ACCELERATE
PROPERTY FUND

2018

NOTICE OF ANNUAL GENERAL Meeting

for the year ended 31 March 2018

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LETTER TO *Shareholders*

Dear shareholder,

On behalf of the board of directors (board), you are invited to attend the fifth (5th) annual general meeting (AGM) of Accelerate Property Fund Limited (Accelerate) to be held at Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 25 July 2018 at 10:00.

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

If you are not able to attend the AGM, you may vote by proxy in accordance with the instructions on the annual general meeting notice and form of proxy.

Yours sincerely

Mboweni

Mr Tito T Mboweni
Accelerate Property Fund Ltd
Chairman
20 June 2018

NOTICE OF ANNUAL GENERAL *Meeting*

ACCELERATE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF ISIN code: ZAE000185815

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Notice is hereby given that the fifth AGM of shareholders of Accelerate Property Fund Ltd (Accelerate or the company) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 25 July 2018 at 10:00 (AGM notice).

The following business will be transacted and the ordinary and special resolutions proposed, with or without modification, as set out in this notice.
Accelerate shareholders are advised that they or their proxies may participate in (but not vote at) this AGM by way of telephone conference and, if they wish to do so, they:

- must contact the company secretary, **TMF Corporate Service (South Africa) (Pty) Ltd** by email: joanne.matisonn@tmf-group.com before 10:00 on Tuesday, 24 July 2018 to receive dial-in instructions for the conference call;
- will be required to provide reasonable satisfactory identification, as described below; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the AGM.

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

PROOF OF IDENTIFICATION REQUIRED

Please note that in terms of section 63(1) of the Companies Act, 71 of 2008, as amended (the Companies Act), any shareholder or proxy who intends to attend or participate at the AGM is required to provide reasonably satisfactory identification before or at the meeting (including participants via telephone conference). A green bar-coded identification document or smart ID card issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the AGM as sufficient identification.

IMPORTANT DATES AND TIMES

Important dates to note:	Date
Record date for receipt of notice of AGM	Friday, 15 June 2018
Integrated report posted on www.acceleratepf.co.za	Thursday, 21 June 2018
Post AGM notice and summarised annual financial statements	Friday, 22 June 2018
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 10 July 2018
Record date to determine which Accelerate shareholders are entitled to participate in and vote at the AGM	Friday, 13 July 2018
Last day to lodge forms of proxy for the AGM	Tuesday, 24 July 2018
AGM to be held at 10:00	Wednesday, 25 July 2018
Results of AGM released on SENS	Wednesday, 25 July 2018

ORDINARY BUSINESS

Consolidated annual financial statements

Simultaneously with the posting of this notice of the AGM, the full consolidated annual financial statements (AFS) and integrated report of Accelerate have been published on the company's website at www.acceleratepf.co.za and are also available at the registered office of Accelerate and on request from the company secretary.

Presentation of the audited AFS of the company, as approved by the board of directors of the company, including the directors' report, the independent external auditor's report and the report of the audit and risk committee of the company for the year ended 31 March 2018 as required in terms of section 30(3)(d) of the Companies Act.

Social, ethics and transformation committee

In accordance with Companies' Regulation 43(5)(c) of the Companies Act, the chairman of the social, ethics and transformation committee, or in her/his absence, any member of the social, ethics and transformation committee, will verbally report to shareholders at the AGM on matters within its mandate.

ORDINARY RESOLUTIONS

Ordinary resolutions 1 to 6 and 8 require the support of more than 50% of the voting rights exercised on the resolution. Ordinary resolution 7 requires 75% approval of the voting rights exercised to be adopted.

Ordinary resolutions number 1.1 and 1.2: Election of directors

In accordance with the company's memorandum of incorporation (MOI), one third of the non-executive directors must retire from office at each AGM and may, if eligible and willing, offer themselves for re-election. Mr Timothy J Fearnhead and Ms Kolosa Madikizela will retire from office at the AGM and have confirmed their willingness to continue to serve as members of the board. Brief résumés of these two directors and the remaining members of the board are detailed on pages 28 and 29 of this AGM notice.

Ordinary resolution number 1.1

"Resolved that Mr Timothy J Fearnhead be and is hereby re-elected as an independent non-executive director of the company."

Ordinary resolution number 1.2

"Resolved that Ms Kolosa Madikizela be and is hereby re-elected as an independent non-executive director of the company."

Ordinary resolutions number 2.1 to 2.4: Election of the audit and risk committee members

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

The board of directors of the company is satisfied that the proposed members of the audit and risk committee meet all relevant statutory requirements, including being independent non-executive directors as defined in paragraph 28 of the Report on Corporate Governance for South Africa, 2016 (King IV).

Brief résumés of the independent non-executive directors offering themselves for re-election as members of the audit and risk committee of the company are detailed on page 28 and 29 of this AGM notice.

Ordinary resolution number 2

"Resolved that subject to the passing of ordinary resolutions 1.1 and 1.2 above, an audit and risk committee comprising independent non-executive directors in terms of section 94(4) of the Companies Act, as set out below, be and are hereby re-appointed by way of separate resolutions to hold office until the conclusion of the next annual general meeting:

2.1 Mr Timothy J Fearnhead (chairman)
2.2 Dr Gert C Cruywagen
2.3 Ms Kolosa Madikizela
2.4 Mr John RP Doidge"

Ordinary resolution number 3: Appointment of independent external auditor
The company's audit and risk committee has nominated the re-appointment of Ernst & Young Inc. as the company's independent auditors, to hold office until the conclusion of the next annual general meeting.

"Resolved that, as nominated by the company's audit and risk committee , Ernst & Young Inc. represented by Mr Rohan Baboolal as the audit partner, be and is hereby appointed as the independent registered auditor of the company to report on the financial year ending 31 March 2019, meeting the requirements of section 90(2) of the Companies Act, until the conclusion of the next AGM."

Ordinary resolution number 4: Non-binding advisory vote on the company's remuneration philosophy and implementation report
The JSE Listings Requirements require the company to submit its remuneration philosophy and implementation report every year to shareholders for consideration to provide shareholders with an opportunity to indicate should they not support the material provisions of the remuneration philosophy and policy of the company and the implementation thereof. Shareholders are referred to the remuneration review as set out on pages 32 to 39 of this AGM notice.

Ordinary resolution 4.1
"Resolved that the remuneration philosophy and policy, included on pages 32 to 37 of the notice of the AGM, be are hereby approved by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements."

Ordinary resolution 4.2
"Resolved that the remuneration implementation report, included on pages 32 to 39 of the notice of the AGM, be and is hereby approved, by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements."

Ordinary resolution number 5: To place the unissued authorised ordinary shares of the company under the control of the directors
In terms of the company's MOI, shareholders of Accelerate must approve the placement of the unissued authorised ordinary shares under the control of the directors.

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

"Resolved that the unissued authorised ordinary shares of no par value in the company be and are hereby placed under the control and authority of the directors of the company who are authorised (subject to the relevant Provisions of the Companies Act, the company's MOI and the JSE Listings Requirements) until the next AGM, provided that it shall not extend beyond 15 months from the date of passing this resolution, to allot and issue any such shares at their discretion, provided that in all instances (save in respect of an offer of unissued shares to existing shareholders pro rata to their shareholdings), the following requirements are complied with:
- The number of shares that may be allotted and issued in aggregate, is limited to 10% (representing 98 936 434 shares) of the company's issued shares at the date of posting the notice of AGM.
- The maximum discount permitted will be 5% of the weighted average traded price of the shares in question, measured over the three business days prior to the date of each issue of new shares or the three business days prior to the date the directors resolve to issue such new shares or the 30 business days prior to the date the directors resolve to issue such new shares."

Ordinary resolution number 6: Specific authority to issue shares to afford shareholders distribution re-investment alternatives

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

Ordinary resolution number 7: Approval of proposed amendments to conditional share plan

The conditional share plan (CSP) was approved by shareholders at the company's AGM held on 26 July 2014. Since then, the company has significantly increased its asset value and market capitalisation. In line with the best practice the CSP provides that no more than 5% of the issued share capital of Accelerate can be issued (either by way of a fresh issue of shares or by the use of treasury shares) in settlement of awards made under the CSP. In addition, no participant can acquire more than 1,5% of the issued share capital of Accelerate by way of participation in the CSP. Since the adoption of the CSP the issued share capital of the company has increased from 638 916 920 to 989 364 344. The company therefore seeks to increase the existing limits of the CSP with reference to the current number of shares in issue. The percentages will not change. The CSP limit of 5% will equate to 49 468 217 shares, and the individual limit of 1,5% will equate to 14 840 465 shares. The manner in which the limits are computed will remain unchanged and previously settled awards will be included in the computation of the limit. Accordingly, paragraphs 4.1.1 and 4.2 of the CSP need to be amended.

"Resolved that the proposed amendments to the CSP, as set out below, be and are hereby approved:

"4. CSP limits

4.1 Overall company limit

4.1.1 Subject to Rule 4.3, the aggregate number of shares at any one time which may be Allocated under the CSP shall not exceed 49 468 217 (forty-nine million, four hundred and sixty-eight thousand, two hundred and seventeen) shares, which equates to 5% of the number of issued shares at the date of the last audited AFS of the company, being 31 March 2018. In the event of a discrepancy between the number of shares and the percentage it represents, the number will prevail."

"4.2 Individual limit

Subject to the provisions of Rule 10, the maximum number of shares allocated to any single participant under this CSP in respect of all awards (both vested and unvested) shall not exceed 14 840 465 (fourteen million, eight hundred and forty thousand, four hundred and sixty-five) shares, which equates to 1,5% of the number of issued shares at the date of the last audited AFS of the company, being 31 March 2018. In the event of a discrepancy between the number of shares and the percentage it represents, the number will prevail."

In order for ordinary resolution number 7 to be adopted, in terms of the JSE Listings Requirements, the support of at least 75% (seventy-five per cent) of votes cast by shareholders present or represented by proxy at the meeting is required.

Ordinary resolution number 8: Signing authority

"Resolved that any director of the company be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the ordinary and special resolutions proposed and duly passed at this AGM."

SPECIAL RESOLUTIONS

Special resolutions 1 to 4 to be adopted at this annual general meeting require approval from at least 75% of the voting rights exercised on the resolution to be adopted.

Special resolution number 1: Non-executive directors' fees

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

Special resolution number 1

"Resolved that the determination of the non-executive directors' fees with effect from the conclusion of this AGM until the conclusion of the 2019 AGM on the basis set out below be and is hereby approved in terms of section 66(9) of the Companies Act:

Name	Proposed 2018/ 2019 retainer	Percentage increase
Mr Tito T Mboweni	980 000	Nil
Dr Gert C Cruywagen	414 000	Nil
Mr John RP Doidge	400 000	Nil
Mr Timothy J Fearnhead	430 000	Nil
Ms Kolosa Madikizela	360 000	Nil
Ass Prof Francois M Viruly	360 000	Nil

Special resolution number 2: Financial assistance to purchase or subscribe for securities and financial assistance to a related or inter-related company or corporation
"Resolved that:

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

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

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

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

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

a. the assets of the company (fairly valued) would equal or exceed the liabilities of the company (fairly valued); and
b. it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of granting the financial assistance as contemplated in sections 44 and 45 of the Companies Act.

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

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

Special resolution number 3: Authority to repurchase ordinary shares

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

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

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

Note: Although no acquisition of ordinary shares is contemplated at the time of this notice, the directors, having considered the effects of an acquisition of the maximum number of ordinary shares in terms of the aforegoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of this notice of AGM:

- the company will be able, in the ordinary course of business, to pay its debts;
- the assets of the company, fairly valued in accordance with IFRS, will exceed the liabilities of the company; and
- the company's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

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

- Major shareholders – page 31.
- Share capital of the company – page 41.

Special resolution number 4: Issue of shares to directors

"Resolved that, subject to the approval of ordinary resolution number 5, in terms of section 41(1)(a) of the Companies Act, the issue of ordinary shares to directors of the company (in terms of the general authority granted to the directors of the company by ordinary resolution number 5 to issue ordinary shares in terms of a vendor consideration placement), be and is hereby authorised, to the extent that this approval is required."

Additional information in respect of special resolution number 4

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

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 28 to 29 of this AGM notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information.

MATERIAL CHANGES

Other than the facts and developments reported on in the AFS, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice of the AGM.

INTENTIONS

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

VOTING AND PROXIES:

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.

2. A form of proxy is attached to this AGM notice. Additional forms of proxy may be obtained from the company's share transfer secretaries, Computershare Investor Services (Pty) Ltd, or may be reproduced by photocopying the form of proxy provided.

3. The record date for the meeting in terms of section 62(3)(a) of the Companies Act, shall be on Friday, 13 July 2018.

4. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) so as to be received not less than 24 hours before the appointed time for the holding of the meeting (excluding Saturdays, Sundays and public holidays).

5. If you are a certificated Accelerate shareholder or an own-name dematerialised Accelerate shareholder and are unable to attend the AGM of Accelerate shareholders to be held at Accelerate's registered offices, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 25 July 2018 at 10:00, but wish to be represented thereat, you are required to complete the form of proxy attached hereto in accordance with the instructions therein and return it to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 10:00 on Tuesday, 24 July 2018 for administrative purposes or thereafter to the company by no later than the commencement of the meeting, being 10:00 on Wednesday, 25 July 2018.

6. If you are a beneficial owner of dematerialised Accelerate ordinary shares and are not an own-name dematerialised Accelerate shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the AGM in order for them to vote in accordance with your instructions.

7. If you are a beneficial owner of dematerialised Accelerate ordinary shares and wish to attend the Accelerate AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Accelerate shareholder (who is not an own-name dematerialised Accelerate shareholder) and the CSDP or broker.

By order of the board

TMF Corporate Services (South Africa) (Pty) Ltd
Secretaries
per: JR Matisonn
Company secretary
20 June 2018

Computershare Investor Services (Pty) Ltd
Transfer secretaries

ANNEXURE 1: CONSOLIDATED FINANCIAL *Statements*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note(s)	31 March 2018 R'000	31 March 2017 R'000
ASSETS			
Non-current assets		12 533 952	11 900 199
Investment property		12 515 562	11 860 689
Derivatives	1	17 371	38 134
Property, plant and equipment		1 019	1 376
Current assets		649 579	483 688
Current tax receivable		5 534	9 881
Derivatives		1 887	–
Trade and other receivables	1	565 237	340 189
Cash and cash equivalents	1	76 921	133 618
Investment property held for sale		27 000	–
Non-current assets held for sale		27 000	–
Total assets		13 210 531	12 383 887
EQUITY AND LIABILITIES			
Equity		7 861 866	7 352 992
Ordinary share capital		5 103 067	5 156 011
Other reserves		25 923	52 944
Non-controlling interest		14 519	12 421
Retained income		2 718 357	2 131 616
Total equity		7 861 866	7 352 992
Non-current liabilities		3 682 224	3 887 257
Borrowings	1	3 654 607	3 887 257
Derivatives		27 617	–
Current liabilities		1 666 441	1 143 638
Trade and other payables	1	173 526	151 619
Derivatives		385	
Borrowings	1	1 492 530	992 019
Total equity and liabilities		13 210 531	12 383 887

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	31 March 2018 R'000	31 March 2017 R'000
Revenue, excluding straight-line rental revenue adjustment		1 160 620	1 062 999
Straight-line rental revenue adjustment		45 819	36 958
Revenue		1 206 439	1 099 957
Property expenses		(306 516)	(286 314)
Net property income		899 923	813 643
Operating expenses		(77 334)	(74 022)
Operating profit		822 589	739 621
Fair value adjustments	4	542 984	469 463
Unrealised gains/(losses)		8 612	(47 367)
Other income		6 552	5 529
Finance income		37 228	34 094
Profit before debt interest and taxation		1 417 965	1 201 340
Finance costs		(334 768)	(299 032)
Profit before taxation		1 083 197	902 308
Taxation		4 549	(423)
Profit for the year		1 087 746	901 885
Other comprehensive income that may be reclassified to profit and loss in subsequent periods			
Exchange differences on translation of foreign operations		6 127	(1 439)
Total comprehensive income		1 093 873	900 446
Profit attributable to:			
Shareholders of the parent		1 085 816	898 372
Non-controlling interest		1 930	3 513
		1 087 746	901 885
Total comprehensive income:			
Shareholders of the parent		1 091 775	900 446
Non-controlling interest		2 098	–
		1 093 873	900 446
EARNINGS PER SHARE			
Basic earnings per share (cents)		110,81	101,47
Diluted earnings per share (cents)		109,13	99,96
DISTRIBUTABLE EARNINGS			
Profit after taxation attributable to equity holders		1 085 816	898 372
Straight-line rental revenue adjustment		(45 819)	(36 958)
Fair value adjustments (excluding non-controlling interest)		(542 316)	(466 398)
Unrealised losses		28 532	55 804
Year end – distribution from reserves		–	36 999
Profit on sale of property		–	(1 107)
Amortisation of leases		7 000	–
Distributable earnings		533 213	486 712

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Other reserves R'000	Foreign currency translation reserve R'000	Share capital R'000	Retained income R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2016	20 045		4 105 211	1 646 710		5 771 966
Profit for the year	–	–	–	898 372	3 513	901 885
Other comprehensive income	–	(1 439)	–	–	–	(1 439)
Total comprehensive income	–	(1 439)	–	898 372	3 513	900 446
Issue of shares	–	–	1 050 800	–	–	1 050 800
Distribution paid	(22 353)	–	–	(413 466)	–	(435 819)
Conditional share plan reserve	11 264	–	–	–	–	11 264
Antecedent distribution reserve*	45 427	–	–	–	–	45 427
Non-controlling interest	–	–	–	–	8 908	8 908
Total contributions by and distributions to owners of company recognised directly in equity	34 338		1 050 800	(413 466)	8 908	680 580
Balance at 31 March 2017	54 383	(1 439)	5 156 011	2 131 616	12 421	7 352 992
Profit for the year	–	–	–	1 085 816	1 930	1 087 746
Other comprehensive income	–	5 959	–	–	168	6 127
Total comprehensive income	–	5 959	–	1 085 816	2 098	1 093 873
Issue of shares	–	–	2 850	–	–	2 850
Repurchase of shares	–	–	(63 150)	–	–	(63 150)
Issue of treasury shares to directors (in terms of the conditional share plan)	–	–	7 356	–	–	7 356
Distribution paid	(36 999)	–	–	(499 075)	–	(536 074)
Conditional share plan reserve	4 019	–	–	–	–	4 019
Total contributions by and distributions to owners of company recognised directly in equity	(32 980)	–	(52 944)	(499 075)		(584 999)
Balance at 31 March 2018	21 403	4 520	5 103 067	2 718 357	14 519	7 861 866

* *This reserve relates to the antecedent distribution portion of the capital raised.*

STATEMENT OF CASH FLOWS

	31 March 2018 R'000	31 March 2017 R'000
Cash flows from operating activities		
Cash generated from operations	594 840	560 720
Finance income	37 228	34 094
Distribution paid	(499 075)	(413 466)
Tax received/(paid)	8 896	(1 035)
Net cash from operating activities	141 889	180 313
Cash flows from investing activities		
Purchase of property, plant and equipment	(214)	(1 066)
Purchase of investment property	(267 844)	(2 951 540)
Contingent purchase	–	(27 276)
Proceeds from disposal of investment property	253 337	144 902
Proceeds of non-current assets held for sale	–	55 000
Net cash from investing activities	(14 721)	(2 779 980)
Cash flows from financing activities		
Proceeds on share issue	–	1 050 800
Shares repurchased	(63 150)	–
Long-term borrowings raised	1 332 925	2 414 371
Long-term borrowings repaid	(1 078 910)	(527 356)
Finance cost	(334 768)	(299 032)
Antecedent distribution	(36 999)	23 074
Net cash from financing activities	(180 902)	2 661 857
Total cash movement for the year	(53 734)	62 190
Cash at the beginning of the year	133 618	71 428
Effect of exchange rate movements on cash balances	(2 963)	–
Total cash at the end of the year	76 921	133 618

DISTRIBUTION ANALYSIS

	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
Distributable earnings	533 213	486 712
Less: Interim distribution from profits (excludes interim distribution from reserves)	266 037	217 301
Final distribution	267 176	269 411
Shares qualifying for distribution		
Number of shares at year-end	989 364 344	986 372 706
Less: Bulk ceded shares to Accelerate[#]	(51 070 184)	(51 070 184)
Less: Shares repurchased	(9 567 404)	–
Shares qualifying for distribution	928 726 756	935 302 522
Distribution per share		
Final distribution per share (cents)	28,76799	28,80469
Interim distribution per share made (cents)	28,77713	28,76627
Total distribution per share for the year (cents)	57,54512	57,57096

[#] *The cession on these shares relates to bulk in the Fourways area acquired by Accelerate at listing. These shares will only be eligible for distributions at the earlier of the development/sales of the bulk or December 2021.*

EARNINGS PER SHARE

	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to ordinary equity holders of Accelerate by the weighted average number of ordinary shares outstanding during the year.		
Reconciliation of basic/diluted earnings to headline earnings		
Profit attributable to shareholders of the parent	**1 085 816**	898 372
Fair value adjustment	**(589 861)**	(501 350)
Capital gains on sale of non-current assets held for sale	**(4 846)**	(7 038)
Headline profit attributable to shareholders of the parent	**491 109**	389 984
Basic earnings per share (cents)	**110,81**	101,47
Diluted earnings per share (cents)	**109,13**	99,96
Headline earnings per share (cents)	**49,36**	44,05
Diluted headline earnings per share (cents)	**50,12**	43,39
Shares in issue at the end of the year	**979 796 940**	986 372 706
Weighted average number of shares	**979 876 156**	885 350 951
Shares subject to the conditional share plan	**15 115 467**	13 377 341
Weighted average number of deferred shares	**15 115 467**	13 377 341
Total diluted weighted average number of shares in issue	**994 991 623**	898 728 292

SEGMENTAL ANALYSIS

The individual properties are aggregated into segments with similar economic characteristics such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial and retail and European retail.

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

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

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are reported on a total basis, as it is considered that the segmental split would add no value.

There are no sales between segments.

For the year ended 31 March 2017

	Office R'000	Industrial R'000	Retail R'000	European single tenant retail R'000	Total R'000
Statement of comprehensive income 2017					
Revenue, excluding straight-line rental revenue adjustment	280 523	65 124	688 509	28 843	1 062 999
Straight-line rental adjustment	21 685	3 043	12 230	–	36 958
Property expenses	(70 333)	(6 761)	(206 417)	(2 803)	(286 314)
Segment operating profit	231 875	61 406	494 322	26 040	813 643
Fair value adjustments on investment property	86 143	3 585	372 233	42 454	504 415
Segment profit	318 018	64 991	866 555	68 494	1 318 058
Other operating expenses					(74 022)
Other income					5 529
Fair value loss on financial instruments					(34 952)
Unrealised losses					(47 367)
Finance income					34 094
Long-term debt interest					(299 032)
Profit before tax					902 308

For the year ended 31 March 2018

	Office R'000	Industrial R'000	Retail R'000	European single tenant retail R'000	Total R'000
Statement of comprehensive income 2018					
Revenue, excluding straight-line rental revenue adjustment	317 984	69 841	672 700	100 095	1 160 620
Straight-line rental adjustment	31 095	991	13 733	–	45 819
Property expenses	(69 021)	(11 803)	(190 335)	(35 357)	(306 516)
Segment operating profit	280 058	59 029	496 098	64 738	899 923
Fair value adjustments on investment property	158 497	(116 567)	529 375	18 544	589 861
Segment profit	438 555	(57 538)	1 025 485	83 282	1 489 784
Other operating expenses					(77 334)
Other income					6 552
Fair value loss on financial instruments					(46 877)
Unrealised losses					8 612
Finance income					37 228
Long-term debt interest					(334 768)
Profit before tax					1 083 197

SEGMENTAL ANALYSIS (continued)

For the year ended 31 March 2017

	Office R'000	Industrial R'000	Retail R'000	European single tenant retail R'000	Total R'000
Statement of financial position extracts at 31 March 2017					
Assets					
Investment property balance 1 April 2016	1 942 277	637 996	5 973 229		8 553 502
Acquisitions	1 180 000		365 000	1 166 560	2 711 560
Capitalised costs	46 445	5 917	144 922	42 696	239 980
Disposals/classified as held for sale			(185 726)		(185 726)
Investment property held for sale					–
Straight-line rental revenue adjustment	21 685	3 043	12 230	–	36 958
Fair value adjustments	86 143	3 585	372 233	42 454	504 415
Segment assets at 31 March 2017	3 276 550	650 541	6 681 888	1 251 710	11 860 689
Other assets not managed on a segmental basis					
Derivative financial instruments					38 134
Equipment					1 376
Current asset					483 688
Total assets					12 383 887

For the year ended 31 March 2018

	Office R'000	Industrial R'000	Retail R'000	European single tenant retail R'000	Total R'000
Statement of financial position extracts at 31 March 2018					
Assets					
Investment property balance 1 April 2017	3 276 550	650 541	6 681 888	1 251 710	11 860 689
Acquisitions	48 000	–	–	–	48 000
Capitalised costs	12 314	1 775	205 755		219 844
Disposals	(81 945)	–	(194 462)	–	(276 407)
Investment property held for sale	–	–	27 000	–	27 000
Straight-line rental revenue adjustment	31 095	991	13 733	–	45 819
Foreign exchange gains	–	–	–	27 756	27 756
Fair value adjustments	158 497	(116 567)	529 387	18 544	589 861
Segment assets at 31 March 2018	3 444 511	536 740	7 263 301	1 298 010	12 542 562
Other assets not managed on a segmental basis					
Derivative financial instruments					17 371
Equipment					1 019
Current assets					649 579
Total assets					13 210 531

For the year ended 31 March 2017

	South Africa R'000	Austria R'000	Slovakia R'000	Total R'000
Statement of comprehensive income 2017				
Revenue, excluding straight-line rental revenue adjustment	1 034 156	21 632	7 211	1 062 999
Straight-line rental adjustment	36 958		–	36 958
Property expenses	(283 511)	(2 102)	(701)	(286 314)
Segment operating profit	787 603	19 530	6 510	813 643
Fair value adjustments on investment property	461 961	31 841	10 613	504 415
Segment profit	1 249 564	51 371	17 123	1 318 058
Other operating expenses				(74 022)
Other income				5 529
Fair value loss on financial instruments				(34 952)
Unrealised losses				(47 367)
Finance income				34 094
Long-term debt interest				(299 032)
Profit before tax				902 308

For the year ended 31 March 2018

	South Africa R'000	Austria R'000	Slovakia R'000	Total R'000
Statement of comprehensive income 2018				
Revenue, excluding straight-line rental revenue adjustment	1 060 525	75 071	25 024	1 160 620
Straight-line rental adjustment	45 819	–	–	45 819
Property expenses	(271 159)	(26 517)	(8 840)	(306 516)
Segment operating profit	835 185	48 554	16 184	899 923
Fair value adjustments on investment property	571 317	13 908	4 636	589 861
Segment profit	1 406 502	62 462	20 820	1 489 784
Other operating expenses				(77 334)
Other income				6 552
Fair value loss on financial instruments				(46 877)
Unrealised losses				8 612
Finance income				37 228
Long-term debt interest				(334 768)
Profit before tax				1 083 197

SEGMENTAL ANALYSIS (continued)

For the year ended 31 March 2017

	South Africa R'000	Austria R'000	Slovakia R'000	Total R'000
Statement of financial position extracts at 31 March 2017				
Investment property balance 1 April 2016	8 553 502	–		8 553 502
Acquisitions	1 545 000	874 920	291 640	2 711 560
Capitalised costs	197 284	32 022	10 674	239 980
Disposals/classified as held for sale	(185 726)			(185 726)
Investment property held for sale	–			–
Straight-line rental revenue adjustment	36 958		–	36 958
Fair value adjustments	461 961	31 840	10 614	504 415
Investment property at 31 March 2017	10 608 979	938 782	312 928	11 860 689
Other assets not managed on a segmental basis				
Derivative financial instruments				38 134
Equipment				1 376
Current assets				483 688
Total assets				12 383 887

For the year ended 31 March 2018

	South Africa R'000	Austria R'000	Slovakia R'000	Total R'000
Statement of financial position extracts at 31 March 2018				
Investment property balance 1 April 2017	10 608 979	938 782	312 928	11 860 689
Acquisitions	48 000		–	48 000
Capitalised costs	219 844	–	–	219 844
Disposals/classified as held for sale	(276 407)		–	(276 407)
Investment property held for sale	27 000		–	27 000
Straight-line rental revenue adjustment	45 819	–	–	45 819
Foreign exchange gains/(losses)	–	20 817	6 939	27 756
Fair value adjustments	571 317	13 908	4 636	589 861
Investment property at 31 March 2018	11 244 552	973 507	324 503	12 542 562
Other assets not managed on a segmental basis				
Derivative financial instruments				17 371
Equipment				1 019
Current assets				649 579
Total assets				13 210 531

NOTES TO THE FINANCIAL STATEMENTS

Corporate information

The condensed consolidated financial statements of Accelerate for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors passed on 18 June 2018. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE. The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue. The principal activities of Accelerate are acquisition, disposal, development and leasing of properties. The functional and presentation currency of Accelerate is South African rand. All figures are rounded off to R'000 except where otherwise stated.

Basis of preparation

These condensed consolidated financial statements for the year ended 31 March 2018 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), contain the minimum information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended and the JSE Listings Requirements.

The accounting policies applied in the preparation of these condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous financial period, except for the new and amended IFRS that became effective during the 31 March 2018 reporting period, none of which had any material impact on Accelerate's financial results.

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

The fair value of investment properties is determined by directors with reference to market-related information, while other financial liabilities are valued with reference to market-related information and valuations as appropriate. All investment properties are valued by independent external valuers on a three-year rolling cycle.

These condensed consolidated financial statements were prepared under the supervision of Mr Dimitri Kyriakides (CA)SA in his capacity as chief financial officer.

This abridged report is extracted from audited information, but is not itself audited. The auditors, Ernst & Young Inc. have issued their unmodified opinion on the audited consolidated financial statements for the year ended 31 March 2018 and a copy of the audit opinion, together with the underlying audited consolidated financial statements are available for inspection at the company's registered address.

1. Fair value of financial assets and liabilities

31 March 2018

Financial assets	Carried at fair value R'000	Amortised cost# R'000	Total R'000
Trade and other receivables		565 235	565 235
Derivatives*	19 258	–	19 258
Cash and cash equivalents		76 921	76 921
Total financial assets	19 258	642 156	661 414
Financial liabilities			
Derivatives*	(28 002)		(28 002)
Long-term interest-bearing borrowings		(3 654 607)	(3 654 607)
Trade and other payables		(165 401)	(165 401)
Current portion of long-term debt		(1 492 530)	(1 492 530)
Total financial liabilities	(28 002)	(5 312 538)	(5 340 540)

31 March 2017

Financial assets	Carried at fair value R'000	Amortised cost# R'000	Total R'000
Derivatives*	38 134		38 134
Trade and other receivables		340 187	340 187
Cash and cash equivalents		133 618	133 618
Total financial assets	38 134	473 805	511 939
Financial liabilities			
Long-term interest-bearing borrowings		(3 887 257)	(3 887 257)
Trade and other payables		(137 324)	(137 324)
Current portion of long-term debt		(992 019)	(992 019)
Total financial liabilities		(5 016 600)	(5 016 600)

* *The values of the derivative financial asset shown at fair value are based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) - level 2. The value of the swaps is determined as the discounted value of the future cash flows to be received from the swap assets. For the valuation, current Jibar was used as an indication of future Jibar.*

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

2. Directors' remuneration

	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
Total guaranteed package		
M Georgiou	**Nil**	Nil
A Costa	**3 993**	3 534
D Kyriakides	**2 815**	2 206
JRJ Paterson	**3 064**	2 553
Short-term incentive payment		
M Georgiou	**Nil**	Nil
A Costa	**Nil**	4 600
D Kyriakides	**Nil**	1 200
JRJ Paterson	**Nil**	3 000
Non-executive directors' fees		
TT Mboweni	**975**	1 131
GC Cruywagen	**412**	439
TJ Fearnhead	**424**	400
JRP Doidge	**388**	350
K Madikizela	**358**	350
F Viruly	**358**	350

Share options exercised (number of shares)	Year ended 31 March 2018	Year ended 31 March 2017
A Costa	**2 122 826**	455 927
D Kyriakides	**719 283**	227 964
JRJ Paterson	**1 410 928**	607 903

3. Related-party transaction

Relationships

M Georgiou and A Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd. Both directors' total remuneration is paid by Accelerate Property Fund. M Georgiou owns 100% of Fourways Precinct (Pty) Ltd through The Michael Family Trust and also owns 100% of Accelerate Property Management Company.

Related-party transactions and balances	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
RELATED-PARTY BALANCES		
Loan accounts		
Fourways Precinct (Pty) Ltd	39 646	11 458
The Michael Family Trust	62 142	55 602
Vacancy guarantee		
Fourways Precinct (Pty) Ltd	17 038	15 921
Development guarantee		
Fourways Precinct (Pty) Ltd	105 629	39 288
RELATED-PARTY TRANSACTIONS		
Vacancy guarantee		
Fourways Precinct (Pty) Ltd	–	7 502
Development guarantee		
Fourways Precinct (Pty) Ltd	58 972	28 101
Interest charged		
Interest charged on outstanding amounts:		
Fourways Precinct (Pty) Ltd	7 803	2 001
The Michael Family trust	4 073	3 472
Accelerate Property Management costs		
Fourways Precinct (Pty) Ltd	(3 745)	(4 396)
Accelerate Property Management Company (Pty) Ltd	(6 156)	(4 857)
Letting commission paid		
Fourways Precinct (Pty) Ltd	(6 604)	(25 886)
Financial guarantees	(37 144)	(8 438)

4. Fair value adjustments

Fair value adjustments	Year ended 31 March 2018 R'000	Year ended 31 March 2017 R'000
Investment property (Fair value model)	589 861	504 415
Marked to market movement on swap	(46 877)	(34 952)
	542 984	469 463

5. **Capital commitments**
In terms of Accelerate's budgeting process, R79,4 million (2017: R77,5 million) was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

6. **Financial guarantee**
During December 2016 an executive buy-in structure was initiated in order to ensure that the executive directors of Accelerate are adequately incentivised and aligned with interests of the company and its shareholders in the long-term. Special-purpose vehicles (SPVs) funded through bank debt from RMB can acquire shares up to a maximum of R205 million in Accelerate at market-related share prices. The interest on bank debt in the SPVs will be serviced by the distributions received from APF. RMB will have cession over these shares and the directors will only have an unconditional right to the shares in the SPVs once the bank debt has been settled. Accelerate guarantees to RMB the performance of each SPV of its obligation. The maximum liability Accelerate may have under the guarantees is the equivalent of 63,5% of the total drawn commitment to the extent that losses incurred by RMB are not settled by the sale of the shares RMB has cession over including additional collateral pledged by the directors. At 31 March 2018, R189,5 million of the RMB facility has been drawn down. At 31 March 2018, a liability of R45,5 million was recognised for this guarantee provided.

7. **Subsequent events**
Highway Gardens was sold by Accelerate on 26 April 2018 for a price of R27 million.

DIRECTORS' RESPONSIBILITY STATEMENT

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

ANNEXURE 2: BOARD OF *Directors*

NON-EXECUTIVE DIRECTORS

1 **Mr Tito Titus Mboweni (59)**

Chairman

Appointed: 1 June 2013

Committees: RemCo, NomCo (Chair), IC

Qualifications: BA, MA

Expertise: Corporate governance, finance, remuneration

2 **Dr Gert Cruywagen (62)**

Lead independent director

Appointed: 1 June 2013

Committees: ARC, IC (Chair)

Qualifications: PhD, MSc, PMD, FIRM(SA)

Expertise: Corporate governance, accountancy, audit, risk management, compliance

3 **Mr John RP Doidge (69)**

Independent director

Appointed: 1 June 2013

Committees: RemCo (Chair), NomCo, SETCo

Qualifications: BProc, Attorney of the High Court of South Africa

Expertise: Corporate governance, legal and structured finance

4 **Mr Timothy Fearnhead (69)**

Independent director

Appointed: 1 June 2013

Committees: ARC (Chair), RemCo, NomCo

Qualifications: CTA, CA(SA), Diploma in Advance Banking

Expertise: Audit, corporate governance, finance, remuneration, risk management, banking, business, business and risk management, business management, compliance and strategy, financial services, insurance, investment management and personal and private banking

5 **Ms Kolosa Madikizela (38)**

Independent director

Appointed: 1 June 2013

Committees: ARC, SETCo (Chair)

Qualifications: Master of Technology Degree in Construction Management

Expertise: Property development, construction, facilities management and enterprise asset management

EXECUTIVE DIRECTORS

A **Mr Michael Georgiou (48)**

Chief executive officer

Appointed: 1 January 2013

Committees: IC

Expertise: Acquisitions, disposals, developments, property management, finance

B **Mr Andrew Costa (47)**

Chief operating officer

Appointed: 1 April 2013

Committees: ARC, RemCo, IC

Qualifications: BCom, LLB

Expertise: Investment banking, legal/law, finance, capital markets, acquisitions, disposals, property and property management

C **Mr John Paterson (44)**

Appointed: 1 January 2013

Committees: ARC, SETCo, IC

Qualifications: BA, LLB, LLM

Expertise: Banking, capital markets, legal, acquisitions, investment banking, law, property development, property management

D **Mr Dimitri Kyriakides (63)**

Chief financial officer

Appointed: 1 January 2013

Committees: ARC

Qualifications: CA(SA)

Expertise: Audit, commercial property, accountancy, property management

Detailed biographies of our leadership team can be found on http://acceleratepf.co.za/governance/our-team/

ANNEXURE 3: EXECUTIVE *Management*

Mr Michael Georgiou
Chief executive officer

Mr Andrew Costa
Chief operating officer; BCom, LLB

Mr Dimitri Kyriakides
Chief financial officer; CA(SA)

Mr John Paterson
Executive director; BA, LLB, LLM

ANNEXURE 4: SHAREHOLDER *Analysis*

Shareholder spread	No of shareholdings	%	No of shares	%
1 - 100 shares	218	17,84	5 138	0,00
101 - 1000 shares	132	10,80	57 668	0,01
1001 - 50 000 shares	502	41,08	5 574 965	0,56
50 001 - 100 000 shares	84	6,87	5 759 201	0,58
100 001 - 10 000 000 shares	263	21,52	252 410 816	25,51
More than 10 000 000 shares	23	1,88	725 556 556	73,34
Totals	1 222	100,00	989 364 344	100,00
DISTRIBUTION OF SHAREHOLDERS				
Banks/brokers	24	1,96	4 163 632	0,42
Close corporations	5	0,41	424 258	0,04
Endowment funds	23	1,88	5 036 544	0,51
Individuals	683	55,89	8 560 677	0,87
Insurance companies	30	2,45	33 957 264	3,43
Medical schemes	7	0,57	1 213 783	0,12
Mutual funds	178	14,57	393 287 784	39,75
Other corporations	2	0,16	13 061	0,00
Own holdings	1	0,08	9 567 404	0,97
Private companies	38	3,11	318 635 748	32,21
Public companies	2	0,16	407 963	0,04
Retirement funds	173	14,16	176 888 798	17,88
Trusts	56	4,58	37 207 428	3,76
Totals	1 222	100,00	989 364 344	100,00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	12	0,98	338 778 533	34,35
Directors of the company	11	0,90	329 211 129	33,38
Own holdings (treasury)	1	0,08	9 567 404	0,97
Public shareholders	1 210	99,02	650 585 811	65,65
Totals	1 222	100,00	989 364 344	100,00

ANNEXURE 5: REMUNERATION *Review*

REMUNERATION REVIEW

Letter from the remuneration committee chairman

Dear shareholder,

The board of Accelerate Property Fund Ltd and the remuneration committee are pleased to submit the remuneration report setting out the company's performance, key highlights and challenges for the year ended 31 March 2018.

In line with King IV, we have set out our remuneration report to ensure compliance.

As we operate in a highly competitive arena with an underperforming economy and difficult market conditions in general, we recognise the need to ensure that our remuneration structures retain and attract the calibre of employee Accelerate needs to realise its business strategy. In the year under review, we engaged 21st Century as independent advisors to assist us with a review of our entire remuneration philosophy, which included an in-depth benchmarking exercise for the executive and non-executive directors. The salary survey data was audited by Grant Thornton. In previous years, we had engaged PwC, but we have since considered it prudent to implement a rotation system.

Political instability and a non-performing economy have severely affected all South African-based businesses. Accelerate, although able to withstand the pressures for longer than most due to its nodal strategy, was no exception. The board approved a decision not to increase dividends for the 2018 and 2019 financial years. Unfortunately, this decision was not well received by the market.

Subsequently, more than 10 other property companies have now guided the market towards flat distributions or have gone out with negative growth guidance.

Furthermore, other actions in the REIT sector at the beginning of 2018 have justified Accelerate's conservative approach.

Substantial work was initially done on a potential acquisition of light industrial warehouses in Poland. The acquisition would have been a perfect fit for Accelerate's offshore strategy. However, in the board's opinion, Accelerate's share price did not recover to a level where the acquisition would be beneficial to the company.

Concurrently with the above, the executives focused on consolidation in terms of the South African business, concentrating on the following:

1. Completing the Fourways Mall redevelopment
2. Reducing gearing levels
3. Proactive asset management

Various non-core, smaller properties were disposed of and improvements were made to others, resulting in encouraging valuation growth.

Targets for executives' short-term incentives (STIs) and long-term incentives (LTIs) require performance for pay-out of any STI, and for vesting of long-term awards. This drives the appropriate long-term behaviour in executives to align them with the interests of stakeholders. We have endeavoured to build appropriate safeguards into the remuneration structures to discourage behaviour that exposes the group to unnecessary risk.

Shareholders approved the company's remuneration philosophy at the 2017 annual general meeting; however, not unanimously. In recognition of shareholder concerns to executives the board agreed that no STI payments would be paid in 2018, although the remuneration committee had recommended STI payments.

Accelerate values high-performance employees, especially those able to make decisions in the best long-term interest of the company. Accelerate endeavours to benchmark its executives and senior management to the upper quartile of the appropriate peer comparison group.

As a further consequence of shareholder concerns, Accelerate embarked on a comprehensive review of its remuneration philosophy with the assistance of 21st Century.

21st Century's report indicated that the executives were below the market points in terms of guaranteed package and that the retention value of LTIs was considered too low. STI payments were mostly in line with identified comparator ranges, however, some payments were above the industry standard. However, in that year, Accelerate had established a new business and strategy in Europe in addition to the business in South Africa.

Calculation of fees paid to non-executive directors was also reviewed. Non-executive directors' fees are based broadly on a retainer for board meetings and a fee per meeting for all sub-committee work. The review indicated non-executive director fees were in line with the market.

Thereafter, with the results of the review, Accelerate engaged with its major shareholders to discuss the findings and take aboard any recommendations.

Key amendments were made to the remuneration philosophy. The peer comparison group was adjusted to only include property companies, as in prior years third-party advisors had recommended certain financial services companies be included. Further, the STI grading and payout calculation was adjusted.

Mr John Doidge
Chairman of the remuneration committee
18 June 2018

Remuneration philosophy

Scope and application

This philosophy sets the guidelines for all permanent employees of the company.

The remuneration committee

The board of directors delegates formal terms of reference, which represent the scope of responsibility, to the committee. In turn, the committee confirms that it has discharged its functions and complied with its terms of reference.

Key principles of remuneration

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

- remuneration policies should align closely and transparently with the agreed company strategy and be reviewed regularly in light of changes in the business strategy;
- 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 discourage 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;
- 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 should be strongly linked to performance, resulting in sustainable long-term benefits to the company; and
- remuneration should be delivered in the form of a balanced pay mix, which comprises the following components:
  - basic cash; and
  - variable remuneration (STI and LTI).

Fixed remuneration and benefits

Accelerate follows a total guaranteed package (TGP) approach to structure remuneration. The TGP includes the total benefit to the individual, and the total cost to the organisation. 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 forms the basis for Accelerate's ability to attract and retain the high-calibre skills that we require.

Remuneration process

Annual reviews

The purpose of the annual review process is to review where the employee's pay is in relation to the market and make necessary adjustments in line with the pay policy.

Annual increases

In order to determine an appropriate annual increase, Accelerate considers a number of factors. These factors include CPI, affordability, the financial position of the company, market movements, the employee populations' market position and the necessity to retain top talent.

The increases will be conducted in accordance with the following guidelines:
- The cost of living adjustments take into account the current CPI and other factors such as external environment and market pressures
- Market adjustment and/or parity increases, which seek to address internal inequities within the organisation by awarding an additional amount to employees who are performing and are paid below market
- The desire to reward and retain top talent in an environment of scarce skills

Benchmarking and position in the market
To ensure that the company remains competitive, all elements of remuneration are subject to regular reviews against relevant market and peer data. Reviews are performed to benchmark remuneration against an appropriate peer group of comparable companies. Benchmarking is undertaken by an external remuneration consultant. The comparator group that was utilised is detailed below:

Comparator group

Attacq Properties Ltd	Rebosis Property Fund Ltd
Fairvest Property Holdings Ltd	Redefine Properties Ltd
Fortress Income Fund Ltd	Resilient Reit Ltd
Growthpoint Properties Ltd	SA Corporate Real Estate Fund Ltd
Hyprop Investments Ltd	Texton Property Fund Ltd
Investec Property Fund Ltd	Vukile Property Fund
Octodec Investment Ltd	

Variable remuneration
Accelerate endeavours to ensure a strong link between strategic objectives and remuneration policies and practices. To this end, Accelerate has two plans to reward performance in the short and long term:

1. The STI plan is designed to create a performance culture and reward employees for strong annual results against pre-determined targets.
2. The LTI plan, which is a conditional share plan (CSP), is designed to attract, retain and reward participants by annually awarding shares. It provides employees with the opportunity to share in the success of the company, and it incentivises them to deliver on the business strategy over the long term. This will align key employees and shareholders.

Short-term incentive
Purpose and principles of the STI
The Accelerate STI plan is based on the following principles:
- All employees are eligible for an annual STI.
- It is limited to a maximum of 1 x TGP.
- The annual STI will be calculated on an additive basis, and will be based on both personal and business scores, determined with reference to the financial performance of the company and the achievement of personal key performance indicators or such other measures set by the committee from time to time, as follows:

The STI indicators are reviewed annually to ensure relevance.

Indicator		Weighting %
Business/financial indicator[1]		
Achievement of financial metrics, including:		
• Loan-to-value ratio	10	
• Debt expiry profile	10	
• Interest rate hedging	10	
• Hedging expiry profile	10	
• Debt rating	10	70
Achievement of operational metrics, including:		
• Property cost-to-income ratio	5	
• Vacancies	5	
• Operating expense ratio	5	
• Arrears (as percentage of revenue)	5	
Personal indicator		
Achievement of personal KPIs, including:		
Key executive responsibilities	7,5	
Compliance with industry best standards	7,5	30
Development of people/culture/values	7,5	
Industry perception	7,5	

[1] *Subject to adjustments approved by the remuneration committee. Such adjustments would be for instances such as acquisitions, disposals and redevelopments during the performance period.*

Long-term incentives

Regular annual awards of conditional shares are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation. The CSP makes shares available to executives and selected senior management of Accelerate Property Management Company (Pty) Ltd to align their interests with those of the shareholders.

The conditional shares vest on condition of continued employment and appropriate performance conditions. The performance conditions are measured over a three-year period, in line with the financial year-end of the company.

The essential features of the CSP are detailed below:

Purpose	The primary intent of the CSP is to provide an opportunity to executives and senior management to receive shares in the company, thereby aligning their interests with those of shareholders. This is done through the award of conditional shares.
Operation	Conditional shares vest on condition of continued employment (employment condition) and appropriate performance results (performance condition(s)). The performance conditions are measured over a three-year period, in line with the financial year-end of the company. Regular annual awards of performance units are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation.
Participants	Selected senior employees of the company and Accelerate Property Management Company are eligible to participate, at the discretion of the remuneration committee.
Performance period	The performance conditions are measured over a three-year period, in line with the financial year-end of the company.
Maximum value of award	The maximum annual face value of the LTI is based on market benchmarks obtained from independent experts.
Plan limits	The aggregate number of shares that may be allocated under the CSP is subject to an overall limit of 5% of the issued share capital, and an individual limit of 1,5% of the issued share capital of the company.
Performance conditions	The performance conditions are objective and include one or more of the following: • Growth in dividend per share (internal benchmark, and peer group comparison if possible/appropriate) • Outperformance relative to SA All Bond Index (ALBI) • Outperformance relative to Listed Property Index (SAPI)

Non-binding vote

The remuneration philosophy is annually put to shareholders for a non-binding vote. Should 25% or more of shareholders vote against it, the following steps will be undertaken:

1. The chairman of the remuneration committee will drive an engagement process which will be conducted based on good faith and with the aim of fairly and amicably resolving differences.

2. Reasonable concerns and differences will be addressed in the most appropriate manner which may include amendments to the remuneration philosophy.

Implementation report

Non-executive directors' remuneration

Non-executive directors do not hold contracts of employment with the company and play no part in any STI or LTI. Their fees are annually reviewed by Accelerate and submitted for shareholder approval.

Non-executive directors' fees reflect the directors' roles and membership of the board and its committees. Currently, the fees comprise an aggregate of a board base fee plus additional fees for each committee a director is a member of. In the committee's view, the fees paid to non-executive directors are sufficient to attract board members with the appropriate level of skill and expertise.

The committee recommends the non-executive director fee structure to the board for approval and recommendation to shareholders to approve at the upcoming annual general meeting.

The committee has recommended that no change be made to non-executive director remuneration for 2018/2019.

The resolutions relating to non-executive directors' fees for the 2018 financial year can be found on page 7 of the notice of annual general meeting.

Non-executive directors' fees for 2017 and 2018 are as follows:

	31 March 2018 R'000	31 March 2017 R'000
TT Mboweni	**975**	1 131
GC Cruywagen	**412**	439
TJ Fearnhead	**424**	400
JRP Doidge	**388**	350
K Madikizela	**358**	350
FM Viruly	**358**	350

Executive directors' remuneration

Fixed pay is determined through the annual review process which considers an employee's pay rate in relation to market averages. Any adjustments to pay are made in accordance with the company's pay philosophy. The annual review commences each March, and any rate changes will become effective on 1 July.

The executive directors' TGP and STI remuneration for the 2017 and 2018 financial year are as follows:

	31 March 2018 R'000	31 March 2017 R'000
Total guaranteed package		
M Georgiou	**Nil**	Nil
A Costa	**3 993**	3 534
D Kyriakides	**2 815**	2 206
JRJ Paterson	**3 064**	2 553
Short-term incentive payment		
M Georgiou	**Nil**	Nil
A Costa	**Nil**	4 600
D Kyriakides	**Nil**	1 200
JRJ Paterson	**Nil**	3 000

Share options outstanding at the end of the period under review, which only vest on the specified dates, if the vesting conditions have been met, are as follows:

	Performance shares		Retention shares		Vesting dates		
Director	Number of shares	Accrual at 31 March 2018 (R)	Number of shares	Accrual at 31 March 2018 (R)	Vesting 31 March 2019 year-end	Vesting 31 March 2020 year-end	Vesting 31 March 2021 year-end
M Georgiou	3 864 782	4 448 099			824 770	1 422 386	1 617 626
M Georgiou			201 244	729 556	201 244	–	–
A Costa	4 331 200	4 938 575			1 291 188	1 422 386	1 617 626
A Costa			740 533	2 557 244	740 533	–	–
D Kyriakides	1 352 212	1 594 772			404 705	422 872	524 635
D Kyriakides			34 807	131 769	34 807	–	–
JRJ Paterson	2 535 331	2 813 297			645 594	884 186	1 005 551
JRJ Paterson			649 640	2 140 368	649 640		
Total	12 083 525	13 794 743	1 626 224	5 558 937	4 792 481	4 151 830	4 765 438

Share options exercised (number of shares)	Year ended 31 March 2018	Year ended 31 March 2017
A Costa	**2 122 826**	455 927
D Kyriakides	**719 283**	227 964
JRJ Paterson	**1 410 928**	607 903

The maximum number of shares that may be allocated under the CSP shall not exceed 31 945 846 (thirty-one million, nine hundred and forty-five thousand, eight hundred and forty-six).

Employees

Our employees are key to the success of our business. We believe in a high-performance culture and strive to ensure this culture filters down from the management team to each employee. We take care to select the people who display a passion for the property industry and enhance the DNA of the company.

All employees of Accelerate are annually reviewed against key performance indicators to measure their performance. These reviews are set to ensure our company's strategic objectives are met, and that employees have attained their goals.

Ongoing training as well as career path guidance ensures each employee understands their current value to the company and where a potential career path with the company can lead to.

ANNEXURE 6: MATERIAL CHANGES *Statement*

The directors of Accelerate report that there have been no material changes in the affairs, financial or trading position of Accelerate since 31 March 2018 to 20 June 2018, other than those disclosed in the integrated report, which is available on the website, www.acceleratepf.co.za, or can be requested from the company secretary.

ANNEXURE 7: DIRECTORS INTEREST IN *Shares*

Director	Number of shares	% interest
M Georgiou	291 869 510	29,50
A Costa	25 736 697	2,6
JRJ Paterson	11 111 118	1,12
D Kyriakides	493 804	0,05

ANNEXURE 8: SHARE *Capital*

ORDINARY SHARE CAPITAL

	31 March 2018	31 March 2017
Authorised		
Ordinary shares of no par value	**5 000 000 000**	5 000 000 000
Reconciliation of number of shares issued:		
Opening balance	**986 372 706**	801 344 007
Issue of shares	**2 991 638**	185 028 699
	989 364 344	986 372 706

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

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

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CORPORATE *Information*

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

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Represented by:
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