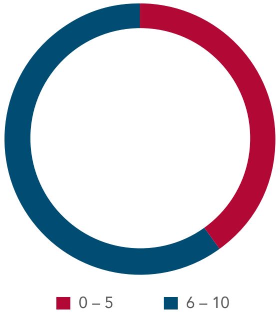
Executive Directors

Tenure

Newly appointed directors are required to retire at the first annual general meeting (AGM) following their appointment, and may be re-elected by shareholders, if eligible and available.

All Non-Executive Directors are subject to retirement by rotation and re-election by shareholders at least once every three years, as prescribed by the company's Memorandum of Incorporation (MoI) and Board Charter.

The independence of all Non-Executive Directors is assessed on an annual basis.



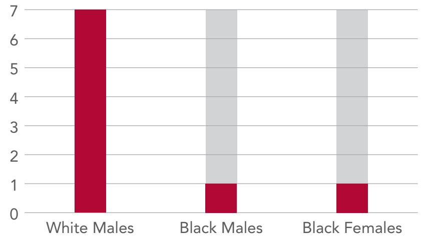
The average board tenure of Non-Executive Directors is five years.

Board diversity

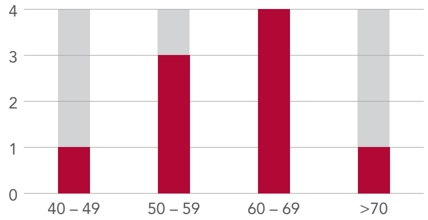
The Nominations Committee and board consider the provisions of the company's policy on gender and race diversity when making new appointments to the board.

A review of the qualifications, experience, disciplines, gender and racial diversity of the directors, as detailed in this report, indicates that the directors meet several diversity criteria to satisfactorily fulfil their fiduciary duties and duties of care, skill and diligence.

Board demographics



Age (years)



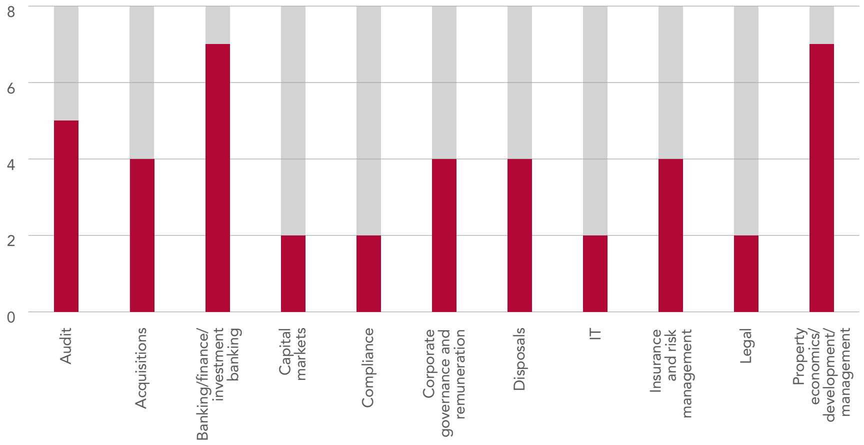
Balance of skills and experience

The board considers its size, diversity, demographics and skills requirements as part of the annual assessment of the board and directors' performance.

In terms of the company's Nominations Policy, a formal selection process is in place for the appointment of new directors, whereby suitable candidates are reviewed for the relevant knowledge, skills, experience and independence of mind required to discharge their responsibilities on the board, considering the company's business and risk profiles.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

Expertise



CREATING VALUE THROUGH GOOD GOVERNANCE

We believe the way we approach corporate governance and leadership supports our overall value creation process.

The board appreciates that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. Sound corporate governance practices are embedded in our values, culture and processes, and our internal controls promote an awareness of risk, compliance and good governance throughout the business.

Commitment to the King IV principles and outcomes

The board is committed to its governance oversight responsibilities and objectives, and measures and reviews performance in applying the King IV principles and outcomes, as articulated in the company's King IV application register available on Accelerate's website at https://www.acceleratepf.co.za/investorcentre/. The practices and processes resulted in the following outcomes:

Ethical culture

An ethical culture underpins our approach to business. Across the company, we strive to conduct ourselves ethically in everything we do, in line with our values and the terms of our Board Charter and Code of Ethics.

Performance

Our strategy is designed to deliver good performance over the short, medium and long term.

Performance is connected to our immediate financial results and the long-term growth prospects of the business.

Effective control

While the board is ultimately responsible to shareholders, our governance structures ensure there is an effective delegation of responsibility to enable sustainable delivery.

Legitimacy

Linked to our ethical culture is a desire to be scrupulous in the way we conduct our business. We endeavour to be a responsible corporate citizen – contributing to the growth of the communities in which we operate.

Our social activities are reported on pages 140 to 143.

Ethical culture

The board strives to ensure that its actions reflect its commitment to leading ethically and effectively.

The board is ultimately responsible for the ethical behaviour of the business and regularly reviews the company's governance structures to ensure these remain relevant and effective in achieving their objectives.

The Social, Ethics and Transformation Committee focuses on ethics management, aligned to King IV. The role of the Social, Ethics and Transformation Committee has evolved over the past few years to be more prominent in ethics management, and to ensure an ethical culture and ethical conduct permeate the group.

Accelerate's code of ethics incorporates our values, which include integrity, trust and honesty, in our relationships with all stakeholders. Accelerate expects its suppliers, customers and other stakeholders in the value chain to adhere to its code of ethics.

The company has an ethics matrix in place. At every meeting, the Social, Ethics and Transformation Committee monitors Accelerate's ethical conduct by reviewing reports of significant cases of employee conflicts of interest, misconduct, fraud, dishonesty or any unethical activity, as well as reports of any whistle-blowing activities. The committee also reviews the company's Code of Ethics Policy every three years, or as required, for further review and confirmation by the board. There were no ethics breaches to report for the year under review.

The board upholds the protection of human rights as encapsulated in the South African Constitution and Bill of Rights. The board confirms that Accelerate adheres to the 10 principles of the United Nations (UN) Global Compact.

Details of social impact and the activities of the Social, Ethics and Transformation Committee are discussed in the Social, Ethics and Transformation Committee report on page 138.

Conflicts of interest

Our approach aims to protect the company and individuals from any appearance of impropriety, and to ensure compliance with statutory and best practice requirements.

Accelerate's Conflicts of Interest Policy guides directors and Senior Management on how perceived and actual conflicts may arise and should be declared. The board is cognisant that managing potential conflicts of interest arising through related party transactions is key to Accelerate's ongoing success.

The aim of the policy is to protect the company and individuals from any appearance of impropriety, and to ensure compliance with statutory and best practice requirements. The policy covers the statutory provisions in section 75 of the Companies Act, the JSE Listings Requirements and the JSE Debt Listings Requirements regarding conflicts of interest and related party transactions. In addition, the policy includes guidance on when to declare any gifts or hospitality that a director or member of Senior Management may receive in connection with their role in the company. The policy was reviewed and strengthened during the year as part of the board's commitment to upholding and implementing ethical conduct.

In accordance with the JSE Debt Listings Requirements, the Conflicts of Interest Policy and the register of directors' and officers' interests in contracts are available on the company's website at https://www.acceleratepf.co.za/investorcentre/.

A culture of compliance

The regulatory and governance environment.

The board and its committees have robust policies and processes in place to ensure adherence to all applicable laws, regulations and governance codes and standards. The ethos and ethical values are incorporated in the Code of Ethics and other governance policies. Compliance is an integral part of the company's strategy, as contained in its compliance framework. The board confirms that no penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations were imposed on the company or any of its directors during the year under review.

The board complies with all legislation, codes and regulations applicable to the company, such as the Companies Act, the JSE Listings Requirements, the JSE Debt Listings Requirements, the Income Tax Act, REIT legislation and King IV. A register of key acts impacting the company's performance and operations is interrogated biannually by the Audit and Risk Committee. All policies are reviewed regularly and when new legislation or amendments to existing legislation come into effect.

The board oversees processes that ensure each business area and every employee of the company is responsible for acting in accordance with sound corporate governance principles in their relationships with management, shareholders and other stakeholders.

The board confirms that the company has complied with all material aspects of King IV, the mandatory corporate governance provisions in the JSE Listings Requirements and the JSE Debt Listings Requirements, and the Board Charter during the year under review.

Dealings in the company's shares

In terms of company policy and the JSE Listings Requirements, directors of the company, as well as directors' associates, senior management and the company secretary must obtain prior written clearance from the CEO, the Chairman or the COO if they intend to deal in APF shares, whether directly or indirectly. All the directors have signed a letter of undertaking in this regard.

Closed periods are imposed on directors and staff in relation to interim and annual financial results, and from time to time in relation to any specific corporate actions.

Each share entitles the shareholder to one vote. There are no non-voting shares.

STRUCTURED TO EFFECTIVELY DELIVER VALUE

Board structure

Accelerate has a unitary board structure with board committees focusing on key strategic areas in line with the committee members' expertise and experience. The structure of the board and its committees is simple and transparent. It enables an efficient and timely flow of information from the board and its committees through the CEO, CFO and the executive team into the group, and ensures accountability from the board to shareholders. The board annually reviews its delegation of authority framework and confirms that it is satisfied with its contribution to appropriate role clarity between the board, its committees and executive management.

Appropriate policies and procedures provide the parameters for the committees to fulfil their mandates and add value to the effective functioning of the board to ultimately create value for stakeholders.

> The board of directors confirms its accountability for effective corporate governance enshrined in its commitment to lead the company with integrity, competence, responsibility, fairness and transparency.

The composition of the board committees is monitored and reviewed on a continual basis.

The board has a formal charter, which it reviews and approves annually. The charter sets out the board's role, powers and responsibilities, and differentiates the roles of the Chairman, Lead Independent Director, Non-Executive Directors, CEO, COO and CFO.

Company Secretary

Ms Margi Pinto (FCG) was appointed Company Secretary of Accelerate on 1 May 2020 and has 28 years of experience in company secretarial environments.

The board annually considers the skills, attributes and experience of the Company Secretary. As required by paragraphs 3.84(i) and (j) of the JSE Listings Requirements, the board confirms that it is satisfied with Ms Pinto's level of competence, qualifications and experience to effectively fulfil the duties of a company secretary of a public listed company, that Ms Pinto is not a member of the board, and that she has maintained an arm's-length relationship with the board while assisting it with its governance initiatives and fulfilling its statutory and fiduciary duties and obligations.

Responsibilities of the board

The board is collectively responsible for the primary governance roles recommended by King IV, namely:

- Setting and steering strategic direction
- Approving policy and planning
- Providing oversight and monitoring
- Ensuring accountability

  These responsibilities were discharged in the performance of the board's duties prescribed by its charter, including

  - Effectively delegating the management of the group to a strong management team
  - Setting group strategy and planning in consultation with the management team, and monitoring management's implementation thereof
  - Reviewing and approving board policies as scheduled or as necessary
  - Regularly monitoring risk management for the group and responding to developments in this regard
  - Monitoring the effectiveness of information and technology management

How we are governed continued

  - Ensuring the group's compliance with all applicable laws, regulations, codes and best practice
  - Overseeing disclosures to enable stakeholders to effectively assess the performance of the group
  - Protecting the interests of the group's stakeholders through proper disclosure and market conduct, effective governance and redress mechanisms, and respect for the rights and expectations of all stakeholders

The Board confirms, in terms of the JSE Listings Requirements, that Accelerate has complied with the provisions of the Companies Act and its Memorandum of Incorporation.

Strengthening governance

New appointments

The appointment of Mr Derick van der Merwe as an independent director on 1 February 2021 strengthens the property, corporate governance and risk management skills on the board. The board looks forward to Derick's contribution to the ongoing success of the company.

In compliance with paragraph 7.3(g) of the JSE Debt Listings Requirements, Mr Pieter Grobler (Head of Finance and Treasury) was appointed as the company's Debt Officer on 30 October 2020.

Mr Pieter Grobler was also appointed as the company's Chief Audit Executive on 25 November 2020 pursuant to guidance by the Institute of Internal Auditors that this role should not be held by the CFO.

Ms Margi Pinto (Company Secretary) was appointed on 17 March 2021 as the company's Information Officer for purposes of the Promotion of Access to Information Act and the Protection of Personal Information Act.

Ms Pinto was further appointed on 17 March 2021 as the Compliance Officer for the company's conditional share plan.

These appointments serve to strengthen Accelerate's governance practices and support a strong culture of commitment to transparent and effective corporate governance by all.

New policies

During the year under review, the board approved the following new policies required by the JSE Debt Listings Requirements:

- Nominations Policy
- Evaluations Policy

In terms of the JSE Debt Listings Requirements, the Nominations Policy is available on the company's website at https://www.acceleratepf.co.za/investorcentre/.

The board further approved a Malus and Clawback Policy for Executive Directors and Senior Management.

The newly approved policies enhance the company's compliance and legislative frameworks, which guide the ongoing evaluation and monitoring of corporate governance practices within Accelerate by the board.

It is confirmed that there were no amendments to, or deviations from, the Nominations Policy.

Training

All board members received formal training on 25 November 2020 on the JSE Debt Listings Requirements from Rand Merchant Bank, the company's debt sponsors.

The CFO, Head of Finance and Treasury, and the Company Secretary received additional training on the JSE Debt Listings Requirements from Rand Merchant Bank, the company's debt sponsors, on 8 October 2020.

The ongoing training of board members, Executives and Senior Management, as well as employees, remains a key focus within Accelerate.

Supporting the company during the COVID-19 pandemic

The Technical Governance Subcommittee oversaw the implementation of systems to facilitate employees' offsite access to the company's IT systems, which enabled them to work from home during the various lockdown levels of the COVID-19 pandemic without disruption to the business.

Board meetings

The board had seven scheduled meetings comprising four quarterly meetings, an annual strategy meeting and two special meetings to deal with special business. The number of meetings is appropriate for the optimal functioning of the board. The meetings are structured to ensure most of the board's time is spent on developing, implementing and monitoring the company's strategy, governance and its social commitments. Additional meetings are held, as required.

Board and committee meeting attendance is summarised below and on pages 102 and 103.

The board and committee meeting attendance for the year under review is detailed below:

Director/Officer	Board
TJ Fearnhead	7/7
A Costa	7/7
MN Georgiou	7/7
D Kyriakides	7/7
GC Cruywagen[1]	3/4
G Cavaleros[2]	5/5
K Madikizela	5/7
AM Mawela	7/7
DJ Wandrag	7/7
FM Viruly	7/7
JF van der Merwe[3]	2/2

[1] Resigned 2 October 2020.

[2] Resigned 5 March 2021.

[3] Appointed 1 February 2021.

Board effectiveness

During the year under review, the board approved an Evaluations Policy, which governs the processes for the performance assessment of the board as a whole, the Chairman, individual directors and board committees.

The board is satisfied that it executed its responsibilities under the Evaluations Policy.

Performance evaluation results

A formal internal board, committee, chairman and individual directors' evaluation took place through questionnaire-based assessments for the year under review. The results confirmed that the board continues to function effectively with open and candid debates. The board dynamics and compilation of the board agendas enable the directors to spend an appropriate amount of time on key challenges and strategic objectives.

The independence of Non-Executive Directors forms part of the board evaluation. There are no directors who have served on the board for more than nine years. The strong independent component of the board ensures that no individual director has unfettered powers of decision-making and authority.

The Chairman of the board is satisfied that the board and its committees are operating effectively.

Board committees

The board has established various committees that promote efficient and effective decision-making while acknowledging that it is ultimately accountable for the affairs and functions of the company. Directors are appointed to board committees in accordance with their specialised skills, experience and various other diversity criteria. The board receives reports on the activities and recommendations of each committee at the board meeting following a committee meeting.

The board is satisfied that all committees fulfilled their responsibilities in accordance with their terms of reference.

The material matters addressed by each board committee are reflected on pages 104 to 109.

Committees

Audit and Risk Committee

The committee's objective is the governance of risk, the internal control environment and information and technology to support the company's strategic objectives and ensure the integrity of financial reporting.

Independent Non-Executive Directors:

JF van der Merwe*[3] (1/1)
K Madikizela (7/7)
AM Mawela (7/7)
GC Cruywagen[1] (4/5)
G Cavaleros[2] (5/5)

Permanent invitees:

Executive Directors
Head of Finance and Treasury
FD for Europe
Internal auditors
External auditors
All Non-Executive Directors who are not members of this committee

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100 Independence of committee (%)

7 Meetings

Remuneration Committee

To ensure that the company has an optimal remuneration strategy based on a fair and responsible reward policy, which aims to attract, retain and motivate employees and Non-Executive Directors for achievements in line with the company's strategic objectives.

Independent Non-Executive Directors:

FM Viruly* (1/1)
TJ Fearnhead (1/1)
AM Mawela[4] (0/0)
G Cavaleros[2] (1/1)

Permanent invitees:

MN Georgiou (CEO)
A Costa (COO)

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100 Independence of committee (%)

1 Meeting

Nominations Committee

To assist the board in ensuring that an accountable and transparent process is followed in the appointment of directors to establish an optimally diverse board and committee composition.

Independent Non-Executive Directors:

TJ Fearnhead* (1/1)
K Madikizela[5] (1/1)
FM Viruly[5] (1/1)
GC Cruywagen[1] (0/0)
G Cavaleros[2] (0/0)

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100 Independence of committee (%)

1 Meeting

---

* Chairman.

[1] Resigned 2 October 2020.

[2] Resigned from the Remuneration Committee on 18 August 2020 and from the board, Audit and Risk Committee and Nominations Committee on 5 March 2021.

[3] Appointed 1 February 2021.

[4] Appointed as a member of the Remuneration Committee on 13 August 2020 to replace G Cavaleros.

[5] Appointed as a member of the Nominations Committee on 11 March 2021 to replace G Cruywagen and G Cavaleros.

Social, Ethics and Transformation Committee

To oversee statutory responsibilities, organisational ethics and corporate citizenship aligned with the company's business.

The committee reports to shareholders at the AGM.

Independent Non-Executive Directors:

K Madikizela* (3/3)
M Mawela (3/3)

Executive Director:

D Kyriakides (3/3)

Permanent invitees:

Corporate Affairs Manager
Head of Asset Management
Managing Director of Accelerate Property Management Company
External consultant: social and ethics, BBBEE and employment equity matters

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67 Independence of committee (%)

3 Meetings

Investment Committee

To examine proposed investments, potential acquisitions and disposals and capital projects above executive management's authority levels prior to recommendation to the board and approve acquisitions/disposals and capex projects within its delegation of authority.

Independent Non-Executive Directors:

JF van der Merwe*[2] (0/0)
FM Viruly (2/2)

Executive Directors:

A Costa (2/2)
MN Georgiou (2/2)
DJ Wandrag (2/2)
GC Cruywagen[1] (1/2)

Permanent invitees:

D Kyriakides

All Non-Executive Directors who are not members of this committee

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40 Independence of committee (%)

2 Meetings

Technology Governance Subcommittee

To ensure the effective management of technology and the protection of information and technology (IT) to support the company in setting and achieving its strategic objectives.

Executive Directors:

DJ Wandrag* (2/2)
D Kyriakides (2/2)

Senior Management:

PA Grobler

Permanent invitees:

FD for Europe
Internal auditors

Page 109

0 Independence of committee (%)

2 Meetings

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* Chairman.

[1] Resigned 2 October 2020.

[2] Appointed 1 February 2021.

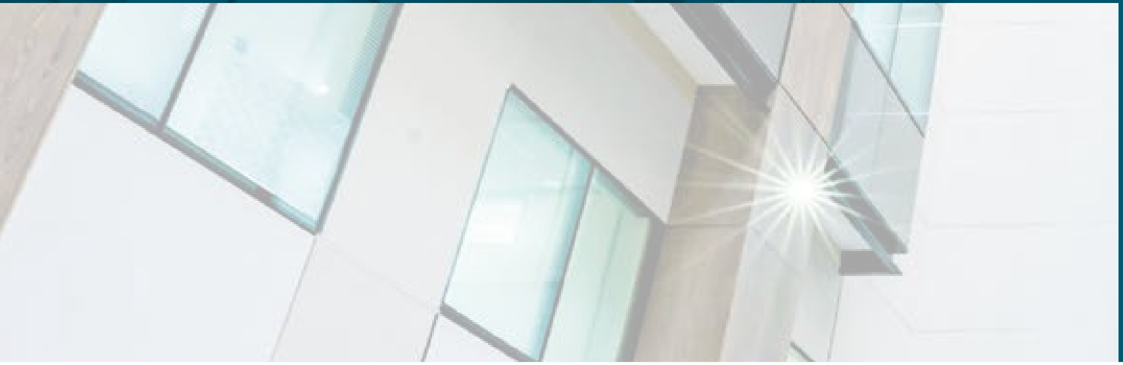
REMUNERATION COMMITTEE

Following the company's 2020 AGM, Accelerate invited all shareholders who voted against the remuneration report and remuneration implementation report to engage with the company's directors and management on any remuneration-related concerns. The Chairman of the Remuneration Committee, together with the Chairman of the board, subsequently engaged with shareholders who responded to this invitation to understand their concerns. This process led to the adoption of a new Remuneration Policy by the board on 17 June 2021 and a redesign of the company's Remuneration Report reflected on pages 112 to 116.

The committee is satisfied with the new overall Remuneration Policy and strategy to recruit and retain key talent.

Key focus areas and achievements during 2021

- Drafted a Malus and Clawback Policy for Executive Directors and Senior Management, which was approved by the board
- Oversaw the drafting of a new Remuneration Policy based on feedback received during engagement with dissenting shareholders, including an in depth review of KPIs and short- and long-term incentives for Executive Directors, which was approved by the board
- Reviewed the performance of Executive Directors
- Reviewed and recommended executive and non-executive remuneration to the board for approval by shareholders
- Reviewed the remuneration report for inclusion in the integrated report
- Assessed the performance of the committee against its terms of reference
- Revised its terms of reference, as well as its annual work plan, in line with recommendations by PwC; they were subsequently approved by the board
- Reviewed the company's conditional share plan with a view to implementing a new scheme
- The setting of metrics for STI and LTI awards
- The introduction of ESG remuneration metrics



AUDIT AND RISK COMMITTEE

The committee is satisfied with the overall control environment, including controls supporting the financial statements for the year ended 31 March 2021, as confirmed by the internal and external auditors.

The committee and the board are satisfied that there is adequate segregation between the external and internal audit functions, and that the independence of the internal and external auditors is not in any way impaired or compromised.

Key focus areas and achievements during 2021

- Bolstered the composition of the committee by appointing a new member to the committee who subsequently became Chairman
- Considered the guidelines of the Institute of Internal Auditors regarding Chief Audit Executives, and appointed a new Chief Audit Executive
- Considered the impact of COVID-19 on the valuation of the companies' assets, and confirmed the approach taken in this regard
- Continued to revise and update the company's risk management strategies, including COVID-19-related risks
- Regularly monitored the company's debt programme
- Confirmed the company's ongoing REIT status
- Implemented a framework underpinning the CEO or FD responsibility statement
- Considered and was satisfied that the Group's Chief Financial Officer is appropriately qualified and has the necessary expertise and experience to carry out his duties, supported by an able and professionally qualified team in finance and treasury
- Considered the rotation of designated audit partners and onboarded a new audit partner designated by EY
- Reviewed and recommended the company's Fixed Assets Policy, risk appetite and risk tolerance overview and Information Technology Usage Policy to the board for approval
- Recommended an information and technology governance framework to the board for approval
- Recommended the reappointment of committee members at the 2021 AGM to the board
- Assessed the performance of the committee against its terms of reference
- Reviewed and recommended the committee's terms of reference and work plan to the board, which were approved
- Executed all other statutory duties for this committee as prescribed by the Companies Act
- Ensured that APF has established appropriate financial reporting procedures and that those procedures are operating
- Reviewed the information detailed in paragraph 22.15(h) of the JSE Debt Listings Requirements in its assessment of the suitability for the appointment of EY and Mr Gerhard van Deventer as designated individual partner

Future focus areas

- Improving the internal control environment at the Fourways Mall
- Implementing ongoing risk management, particularly in light of the ongoing COVID-19 pandemic
- Absorbing the duties of the technology governance subcommittee
- Executing statutory duties as prescribed by the Companies Act
- Introducing new governance controls to monitor all compliance to JSE, King IV and other required governance matters
- Improving the company's LTV and ICR ratios to within sound covenant and governance levels to attract any finance it may require
- Establishing sufficient finance and funding to place APF in the position to respond to opportunities or difficulties

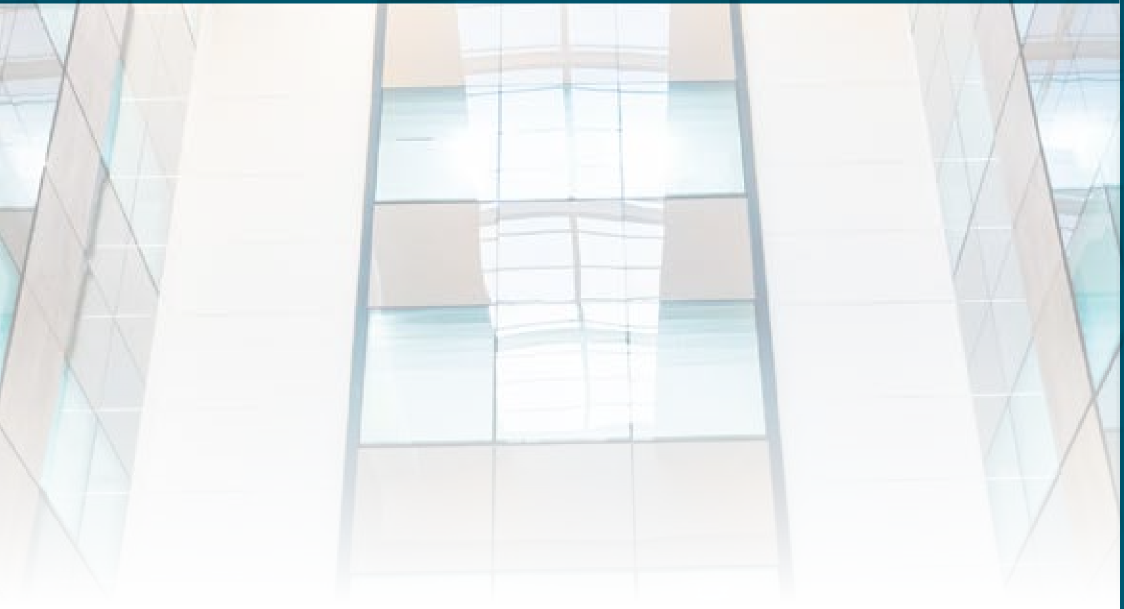
NOMINATIONS COMMITTEE

Key focus areas and achievements during 2021

- Sourced, reviewed and recommended candidates to the board for appointment as Independent Directors, which culminated in the appointment of JF van der Merwe to the board on 1 February 2021
- Recommended appointments to the Audit and Risk Committee, the Nominations Committee, the Investment Committee and the Remuneration Committee following the resignations of GC Cruywagen and G Cavaleros
- Obtained approval from the board to recommend the re-election of FM Viruly and JF van der Merwe to shareholders at the 2021 AGM
- Assessed the performance of the committee against its terms of reference
- Reviewed and recommended the committee's terms of reference and work plan to the board for approval

Future focus areas

- Completing succession planning for TJ Fearnhead and K Madikizela, who will reach the end of their nine-year tenures in June 2022 as well as FM Viruly, who will reach the end of his nine-year tenure in April 2023
- Sourcing, reviewing and recommending candidates to the board for appointment as Independent Directors of the company to replace TJ Fearnhead, K Madikizela and FM Viruly



SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

The Social, Ethics and Transformation Committee monitors Accelerate's activities in line with its mandate, including:

- Social and economic development
- Corporate citizenship
- Consumer relationships
- Labour and employment issues
- Legislative and regulatory requirements
- Ethics monitoring
- Environmental issues

The committee is satisfied that it complied with its terms of reference and performed its functions within its mandate.

For the Social, Ethics and Transformation Committee report to shareholders, please read page 138

Key focus areas and achievements during 2021

- Reviewed and confirmed that no cases of misconduct, fraud, dishonesty or whistle-blowing activities occurred during the year
- Monitored the company's ethical performance against its code of ethics and ethics matrix
- Reviewed Accelerate Property Management's undertaking to subscribe to the company's code of ethics
- Reviewed the company's progress against the UN Sustainable Development Goals
- Monitored performance of the company's bursary programme beneficiaries
- Monitored spend against the 2020/2021 budget
- Monitored progress in terms of employment equity and other BBBEE targets
- Oversaw the development of a new Employment Equity Plan for 1 October 2021 to 30 September 2026
- Ensured compliance with all statutory obligations detailed in clause 43 of the Companies Regulations, 2011
- Reviewed and recommended the company's Corporate Social Responsibility Policy to the board, which was subsequently approved
- Assessed the performance of the committee against its terms of reference
- Recommended the committee's terms of reference and work plan to the board, which were subsequently approved

Future focus areas

- Developing key educational initiatives to support existing bursary beneficiaries
- Providing support for cultural programmes beyond education
- Increasing attention on environmental, social and governance (ESG) items, including the roll-out of solar energy
- Maintaining focus on communities surrounding the company's main area of business and, where possible, expanding beyond that

INVESTMENT COMMITTEE

The committee is satisfied that it appropriately interrogated investment and disinvestment proposals and capital expenditure before approving or making recommendations to the board.

The Investment Committee holds ad hoc meetings to approve strategic acquisitions, disposals, developments and redevelopments.

Key focus areas and achievements during 2021

- Reviewed and made recommendations to the Audit and Risk Committee relating to property valuations, including COVID-19 considerations
- Reviewed, in detail, proposed deals received from management and recommended them to the board, which were subsequently approved
- Considered any acquisitions proposed by management
- Reviewed disposals proposed by management in line with the company's strategy, and recommended them to the board, which were subsequently approved
- Assessed the performance of the committee against its terms of reference
- Recommended the committee's terms of reference and work plan to the board for approval, which were subsequently approved

Future focus areas

- Reviewing property valuations, including the impact of ongoing COVID-19 considerations
- Reviewing proposed deals received from management
- Considering any acquisitions or disposals proposed by management
- Reviewing the implementation of strategy with regard to investments and disposals
- Reviewing the performance of investments

TECHNOLOGY GOVERNANCE SUBCOMMITTEE

This subcommittee of the Audit and Risk Committee was dissolved on 16 March 2021. The duties of this committee have been absorbed by the Audit and Risk Committee.

IT overview on technology and information

The management and security of information is crucial to any business. As such, the company uses various levels of systems and controls and only allows access to information to authorised users of the relevant accounting/communication/data systems.

Cloud-based operating systems are used wherever possible, to ensure continuity of operations and off-site access to information where necessary, especially during the different lockdown stages.

The IT systems and information retrieval processes are monitored daily by management, and improvements are made as necessary.

Key focus areas

The company ensures that all users are given constant training and feedback on security measures, and that they are given relevant feedback on possible threats and attempted breaches of its systems. Various additional policies were approved during the period to enhance information and technology security.

Actions taken to measure effectiveness of IT

Accelerate has used and will continue to use the services of outside consultants from time to time, to ensure that system integrity is not compromised and sufficient controls exist to safeguard the company's information.

The subcommittee is satisfied that it complied with its duties under its terms of reference during the reporting period.

Key focus areas and achievements during 2021

- Monitored IT risks, controls, system integrity and user password changes
- Reviewed reports from the Chief Information Officer
- Ensured strategic alignment between IT and the company's strategy
- Reviewed IT reports from the offshore business, as well as internal audit reports on IT
- Monitored IT operational and capital expenditure budgets, as well as resources, against the overall budget
- Reviewed internal audit IT reports
- Assessed the performance of the committee against its terms of reference
- Recommended the committee's terms of reference and work plan to the board

Future focus areas

- Considering security monitoring systems for implementation at the company's properties

INTEGRATED RISK MANAGEMENT

Accelerate recognises the importance and benefits of managing risk in a structured way and adhering to best practice. The Risk Policy and Risk Register are key governance tools for risk management implementation and monitoring.

The Audit and Risk Committee assumes overall responsibility for monitoring Accelerate's risk management performance and interrogates Accelerate's risk register at its quarterly meetings. Key risks and opportunities are determined in relation to the potential impact on our earnings sustainability and our ability to create value for stakeholders.

On the Audit and Risk Committee's recommendation, the board annually reviews its risk tolerance and risk appetite limits. To assess Accelerate's risk tolerance, the Audit and Risk Committee identifies the main business risks for the company, the factors that impact/influence the risks, the tolerance limit per risk, the mitigation actions for each risk, and the impact on Accelerate should a particular risk level be breached. An assessment is also made of the potential upside or opportunity associated with each risk and the potential negative effects on the six King IV capitals.

Internal audit

The board ensures that the internal audit function is risk-based. This is monitored and controlled by the Audit and Risk Committee.

LateganMashego Audit and Advisory (Pty) Ltd is Accelerate's internal auditor. The internal auditor conducts an annual assessment of the effectiveness of Accelerate's governance, risk management and financial control processes. It submits its findings to the Audit and Risk Committee for consideration and recommendation to the board. The board relies on this assurance for its risk-related financial reporting obligations. The board and the Audit and Risk Committee are satisfied that the arrangements for internal audit are adequate and effective.

The Audit and Risk Committee is satisfied that internal controls are well designed and function effectively.

The Technology Governance Subcommittee reviews and monitors the matters relating to technology and information governance that arise from the internal audit reports.

The board is of the opinion that the company's risk management processes and the systems of internal control are effective.

Assurance

The board, with the assistance of the Audit and Risk Committee, oversees the assurance services and functions that support the integrity of:

- Information used for internal decision-making by management, the board and its committees
- External reports

The board and the Audit and Risk Committee are satisfied that the company has established appropriate financial reporting procedures and those procedures are operating effectively.

Based on the recommendation of the Audit and Risk Committee, the board considers and confirms the company's going concern status in the preparation of the financial statements at the interim reporting period and at year-end. The assumptions underlying the going concern statement include profitability, budgets, profit forecasts and resources. In addition, solvency and liquidity requirements are considered, as required by the Companies Act. The board is satisfied that the company will continue as a going concern into the foreseeable future and the annual financial statements were prepared on this basis.

The board is confident that there are no known events or conditions that may give rise to business risks that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern.

The integrity and reliability of the financial statements, accounting policies and the information contained in the integrated report are assured through a robust, integrated process. This process is reviewed by management and the Audit and Risk Committee prior to recommendation to the board. The board is satisfied that internal and external audits provide appropriate and effective assurance in respect of the control environment, risk management and the reliability of the financial statements.

The Audit and Risk Committee is satisfied that the external auditor is independent of Accelerate and that the level of non-audit services provided by EY did not negatively impact its independence. The Audit and Risk Committee also confirms that it is satisfied with the quality of the external audit including the results articulated in the accreditation pack issued by the Independent Regulatory Board for Auditors.

STAKEHOLDER RELATIONSHIPS

The board appreciates that stakeholders' perceptions affect Accelerate's reputation. Accelerate's Stakeholder Engagement Policy provides the framework to effectively communicate and engage with its stakeholders. The company is committed to creating and maintaining inclusive, honest and mutually beneficial relationships with its stakeholders through ongoing dialogue and communication initiatives. Stakeholder engagement is focused on the most pertinent concerns that impact stakeholders and provide the greatest benefit to the company and its stakeholders. Accelerate has partnered with Articulate Capital Partners to assist with investor relations.

The company is committed to improving the lives of people in the communities in which it operates. The bulk of Accelerate's corporate social investment (CSI) budget is allocated to providing tertiary-level bursaries to students from previously disadvantaged backgrounds. In addition, CSI initiatives focus on the communities in Fourways where we operate our key business.

Looking ahead, we will continue collaborating with our tenants to ensure their sustainability in our buildings. We will focus on minimising our environmental impact and the ramifications of planned electricity outages. We regularly review our activities to enhance our stakeholder engagement programmes.

Further details of the company's commitment to stakeholders is included in the stakeholder engagement report on pages 59 to 61.

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. 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.

Remuneration report 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.
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

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.

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

Remuneration report 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.

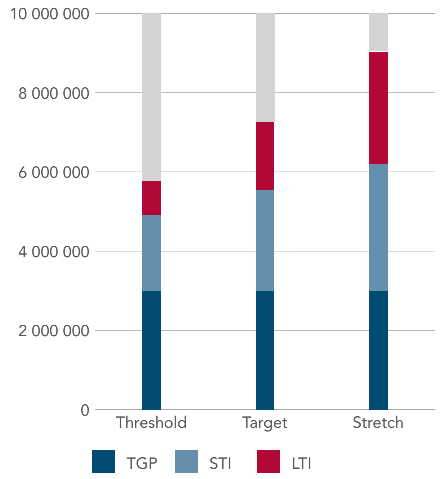
There is no intention to make retention awards to EDs going forward, save for where deemed necessary.

ELEMENTS OF REMUNERATION

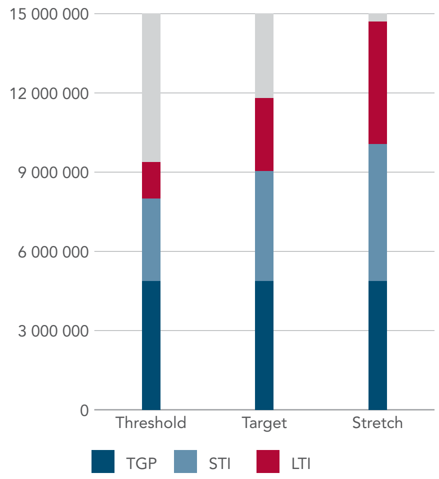
Illustrative remuneration outcomes for FY2022

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.

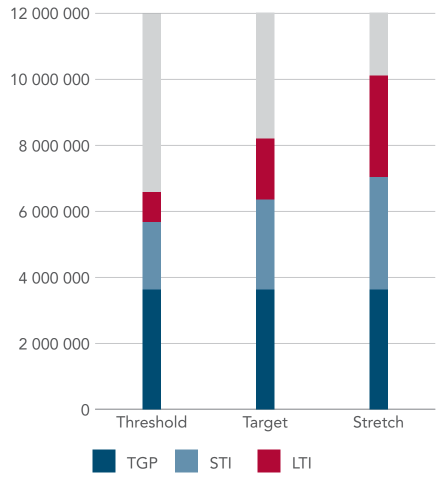
Michael Georgiou (CEO) (R)



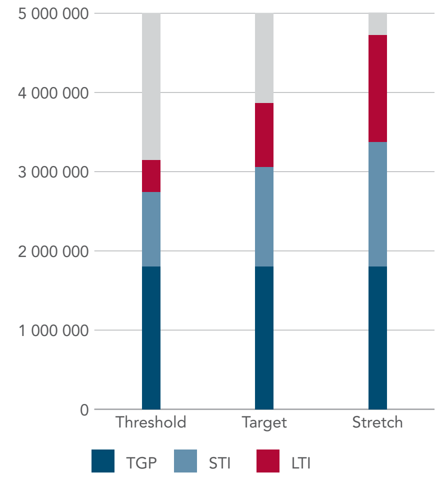
Andrew Costa (COO) (R)



Dimitri Kyriakides (CFO) (R)



Dawid Wandrag (ED) (R)



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 125.

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

Remuneration report 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.

Remuneration report 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.

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 + GDP + [recovery spread]	Linear interpolation between threshold to stretch	CPI + GDP + [risk spread]
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

- 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.

Remuneration 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.

Remuneration 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.

Citibank

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 89 to 91.

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.

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.

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.

On behalf of the Social, Ethics and Transformation Committee

K Madikizela

Social, Ethics and Transformation Committee Chairman

29 July 2021

Corporate citizenship

OUR VALUES

Integrity
To be accountable for our actions, to be consistently fair to others, and to be truthful and respectful

Honesty
To be reliable, approachable, sensitive to the needs of others, open and honest

Trust
To be trustworthy in our dealings and interactions with all stakeholders

These core values are supported by

Competence
To channel our skills and abilities into innovative and efficient outcomes that we deliver with energy and professionalism

Cooperation
To work together in an entrepreneurial spirit, sharing information, knowledge and resources towards achieving our individual and overall organisational performance objectives

Commitment
To be committed to our respective jobs, customers and other stakeholders by delivering beyond expectations of quality, punctuality and efficiency

Being a good corporate citizen means that we create value that extends beyond our financial returns for our employees, South Africa and the communities in which we operate.

Accelerate affirms that, as a good corporate citizen, we uphold the rights, responsibilities and obligations of society at large and the natural environment in which we operate. Our interdependent relationships make good business sense as we endeavour to create value for all of our stakeholders.

Good corporate citizenship is embodied in our creation of sustainable socio-economic benefits for internal and external stakeholders, including protecting of the natural resources that sustain us.

We acknowledge the important role of communities within our geographical footprint in maintaining our social licence to operate. We therefore primarily invest in outreach programmes that uplift schools in the Fourways area – our main business environment – and a bursary programme for tertiary education. Our commitment to education benefits the economy, local communities and the environment as we partner with relevant local and national organisations, as well as our retail tenants, to make opportunities available to historically disadvantaged people.

EMPLOYEES

We invest in the upskilling and development of our employees.

We aim to remunerate our employees fairly and to provide them with skills development opportunities, for the benefit of their families and in the interest of continuing personal and professional development. Our success depends on the health, safety and wellbeing of the people we employ.

Performance

- One employee of the group trained in shopping centre management
- One employee of the group completed financial training
- One employee of the group completed training in occupational health and safety
- One employee of the group completed legal training
- Two employees of the group trained in property management and leasing
- Three employees of the group trained in the JSE Debt Listings Requirements
- Two employees trained in compliance requirements by the Companies and Intellectual Property Commission

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) INITIATIVES

We comply wholeheartedly with BBBEE legislative requirements while addressing the challenges in meeting the amended targets, which came into effect on 1 April 2018. For a REIT, BBBEE legislation must be viewed in conjunction with the revised property sector codes, which were promulgated in June 2017. The company has set targets and charted a plan to achieve compliance within a reasonable period.

Employment equity

	Male				Female				
Occupational level	African	Coloured	Indian	White	African	Coloured	Indian	White	**Total**
Board	1	–	–	7	1	–	–	–	9
Senior management	–	–	–	2	–	–	–	1	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	–	–	–	1	–	–	–	1	2
Total permanent	1	–	–	10	1	–	–	2	14

The company does not currently employ any persons with disabilities.

LOCAL COMMUNITIES

We believe investment in the education of our communities yields sustainable returns through its potential to increase employment opportunities for young people.

We aim to establish sustainable relationships with local educational facilities, and to improve the quality of education and social welfare available to our host communities.

Through our educational initiatives, beneficiaries improve their reading, writing and self-confidence and develop their cognitive and academic capabilities. Tertiary education beneficiaries are better prepared to enter the job market.

Performance

Given the magnitude of the pandemic during the 2021 financial year on the Fund, our focus remained on keeping tenants, shoppers and employees safe, while continuing to engage with tenants to ensure their sustainability. As a result, many of our planned community engagements were postponed.

ENVIRONMENT

With the utmost respect for environmental sustainability, we address any potential or actual negative effects on the environment in and around all of our operations.

Accelerate has introduced and continues to implement sustainability initiatives across the property portfolio. The following initiatives have formed a core part of Accelerate's environmental, social and governance goals:

1. Clean water and sanitation

The goals under this portfolio are to:

- Improve the efficiency of water usage across the portfolio.

Accelerate has undertaken numerous steps to improve the efficiency of water usage including the replacement of urinals in our properties' men's bathrooms to waterless urinals and the installation of a bathroom tap system modified with an aerator to limit the pressure of the water in the hand basins. Future steps which are in the plan for the near-to-medium term include replacing aircon systems from water-based cooling to a more efficient system and landscaping gardens with water-wise plants.

- Implement integrated water resource management where possible throughout the portfolio.

Accelerate has identified opportunities to utilise grey water harvesting and boreholes at sites where possible to achieve better water resource management. Further plans will include rolling the aforementioned across the portfolio.

- Improve water quality by reducing pollution and minimising release of hazardous chemicals and materials.

Accelerate undertakes to investigate whether cleaning companies used across the portfolio can use more environmentally friendly cleaning products to minimise pollution and harmful products. We will also identify strategies to assist tenants with the disposal of hazardous materials, where necessary, in a manner with the least detrimental effect on the environment.

2. Affordable and clean energy

The goals under this portfolio are to:

- Increase the proportion of renewable electricity consumed in the portfolio.

Solar photovoltaic (PV) implementation has various benefits to Accelerate. There is less reliance on Eskom for the provision of electricity and it becomes easier to manage risk within the properties during load shedding. As the electricity tariffs increase at a rate higher than inflation, this initiative will also manage costs as it will alleviate pressure on tenants and their cost of occupation. Many properties in the portfolio have assessments being concluded for a roll-out in the short to medium term.

- Improve the energy efficiency in the portfolio.

LED lighting has numerous benefits including energy efficiency, low voltage and a longer life span. Accelerate has successfully installed these across the common areas of flagship properties including Cedar Square, Citi Bank and Portside. Motion detectors and phased implementation of power factor correction units for the HVAC systems are also underway in terms of planning.

3. Ensuring sustainable consumption and production patterns

The goals under this portfolio are the:

- Sustainable and efficient use of natural resources.

Examples of improving sustainable consumption include the following which are planned for implementation across the portfolio, where possible: double glazing for new windows which will reduce the heat and therefore use of energy for insulation, air-conditioning plants to be changed to be more energy and water efficient, toilet and urinals to be more water efficient, environmental building methods and materials are to be used and landscaping of the gardens to be done in such a manner that it is more water-wise.

- Management of chemicals and waste in order to reduce the impact on the environment.

A framework for tenants in order to dispose of their waste and chemicals is being implemented. The use of more ecological friendly cleaning products, using water-based paints and less toxic chemical paints across our properties and a new fire extinguishing system are currently under investigation and planning.

- Reduce waste generation through reduction, recycling and reuse.

Waste management companies are employed to sort and recycle waste, on-site and off-site. The impact of which is being measured and shared with tenants to work together on improving waste management. At larger retail centres, visible recycling bins have been installed. These provide the benefit of ease of recycling and encourage patron participation. At Cedar Square, we have a great concept store called The Refillery which focusses on the trend of reducing plastic bags and wrapping. At a head office level, Accelerate and Accelerate Property Management Company move towards less printing, an increased paperless way of doing business, with paper recycling bins for the necessary printing.

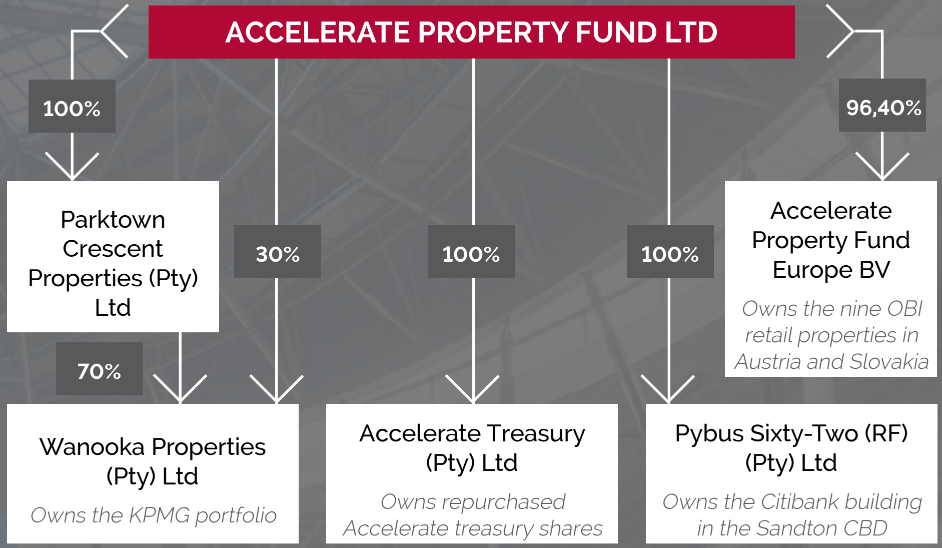
APPENDICES

About this integrated report

Reporting boundary

This integrated report enables us to share our business strategy and our activities and show how we preserve and create long-term value for providers of financial capital and other stakeholders.

We strive to report transparently by reflecting both the value created and preserved, as well as the value eroded during the reporting period from 1 April 2020 to 31 March 2021. This report includes the Fund's management and subsidiaries in South Africa, Austria and Slovakia – as outlined in our group structure depicted below



This report aims to disclose information about matters that substantively affect our ability to create value in the short, medium and long term. For us, the short term refers to the next 12 months while the medium term is considered 12 months to 3 years. Anything beyond that is deemed the long term.

We considered a range of evidence to determine material matters, including management discussions, internal documents, our operating context, risk assessments, media releases, and stakeholder engagements throughout the year. The material matters thus inform report topics, ensuring we only report on areas that could have a substantial effect on our ongoing commercial viability and/or the value we create for our broad range of stakeholders over time.

Our response to the evolving COVID-19 pandemic is addressed throughout the report. Given the uncertainty in the operating context, we have highlighted the potential uncertainties and our responses, where applicable.

Reporting frameworks

In compiling this report, we considered local and international guidelines, including the following:

- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- International Financial Reporting Standards (IFRS)
- King Report on Corporate Governance™ for South Africa, 2016 (King IV)*
- Companies Act of South Africa, 71 of 2008, as amended (Companies Act)
- JSE Listings Requirements
- JSE Debt Listings Requirements

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Assurance

The consolidated annual financial statements were prepared in accordance with IFRS and audited externally by EY. The three lines of defence model is used to incorporate management and board oversight, risk management and independent assurance.

We continue to advance in the integration and alignment of assurance processes to optimise governance oversight and risk management, increasing combined assurance between internal and external auditors.

The independent auditor's report can be found on page 16 of the annual financial statements.

Supplementary information

The content of this integrated report is supplemented by the following additional information, available online at www.acceleratepf.co.za:

- Latest financial results, including our interim and annual financial results presentations
- King IV application register
- Shareholder information including Stock Exchange News Service (SENS) announcements, AGM information and circulars
- Capital market information
- Portfolio information

Forward-looking statements

This integrated report contains forward-looking statements with respect to Accelerate's future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this report, a number of inherent risks, uncertainties and other important factors could materially change the results from our expectations. Should the underlying assumptions prove incorrect, actual results may differ from those anticipated and could adversely affect our business and financial performance.

Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and Accelerate does not undertake any obligation to update or revise them, whether as a result of new information, future events or otherwise.

Stakeholder feedback

We have engaged the services of Articulate Capital Partners to coordinate our investor relations. Please send any feedback on reporting content or requests for copies to:

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

Board responsibility

The board acknowledges its responsibility to ensure the integrity and completeness of this report. The board believes that this integrated report addresses all material matters and offers a balanced and comprehensive view of the Fund's strategic direction to prevent value erosion and create and preserve value for stakeholders in the short, medium and long term.

The directors further believe this report materially aligns with the IIRC's Integrated Reporting <IR> Framework, providing a true and material account of the group's performance and strategic direction.

This report was prepared under the supervision of Senior Management and was submitted to the Audit and Risk Committee, which reviewed and recommended it to the board for approval. The board has unanimously approved the 2021 integrated report for publication.

Mr Timothy J Fearnhead
Chairman
29 July 2021

Mr Michael N Georgiou
CEO
29 July 2021

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 an REIT by the JSE)

Holding company

Accelerate Property Fund Ltd incorporated in South Africa

Nature of business and principal activities

Property letting

Registered office and business address

Cedar Square Shopping Centre,
Management Office, 1st Floor, Corner Willow
Avenue and Cedar Road, Fourways 2055,
South Africa
Tel: +27 (0)10 001 0790
Web: www.acceleratepf.co.za

Directors

Timothy Fearnhead
Andrew Costa
Michael Georgiou
Dimitri Kyriakides
Kolosa Madikizela
Abel Mawela
Derick van der Merwe
François Viruly
Dawid Wandrag

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Email: dimitri@acceleratepf.co.za

Company Secretary

Margi Pinto
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Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue,
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Private Bag X9000, Saxonwold 2123,
South Africa
Tel: + 27 (0)11 370 5000
Email: proxy@computershare.co.za
Fax: +27 (0)11 688 2238

Equity sponsor

The Standard Bank of South Africa Ltd
(Registration number 1962/000738/06)
30 Baker Street, Rosebank 2196, South Africa
PO Box 61344, Marshalltown 2107, South Africa
Tel: +27 (0)11 721 6125

Debt sponsor

Rand Merchant Bank, a division of FirstRand Bank Ltd
(Registration number 1929/001225/06)
1 Merchant Place, Corner Rivonia Road and
Fredman Drive, Sandton 2196, South Africa
PO Box 786273, Sandton 2146, South Africa
Tel: +27 (0)11 282 8000

Auditors

EY
Chartered Accountants (SA)
Registered Auditors
102 Rivonia Road, Sandton, 2196, South Africa
Tel: +27 (0)11 772 3000

Internal auditors

LateganMashego Audit and Advisory (Pty) Ltd (Registration number 2001/107847/07)
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