EXEMPLAR

INTEGRATED REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020

EXEMPLAR

"We are proud to present our Integrated Report for the year ended 29 February 2020 - as we brace ourselves for the uncertainty that lies ahead in the post COVID -19 environment, we are confident in our ability to read the landscape and rapidly adapt to any change in order to evolve for the needs of our customers and our country.

The discipline, focus and compassion that form the foundation of Exemplar's corporate culture, now serve us well in dealing with the rapidly-changing demands of the industry within which we operate. Exemplar still sees significant potential for further investment within its specific niche markets and we are confident it will continue to deliver long term growth for its shareholders." - Jason McCormick CEO

INDEX

Alex Mall | Gauteng

Exemplar REITail Limited is a market leader in the ownership and management of retail real estate in South Africa.

EXEMPLAR

Alex Mall | Gauteng

Unlocking value and delivering strong, sustainable growth to shareholders through investment in prime retail real estate within the under-serviced markets of South Africa…uplifting entire communities in the process.

ABOUT THIS REPORT

Exemplar's Integrated Annual Report (IAR) is published annually and presents an overview of the Group's performance for the previous 12 months as well as an insight into future plans and prospects for the Company in the short, medium and long term.

If you would like to view previous reports, they are available at www.exemplarREIT.co.za.

SCOPE AND BOUNDARY

This IAR presents a holistic view of Exemplar for the period ended 29 February 2020. It provides details about our performance as well as how our governance and business practices can create sustainable value for our stakeholders. Details of our investments in subsidiaries, joint ventures and jointly controlled assets appear in our Annual Financial Statements (AFS).

MATERIALITY

The 2020 IAR deals with all reasonable material matters that may or may not impact our ability to create value for our stakeholders in the short, medium and long term.

These material matters are taken into consideration when making strategic choices to ensure risk is mitigated and opportunities maximised.

FORWARD-LOOKING STATEMENTS

Throughout this report, reference is made to forward-looking statements regarding the future performance and prospects of the Group. While these statements reflect our opinions and expectations at the time of preparation, emerging risks, uncertainties and other important national and international factors may result in actual results differing materially from our expectations.

ASSURANCE AND BOARD RESPONSIBILITY STATEMENT

The board and its committees acknowledge their responsibility to ensure the integrity and accuracy of the IAR.

The requirements of King IV, the JSE Listings Requirements and the International <IR> Framework have all been taken into consideration when compiling this report.

Our AFS have been prepared in accordance with International Financial Reporting Standards as well as the requirements of the Companies Act. We have received external assurance from our auditors, BDO South Africa Incorporated, on the impartial presentation of the AFS. The independent auditors report is available on page 68.

The Audit and Risk Committee report can be viewed on pages 63 and 64 and provides insight into the steps taken to optimise assurance within the Company and its operations.

After thorough review and consultation, the board concurs that the IAR has been presented in accordance with the International <IR> Framework, addresses all material matters and presents fairly the performance of the Company.

BOARD OF DIRECTORS

Frank M Berkeley
Chair of the Board

John McCormick
Executive Director

Jason McCormick
Chief Executive Officer

Duncan A Church
Chief Financial Officer

Peter J Katzenellenbogen
Lead Independent Director

Elias P Maponya
Independent Non-Executive Director

Gregory VC Azzopardi
Independent Non-Executive Director

CHAPTER 1

ABOUT EXEMPLAR

Atteridge Stadium Centre | Gauteng

WHO WE ARE

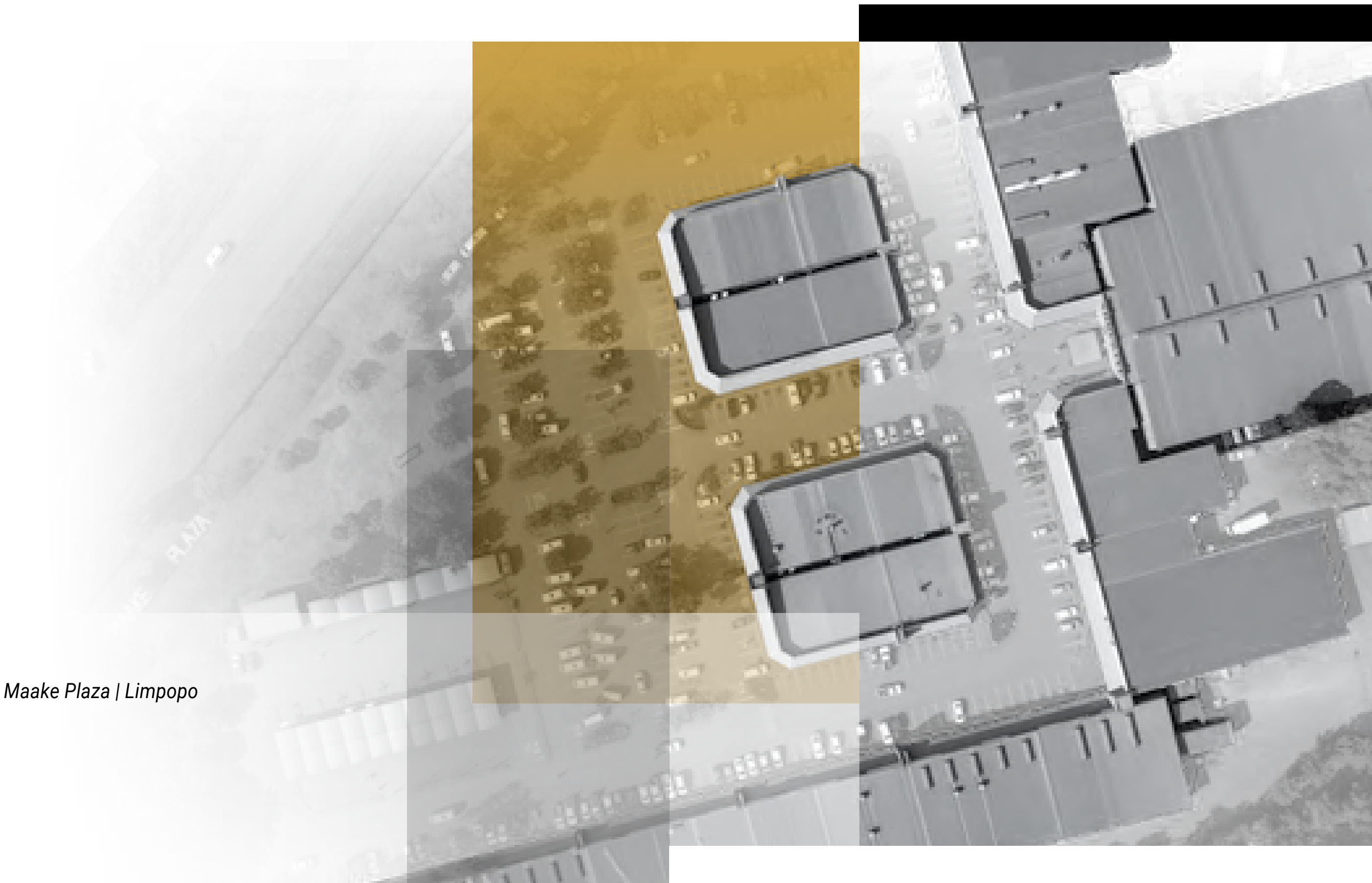
As a company whose core focus is the provision and management of retail services to previously under-serviced regions across South Africa, Exemplar offers investors access to a distinctive property portfolio valued at R5,789b.

With a footprint across FIVE provinces, the fund owns 22 RETAIL ASSETS with a combined GLA of 349 759 m².

All 22 shopping centres are internally asset and property managed by a management team with a combined retail experience of 503 YEARS.

We are a company DRIVEN BY SUSTAINABILITY in the economic, environmental and social environments within which we operate.

Our mission is the UPLIFTMENT OF COMMUNITIES through investment in quality assets in under-serviced markets while UNLOCKING VALUE and delivering SUSTAINABLE DISTRIBUTION GROWTH for our shareholders.



Maake Plaza | Limpopo

2020 HIGHLIGHTS

Exemplar can boast a full year dividend of 92,27 cents per share, an increase of 11.9% on the annualised prior year.

Mabopane Square (10 396 m²) was acquired on 1 November 2019 at a purchase price of R162 000 000, consisting of R125 131 045 cash and 3 381 302 Exemplar shares at R10,90 per share. It is expected to deliver net income of R14 318 965 in the first year.

The Company further celebrated its second year of being listed on the JSE with the acquisition of two retail assets as well as phase one of the refurbishment of one of the portfolio's best-performing assets, Chris Hani Crossing.

Exemplar also made strides in its endeavour to prioritise sustainability in all aspects of the fund, with a roll-out plan now in place for solar PV installations across the portfolio.

The installation of a 1MWp (AC) system at Alex Mall is currently underway and it is expected that the majority of the installations across the portfolio will be completed during the 2021 and 2022 financial years.

At 8 733 m², Katale Square was the first centre acquisition following the purchase of the refurbished and expanded portions of both Modi Mall in Modimolle, Limpopo (5 054 m²) and Kwagga Mall in KwaMhlanga, Mpumalanga (5 274 m²) in the last quarter of 2018.

CHAIR'S REPORT

Exemplar's dividend growth, on an annualised basis, was 11.9%. In the very challenging economic environment prevailing during the reporting period, this is nothing short of remarkable and is a credit to the dedication, commitment, adaptability and hard work of management and staff.

I would like to begin by congratulating and thanking the management and staff of Exemplar for their outstanding performance during the financial year ending 29 February 2020. As detailed in the CEO's and CFO's reports, we exceeded the financial projections we made in our Prospectus in May 2018, notwithstanding that there was virtually no growth in South Africa's GDP during the reporting period, which fell short of all official forecasts. Exemplar's dividend growth, on an annualised basis, was 11.9%. In the very challenging economic environment prevailing during the reporting period, this is nothing short of remarkable and is a credit to the dedication, commitment, adaptability and hard work of management and staff.

In last year's report, I spoke about how, although we cannot change the environment in which we operate, we can control our attitude to challenges and how we react to the given environment. Not in our worst nightmares could we have contemplated the emergence and effects of the COVID-19 pandemic, which began to manifest itself in South Africa during March 2020.

While the economy was on its knees at the beginning of the lockdown imposed during March 2020, it will emerge from the phased lifting of the lockdown in the worst state in living memory, and the recovery, in whatever form it may take, will undoubtedly be painful and protracted. It is currently impossible to predict the timing and extent to which we may return to the previous operating environment. I only expect to start to obtain some degree of clarity within the next few months, and only by the end of 2020, will we have a better idea of what the future will hold. While we hope and pray that the casualty rate in human terms is as low as it can possibly be, we don't yet have any idea of what this may be. The balancing act between the devastating hardship suffered by individuals because of the lockdown and the likely toll on lives of lifting the lockdown, is an enormous challenge being faced by the country's president.

Everyone at Exemplar is committed to extracting the best possible returns from our assets in the short term, while also ensuring the long-term sustainability of this excellent business. For us to achieve this we will continue to remain in very close touch with the coal-face operations of our various assets, remaining nimble in decision-making and constantly alert to the challenges and opportunities that will arise - many of which we are sure will not have been experienced previously. We believe that it will be a very long time, if ever, before we return to the world as we knew it. For this reason, we will continue to seek out opportunities to evolve in all aspects of our business to adapt to and indeed create the "new normal", at the same time maintaining dedicated focus on our core business.

At Exemplar we are fortunate in that our shopping mall assets generally cater for a larger proportion of basic goods and supplies - more essentials than luxuries, and, as such, are relatively insulated against recessionary conditions. There is, however, no doubt whatsoever, that our business and financial results will be negatively affected by the consequences of COVID-19.

As stated in last year's report, our shopping centres are important for the continuing successful functioning and wellbeing of surrounding communities, and we have made an enormous effort during the current crisis to mitigate losses and hardship and protect our customers. More details of these initiatives can be found on page 34 of this IAR.

Last year I pointed out that Exemplar's prospects are inextricably linked to the future of South Africa. This remains true, but despite the incredibly challenging circumstances under which we are currently operating, we expect that our financial results for the forthcoming year will compare very favourably with the sector in which we operate, although at this stage it is impossible to give any form of guidance.

I would like to thank my fellow board members who, without exception, have willingly given their time and expertise and engaged constructively and dynamically in board meetings to fulfil the aims of the Company and to support management.

We remain fully committed to all our stakeholders to support them as far as possible, and I would like to thank them for all their support during the past year and during the current challenges.

FRANK BERKELEY
Chair

Greater Edendale Mall | KwaZulu Natal

INVESTMENT PORTFOLIO AT A GLANCE

GAUTENG

ALEX MALL
29 647 m²
Alexandra
Economic Interest **100%**
Weighted avg. rental (R/m²) 138,10

DIEPKLOOF SQUARE
15 779 m²
Soweto
Economic Interest **100%**
Weighted avg. rental (R/m²) 150,70

THORNTREE SHOPPING CENTRE
16 192 m²
Soshanguve
Economic Interest **100%**
Weighted avg. rental (R/m²) 145,93

ATTERIDGE STADIUM CENTRE
4 797 m²
Atteridgeville
Economic Interest **100%**
Weighted avg. rental (R/m²) 176,29

MABOPANE SQUARE
10 396 m²
Mabopane
Economic Interest **100%**
Weighted avg. rental (R/m²) 135,55

TSAKANE MALL
39 368 m²
East Rand
Economic Interest **50%**
Weighted avg. rental (R/m²) 149,19

CHRIS HANI CROSSING
41 529 m²
Vosloorus
Economic Interest **50%**
Weighted avg. rental (R/m²) 178,26

OLIEVENHOUT PLAZA
17 111 m²
Olievenhoutbosch
Economic Interest **100%**
Weighted avg. rental (R/m²) 145,82

KWAZULU-NATAL

GREATER EDENDALE MALL
31 675 m²
Pietermaritzburg
Economic Interest **100%**
Weighted avg. rental (R/m²) 122,83

THEKU PLAZA
15 185 m²
Newcastle
Economic Interest **82.5%**
Weighted avg. rental (R/m²) 133,95

MANDENI MALL
12 029 m²
Mandeni
Economic Interest **50%**
Weighted avg. rental (R/m²) 129,98

EASTERN CAPE

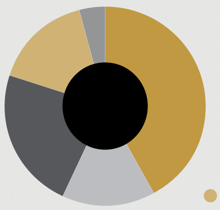
LUSIKI PLAZA
13 597 m²
Lusikisiki
Economic Interest **100%**
Weighted avg. rental (R/m²) 121,96

The Exemplar portfolio spans across five provinces, totalling 349 759 m² and is 100% retail focused. The 22 retail centres range in size from 4 797 m² to 41 529 m², with an average size of 20 500 m².

5 PROVINCES | 22 RETAIL CENTRES | 100% TOWNSHIP AND RURAL RETAIL FOCUSED | PORTFOLIO VALUE R5,789b | AVERAGE CENTRE SIZE 20 500 m²

TENANTS BY GEOGRAPHIC SEGMENT

% BY GLA



38.4% GAUTENG
15.2% LIMPOPO
25.7% MPUMALANGA
3.9% EASTERN CAPE
16.8% KWAZULU-NATAL

% BY REVENUE

GAUTENG	42.0%
MPUMALANGA	23.1%
KWAZULU-NATAL	15.9%
LIMPOPO	15.4%
EASTERN CAPE	3.6%

LIMPOPO

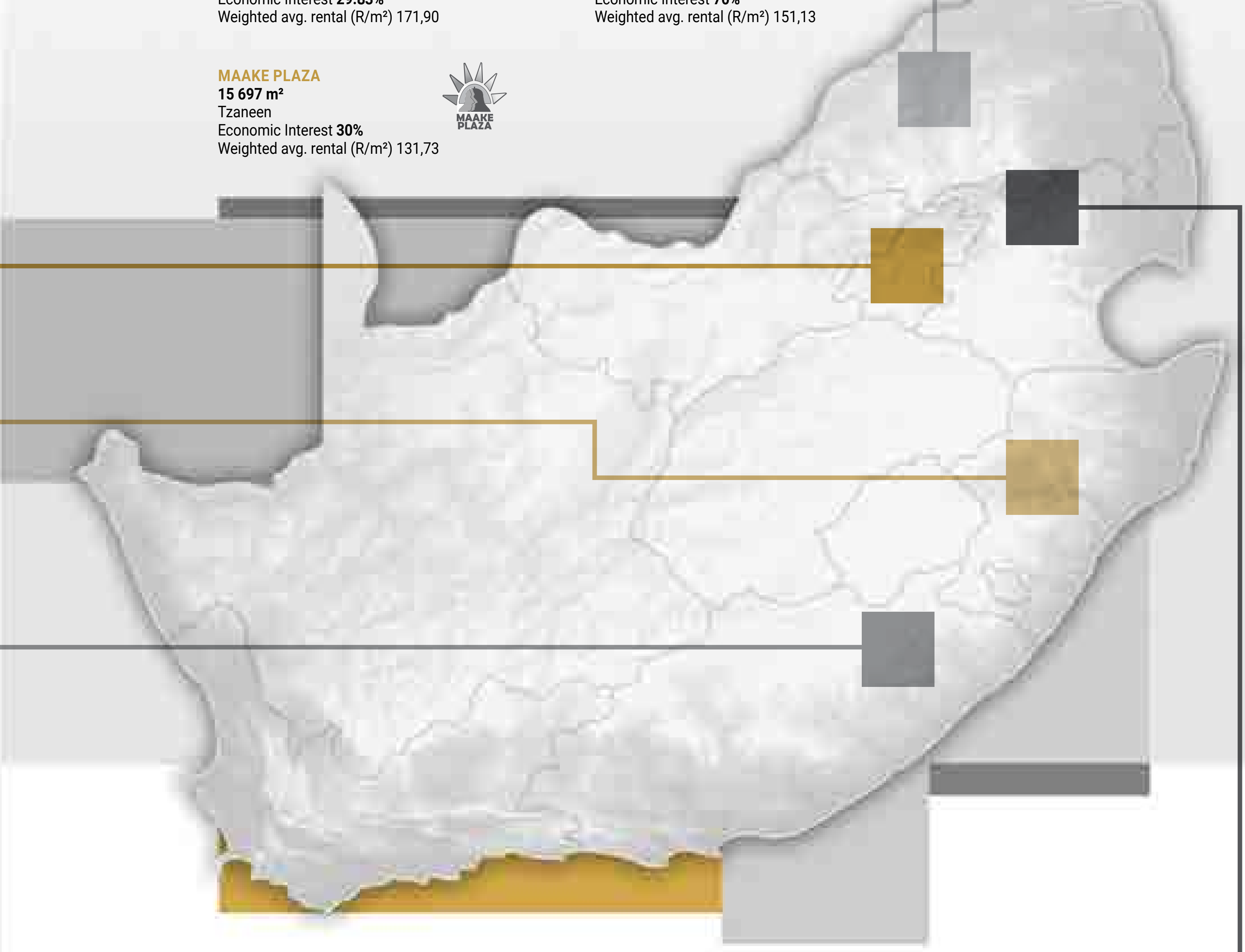
BLOUBERG MALL
13 333 m²
Bochum
Economic Interest **100%**
Weighted avg. rental (R/m²) 143,88

MODI MALL
22 625 m²
Modimolle
Economic Interest **100%**
Weighted avg. rental (R/m²) 108,73

JANE FURSE PLAZA
18 904 m²
Jane Furse
Economic Interest **29.83%**
Weighted avg. rental (R/m²) 171,90

MODJADJI PLAZA
9 799 m²
Ga-Kgapane
Economic Interest **70%**
Weighted avg. rental (R/m²) 151,13

MAAKE PLAZA
15 697 m²
Tzaneen
Economic Interest **30%**
Weighted avg. rental (R/m²) 131,73



MPUMALANGA

ACORNHOEK MEGACITY
26 439 m²
Bushbuckridge
Economic Interest **43.98%**
Weighted avg. rental (R/m²) 107,54

KATALE SQUARE
8 733 m²
Marapyane
Economic Interest **100%**
Weighted avg. rental (R/m²) 103,73

PHOLA MALL
27 884 m²
KwaMhlanga
Economic Interest **53%**
Weighted avg. rental (R/m²) 130,62

EMOYENI MALL
26 445 m²
Emoyeni
Economic Interest **100%**
Weighted avg. rental (R/m²) 124,36

KWAGGA MALL
34 581 m²
Kwaggafontein
Economic Interest **43.51%**
Weighted avg. rental (R/m²) 153,39

INVESTMENT PORTFOLIO AT A GLANCE

WEIGHTED AVERAGE RENTAL ESCALATION PROFILE FOR FY2021, BASED ON EXISTING LEASES, BY GLA

7.1%

WEIGHTED AVERAGE PROPERTY VALUATION CAPITALISATION RATE

8.8%

PORTFOLIO FAIR VALUE

R5,789b

VACANCY PROFILE

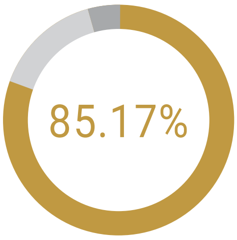
The vacancy profile indicated above reflects the vacancy percentage in terms of current GLA

WEIGHTED AVERAGE RENTAL PER M²

RETAIL SECTOR R136,58 per m²

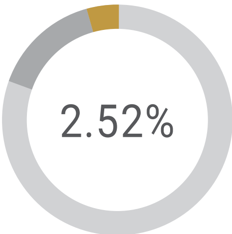
Kwagga Mall | Mpumalanga

TENANT PROFILE (GLA)



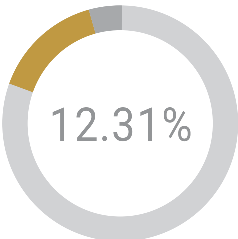
CATEGORY A

Large international and national tenants as well as government or smaller tenants in respect of which rental guarantees are issued. These include but are not limited to Pick 'n Pay, Checkers, Shoprite, Superspar, Game, Cashbuild, Builders Superstore, Edcon, The Truworths Group, The Foschini Group, Mr Price Group, Pepkor, SAPO, ABSA, FNB, Capitec Bank, Standard Bank, Nedbank, Famous Brands, McDonald's, Roots Butchery and Liquor City.



CATEGORY B

Smaller, international and national tenants as well as smaller listed tenants, major franchisees and medium to large professional firms. These include but are not limited to Studio 88, Webbers, Legit, Rage and Beaver Canoe.



CATEGORY C

Local tenants and sole proprietors, including doctors, pharmacists and hair salons. This category comprises roughly 400 tenants, each predominantly having a small GLA footprint.

LEASE EXPIRY PROFILE

	By GLA	By Revenue
Vacant	3.34%	
EXPIRING:		
February 2021	18.75%	19.50%
February 2022	17.89%	18.84%
February 2023	20.67%	22.78%
February 2024	16.30%	16.17%
After February 2024	26.39%	22.71%
Total	**100%**	**100%**

OUR BUSINESS MODEL

FINANCIAL CAPITAL

- Equity of R3,757b
- Debt facilities of R2,280b
- Effective capital management and allocation
- Tangible stakeholder relations

HUMAN CAPITAL

- 82 permanent staff members
- Established skill set: combined experience of 503 years
- A diverse, dynamic and multi-skilled team
- Collaborative, community-centric approach

SOCIAL AND RELATIONSHIP CAPITAL

- Strategic partnership with property development experts, MPD
- Diverse tenant profile
- Symbiotic tenant relationships
- Ongoing investment and interaction within the communities that our assets are based

INTELLECTUAL CAPITAL

- Active asset management
- Effective operations management and systems
- Inherent institutional knowledge and skill set of our staff
- Working culture, reputation and brand
- Ability to innovate and adapt

MANUFACTURED CAPITAL

- Portfolio of 22 developments with total GLA of 349 759 m²
- Strategic acquisition opportunities (MPD pipeline)
- Planned property upgrades
- Non-GLA income potential
- Total number of stores: 1 368

NATURAL CAPITAL

- Increasingly self-sufficient utility provision across the portfolio
- Commitment to and focus on sustainability
- Roll out of PV systems
- Integration of environmentally friendly, reliable and sustainable practices

FINANCIAL CAPITAL

- Operating profit of R446,7m
- Distribution of 92,27 cents per share
- NAV per share of R11,01
- LTV of 34.3%
- Finance costs of 9.16%

HUMAN CAPITAL

- Low staff turnover
- Additional staff members employed as needed
- Staff development and growth plans

SOCIAL AND RELATIONSHIP CAPITAL

- 675 m² of subsidised stores for community initiatives
- Increase in brand recognition
- Well respected in the industry
- Ongoing community development and investment initiatives

MANUFACTURED CAPITAL

- Acquisition of Katale Square (Marapyane, Mpumalanga) and Mabopane Square (Mabopane, Gauteng)
- Possible acquisition of Mall of Tembisa in FY2021
- Total portfolio valuation of R5,789b
- Total weighted average rental of R136,58/m² per month
- Average anchor trading density of R3 736,65/m² per month

NATURAL CAPITAL

- Appointment of head of sustainability for the Group
- Implementation of PV solar power project at Olievenhout Plaza and Alex Mall with plans to roll out across the portfolio by FY2022
- Conversion of fluorescent lights to LED across the portfolio
- Responsible waste management
- Billing and meter reading optimisation

- Reliability and dependability - impeccable relationships form the backbone of everything we do
- Developing and maintaining tenant relations ensures stable, long-term lease agreements
- Ongoing community development and engagement ensures customer buy-in and support
- Ongoing engagement with investors and financiers ensures funding for new investments
- Strategic relationship with MPD differentiates us from our competitors

INVEST TO OWN FOR THE LONG TERM

Option to acquire retail assets developed by MPD that are congruent with our existing portfolio on an arms-length transaction basis.

INTERNALLY-MANAGED PROPERTIES WITH OPERATIONAL EXPERTISE

Our team has an inherent understanding of our portfolio as well as deep institutional knowledge of the markets within which we operate. The same management team that planned and developed each asset remains responsible for its internal asset management to date, allowing for an unparalleled understanding of our asset base and thus ensuring long-term revenue growth within the fund.

REDEVELOP, RENEW, RECYCLE

Strategic intent to acquire developments that have been under-scoped within their first phase, allowing for redevelopment and growth to their full potential to ensure future-proofing of each asset.

SELL WHEN IT'S RIGHT

Investments and acquisitions are not done with a view to sell. Recycling of capital, however, is seen as an integral part of our business model. Assets that may have exhausted their growth potential will be disposed of, allowing for yield-enhancing property acquisitions.

A UNIQUE AND SPECIALISED PORTFOLIO OF RETAIL ASSETS, CONCENTRATING SOLELY WITHIN THE RURAL AND UNDER-SERVICED TOWNSHIP MARKETS OF SOUTH AFRICA THAT:

- Generate rental income and capital gains
- Provide new frontier space for retailers

INTERNAL ASSET MANAGEMENT SERVICES THAT:

- Maximise operational cost efficiencies
- Generate income from management fees by serving the needs of other property owners who entrust us to maximise their returns

MARKETING SPACE THAT:

- Generates non-GLA income streams
- Provides a means for companies to market themselves to our shoppers
- Increases tenant/shopper interaction

WHAT MAKES US DIFFERENT?

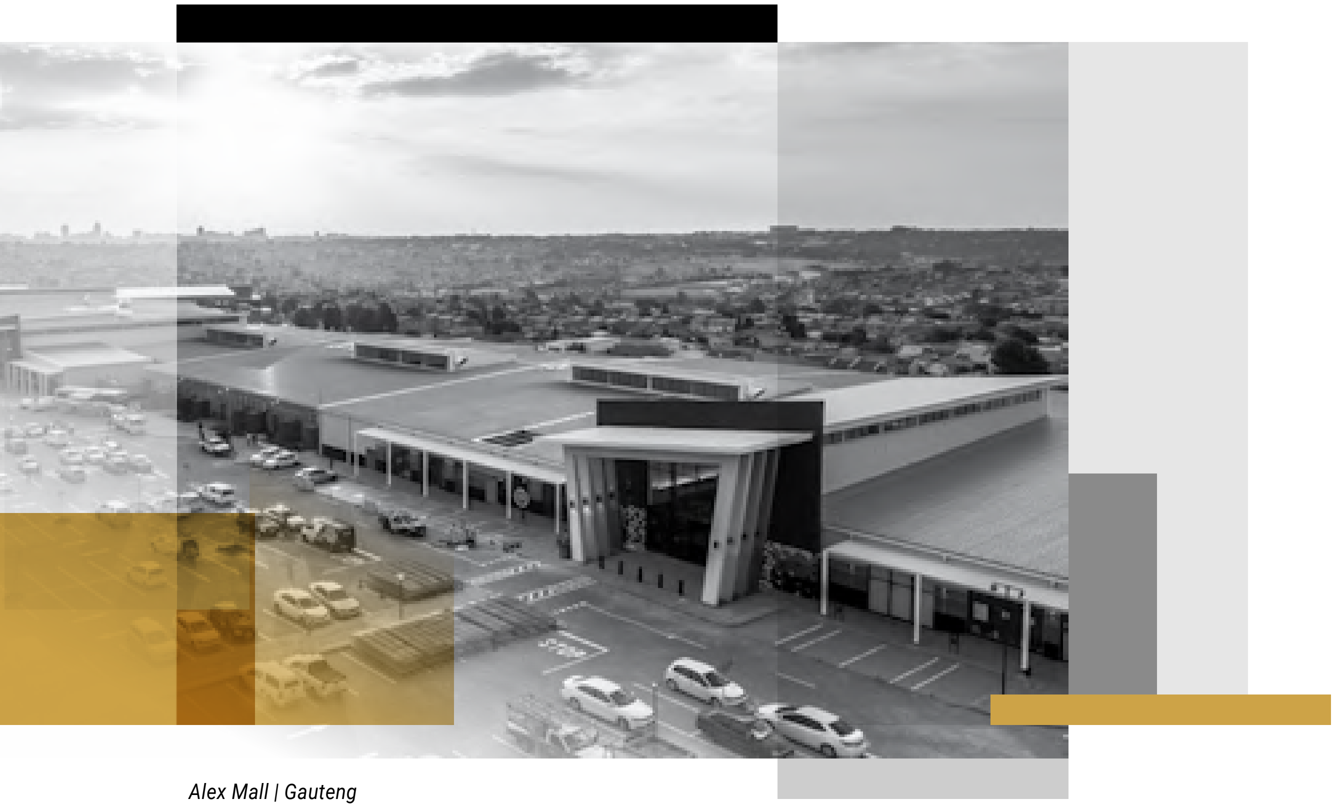
> The only REIT focused solely on township and rural retail

> In-house property and asset management

> The institutional knowledge and skill set of our teams

> Our ability to rapidly innovate and adapt

OUR INVESTMENT CASE AND MARKET POSITIONING



Alex Mall | Gauteng

Exemplar offers investors access to a unique space within the current South African REIT landscape.

The Exemplar business model is an uncomplicated, traditional property model with few non-recurring income items which should diminish volatility in future earnings and distributions.

Our philosophy is that property investment is a venture that generates real and sustainable value creation in the longer-term. All strategic and investment decisions take the short, medium and long term view into consideration, when allowing for sustainable value creation.

GROSS PROPERTY INCOME
[LESS]
PROPERTY OPERATING EXPENSES

LESS

ADMINISTRATIVE OVERHEADS
[LESS]
NET FINANCE COSTS

EQUALS

NET INCOME

*Investing with us provides a **unique** and **enduring** investment opportunity that affords access to a distinctive portfolio of retail assets, **focused** solely within the rural and under-serviced markets of South Africa.*

INVESTING WITH US IS:

'UNIQUE' in that Exemplar is:

- the only REIT focused solely on township and rural retail;
- equipped with a team with an inherent understanding of the portfolio and an in-depth institutional knowledge of the markets within which we operate;
- the only retail REIT with 100% of its assets being its own[1] developments; and
- the only REIT with direct access to MPD's pipeline of over 30 secured greenfield development opportunities in currently under-serviced areas.

'ENDURING' in that Exemplar's management:

- has a combined 503 years' experience managing its assets;
- holds a community-centric view in all areas of management;
- is entrepreneurial yet conservative, with a focus on long term sustainability;
- has always under-sized its assets relative to market demand, allowing it to better weather economic downturns;
- has always focused on tenant retention and sustainable rental levels as opposed to maximising rentals for short term benefit (weighted average rental through rate of R136,58/m² in FY2020 vs R128,54/m² in FY2019); and
- has always placed a higher weighting on essential goods and services and thus holds a higher percentage of food, grocer and other essential services within the portfolio.

'FOCUSED' in that Exemplar is:

- internally managed with the senior management holding a combined 143 years' experience managing Exemplar's assets;
- has a singular focus on township and rural retail; and
- dynamically manages the balance of category weights within its various assets, having already actively reduced GLA dependent on discretionary spend.

It is through the Company's intrinsic ability to innovate and adapt to external and unforeseen challenges that we believe we are well-placed to weather the effects of COVID-19.

We are confident that we will remain relatively secure from the effects of the downturn within the retail industry because of:

- our close working relationship with both tenants and financiers;
- a relatively low gearing ratio of 34.3%. The debt book is almost entirely hedged and we intend to continue with this prudent approach for the foreseeable future;
- tenants mostly trading at acceptable rent to turnover and occupancy cost ratios; and
- no over-rented assets. Despite difficult trading conditions for the sector, we were able to achieve an increase of 6.25% in our rental throughrate for the year ended 29 February 2020.

The Company follows a hands-on approach to the management of its assets. We believe that this approach is what allows us to have lower vacancy levels, higher tenant retention rates and to provide a level of adaptability that will see us re-inventing the future of retail in the post-COVID-19 environment.

[1]MPD is a property development company with over 37 years of experience in developing and managing rural and township shopping centres. The 22 assets currently owned by Exemplar were each developed by MPD. The same team that currently manages the assets has done so since each development began trading.

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

JASON MCCORMICK (41)

CHIEF EXECUTIVE OFFICER
BCOMM (ECONOMICS & BUSINESS MANAGEMENT)
BCOMM (HONS) BUSINESS MANAGEMENT

Before being appointed CEO of Exemplar in 2018, Jason served in various leadership positions at McCormick Property Development (MPD).

After being educated at Michaelhouse and Stellenbosch University, Jason joined the MPD team in 2002. In 2008 he formed the Business Development Department of the Company and was later appointed as managing director. To date, he has been responsible for the development of 26 retail assets totalling over 500 000 m².

He currently still serves as both MD and head of new developments for MPD.

An avid naturalist and conservationist, Jason is also passionate about community upliftment and the positive impact it can have on the underprivileged and marginalised communities within which Exemplar's assets operate.

Jason is a member of the Social and Ethics Committee of Exemplar.

JOHN MCCORMICK (75)

EXECUTIVE DIRECTOR
BCOMM (ECONOMICS)
MBA (FINANCE)

John founded MPD in 1983 and remains a driving force behind the success of the Company. In 2018 he was appointed executive director of Exemplar.

Educated at Michaelhouse and the University of the Witwatersrand, John completed his MBA at Stanford University in 1970 before commencing his career in real estate at mass housing developer, WM Lyon Development.

He joined Kirsh Industries in 1973 on his return to South Africa where-after he held various senior positions at Metro Cash & Carry, Southern Sun Hotels and World Furnishers.

As CFO and head of development for World Furnishers, John was responsible for the expansion of the brand in South Africa. It was during this time that he recognised the need for full-service retail in previously under-serviced rural areas, and the foundation for MPD was laid.

DUNCAN ALAN CHURCH (47)

CHIEF FINANCIAL OFFICER
BCOMPT (HONS), CA(SA)

Duncan has served as CFO of Exemplar since its listing in June 2018.

When the Johannesburg offices of PKF and Grant Thornton merged in 2013, he was appointed head of corporate advisory of the merged entity. Before that, he was appointed partner and head of corporate finance at PKF (Jhb) Inc. in 2004. He completed his articles at the same firm in 1999 at which time he also qualified as a chartered accountant.

During his tenure at the above firms, he acted as the reporting accountant in the listing of numerous companies including several property funds. He provided advisory services to various listed property funds as well as many other non-property sector listed and private companies. He also served as a member of the firm's executive management committee for more than a decade.

INDEPENDENT NON-EXECUTIVE DIRECTORS

FRANK MICHAEL BERKELEY (63)

CHAIR
BCOMM, BACC, CA(SA)

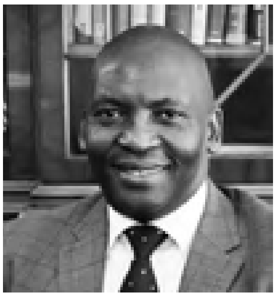
Frank has been involved in the property sector for over 30 years. He attended the University of the Witwatersrand and qualified as a chartered accountant in 1982.

After serving several years as managing director of Group Five's residential development business during the 1980s and early 1990s, he started his 20-year tenure at the Nedbank group in 1994. In 1997 he was appointed the managing executive of Nedcor Investment Bank's property finance division and in 2004 he was appointed managing executive of Nedbank Corporate Property Finance.

Frank has vast experience in both the equity and debt financing of all aspects of the property industry and served as a director on the boards of Sycom Property Fund (18 years) and Acucap (11 years) until their acquisition by Growthpoint. He currently serves as a non-executive director at Growthpoint.

He was also chair of Hospitality Property Fund and a director and chair of the audit committee of Attfund, one of the largest unlisted property companies in South Africa, before its sale to Hyprop.

Frank was appointed chair of Exemplar in 2018 and is a member of both the Audit and Risk and Remuneration Committees.



ELIAS PHATUDI MAPONYA (PHATUDI) (52)

BPROC, LLB, HDIP COMPANY LAW

Phatudi is the founder, and currently a senior partner in the Corporate and Commercial Department, of Maponya Inc. where he practises as an attorney. He has served as the chair of Philane Occupational Health Care and also Nation's Capital, an advisory firm rendering services to the private and public sectors. The firm has advised the government on the privatisation of Roshcon, an Eskom subsidiary, as well as Aventura Holiday Resorts.

Phatudi has fulfilled a number of other roles including having been a member of the Vista University audit committee; the chair of The Police Support Mechanism Trust; a part-time member of the Competition Tribunal; chair of Noah Innovation - a stockbroking firm registered with the JSE - and executive chair of North West Transport Investments.

Phatudi was appointed to the board of Exemplar upon the incorporation of the Company. He is a member of the Audit and Risk Committee and chairs the Social and Ethics Committee.

GREGORY VICTOR CHARLES AZZOPARDI (59)

BA, LLB, BBA

Greg was admitted as an attorney of the High Court of South Africa in 1988 after having served articles at the firm Shepstone & Wylie in Durban where he subsequently practised.

He later practised as an attorney with Deneys Reitz in Durban and then joined Prefcor Limited, later McCarthy Retail Limited. At Prefcor/McCarthy he initially looked after legal and company secretarial matters, after which he was appointed to lead the group real estate team. He was later appointed as a general manager for retail store operations.

After a year with a property company, he was appointed as group property director for the Mr Price Group Limited, which position he held for a month short of nineteen years, leading the group real estate team and driving significant retail space growth.

Greg also consulted for the Rokwil group of companies until August 2019. Rokwil's sphere of operations included commercial property development, bulk earthworks and civil contracting.

He served in various office bearing positions for the South African Council of Shopping Centres (SACSC), culminating in two consecutive terms as National President.

Greg was appointed to the board of Exemplar upon the incorporation of the Company. He is a member of the Social and Ethics Committee and chairs the Remuneration Committee.

PETER JOEL KATZENELLENBOGEN (74)

LEAD INDEPENDENT DIRECTOR

BCOMM (ACC), CA(SA)

Peter completed his articles at audit firm Fisher Hoffman Levenberg where he became a partner in 1974. He spent a total of 39 years at the firm. After several name changes of the firm, Peter left PKF (Jhb) Inc in 2006 where he had been appointed managing partner in 2000.

He served as the national chair of PKF in South Africa and represented the Africa region on the PKF International board.

During his tenure at PKF, he was involved in the audits of numerous listed companies, was the reporting accountant to several listings on the JSE and in his capacity as audit partner on listed companies attended audit committee and board meetings.

In late 2006 he joined Transaction Capital (Pty) Ltd as financial director and became company secretary when the company listed in 2012. In 2014 he stood down from this position and is currently the financial director of an unlisted company.

Peter was appointed to the board of Exemplar upon the incorporation of the Company. He is a member of the Remuneration Committee and chairs the Audit and Risk Committee.

STAKEHOLDER INTERACTION

Stakeholder trust and confidence are of paramount importance to us, and as such, we are committed to candid and open communication at all levels and via all channels.

Responsible corporate governance, corporate social responsibility and socio-economic development are key drivers within these relationships as we proactively deal with the perceptions and expectations of the market.

We strive to always be transparent, sincere and accurate while treating our stakeholders with respect, integrity and honesty. We value these relationships above all else and endeavour to manage, meet and exceed expectations at every opportunity.

We are committed to providing timely access to relevant information via the following channels:

SHAREHOLDERS AND INSTITUTIONAL INVESTORS

- SENS announcements
- www.exemplarREIT.co.za
- Results announcements
- IAR
- AGM
- Press releases
- Investor roadshows
- Print media
- Online media
- @ExemplarREITail (Facebook)
- EReitail (Twitter)

FUNDERS

- SENS announcements
- www.exemplarREIT.co.za
- Results announcements
- Press releases
- Investor roadshows
- One-on-one consultations

MEDIA AND ANALYSTS

- SENS announcements
- www.exemplarREIT.co.za
- Results announcements
- Post-results presentations
- IAR
- Press releases
- Investor roadshows
- Print media
- Online media
- @ExemplarREITail (Facebook)
- EReitail (Twitter)

TENANTS

We continually aim to better understand and service the needs of our tenants to ensure their ultimate performance within our malls.

Tenant retention is viewed as importantly as the sourcing of new tenants to ensure optimum trading levels and customer satisfaction.

EMPLOYEES

We endeavour to keep the ethos of the Group strong through solid communication with our employees.

SUPPLIERS AND PROCUREMENT

We commit to maintaining high standards in our work environment through the maintenance of solid relationships with our suppliers.

We strive to make our procurement process as broad based as possible without jeopardising sustainability.

COMMUNITY

Communication channels are kept open at an asset level with relations within the relevant community structures of paramount importance.

Municipal and government relations with duly elected officials are of supreme importance.

CHAPTER 2

BUSINESS REVIEW

Chris Hani Crossing | Gauteng

CHIEF EXECUTIVE OFFICER'S REPORT

One would think that meeting and beating our financial forecasts, made over two years ago, pre-listing and before the rout of the listed property sector, would in itself be the highlight of the year. Growing our DPS at 11.9% within the current economic climate could also have been a contender.

For me personally however, the highlight of the year to date occurred in March 2020, post the closing off of these financials, when a virus forever changed the world we knew.

The galvanising effect that the COVID-19 crisis has had on our team is immense and will forever change the way in which we operate.

Mabopane Square | Gauteng

While this pandemic forced us physically apart, we have seen a unity of our people in ways never before imagined, as we rose to meet the challenge head-on, both on the front lines and within the massive support effort behind them.

We have seen courage and an undying commitment of the human spirit amid the chaos. We have seen incredible dedication, insight and compassion displayed by all members of this tightly-knit team as they rallied to face the pandemic head-on.

One cannot help but feel philosophical and believe that this was somehow "meant to be" - that the massive responsibility of protecting many of our nation's most vulnerable lies in part upon the shoulders of a company born and tempered in the fiery flames of a difficult past.

McCormick Property Development, the company from which Exemplar was born, was established in 1983, to serve the most marginalised communities during the darkest and most oppressive days of our nation's history. Exemplar was then founded and listed on the JSE in 2018, during the worst period for South African listed property in living memory.

The discipline, focus and compassion that form the very foundation of Exemplar's corporate culture serve us well in dealing with the rapidly changing demands of this new crisis and into an uncertain future.

I quote from my report in last year's integrated annual report:

"We remain incredibly optimistic about Exemplar's future and the role that we can play in the future of our nation. Utilising our unique position within our markets, we believe that we have a real ability to generate real, credible and sustainable change.

We look forward to a future that leverages and expands this incredible platform into one that continues to redefine how private enterprise can maximise both commercial and altruistic aims in unison, - proving that such aims are not mutually exclusive, but rather synergistically interdependent."

Never before has that ideology rung as true as it does in these uncertain times. I am incredibly proud of the massive effort undertaken by the entire Exemplar team in our fight against the spread of COVID-19 within our communities.

We have seen selfless dedication by everyone across the Company, doing whatever possible to slow the spread of the pandemic. Beyond just galvanising our team into an intensely coherent unit, the decreased social distance between us and our communities will continue to pay the greatest dividends in the uncertain times to come.

Beyond the COVID-19 experience, one cannot downplay the significance of the financial results that Exemplar achieved in the 2020 financial year. To have recorded solid double-digit growth against the depressed economic backdrop of the year is a resounding testament to the strength of the Exemplar portfolio and the focused dedication of its asset management team.

The acquisition of Katale Square and Mabopane Square in FY2020, with their positive trading figures from the outset, highlights both the strength of the markets in which we operate and the deep understanding of the board of these markets.

It is in times of crisis that the true nature of any people is revealed. I am proud to report that this crisis has revealed men and women of substance and stature within our ranks. People that raised their hands and jumped straight into the trenches to face this new threat head on. Whilst the economic effects of the lockdown have yet to be quantified, I have no doubt that the conduct and performance of our people will continue to be nothing short of exemplar.

JASON MCCORMICK
Chief Executive Officer

CHIEF FINANCIAL OFFICER'S REPORT

Diepkloof Square | Gauteng

FINANCIAL PERFORMANCE

DIVIDEND PER SHARE

I open with what in my view still constitutes the most definitive measurement criteria for a REIT - dividend per share. The only time when this cannot be is when unfavourable circumstances have forced management to prioritise differently in the interests of sustainability of the business. Exemplar has achieved a distribution of 92,27 cents per share for the year ended 29 February 2020 against a forecast of 91,27 cents as reflected in the Prospectus issued in May 2018. In the circumstances, dominated by unfavourable macro-economic conditions, this is remarkable and speaks volumes about the defensive nature of the portfolio as well as the competence of Exemplar's in-house property management team. Detailed below is the calculation of the dividend, which is consistent with that applied in the prior year. At all times, we distribute only sustainable earnings which should also, in our business model, closely approximate cash generated from operations. The method of calculation also accords with the principles laid out in the Best Practice Recommendations, Second Edition, November 2019 of the SA REIT Association ("the BPR") for the calculation of funds from operations, which is designed to indicate a REIT's core earnings.

ACTUAL VS FORECAST RESULTS

R'000	Audited for the 12 months ended 29 Feb 2020	Forecast for the 12 months ended 29 Feb 2020
Property portfolio	727 690	807 409
Rental income and recoveries	744 607	777 127
Straight-line lease income adjustments	(16 917)	30 282
Property operating expenses	(263 117)	(279 329)
Net rental and related income	464 573	528 080
Other income	14 977	11 924
Administrative expenses and corporate costs	(32 837)	(32 550)
Profit from operations	446 713	507 454
Interest income	26 760	20 290
Finance costs	(184 416)	(191 018)
Profit before fair value adjustments	289 057	336 726
Fair value adjustment to investment properties	113 780	(30 282)
Fair value adjustment to derivative financial instruments	(22 822)	-
Profit before taxation	380 015	306 444
Taxation	9 063	-
Total profit for the period	389 078	306 444
Total profit attributable to:		
Equity holders of Exemplar	361 415	296 271
Non-controlling interests	27 663	10 173
Total profit for the period	389 078	306 444

DISTRIBUTABLE EARNINGS RECONCILIATION

R'000	Audited for the 12 months ended 29 Feb 2020	Forecast for the 12 months ended 29 Feb 2020
Profit for the year attributable to equity holders of Exemplar	389 078	306 444
Attributable to non-controlling interests	(27 663)	(10 173)
Fair value adjustment to investment properties	(113 780)	30 282
Non-controlling interest in fair value adjustment to investment properties	15 332	-
Straight-line lease income adjustments	16 917	(30 282)
Non-controlling interest in straight-line lease income adjustments	1 508	-
Finance lease liability adjustment - rent paid	(2 359)	-
Finance lease liability adjustment - interest on finance lease	3 403	-
Non-controlling interest in finance lease liability adjustments	(408)	-
Fair value adjustment to derivative financial instruments	22 822	-
Deferred tax movement	(9 063)	-
Antecedent adjustment	2 590	3 564
Distributable income	298 377	299 835
Shares in issue	325 027 765	328 507 866
Dividend per share for the 12 months (cents)	92,27	91,27

As can be seen above, and notwithstanding the achievement of the forecast dividend per share, trading conditions have been difficult, evidenced by the shortfall in rental income and recoveries of R32,5m. In fairness, a significant proportion of this shortfall, approximately R20m, is due to the later than forecast completion and hence acquisition dates of Katale Square, Mabopane Square and Riba Cross.

The balance of about R12,5m, being 1.7% of rental and recoveries income, is due to lower than expected increases on renewal and in some instances, rental assistance for tenants in distress. The shortfall relative to the forecast was compensated for in lower property operating expenses and finance costs, which are also in part due to later than forecast acquisition dates of Katale Square, Mabopane Square and Riba Cross, as well as a lesser number of weighted average shares in issue. At the date of writing construction of Riba Cross has still not commenced due to an illegal land occupier on the site. However various other projects in the MPD pipeline are well underway, not least of which is the Mall of Tembisa due for completion in or about November 2020, subject to the lifting of the lockdown restrictions, which will more than fill the void. Consistent with the stated intention in the Prospectus, these assets will be acquired by Exemplar subject, of course, to them satisfying the scrutiny of the board.

EXEMPLAR HAS ACHIEVED A DISTRIBUTION OF

92,27c FOR THE YEAR ENDED 29 FEBRUARY 2020 AGAINST A FORECAST OF 91,27 CENTS

11.9% INCREASE IN DPS

MORE THAN 85% A-RATED TENANTS

Investing with us provides a unique and enduring investment opportunity that affords access to a distinctive portfolio of retail assets

AVERAGE BASIC RENTAL THROUGHRATE

R136,58 per m^2

YEAR-ON-YEAR DIVIDEND GROWTH

The results for FY2020 are also favourable when compared to the prior year. Although FY2019 was a nine month period, on an annualised basis FY2020 has seen a growth of 11.9% in dividend per share.

Rand	For the 12 months ended 29 Feb 2020	For the 9 months ended 28 Feb 2019
Total comprehensive income	389 078 298	371 292 253
Distributable earnings adjustments:		
Attributable to non-controlling interests	(27 663 113)	(35 355 568)
Fair value adjustment to investment properties	(113 779 867)	(161 696 795)
Non-controlling interest in fair value adjustment to investment properties	15 331 693	27 338 160
Straight-line lease income adjustments	16 916 602	(13 191 837)
Non-controlling interest in straight-line lease income adjustments	1 508 042	1 510 651
Finance lease liability adjustment - rent paid	(2 358 707)	-
Finance lease liability adjustment - interest on finance lease	3 403 479	-
Non-controlling interest in finance lease liability adjustments	(408 409)	-
Fair value adjustment to derivative financial instruments	22 822 346	3 643 042
Deferred tax movement	(9 063 012)	(1 100 683)
Antecedent adjustment	2 589 600	2 649 954
Distributable income	298 376 951	195 089 177
Dividend per share (cents)	92,27	61,84

Exemplar has a policy of paying dividends twice a year, in June and November, and the dividend history is as follows:

Dividend per share:	Cents	Payment date
For the 3 months ended 31 August 2018	19,10	Nov 2018
For the 6 months ended 28 February 2019	42,74	Jun 2019
For the 6 months ended 31 August 2019	43,77	Nov 2019
For the 6 months ended 29 February 2020	48,50	Jun 2020

COST-TO-INCOME RATIOS

FY2020 has seen a slight increase in the cost-to-income and administrative cost-to-income ratios to 39.7% and 4.4% respectively. Once again, these ratios have been calculated in accordance with the BPR.

Cost-to-income ratio

Rand	For the 12 months ended 29 Feb 2020	For the 9 months ended 28 Feb 2019
Property operating costs	(263 116 528)	(175 410 225)
Administrative expenses and corporate costs	(32 836 476)	(20 744 135)
Operating costs	(295 953 004)	(196 154 360)
Gross rental income and recoveries	744 606 480	504 239 577
Rental income and recoveries	727 689 878	517 431 414
Operating lease equalisation	16 916 602	(13 191 837)
Cost-to-income ratio	39.7%	38.9%
Administrative cost-to-income ratio	4.4%	4.1%

The slight increase is mainly attributable to higher payroll, IT and marketing costs, in this instance, all necessary to ensure a solid base off which to grow the business.

DEBT COSTS

The all-in cost of debt as calculated in accordance with the BPR, including amortised transaction and hedging costs, is 9.16%. The interest rate on approximately 96% of the loan book is fixed. The possible acquisition of Mall of Tembisa, in or about November 2020, subject to the lifting of lockdown restrictions, will be largely debt funded, and at current debt pricing points should see a reduction on our all-in cost of debt to about 8.50% and hedging level to about 74%.

NET ASSET VALUE

Net asset value per share as at financial year-end was R11,01. Both the FY2020 and FY2019 figures have been calculated in accordance with the BPR (FY2019 previously reported as R10,83).

The growth in NAV per share is only 1.85% and is largely a consequence of a minimal increase in the fair values of investment property occasioned by a virtually across-the-board 50bpt increase in capitalisation rates applied in the valuations. The weighted average capitalisation rate has therefore increased from 8.3% to 8.8% and is driven by the valuer's views on riskier macro-economic factors rather than property-specific ones. The property portfolio remains strategically located and defensive.

Net asset value per share

Rand	FY2020	FY2019
Reported net asset value	3 599 008 597	3 463 002 238
Dividend to be declared	(157 633 876)	(136 667 383)
Derivative financial instruments	26 465 388	3 643 042
Finance lease liabilities	26 464 156	32 742 248
Deferred tax liability	85 739 980	94 802 992
	3 580 044 245	3 457 523 137
Shares outstanding	325 027 765	319 739 136
Number of shares in issue at period end	325 027 765	305 871 896
Shares to be issued	-	13 867 240
Net asset value per share	11,01	10,81

LOAN-TO-VALUE RATIO

The loan-to-value ratio (BPR method of calculation) has weakened slightly to 34.3% and is a consequence of the highly leveraged acquisitions of Katale Square and Mabopane Square. We are however comfortable, at these levels and see scope to increase this further to fund potential acquisitions, with the possible acquisition of the Mall of Tembisa increasing our LTV closer to 40%.

Rand	FY2020	FY2019
Financial liabilities	2 062 810 894	1 695 459 448
Cash and cash equivalents (excluding tenants' deposits)	(19 787 145)	(38 220 000)
Net debt	2 043 023 749	1 657 239 448
Carrying amount of property related assets	5 959 651 487	5 407 200 067
Total assets per statement of financial position	6 126 213 395	5 594 906 584
Staff share scheme loans	(45 489 005)	(44 400 471)
Trade and other receivables	(46 924 878)	(47 711 283)
Cash and cash equivalents	(47 683 869)	(62 852 515)
Finance lease liabilities	(26 464 156)	(32 742 248)
Loan-to-value ratio	34.3%	30.6%

TO THE FUTURE

And so to the future. Our second year as a REIT has come and gone and I write this report in the midst of COVID-19 induced national and international lockdowns which may unfortunately distract from the shine that is this exceptional set of results. In truth, the South African economy was languishing for some time before coronavirus struck. There is no doubt however that the situation has been exacerbated and through the lockdowns, massive economic hardship, especially for the poorest, will follow. Quality data regarding the extent of the virus as well as its effects is sadly lacking. Faced by such uncertainty governments around the world have defaulted to a position of human life before financial gain. Unfortunately, in the South African context, financial gain is also (too) often the difference between life and death and so the decision to lockdown and consequently shut down the economy became a double edged sword.

Besides the coronavirus-induced trials and tribulations, there remains concern that Edcon will not survive. It is no secret that Edcon did not pay its suppliers, including landlords, at the end of March and April and on 28 April 2020 entered voluntary business rescue. Our exposure to Edcon is about 2.8% by property revenue. We would obviously endeavour to replace, but this depends on appetite from other prospective tenants.

I therefore face the future and the growth prospects for our business, at least in the short-term, with much concern - brought about, quite simply, by uncertainty. Uncertainty with regard the South African and global economies, uncertainty about the short and long term effects of the coronavirus and the associated lockdowns, and uncertainty as to how retailers will behave in these times where they too are uncertain and therefore default to a risk-off position. And, it almost goes without saying, too much uncertainty to express any views on future financial results.

In such times, which admittedly are unprecedented in my own lifetime, we have no option other than to keep our heads down, remain steadfast and focused on the task at hand. The world and its economies will emerge from this crisis, definitely bruised and shaken, but emerge they will. In the interim we will keep doing what we do well, that is owning, acquiring, operating, and with MPD's help, constructing quality defensive shopping centres in under-serviced markets, and in the process uplifting and improving the lives of the communities in which we operate.

NAV PER SHARE INCREASED BY:

1.85%

NAV PER SHARE AS AT FINANCIAL YEAR END

R11,01

LOAN TO VALUE RATIO OF

34.3%

"We have no option other than to keep our heads down, remain steadfast and focused on the task at hand".

DUNCAN CHURCH
Chief Financial Officer

EXTERNAL OPERATING ENVIRONMENT AND RESPONSES

	OPERATING ENVIRONMENT	OUR RESPONSE
1	Recession (negative economic growth).	• Strict adherence to operating cost management. • Sustained weighting of portfolio with focus on essential goods and services. • Continued focus on strategically located assets which present barriers to entry for competition.
2	Increasing cost of equity. By contrast, debt is cheap, but it is counter-balanced by investor aversion to leverage.	• Early renegotiation of debt facilities with lenders on more favourable terms with extended maturity dates. • Debt-funded acquisitions focused on assets with an opening yield which exceeds our cost of capital. • Equity raise always an option under favourable conditions.
3	Anticipated increased availability of assets for acquisition.	• Disciplined, accretive acquisition strategy with a focus on short-term rental stability together with long-term growth prospects.
4	Increasing public utility costs and deteriorating quality of supply.	• Head of sustainability has been appointed. • Rooftop PV roll-out in process - 1MWp (AC) under construction at Alex Mall and several more centres to follow shortly. • LED and natural lighting being retrofitted across older malls. • Intelligent building management systems being investigated. • Boreholes and sewerage plants being licensed and installed across portfolio - five licenced and operational with nine in process.
5	Increasing community activism and riot threats to assets due to socio-economic pressures.	• Disaster management plans with full lockdown protocol in place. • Strong community focus with social and humanitarian initiatives in place. • Building stronger relationships with local Community Policing Forums, SAPS and Public Order Policing.
6	Retailers under pressure due to recessionary economy and lower consumer confidence.	• Constant monitoring and adjustment of tenant mix profiles in all malls. • Increasing essential goods, service and health and beauty offerings. • Working closely with retailers to ensure sustainability of their business models through rental deferment and rebates where this is justified and in the interests of minimising our potential loss.
7	Retailers constantly looking for lower rentals, irrespective of rent/turnover ratios.	• Constant monitoring of rent to turnover and occupation cost ratios. • Introduction of heat mapping to identify any problematic foot traffic areas per asset and addressing this accordingly. • Strategic intent to become self-sufficient in terms of utilities and costs.
8	Retailers delaying renewals and remaining on month-to-month agreements beyond lease expiry dates.	• Updating of leases to include automatic escalation at lease expiry date.
9	Corporate failure of tenants.	• Active sourcing of potential replacement tenants in advance wherever no waiting list exists.
10	COVID-19.	• Refer to the next page of the IAR for an overview of our response to COVID-19.

RESPONSE TO COVID-19

Although FY2020 closed off without significant impact of COVID-19 on the operations of the Exemplar portfolio, the significant shift since then demands that we discuss it within this IAR as it will undoubtedly have a bearing as we move into a "new normal" within the periods to come.

From the outset, we need to note that the speed at which the COVID-19 pandemic spread caught most countries and businesses off guard. With Exemplar's position, owning 22 shopping malls and managing a further five across some of the most densely populated areas of South Africa, we were under no illusion of what effect a delayed response from our side could result in across our markets.

As such, we are proud to report that our response to the pandemic was immediate and decisive. Each and every change in protocol was made based on the latest available information, with protocol reviews conducted daily and protocols revised in response to both updated information and operational challenges on site.

As in any rapidly-evolving crisis, the need for immediate and decisive decision making is critical, even in the knowledge that the information at hand is often incomplete or subject to change. We took the view that it would be more dangerous to wait for further information or clarity on government regulations before instituting what we felt was in the best interests of our communities, tenants and on-site staff.

At the beginning of March 2020, we realised that the threat of COVID-19 reaching into our markets was all too real and as such, we formulated a step-by-step plan for the responses in a (rapidly evolving) fashion.

1) COVID-19 education and awareness
2) Social distancing and sanitising
3) Medical response
4) Humanitarian aid

We allocated 100% of our marketing budget towards our on-site response.

SOCIAL DISTANCING

Prior to COVID-19 reaching our shores, we commenced with "social distancing" campaigns that included:

- installation of floor decals to denote "safe space distancing" at all queueing areas;
- the introduction of our novel concept of "trolley distancing", forcing all shoppers to space themselves with trolleys from the entrance of our properties;
- shutting our malls to vehicular traffic to better control the massive crowds at our gates;
- demarcating parking lots to accommodate switchback queueing systems ("S-Queues") throughout our parking lots, using the parking bays as spacing markers - an absolute necessity to handle the tens of thousands of people that were descending on our malls;
- allowing queues, set as early as 4am, to continue beyond the gates (sometimes up to 2kms long beyond our property entrances). These organised queues allowed us to institute numerous other COVID-19 countermeasures across the portfolio, including education and awareness, sanitisation and mask distribution.

SANITISATION

- Additional deep cleaning regimes were instituted across all our properties;
- hand sanitising stations were established at all mall entrances in addition to the hand sanitising at the operational stores;
- self-manufactured and installed "emergency" handwashing stations were introduced, with required coaching on proper handwashing protocols; and
- piloting of "sanitising mist tunnels" conducted at Alex Mall.

Without a doubt one of our most ambitious projects was the "#MasksforGood" campaign (inspired by the Czech "Masks4All" campaign) launched at Alex Mall on Good Friday, 10 April 2020.

The initiative included the following:

- mask-wearing was identified as a way to reduce viral load and COVID-19 risk within the township and rural communities;
- initiated whilst WHO and SA Government's official stance remained against universal mask-wearing;
- township and rural sewing enterprises were empowered to produce reusable (medical grade material) face masks which were then donated into the communities within which we operate;
- material and patterns were provided to the sewing enterprises with completed masks being bought back by Exemplar, injecting liquidity into the local economy, whilst assisting efforts to slow the spread of the virus; and
- sewing patterns and instruction videos were shared with other REITs operating within the lower-income areas. We are pleased to report that they too undertook similar initiatives within their own areas.

HUMANITARIAN AID

The visibly-escalating desperation of the many hand-to-mouth citizens of the communities within which we operate demanded a response.

Highlighting the agility of Exemplar and its management team, we launched the "One People Fund", (a partnership between Exemplar, Capstone Property Group and the Click Foundation) on 23 April 2020, in just over a week of planning. The response to this initiative was overwhelming and humbling for all those involved, with food for 100 000 meals handed out to the township communities on day one and food for a million meals within its first five weeks. At the time of writing, One People Fund has raised enough funding for over 5,5 million meals for those most in need.

Exemplar remains an organisation that places its communities front and centre in all its operations and we are incredibly proud of the massive efforts undertaken by all our management and operational teams to protect our communities from the COVID-19 pandemic.

At the time of writing, the country remains under lockdown and we are yet to fully understand the extent and timing of the peak infection rate. We are however confident that the agility and deep commitment displayed by the Exemplar people to date will continue to play a massive role in the fightback against this new threat, while connecting us ever closer to our communities.

INVESTMENT AND GROWTH STRATEGY

Given the state of both the global and local economy, Exemplar remains incredibly disciplined in terms of its capital allocation and investment strategy.

The unstable state of the local economy has the potential to provide opportunities for the best managed REITs, through an increased availability of individual assets for sale.

We furthermore expect an increase in merger and acquisition activity on the corporate front, as weaker portfolios struggle to navigate the trying times post COVID-19 and the resulting lockdown period.

Favourable interest rates may allow an opportunity for Exemplar to both leverage its balance sheet and asset management teams to acquire properties or portfolios with strong turnaround potential.

However, our primary focus in the first half of FY2021 will be ensuring the sustainability of our existing portfolio. We will identify and implement effective strategies to cope with the regeneration of the retail landscape as we continue to deal with the impact of COVID-19.

Despite the uncertainty that the virus may bring, Exemplar still sees significant potential for further investment within our specific niche markets that will continue to deliver long-term growth for our shareholders.

SUSTAINABILITY

It is our vision to make each individual asset within our portfolio as self-sufficient as possible with the aim of increasing security of supply while potentially lightening the cost burden of such utilities on our tenants.

The cumulative cost of government-supplied utilities and rates and taxes along with grave concerns about the security of supply of such utilities, have become the driving force behind our sustainability policies.

We have modelled rooftop PV installations across the entire portfolio, and have no doubt that investment into the installation of such systems will have a positive effect on both the sustainability of our business model, and its effect on the environment.

The installation of a 1MWp (AC) system at Alex Mall is currently underway, and is expected to yield an internal rate of return in excess of 30%, with a potential annual carbon offset of 38 000 tons.

It is expected that the majority of the installations across the portfolio will be completed during FY2021 and FY2022.

Once complete, these systems are expected to yield a total capacity of 18,8 MW and annual carbon offset of over 700 000 tons and will play a leading role in the sustainability efforts being undertaken at Exemplar.

CHAPTER 3

CORPORATE GOVERNANCE

Emoyeni Mall | Mpumalanga

CORPORATE GOVERNANCE REVIEW

The board of directors is committed to upholding good ethical standards and leading the Company in the best interests of its stakeholders. The board is committed to achieving the highest standards of corporate governance in accordance with King IV, as this is key to creating sustainable value for the Company's stakeholders. The board assumes responsibility for being the custodian of governance in the Company.

SHAREHOLDERS

BOARD

AUDIT AND RISK COMMITTEE

REMUNERATION COMMITTEE

SOCIAL AND ETHICS COMMITTEE

EXECUTIVE MANAGEMENT

COMPOSITION OF THE BOARD

The board consists of three executive directors and four non-executive directors, all of whom are independent. The categorisation of the independent directors as independent is done in accordance with King IV. In line with best practice, the chair of the board does not chair the remuneration committee. The executive directors include the CEO and the CFO. Refer to pages 18 to 21 of the IAR for a brief curriculum vitae of each director. There is a clear and appropriate balance of power and authority at board level, to ensure that no one director has unfettered powers of decision-making.

POLICY ON THE PROMOTION OF BROADER DIVERSITY AT BOARD LEVEL

The board recognises that diversity of skills, experience, gender, race, background, knowledge, thought and culture strengthens the board's ability to effectively carry out its duties and add value to the Company. In accordance with King IV, the board has adopted a formal policy on the promotion of broader diversity at board level. The board promotes transformation at board level and will, in any new board appointment, consider broader diversity in determining the optimum composition of the board and, if possible, will be balanced appropriately. The current directors have a wide range of skills, including financial, accounting, legal and property experience and knowledge. The board's diversity in skills, knowledge, qualifications and experience allows for enhanced decision making. The board is satisfied that the knowledge, skills and experience of the directors is appropriate to meet the objectives of the Company.

BOARD MEETINGS

The board formally meets every quarter or four times per year and, if required, more often. The directors and their attendance at board meetings for FY2020 follow:

Board members	**Meetings attended**
Jason McCormick (CEO)	4/4 meetings 100%
Duncan A Church (CFO)	4/4 meetings 100%
John McCormick (Executive director)	4/4 meetings 100%
Frank M Berkeley (Chair)	4/4 meetings 100%
Peter J Katzenellenbogen (Lead independent director)	4/4 meetings 100%
Gregory VC Azzopardi (Independent non-executive director)	4/4 meetings 100%
Elias P Maponya (Independent non-executive director)	3/4* meetings 75%

**With prior apology*

APPOINTMENT AND ROTATION OF DIRECTORS

Appointments to the board are made formally and transparently and as described in the board charter. Any director appointed by the board during the year shall have their appointment confirmed by shareholders at the general meeting following their appointment. In terms of the Company's memorandum of incorporation, one-third (or the number nearest to one-third) of the executive directors and one-third (or the number nearest to one-third) of the non-executive directors are required to retire annually, and are subject to re-election, at the Company's AGM. All seven current directors were appointed on 17 January 2018. Accordingly, the board recommends the re-election of the following retiring directors: Frank M Berkeley, Gregory VC Azzopardi and John McCormick as per the notice of AGM commencing on page 133 of this IAR.

FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The board's functions are summarised in a charter which embraces King IV's principles of good governance. The charter sets out the board's role, requirements for composition, meeting procedures, as well as the role of the chair and lead independent director. It also deals with matters such as corporate governance, declarations of conflict of interest, induction, training and evaluation of directors. The board's functions include, inter alia, the following:

- assuming ultimate responsibility for the performance and affairs of the Company;
- approving the Company's strategy;
- promoting the legitimate interests of the Company and its stakeholders in a manner that is both ethical and sustainable;
- acting as the custodian of corporate governance;
- ensuring compliance with applicable laws and regulations;
- ensuring the integrity of the Company's external reports; and
- assuming responsibility for the governance of risk in the business.

The board is satisfied that it has, during FY2020, fulfilled its responsibilities in accordance with the board charter.

INFORMATION AND PROFESSIONAL ADVICE

Directors can obtain independent professional advice at the Company's expense for the proper execution of their responsibilities. Any director has access to any Company documentation, member of management or staff at any time. They also have unrestricted access to the services of the company secretary.

CONFLICTS OF INTEREST

At the beginning of a board meeting, directors are required to inform the board of any conflict of interest regarding any agenda item. They are required to recuse themselves from any discussion and decision where they have an interest. In addition, in terms of section 75 of the Companies Act, registers are maintained of individual director's interests in and outside the Company. Such registers are circulated at board meetings.

TRADING IN EXEMPLAR SHARES

Directors' dealings in the Company's securities are subject to the Company's policy on dealing in securities and price-sensitive information, which prohibits directors and relevant employees from using their position or confidential or price-sensitive information to achieve a benefit for themselves or any related parties. The policy also prohibits directors and relevant employees from dealing in any securities during closed periods as defined in the JSE Listings Requirements. The company secretary informs directors of insider trading legislation and closed periods. All directors and relevant employees require clearance before trading in the Company's shares. Prior clearance to trade must be obtained from the chair of the board and the company secretary retains a record of all such share dealings. Accordingly, the policy sets out to ensure that any dealing in securities takes place in compliance with the JSE Listings Requirements and the Financial Markets Act.

EVALUATION OF BOARD AND DIRECTORS' PERFORMANCE

An evaluation of the board, its committees and individual directors, is performed every year. In respect of FY2020, an internal assessment was undertaken through questionnaires which cover all areas of the board's and committees' responsibilities. The questionnaires are also utilised for communicating personal observations regarding any strengths and areas which may require improvement.

THE COMPANY SECRETARY

All directors have access to the advice of the company secretary, Ananda Booysen, who is responsible for the duties set out in section 88 of the Companies Act and provides professional corporate governance services and guidance to the board and individual members on properly discharging their responsibilities. In accordance with King IV and the JSE Listings Requirements, the board carried out an annual evaluation of the company secretary. The board is satisfied that the company secretary has the required competence, qualifications, skills, knowledge and experience to fulfil the role. The company secretary is a full-time employee, but is neither a director nor a public officer of the Company, and maintains an arms-length relationship with the board and individual directors. The company secretary has unfettered access to the board, has a direct channel of communication to the chair of the board, and reports to the board via the chair. Regarding other duties and administrative matters, the company secretary reports to the CEO.

CHAIR

There is a clear distinction between the functions of the chair and CEO and they operate independently of each other. The chair of the board, Frank M Berkeley, is an independent non-executive director and his responsibilities include leading the board ethically and effectively and acting as the link between the board and the CEO.

CEO

In his capacity as the CEO, Jason McCormick is responsible for the day-to-day management of the Company. He is in regular contact with the chair of the board and acts as the liaison between the board and management. In terms of his service agreement with the Company, he has a one-month notice period.

LEAD INDEPENDENT DIRECTOR

Peter J Katzenellenbogen is the lead independent director and was appointed as such in accordance with the recommendations in King IV. His functions include leading in the absence of the chair or where the chair's independence is considered impaired and serving as a sounding board for the chair.

BOARD COMMITTEES

To assist the board in fulfilling its responsibilities, the board delegates some of its duties to its committees. Accordingly, the committees assist the board in discharging its duties and in the overall governance of the Company, while overall responsibility remains with the board. The board ensures that its arrangements for delegation within its structures promote independent judgment and assist with the balance of power and the effective discharge of duties. Every committee has a board-approved charter which sets out the committee's duties, composition, meeting procedures and the like. Each committee charter is reviewed annually, updated where necessary, and aligned with King IV and the JSE Listings Requirements. Every director is entitled to attend any committee meetings as an observer. Notwithstanding the aforementioned, after each committee meeting, the chair of the committee reports back to the board and the minutes of all committee meetings are made available to all directors. In other words, the committees report to the board, on a continual basis, on their deliverables in accordance with their charters. Accordingly, there is full transparency and disclosure between the committees and the board.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is appointed by the board and approved by the shareholders annually at the Company's AGM. The Audit and Risk Committee consists of three independent non-executive directors. The board is satisfied that each member of the committee has adequate, relevant knowledge and experience to equip the committee to perform its functions, as required in terms of the Companies Act. A brief curriculum vitae of each committee member is available from pages 18 to 21 of the IAR. The Audit and Risk Committee meets at least three times per year, with meetings scheduled in line with the Company's financial reporting cycle, and special meetings convened when required. The Audit and Risk Committee's full report commences on page 63 of this IAR.

Members	Meetings attended
Peter J Katzenellenbogen (Chair)	3/3 meetings 100%
Frank M Berkeley	3/3 meetings 100%
Elias P Maponya	3/3 meetings 100%
Other regular meeting attendees (by invitation)	Executive directors, group financial manager, representatives from the external auditor

REMUNERATION COMMITTEE

The Remuneration Committee is appointed by the board and consists of three independent non-executive directors. Specific members of management are invited to attend the committee's meetings to report back on relevant issues. The Remuneration Committee is responsible for ensuring that the Company remunerates fairly, responsibly and transparently. The Remuneration Committee meets at least twice per year and special meetings are convened when required. The remuneration report commences on page 52 of the IAR.

Members	Meetings attended
Gregory VC Azzopardi (Chair)	2/2 meetings 100%
Frank M Berkeley	2/2 meetings 100%
Peter J Katzenellenbogen	2/2 meetings 100%
Other regular meeting attendees (by invitation)	Executive directors, group financial manager

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee is a statutory committee established in terms of section 72 and regulation 43 of the Companies Act. The committee is appointed by the board and consists of two independent non-executive directors and one executive director. Specific members of management are invited to attend the committee's meetings to report back on relevant issues. The Social and Ethics Committee is responsible for ensuring that the Company is a good corporate citizen. The Social and Ethics Committee meets at least twice per year and special meetings are convened when required. The Social and Ethics Committee's full report is available on pages 48 and 49 of the IAR.

Members	Meetings attended
Elias P Maponya (Chair)	1/2* meetings 50%
Gregory VC Azzopardi	2/2 meetings 100%
Jason McCormick	2/2 meetings 100%
Other regular meeting attendees (by invitation)	Head of human resources and marketing, head of communications, head of group operations

**With prior apology*

KING IV APPLICATION REGISTER

The board is of the opinion that the Company has complied with the guidelines set out in King IV in respect of FY2020, including the mandatory corporate governance requirements of the JSE Listings Requirements. An overview of the principles and their application follows:

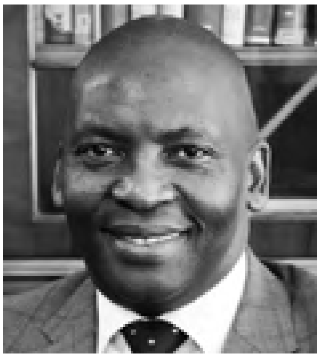
	KING IV PRINCIPLE	APPLICATION OF PRINCIPLE
1	The governing body should lead ethically and effectively.	The board of directors individually and collectively cultivate and exhibit integrity, competence, responsibility, accountability, fairness and transparency in their conduct. The board leads the Company in a manner that is responsible, accountable, fair and transparent to ensure the Company's good performance and legitimacy. The board embodies the values set out in the Company's code of conduct and ethics. Board effectiveness, as well as individual board member's performance, is reviewed annually. These assessments ensure that the board is held accountable for ethical and effective leadership.
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The board sets the tone from the top by overseeing and monitoring the Company's ethics, while the implementation and enforcement of the Company's code of conduct and ethics has been delegated to management. The board bears ultimate responsibility for the Company's ethical culture. The board recognises its role to set the tone for an ethical culture in which all employees adopt ethical values. The code of conduct and ethics includes a whistle-blowing policy, the details of which are available on the Company's website. Refer to the report of the Social and Ethics Committee, which has oversight of the Company's ethics, on pages 48 and 49 of the IAR.
3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Company strives to be a good corporate citizen by operating its business in a sustainable manner. The board acknowledges the Company's responsibility to each of its stakeholders. The board recognises the importance of sustainability. As such, the Company has employed a permanent resource as head of sustainability to manage sustainability initiatives to be undertaken by the Company. One of the projects currently underway is the roll-out of solar PV across the portfolio. The Social and Ethics Committee monitors and assesses the Company's activities with regard to good corporate citizenship. Management reports to the committee on matters relating to employment equity, the prevention of unfair discrimination and corruption, and the contribution of the Company to the communities in which it operates.

	KING IV PRINCIPLE	APPLICATION OF PRINCIPLE
4	The governing body should appreciate that the organisation's core purpose; its risks and opportunities, strategy, business model, performance and sustainable development are all integral elements of the value creation process.	The board assumes responsibility for the performance of the Company and determines its core purpose and strategy. The board meets its objectives by setting values, promoting high standards of corporate governance, approving policies and objectives and ensuring that obligations to its shareholders and other stakeholders are understood and met. The board maintains strong adherence to the principles of corporate governance and long-term sustainability. The board considers risks and opportunities at every board meeting and how these impact on the Company creating value for its stakeholders. The board also considers the strategy prepared by management and makes decisions with regard to potential acquisitions or disposals of properties by the Company.
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long term prospects.	The board is committed to providing accurate, relevant and timeous information to the Company's stakeholders. Through its Audit and Risk Committee, the board assesses the integrity of all external reports and ensures that all communication is transparent, accurate and relevant. The Audit and Risk Committee oversees that the IAR and AFS comply with legal requirements.
6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The board believes that good governance contributes to value creation in the short, medium and long term and regards good governance as fundamental to the sustainability of the Company. The board is the custodian of corporate governance and manages the Company's relationship with its stakeholders along sound corporate governance principles. The board also ensures accountability for the Company's performance through reporting and disclosures. The board is committed to complying with all applicable legislation and regulations, King IV, and the JSE Listings Requirements, and always acting in the best interests of the Company. Board meetings are held at least quarterly and corporate governance is a standing item on every meeting's agenda. Board members accordingly regularly receive information and updates on regulatory and governance matters.
7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The composition of the board is aligned to King IV recommendations with regard to the mix of executive, non-executive and independent directors. The board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence for it to effectively discharge its role and responsibilities and believes that the diversity in its membership promotes better decision-making and effective governance. Exemplar does not have a nominations committee and the board itself is responsible for ensuring that it appoints sufficient directors with an appropriate mix of skills and knowledge. The board shall decide on any new appointments to the board, subject to shareholder approval. The process shall be formal and transparent. No directors have resigned and no new directors have been appointed in FY2020. For further information regarding the composition of the governing body, refer to the corporate governance review which commences on page 37 of the IAR.

	KING IV PRINCIPLE	APPLICATION OF PRINCIPLE
8	The governing body should ensure that its arrangements for delegation within its structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	The board delegates some of its duties and functions to its board committees, without abdicating its own responsibilities. The committees promote independent judgment and assist the board to discharge its duties effectively. The details regarding each committee's role and responsibilities, composition, meetings held and areas of focus in respect of FY2020, is disclosed in the corporate governance review commencing on page 37 and each committee report commencing on pages 48, 52 and 63, respectively.
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its members, support continued improvement in its performance and effectiveness.	In respect of FY2020, an internal evaluation of the board, its committees and individual directors was performed through questionnaires. The outcome of all performance evaluations was satisfactory. The board is satisfied that the evaluation process is improving its performance and effectiveness. Training and development needs are discussed on a continual basis and implemented where necessary.
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Via the delegation of authority framework, the board delegates authority to executive and senior management to manage the day-to-day business activities and affairs of the Company. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. The delegation of authority framework is reviewed annually to ensure that the limits remain appropriate.
11	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	While the board has ultimate responsibility for the governance of risk, this function has been delegated to the Audit and Risk Committee. The committee advises and assists the board in respect of overseeing risk governance and by setting the direction for how risk should be approached and addressed within the Company. A risk register is maintained and tabled for discussion at Audit and Risk Committee meetings, after which it is presented to the board. For more information, refer to the risk management report which commences on page 57 of the IAR.
12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	While the board has ultimate responsibility for the governance of technology and information, this function has been delegated to the Audit and Risk Committee. The board is conscious of the risks of protecting information and intellectual capital. The Audit and Risk Committee also provides assurance that technology and information governance is in place and is effective. The board confirms that processes are in place to ensure the integrity and safeguarding of information. Management is responsible for the implementation of technology and information governance by ensuring that data is protected, accurate, and easily accessible to staff. The Company's technology and information policy sets out the Company's direction on the employment of technology and information.

	KING IV PRINCIPLE	APPLICATION OF PRINCIPLE
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	The board recognises the essential role that compliance with applicable laws and regulations plays in the governance and sustainability of the Company. While the board bears ultimate responsibility for compliance governance, this function has been delegated to the Audit and Risk Committee. The Company's compliance governance policy sets out the Company's direction on how compliance is approached. The head of each department or business unit in the Company is required to ensure compliance with such laws, rules and regulations that apply to their respective department or business unit. The Company submits to the JSE, on an annual basis, its REIT compliance declaration and annual compliance certificate confirming its compliance with the JSE Listings Requirements. The board further confirms compliance with the provisions of the Companies Act and that it is operating in conformity with its memorandum of incorporation. The Company has received no sanctions or fines for contraventions of, or findings of non-compliance with, any statutory obligations.
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Responsibility for remuneration governance has been delegated to the Remuneration Committee, but the board bears ultimate responsibility therefor. In terms of the Company's remuneration policy, remuneration must be fair, responsible and transparent to attract, motivate, reward and retain human capital and to promote responsible corporate citizenship. In accordance with King IV, both the remuneration policy and the implementation report will be tabled for separate non-binding advisory votes by shareholders at the AGM. The disclosure of remuneration in the remuneration report is intended to be completely transparent and understandable. Refer to the remuneration report which commences on page 52 of this IAR.
15	The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Audit and Risk Committee is responsible for setting the direction concerning the arrangements for assurance services and functions and for assessing the quality and integrity of the Company's external reports. Various forms of assurance are in place, including oversight by executive and senior management, oversight by the board and committees, and oversight by the external auditors. During FY2020, the Company has also appointed an internal auditor who will focus on specific projects in the next financial year. The Audit and Risk Committee is satisfied that the Company's current assurance systems are functioning effectively.
16	In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Through its stakeholder engagement policy, the board sets the direction for how stakeholder relations should be approached. The board strives to always provide stakeholders with accurate, complete, timely and relevant information and ensures that each relationship is treated with respect, integrity and honesty. The Company encourages proactive engagement and communication with stakeholders through various channels and platforms. The executive directors have an open door policy and regularly engage with employees and tenants. The Company's website is widely used to disseminate information to shareholders and in general the Company encourages all shareholders to attend its AGM, where the board will be available to respond to shareholders' queries. The board also values the importance of the communities in which the Company operates.

SOCIAL AND ETHICS COMMITTEE REPORT



The Social and Ethics Committee has pleasure in submitting its report for the financial year ended 29 February 2020.

FUNCTION AND COMPOSITION OF THE COMMITTEE

The Social and Ethics Committee is a statutory committee established in terms of section 72 and regulation 43 of the Companies Act. The committee's functions include the statutory duties prescribed in the Companies Act as well as those described in King IV. The committee has adopted a charter which sets out its responsibilities. The charter was reviewed, updated and approved by the board in January 2020. The committee's responsibilities include, inter alia, monitoring organisational ethics, sustainable development, stakeholder relationships, and the Company's activities having regard to relevant legislation, other legal requirements or codes of best practice specifically relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment, thereby ensuring that the Company conducts its business in a socially and ethically responsible manner.

The committee is appointed by the board and comprises of the following two independent non-executive directors and one executive director:

- Elias P Maponya (Chair)
- Gregory VC Azzopardi
- Jason McCormick

Specific members of management are invited to attend the committee's meetings to report back on relevant issues. The committee meets at least twice per year and special meetings are convened when required. Disclosure of attendance of its meetings is set out on page 43 of the corporate governance review forming part of this IAR.

In terms of the committee charter, the performance of the committee and its members is assessed on an annual basis. The assessment takes the form of a questionnaire which is independently completed by each committee member. The outcome of the current evaluation was satisfactory and no matters of concern were raised.

HIGHLIGHTS AND ACTIVITIES OF THE COMMITTEE DURING FY2020

In the 2020 financial year, we focused on the following:

ORGANISATIONAL ETHICS

The committee reviewed the Company's code of conduct and ethics. The Company had, in FY2019, implemented a fraud and ethics hotline operated by Whistle Blowers, whereby any person may anonymously report unethical conduct at the Company. In an attempt to monitor adherence to the Company's code of conduct and ethics, the committee has continuously monitored the fraud and ethics hotline.

B-BBEE AND EMPLOYMENT EQUITY

The committee has oversight and continues to monitor the Company's progress made against its targets contained in its employment equity plan. The employment equity committee has informed this committee that it is confident that these targets will be reached. The annual employment equity report was submitted timeously to the Department of Labour.

The Company contracts with mainly B-BBEE entities to render services at its shopping centres as it is committed to uplifting the local communities within which its shopping centres are situated. With regard to its B-BBEE status level, the Company is currently non-compliant, but has appointed and is working closely with a B-BBEE consultant in respect of FY2021 to assist it in its endeavours to become level 8 or higher. The current annual compliance certificate appears on page 50 and is available on www.exemplarREIT.co.za.

LABOUR AND EMPLOYMENT

In 2019, the Company employed an intern as an assistant marketing manager. With regard to training, the centre-based staff have completed a comprehensive annual training course.

STAKEHOLDER RELATIONSHIPS

The committee reviewed, updated and recommended a revised stakeholder engagement policy for approval by the board. The Company remains committed to treating each stakeholder with respect, integrity and honesty, and to providing each stakeholder with accurate information. Refer to the stakeholder interaction insert on page 22 of this IAR.

CORPORATE SOCIAL INVESTMENT (CSI)

The Company continues to acknowledge the vital role of the communities within which its assets are based. Investing skills, knowledge and funds within these communities is of paramount importance and remains a top priority. CSI for the Exemplar portfolio continues to run through ChangeforGood.co.za, and to date, a total contribution of R15 291 738 has been made to various beneficiaries throughout the five provinces in which we operate.

An initiative established in 2018, ChangeforGood.co.za aims to change cultural mindsets to help companies and individuals see the importance of helping others. Campaigns are run at an asset level but do require budget approval from head office level. Each centre is responsible for nominating relevant beneficiaries and implementing the onsite campaigns. Across the portfolio of 22 centres, 54 initiatives were undertaken in the period under review. ChangeforGood.co.za campaigns included housing donations, back to school donations, Mandela Day activities and sanitary pad donations. For an overview of the initiatives that took place, visit www.changeforgood.co.za.

ENVIRONMENT, HEALTH AND PUBLIC SAFETY AND SUSTAINABLE DEVELOPMENT

The Company remains very cognisant of sustainability.

- PV solar power system
  The Company has employed a head of sustainability to manage sustainability initiatives to be undertaken by the Company and one of the projects currently underway is the roll-out of solar PV across the entire portfolio. This is done in an effort to become less reliant on municipal electricity supply.
- Compliance with the Occupational Health and Safety Act
  The head of group operations ensures that health and safety issues are prioritised. Exemplar is committed to remaining current with legislation and industry codes of good practice. Our health and safety representatives are adequately equipped through annual training provided. During the year under review, no major incidents were reported.

CONCLUSION

The committee is satisfied that it has discharged all of its responsibilities in accordance with its charter for the period under review.

ELIAS P MAPONYA
Chair: Social and Ethics Committee

B-BBEE COMMISSION

Broad-Based Black Economic Empowerment Commission

Compliance Report by Companies Listed on the Johannesburg Stock Exchange (JSE)

(in terms of Section 13G (2) of the Act)

Case Number

FORM BBBEE 1

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation	Exemplar REITail Limited
Registration Number	2018/022591/06
Physical Address	Sokatumi Estate, Corner of Lyttelton and Leyden Avenue, Clubview, Centurion
Telephone Number	012 660 3020
Email Address	matthew@exemplarreit.co.za
Indicate Type of Entity / Organisation	Real Estate Investment Trust
Industry / Sector	Property
Relevant Code of Good Practice	Amended Property Sector Code
Name of Verification Agency	Authentic Rating Solutions
Name of Technical Signatory	Mariska Harding

SECTION B: INFORMATION AS VERIFIED BY THE BROAD-BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONAL AS PER SCORECARDS

B-BBEE Elements	Target Score Including	Bonus Points	Actual Score Achieved
Ownership	e.g. 25 points		0
Management Control	e.g. 19 points		0
Skills Development	e.g. 20 points		0
Enterprise and Supplier Development	e.g. 40 points		0
Socio-Economic Development	e.g. 5 points		0
Total Score	e.g. 109 points		0
Priority Elements Achieved	YES / NO and specify them	NO	
Empowering Supplier Status	YES / NO and specify them	NO	
Final B-BBEE Status Level	Non- Compliant		

*indicate how each element contributes to the outcome of the scorecard

SECTION C: FINANCIAL REPORT

1. **BASIC ACCOUNTING DETAILS:**

a. Accounting Officer's Name:	Sonia Vorster
b. Address:	Sokatumi Estate, Corner of Lyttelton and Leyden Avenue Clubview, Centurion

c. Accounting Policy: *(Your accounts are done?)*

Weekly	Monthly	Other (specify)
	x	

d. Has the attached Financial Statements and Annual Report been approved by the entity?	YES

2. **PLEASE ATTACH THE FOLLOWING:**

i) Copy of Annual Financial Statement including Balance Sheet and Income and Expenditure Report.	Attached
ii) Annual Report	Attached

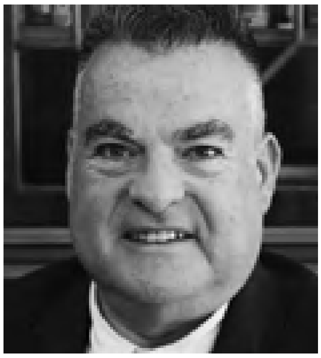
3. Entity Annual Turnover: **R** 744 607 000

4. **Sign-off and Date**

Signature	Date
	29 May 2020

REMUNERATION REPORT

The Remuneration Committee has pleasure in submitting its report for the financial year ended 29 February 2020. The committee considered King IV in compiling this report.



The Remuneration Committee provides oversight and makes recommendations on remuneration-related issues to the board for its final approval. Specifically, the responsibilities of the Remuneration Committee include recommending policies that ensure that the Company remunerates fairly, responsibly and transparently, ensuring that the Company remunerates directors fairly and responsibly in the context of overall employee remuneration in the Company, reviewing the Company's share purchase plan, and ensuring that the remuneration report and the disclosure of director remuneration is accurate, complete and transparent.

The responsibilities of the committee have been codified in the committee charter. The charter was reviewed, updated and approved by the board in January 2020. In terms of the charter, the performance of the committee and its members is assessed on an annual basis. The assessment takes the form of a questionnaire which is independently completed by each committee member. The outcome of the current evaluation was satisfactory and no matters of concern were raised. The committee is satisfied that it has discharged all of its responsibilities in accordance with its charter in respect of FY2020.

During FY2020, and in line with the recommendations of King IV, the committee comprised the following three independent non-executive directors:

- Gregory VC Azzopardi (Chair)
- Frank M Berkeley
- Peter J Katzenellenbogen

Attendance at the committee meetings is set out in the corporate governance review which forms part of this IAR. The board of directors elects members of the committee annually.

In accordance with King IV, this report consists of three parts, namely a background statement, an overview of the remuneration policy, and an implementation report.

In FY2021, the committee will continue to focus on the attraction and retention of high-calibre employees and ensuring that the Company remunerates fairly, adequately and responsibly.

PART 1: BACKGROUND STATEMENT

The committee oversees the development of Exemplar's remuneration policy, which is ultimately approved by the board. In FY2020, the committee focused on the following:

- reviewing, updating and recommending the remuneration policy for approval by the board of directors;
- reviewing the implementation of the remuneration policy;
- the increase in remuneration of executive directors was discussed, an increase of 4% was proposed and approved by the board in respect of the period June 2020 to May 2021;
- the increase in fees of non-executive directors for FY2021 was discussed, an increase of 4% was proposed and will be tabled for approval by the shareholders at the AGM;
- the development of key performance indicators for executive directors was discussed, a consultant was appointed in order to assist with the development of key performance indicators and these will be implemented in the following financial year; and
- approving the bonus pool quantum for cash bonuses paid in December 2019.

The committee is satisfied that the remuneration policy has achieved its objectives, that it is aligned with best practice, and that its application will lead to sustained value for all stakeholders. Nevertheless, the committee continuously aims to improve the Company's remuneration practices. The Company is committed to engaging shareholders on its remuneration policy. In accordance with King IV and the JSE Listings Requirements, the remuneration policy and the implementation report will be put to non-binding advisory shareholder votes at the upcoming AGM. Should either the remuneration policy or the remuneration implementation report be voted against by shareholders exercising 25% or more of the votes exercised, the Company will engage with shareholders to address legitimate and reasonable concerns raised on the remuneration policy and remuneration implementation report.

At the AGM held on 16 July 2019, shareholders considered the remuneration policy and implementation report in respect of FY2019. Both the remuneration policy and the remuneration implementation report voted on received 100% approval.

In FY2021, the committee will continue to focus on the attraction and retention of high-calibre employees and ensuring that the Company remunerates fairly, adequately and responsibly.

PART 2: OVERVIEW OF THE REMUNERATION POLICY

The Company's remuneration policy and remuneration philosophy remained largely unchanged during FY2020.

The purpose of the remuneration policy is to articulate and give effect to the Company's direction on fair, responsible and transparent remuneration that achieves the Company's objectives of rewarding and retaining talented employees, promoting positive outcomes, an ethical culture and responsible corporate citizenship.

Remuneration comprises three elements, namely a total guaranteed package, a short-term incentive, and a long-term incentive. The policy is applicable to all employees, including the executive directors.

The remuneration policy is based on the following objectives:

- to ensure that the Company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term;
- remuneration is aligned to the overall business strategy, objectives and values of the Company, and the interests of its shareholders;
- executive remuneration is fair, equitable and responsible in the context of overall employee remuneration within the Company;
- incentive pay is aimed at rewarding and incentivising superior performance and encouraging retention;
- the attraction and retention of high-calibre employees;
- remuneration should directly correlate with the financial performance of the Company;
- remuneration should be free from discriminatory practices based on race, gender, marital status, family responsibility, sexual orientation, age, disability, religion, culture, language and the like; and
- remuneration should be reviewed and benchmarked to ensure that the Company remunerates fairly and competitively.

ELEMENTS OF REMUNERATION

- Total guaranteed package: All staff, including the executive directors, are remunerated in terms of their employment contracts that allow for a guaranteed annual package. An employee's guaranteed annual package is based on an employee's role and responsibilities. In respect of staff employed as at 1 June 2018, the Company contributes 50% towards a medical aid scheme. An employee may contribute either 10% or 12.5% of his/her gross salary towards the Company's corporate pension fund and benefit scheme.

  Annual increases are awarded in June of each year and are determined with reference to inflation, employee performance, and Company performance.

- Short-term incentive: Staff are eligible to be awarded an annual cash bonus in December each year that is linked to both employee performance and Company performance. The committee approves the bonus pool quantum.

- Long-term incentive: The long-term incentive seeks to ensure the retention of skills and human capital in the Company. The Company has a share purchase plan in terms of which, subject to the approval of the committee, the Company may offer shares to any employee, including the executive directors, for subscription or purchase on loan funding provided by the Company. In terms of the plan, the Company extends credit to enable employees to purchase or subscribe for shares at market value. The loan facility bears interest and must be repaid, inter alia, if the employee ceases to be an employee of the Company. The purpose of the share purchase plan is to align the interests of the Company's employees with those of the shareholders of the Company by providing such employees an opportunity to acquire shares in the Company.

  After the initial allocation of shares to share purchase plan participants during 2018 and as disclosed in the Company's Prospectus, a further 95 000 shares have been allocated to new employees during FY2020.

SERVICE AGREEMENTS WITH EXECUTIVE DIRECTORS

Each executive director has concluded a service agreement with the Company in terms of which each executive director is subject to a one month notice period. There are no contractual obligations within these service agreements which could give rise to payments on termination of office.

NON-EXECUTIVE DIRECTOR FEES

Non-executive directors are paid a market-related annual fee and do not receive any additional fees per board or committee meeting. In line with the provisions of King IV, non-executive directors do not participate in any performance-related remuneration or the Company's share purchase plan and do not receive any remuneration other than their fees. The Company does, however, pay for all reasonable travel and accommodation expenses incurred by its non-executive directors to attend board and committee meetings. The chair of the board is paid a higher fee than the other non-executive directors due to the volume of preparation required by him.

The committee reviews the non-executive director fees annually and recommends to the board the fees payable to the non-executive directors, which proposes the fees for approval by the shareholders at the AGM. In terms of the Companies Act, shareholders will have the opportunity to approve the proposed non-executive director fees in respect of FY2021, as set out below, by way of a special resolution at the AGM to be held on 15 July 2020. Refer to special resolution 1 in the notice of AGM.

Greater Edendale Mall | KwaZulu Natal

IN DETERMINING INCREASES FOR EXECUTIVE DIRECTORS, THE COMMITTEE PROPOSED

4% IT WAS DEEMED CONSERVATIVE AND LINKED TO INFLATION

THE COMPANY REMUNERATES FAIRLY, RESPONSIBLY AND TRANSPARENTLY

PART 3: IMPLEMENTATION REPORT

This part sets out how the remuneration policy was implemented in FY2020. The committee is satisfied that it complied with the remuneration policy during FY2020.

In determining the increases in the total guaranteed package for executive directors, the committee proposed 5% as it was deemed conservative and linked to inflation. The board approved this increase. The increases in the total guaranteed package of the executive directors (and other staff members) are effective for the period from 1 June 2019 to 31 May 2020. A formal benchmarking exercise will be undertaken, as and when deemed necessary, in respect of the remuneration payable to executive directors.

In accordance with King IV, single figure reporting has been adopted to enhance the transparency of executive remuneration by consolidating all relevant information into a single table. The table below illustrates the remuneration paid to each executive director during FY2020. Note that the Company does not have any prescribed officers.

REMUNERATION PAID TO EXECUTIVE DIRECTORS DURING FY2020

Executive directors	**Salary paid during FY2020 R**	**Short-term incentive (bonus) R**	**Total remuneration paid during FY2020 R**
Jason McCormick	1 556 250	-	1 556 250
John McCormick	1 556 250	-	1 556 250
Duncan A Church	3 112 500	-	3 112 500

Executive directors' long-term incentive

Executive directors	**Number of shares issued**	**Date of issue**	**Issue price (R)**
Jason McCormick	1 000 000	31 May 2018	10,00
John McCormick	-	-	-
Duncan A Church	-	-	-

FEES PAID TO NON-EXECUTIVE DIRECTORS DURING FY2020

Proposed fees for FY2021 are set out below and are contained in the notice of AGM for shareholder approval.

	Fees paid during FY2020* (R)	**Proposed fees for FY2021* (R)**
Chair of the board	420 000	436 800
Non-executive director of the board	315 000	327 600

**Note that the fees are exclusive of value added tax (VAT).*

GREGORY VC AZZOPARDI

Chair: Remuneration Committee

RISK MANAGEMENT

The Audit and Risk Committee assumes responsibility for the governance of risk by setting the direction for how risk should be approached in the Company. It oversees the annual review of a policy and plan for risk management and recommends these for approval to the board. The board, therefore, has overall responsibility for the adoption of and oversight of the risk management framework. The Company has adopted and is guided by, such risk management framework in terms of which every identified material risk is managed in a structured and systematic process of risk management. The risk management framework is implemented by management in the daily operations of the Company. The risk management process is comprehensive and ongoing and includes risk identification, assessment, analysis, monitoring, control and risk reporting on a regular basis.

The objective of risk management is to decrease the probability and impact of events adverse to the Company, while exploring any event that may have a positive impact. Risk management is integrated into Exemplar's strategy.

The risk management process is comprehensive and ongoing.

The table below summarises the top risks and how these have been mitigated:

RISK DESCRIPTION	MITIGATING ACTIONS
1 Depressed macro-economic conditions, compounded by the effects of the COVID-19 pandemic and the ensuing government-imposed national lockdown, adversely affecting consumer spend which in turn places downward pressure on trading densities and could lead to reduced rentals, higher tenant arrears, defaults and vacancies.	• Defensive, strategically-located property portfolio managed by vastly experienced property management team. • Constant monitoring of the local trading environment and upgrading or expanding of shopping centres on a proactive basis. • Access to MPD developments which ensures a pipeline of high-quality assets thereby diluting the risk of any one particular property.
2 Investment property valuations adversely affected by negative market sentiment, reduced net operating income or higher capitalisation/discount rates which in turn threatens balance sheet loan covenants.	• Apply reasonable, market-related assumptions in investment property valuations. • Maintain reasonable gearing levels, ideally not more than 40% LTV.
3 The rising cost of debt in the medium to long term due to unfavourable national and global conditions.	• Well-managed and monitored strategy, involving hedging a minimum of 65% of interest-bearing debt with appropriate derivatives. • Monitoring of international and local economic climate and aligning development and hedging strategy with views of future rate movements.

4	Service delivery interruptions, including electricity, water, and refuse removal, due to the deterioration of municipal administration and service delivery affecting tenants' ability to trade at desired levels of profitability.	• Ensure sufficient back-up systems are in place to deliver cost-effective electricity, water and municipal services and ensure minimal downtime. • Meter readings performed independently of council readings and maintained by in-house property management team. • Professional consultants utilised to ensure local authority approval processes are followed. • Investigation and implementation of renewable energy sources. • Increased reliance on own waste treatment and water provision. • Head of sustainability has been appointed; first priority is roll-out of solar PV across the portfolio.
5	Major tenant failure.	• Constant analysis of trading densities and rent to turnover ratios. • Proactive reduction of exposure to identified potential failing tenants. • Continued engagement with key tenant representatives.
6	Destruction of and damage to investment property, including armed robberies, theft and vandalism (security-related threats).	• Properties are insured based on regular assessment of replacement cost as well as a large portion of loss of income. • Outsourced security providers are utilised and buildings are equipped with security features. • Maintaining a close relationship with SAPS and the relevant communities.
7	Information security and cyber resilience (technology and information governance).	• Strong controls in place over information systems and data management. • Daily back-ups of information at an offsite storage facility and proper maintenance of IT infrastructure. • Support of appropriately skilled IT service provider. • Virtualised server environment.
8	Increased retail space making tenant retention more difficult and placing downward pressure on rentals.	• Investment properties tend to be strategically located to create significant barriers to entry for potential entrants. • Ensure property assets are well managed and "destinations" in communities they serve.

CHAPTER 4

ANNUAL FINANCIAL STATEMENTS

Mabopane Square | Gauteng

GENERAL INFORMATION

REGISTERED NAME
Exemplar REITail Limited

COMPANY REGISTRATION NUMBER
2018/022591/06

COUNTRY OF INCORPORATION AND DOMICILE
South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES
Exemplar REITail is a market leader in the ownership and management of retail real estate in South Africa

EXECUTIVE DIRECTORS
Church, DA
McCormick, J (Jason)
McCormick, J (John)

NON-EXECUTIVE DIRECTORS
Azzopardi, GVC
Berkeley, FM
Katzenellenbogen, PJ
Maponya, EP

REGISTERED OFFICE AND BUSINESS ADDRESS
Corner Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

AUDITOR
BDO South Africa Incorporated
Chartered Accountants (S.A.)
Registered Auditor

LEVEL OF ASSURANCE
These Group and Company financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

PREPARER
The financial statements were internally compiled by: C.R. Sansom (BComm (Acc), PGDipTax) under the supervision of D.A. Church (Chief Financial Officer (BCompt (Hons), CA(SA)).

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the Group and Company financial statements and related financial information included in this report. It is their responsibility to ensure that the Group and Company financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the financial year then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the Group and Company financial statements.

The Group and Company financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Group and Company financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's and Company's cash flow forecast for the period to 28 February 2021 and, in light of this review and the current financial position, they are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group and Company financial statements. The Group and Company financial statements have been examined by the Group and Company's external auditor and their report is presented on pages 68 to 71.

The Group and Company financial statements set out on pages 72 to 129, which have been prepared on the going concern basis, were approved by the board of directors on 25 May 2020 and were signed on their behalf by:

JASON MCCORMICK
Chief Executive Officer

DUNCAN ALAN CHURCH
Chief Financial Officer

DECLARATION BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, and in my capacity as company secretary, I hereby certify that, to the best of my knowledge, Exemplar REITail Limited has filed the required returns and notices with the Companies and Intellectual Property Commission as are required in terms of the Companies Act, for the year ended 29 February 2020, and that all such returns and notices appear to be true, correct, and up to date.

ANANDA BOOYSEN
Company Secretary
25 May 2020

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present its report for the financial year ended 29 February 2020.

FUNCTION AND COMPOSITION OF THE COMMITTEE

The responsibilities of the committee are detailed in section 94(7) of the Companies Act, King IV, the Company's memorandum of incorporation and the JSE Listings Requirements. The responsibilities of the committee have been codified in the committee charter. The committee charter was reviewed, updated and approved by the board in January 2020. The key functions of the committee include ensuring the integrity of financial reporting and the audit process, overseeing integrated reporting, reviewing the Company's finance function, overseeing risk, compliance, and the governance of technology and information.

The committee comprises the following three independent non-executive directors:

- Peter J Katzenellenbogen (Chair)
- Frank M Berkeley
- Elias P Maponya

Members of the committee are appointed annually by shareholders at the Company's AGM. The committee meets at least three times per year and special meetings are convened when required. Attendance at the committee meetings is set out in the corporate governance review which forms part of this IAR. The committee assesses its performance on an annual basis. The assessment takes the form of a questionnaire which is independently completed by each committee member. The outcome of the current evaluation was satisfactory and no matters of concern were raised.

ACTIVITIES OF THE COMMITTEE DURING THE REPORTING PERIOD

EXTERNAL AUDITORS

BDO South Africa Incorporated ("BDO") was re-appointed as the Group's external auditors at the Company's AGM held on 16 July 2019. The committee is satisfied with the suitability and independence of BDO as the external auditor and of Garron Chaitowitz as the engagement audit partner. The committee has reviewed the information detailed in paragraph 22.15(h) of the JSE Listings Requirements and concluded that the external auditor and the engagement audit partner are suitable and have the requisite competence, expertise and experience to discharge their responsibilities.

The committee is satisfied with the independence of the auditors, the provision of non-audit services by them, the performance and effectiveness of the external audit process, the external auditors' engagement letter, the proposed audit fee for the year ended 29 February 2020, and the external auditors' report. Accordingly, the committee nominates and recommends BDO as auditors, with Garron Chaitowitz as the engagement audit partner, for shareholder approval at the next AGM.

INTERNAL AUDIT

The Company appointed Moore Johannesburg ("Moore") to fulfil the internal audit function. Moore will conduct internal audits for specific projects, including a review of the Company's IT system, which is currently underway.

REVIEW OF FINANCE FUNCTION

The committee has satisfied itself of the experience, resources and expertise of the CFO and the Company's finance function. The committee is satisfied that appropriate financial reporting procedures are in place and that the internal financial controls have been effective in all material respects throughout the 2020 financial year and underpin the basis for the preparation of reliable annual financial statements.

RISK MANAGEMENT AND COMPLIANCE

The committee is satisfied with the risk management processes and confirms that the Company's risk management policies have been complied with in all material respects.

The policies prohibit the Company from entering into any derivative transactions not in the ordinary course of business. The committee considered the Company's risk register containing the key risks facing the Company and the various mitigation measures implemented, at every committee meeting. The committee considered the Company's compliance register and dealt with any disclosures made via the fraud and ethics hotline.

ANNUAL FINANCIAL STATEMENTS, ACCOUNTING POLICIES AND THE INTEGRATED ANNUAL REPORT

The committee considered the JSE's report on the proactive monitoring of financial statements in 2019 and its impact on the Company and Group's annual financial statements. The committee is satisfied with the annual financial statements for the year ended 29 February 2020, including the accounting policies, and that they comply in all material respects with IFRS. The committee recommended the annual financial statements for approval by the board of directors.

The committee has reviewed this IAR and is satisfied with the integrity of the report, that it is prepared in accordance with appropriate reporting standards and conforms to the requirements of King IV and the JSE Listings Requirements. The committee has recommended the IAR for approval by the board of directors.

GOING CONCERN STATUS AND SOLVENCY AND LIQUIDITY

The committee reviewed the going concern assertion by management and recommended it for approval by the board. The committee is satisfied that the board has performed a solvency and liquidity test for the Company as required in terms of sections 4 and 46 of the Companies Act and concluded that the Company will satisfy the test after payment of the final dividend. The committee also confirms that the solvency and liquidity test was performed at the interim distribution stage.

CONCLUSION

The committee is satisfied that it has, in respect of the financial year ended 29 February 2020, adequately performed its statutory responsibilities and its duties in accordance with its charter.

PETER J KATZENELLENBOGEN
Chair: Audit and Risk Committee
25 May 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the Group and Company financial statements of Exemplar REITail Limited for the period ended 29 February 2020.

Exemplar is a listed Real Estate Investment Trust (REIT), which owns and manages rural and township retail real estate. The Company was incorporated on 17 January 2018 and commenced trading on 1 June 2018.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently with those reflected in note 1.

Full details of the financial position, results of operations and cash flows of the Group are set out in these Group financial statements, as well as the Chairman's report, Chief Executive Officer's report and Chief Financial Officer's report in Exemplar REITail Limited's intergrated annual report.

2. SHARE CAPITAL

The Company's authorised share capital comprises 5 000 000 000 ordinary shares of no par value.

As at 28 February 2019, the Company had 305 871 896 shares in issue. During March 2019, a further 13 867 240 shares were issued at R10 each for the acquisitions of the Kwagga Mall and Modi Mall redevelopments. On 1 July 2019, 1 812 327 shares were issued at R10.69 each and on 1 November 2019, 3 381 302 shares were issued at R10.90 each for the Katale Square and Mabopane Square acquisitions. On 30 January 2020, a further 95 000 shares were issued at R10 each in terms of the employee share scheme.

As at the date of this report, the Company had 325 027 765 shares in issue.

3. DIVIDENDS

The Group's dividend policy is to consider declaration of an interim and a final dividend in respect of each financial period. At its discretion, the board of directors may consider a special dividend, where appropriate.

A final dividend of 42.74 cents per share was paid on 16 June 2019 to the Company's shareholders for the six months ended 28 February 2019. This dividend equated to a total of R136 667 383. An interim dividend in respect of the six months ended 31 August 2019 of 43.77 cents per share was declared on 1 November 2019 and paid on 25 November 2019 to the Company's shareholders. This dividend equated to a total of R743 075. Dividends totalling R10 593 862 were paid to the non-controlling shareholders in three subsidiary companies and further dividends amounting to R472 840 were declared to non-controlling shareholders on 28 February 2020.

Total dividends paid by the Group after the clawback of antecedent adjustments in respect of the various acquisitions was therefore R284 817 840.

The dividends have been declared from distributable earnings and meet the requirement of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act 58 of 1962 (as amended).

The board of directors has recommended a final dividend of 48.49859 cents per share.

The Company uses distribution per share as its key performance measure for JSE Trading Statement purposes.

4. DIRECTORS' INTERESTS

Directors' interests in Exemplar shares

John McCormick and Jason McCormick are beneficiaries of the John McCormick Family Trust (JMFT), which is a 0.71% shareholder of Exemplar and owns 2 299 385 shares in the Company. Additionally, both are directors of McCormick Property Development (Pty) Ltd (MPD), which is a 59.40% shareholder of Exemplar and owns 193 055 613 shares in the Company.

Set out below are the names of directors of the Company and major subsidiaries that, directly or indirectly, are beneficially interested in Exemplar shares in issue at the last practicable date. No directors have resigned from the Company since the date of incorporation of the Company.

2020							
Directors	**Beneficially held**						
	Directly	Indirectly	Associate	Total	%	Number of shares subject to security, guarantee, collatoral or otherwise	% shares pledged as security
Church, DA	1	3 771 301	-	3 771 302	1.16%	-	0.00%
McCormick, J (Jason)	-	3 213 751	-	3 213 751	0.99%	3 206 576	99.78%

2019							
Directors	**Beneficially held**						
	Directly	Indirectly	Associate	Total	%	Number of shares subject to security, guarantee, collatoral or otherwise	% shares pledged as security
Church, DA	1	3 509 512	-	3 509 513	1.15%	-	0.00%
McCormick, J (Jason)	-	3 206 576	-	3 206 576	1.05%	1 000 000	31.19%

The JMFT further has interests in the following shareholders of Exemplar and is able to exercise or control more than 35% of the voting rights of these entities which are therefore considered associates.

2020 **Associates**	**Beneficially held by the associate**				**JMFT interest in the associate**	**Number of shares subject to security, guarantee, collatoral or otherwise**	**% shares pledged as security**
	Directly	Indirectly	Total	%	%	Total	%
Blouberg Mall (Pty) Ltd	14 557 154	-	14 557 154	4.48%	80.00%	11 645 724	80.00%
Diepkloof Plaza (Pty) Ltd	16 440 379	-	16 440 379	5.06%	40.00%	6 527 175	39.70%
Olievenhout Plaza (Pty) Ltd	12 810 228	-	12 810 228	3.94%	100.00%	12 810 228	100.00%
Modjadji Plaza (Pty) Ltd	7 924 040	-	7 924 040	2.44%	100.00%	7 924 040	100.00%

2019 Associates	Beneficially held by the associate				JMFT interest in the associate	Number of shares subject to security, guarantee, collatoral or otherwise	% shares pledged as security
	Directly	Indirectly	Total	%	%	Total	%
Blouberg Mall (Pty) Ltd	14 557 154	-	14 557 154	4.76%	80.00%	11 645 724	80.00%
Diepkloof Plaza (Pty) Ltd	16 440 379	-	16 440 379	5.37%	40.00%	6 527 175	39.70%
Olievenhout Plaza (Pty) Ltd	12 810 228	-	12 810 228	4.19%	100.00%	12 810 228	100.00%
Modjadji Plaza (Pty) Ltd	7 924 040	-	7 924 040	2.59%	100.00%	7 924 040	100.00%

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Directors' interests in transactions

Save as disclosed in the above and disclosed in note 30 - Directors' Emoluments, none of the directors of the Company, has or had any material beneficial interest, direct and indirect, in transactions that were effected by the Group during the current financial year or immediately preceding the financial year or during any earlier financial year and which remain in any respect outstanding.

5. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic, and we expect our operations in all locations to be affected as the virus continues to proliferate. We have adjusted certain aspects of our operations to protect our employees, tenants, service providers and the consumers that frequent our respective shopping centers in an endeavor to stem the spread of the virus. In light of the uncertainty as to the severity and duration of the pandemic, the impact on our revenues, profitability and financial position is uncertain at this time. Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this report.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

6. AUDITOR

BDO South Africa Incorporated were appointed as auditors for the Group for 2020 in accordance with section 90 of the Companies Act of South Africa.

At the AGM, the shareholders will be requested to reappoint BDO South Africa Incorporated as the independent external auditor of the Group and to confirm Mr Garron Chaitowitz as the designated engagement audit partner for the 2021 financial period.

7. SECRETARY

The company secretary is Miss A. Booysen.

The Group financial statements set out on pages 72 to 129, which have been prepared on the going concern basis, were approved by the board of directors on 25 May 2020, and were signed on their behalf by:

JASON MCCORMICK
Chief executive officer

DUNCAN ALAN CHURCH
Chief financial officer

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Exemplar REITail Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Exemplar REITail Limited (the Group and Company) set out on pages 72 to 129, which comprise the consolidated and separate statements of financial position as at 29 February 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Exemplar REITail Limited as at 29 February 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of investment property **Group and Company** Significant judgement is required by the directors in determining the fair value of investment property. The Portfolio is valued annually by an external independent valuator – Quadrant Properties Proprietary Limited. The valuations were based on discounted cash flow models. Note 3 Investment property sets out the most significant inputs into valuations, all of which are unobservable. The valuation of investment property is considered a key audit matter due to the significance of the balance, the significant judgements associated with determining fair value and the sensitivity of the valuations to changes in assumptions.	We performed the following procedures amongst others: • considered management's assessment of COVID-19 being a non-adjusting event after the reporting period, by considering the timing of the announcement of COVID-19 as a global pandemic by the World Health Organisation, as well as the timing of the first reported case in South Africa; • evaluated the capabilities, competency and objectivity of the independent valuator. This included verifying professional qualifications and registrations and making an assessment of the independence and appropriateness of the valuator used; • through discussions with the external valuator, obtained an understanding of the work performed, which included, the valuation process adopted, the significant assumptions used and critical judgement areas applied, such as vacancy levels and capitalisation rates; • with the assistance of our valuation specialist, compared, for reasonability the significant assumptions and judgements used by the valuator against historical inputs and market data where available and investigated unexpected movements; • for all properties, we verified the mathematical accuracy of the models applied, determined the reasonability of the inputs and assessed the reasonability of management's forecast by comparing the forecast to the actual historical results for accuracy; and • we reviewed the adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “Exemplar REITail Limited Annual Financial Statements for the year ended 29 February 2020”, which includes the Directors’ Report, the Audit and Risk Committee’s Report and the company secretary’s Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group’s and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and /or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Exemplar REITail Limited for 2 years.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

G M Chaitowitz
Director
Registered Auditor

25 May 2020

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENTS OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020

		Group		Company	
	Notes	2020 R	2019 R	2020 R	2019 R
Assets					
Non-Current Assets					
Investment property	3	5 663 873 398	5 270 795 374	3 281 834 183	3 195 183 635
Investments in subsidiaries	4	-	-	927 225 144	879 359 991
Operating lease asset	3	151 434 098	168 350 700	103 272 165	125 061 483
Property, plant and equipment	5	1 124 329	796 241	652 394	375 728
		5 816 431 825	**5 439 942 315**	**4 312 983 886**	**4 199 980 837**
Current Assets					
Loans to subsidiaries	6	-	-	1 214 310 428	958 462 286
Loans receivable	7	215 172 823	44 400 471	215 172 823	44 400 471
Trade and other receivables	8	46 924 878	47 711 283	28 945 729	26 003 777
Cash and cash equivalents	9	47 683 869	62 852 515	33 896 158	47 898 763
		309 781 570	**154 964 269**	**1 492 325 138**	**1 076 765 297**
Total Assets		**6 126 213 395**	**5 594 906 584**	**5 805 309 024**	**5 276 746 134**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Stated capital	10	3 235 817 139	3 185 487 085	3 235 817 139	3 185 487 085
Retained income		364 706 358	277 515 153	305 977 651	195 352 576
		3 600 523 497	**3 463 002 238**	**3 541 794 790**	**3 380 839 661**
Non-controlling interest	11	157 716 367	146 119 957	-	-
		3 758 239 864	**3 609 122 195**	**3 541 794 790**	**3 380 839 661**
Liabilities					
Non-Current Liabilities					
Financial liabilities	12	2 062 810 894	1 695 459 448	2 062 810 894	1 695 459 448
Derivative financial instruments	13	26 465 388	3 643 042	26 465 388	3 643 042
Lease liabilities	14	23 745 724	30 173 700	13 062 315	13 249 855
Deferred tax	15	85 739 980	94 802 992	55 035 285	63 307 090
		2 198 761 986	**1 824 079 182**	**2 157 373 882**	**1 775 659 435**
Current Liabilities					
Trade and other payables	16	161 020 273	159 136 659	72 068 483	80 514 764
Lease liabilities	14	2 718 432	2 568 548	2 100 692	1 991 437
Loans from subsidiaries	17	-	-	31 971 177	37 740 837
Dividend payable		5 472 840	-	-	-
		169 211 545	**161 705 207**	**106 140 352**	**120 247 038**
Total Liabilities		**2 367 973 531**	**1 985 784 389**	**2 263 514 234**	**1 895 906 473**
Total Equity and Liabilities		**6 126 213 395**	**5 594 906 584**	**5 805 309 024**	**5 276 746 134**

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

		Group		Company	
	Notes	2020 (12 months) R	2019 (9 months) R	2020 (12 months) R	2019 (9 months) R
Rental income and recoveries	18	727 689 878	517 431 414	424 312 320	315 278 430
Property operating costs	19	(263 116 527)	(175 410 225)	(150 382 970)	(106 968 823)
Gross profit		**464 573 351**	**342 021 189**	**273 929 350**	**208 309 607**
Other income	20	14 976 540	9 281 896	19 844 994	15 185 298
Administrative expenses and corporate costs		(32 836 476)	(20 744 135)	(28 200 534)	(20 711 861)
Operating profit	21	**446 713 415**	**330 558 950**	**265 573 810**	**202 783 044**
Investment income	22	26 759 863	5 768 248	234 166 140	65 941 662
Finance costs	23	(184 415 514)	(124 189 381)	(182 900 199)	(113 750 101)
Fair value adjustments on investment property		113 779 867	161 696 795	82 559 845	101 422 493
Fair value adjustments on derivative financial instruments		(22 822 346)	(3 643 042)	(22 822 346)	(3 643 042)
Profit before taxation		**380 015 285**	**370 191 570**	**376 577 250**	**252 754 056**
Taxation	24	9 063 012	1 100 683	8 271 804	1 020 052
Profit for the period		**389 078 297**	**371 292 253**	**384 849 054**	**253 774 108**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**389 078 297**	**371 292 253**	**384 849 054**	**253 774 108**
Profit attributable to:					
Owners of the parent		361 415 184	335 936 684		
Non-controlling interest	11	27 663 113	35 355 568		
		389 078 297	**371 292 252**		
Total comprehensive income attributable to:					
Owners of the parent		361 415 184	335 936 684		
Non-controlling interest		27 663 113	35 355 568		
		389 078 297	**371 292 252**		
Earnings per share					
Basic and diluted earnings per share (cents)	30	112.21	144.03		

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2020

	Group				
	Stated capital R	Retained income R	Total attributable to equity holders of the Company R	Non-controlling interest R	Total equity R
Shares issued at incorporation	1 889 000	-	1 889 000	-	1 889 000
Shares issued to share scheme	42 551 000	-	42 551 000	-	42 551 000
Issue of shares on listing in respect of acquisitions	3 024 338 221	-	3 024 338 221	-	3 024 338 221
Share issue expenses	(21 963 538)	-	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	138 672 402	-	138 672 402	-	138 672 402
Non-controlling interest on acquisition of subsidiaries	-	-	-	112 436 217	112 436 217
Profit for the period	-	335 936 685	335 936 685	35 355 568	371 292 253
Dividends paid	-	(58 421 532)	(58 421 532)	(1 671 828)	(60 093 360)
Balance at 28 February 2019	**3 185 487 085**	**277 515 153**	**3 463 002 238**	**146 119 957**	**3 609 122 195**
Shares issued for acquisitions	56 242 730	-	56 242 730	-	56 242 730
Shares issued to share scheme	950 000	-	950 000	-	950 000
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)	-	(6 862 676)
Profit for the period	-	361 415 184	361 415 184	27 663 113	389 078 297
Dividends paid	-	(274 223 979)	(274 223 979)	(10 593 862)	(284 817 841)
Dividends payable	-	-	-	(5 472 841)	(5 472 841)
Balance at 29 February 2020	**3 235 817 139**	**364 706 358**	**3 600 523 497**	**157 716 367**	**3 758 239 864**
Notes	10			11	

	Company		
	Stated capital R	Retained income R	Total equity R
Shares issued at incorporation	1 889 000	-	1 889 000
Shares issued to share scheme	42 551 000	-	42 551 000
Issue of shares on listing in respect of acquisitions	3 024 338 221	-	3 024 338 221
Share issue expenses	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	138 672 402	-	138 672 402
Profit for the period	-	253 774 108	253 774 108
Dividends paid	-	(58 421 532)	(58 421 532)
Balance at 28 February 2019	**3 185 487 085**	**195 352 576**	**3 380 839 661**
Shares to be issued for acquisitions	56 242 730	-	56 242 730
Shares issued to share scheme	950 000	-	950 000
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)
Profit for the period	-	384 849 054	384 849 054
Dividends paid	-	(274 223 979)	(274 223 979)
Balance at 29 February 2020	**3 235 817 139**	**305 977 651**	**3 541 794 790**
Notes	10		

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Cash flows from operating activities					
Cash generated from operations	25	459 700 800	304 172 247	277 804 719	150 949 167
Interest income		26 759 863	5 768 248	124 995 547	62 953 909
Finance costs		(180 699 855)	(121 627 264)	(180 670 856)	(111 771 681)
Dividend income		-	-	109 170 592	2 987 753
Dividends paid		(284 817 841)	(60 093 360)	(274 223 979)	(58 421 532)
Net cash from operating activities		**20 942 967**	**128 219 871**	**57 076 023**	**46 697 616**
Cash flows from investing activities					
Additions to investment property	35	(223 055 426)	(52 608 116)	(4 090 702)	(49 017 530)
Purchase of property, plant and equipment	5	(730 967)	(346 741)	(549 646)	(381 708)
Increase in investments		-	-	-	(6 357 158)
Loans receivable repaid		228 438 535	81 387 718	228 438 535	81 313 724
Loans receivable advanced		(398 260 887)	(45 213 195)	(398 260 887)	(45 213 195)
Loans to subsidiaries advanced	27	-	-	(476 147 174)	(1 120 981 716)
Loans to subsidiaries repaid	27	-	-	220 299 032	162 519 429
Net cash from investing activities		**(393 608 745)**	**(16 780 334)**	**(430 310 842)**	**(978 118 154)**
Cash flows from financing activities					
Proceeds from issue of shares - acquisitions	35	-	124 963 883	-	102 352 780
Proceeds from issue of shares - at incorporation		-	1 889 000	-	1 889 000
Share issue expenses		-	(21 963 816)	-	(21 963 816)
Subsidiary acquisition price adjustment		(6 862 676)	-	-	-
Loans from subsidiaries advanced	28	-	-	4 024 973	73 350 000
Loans from subsidiaries repaid	28	-	-	(9 794 633)	(35 609 163)
Repayment of lease liabilities		(2 991 638)	(2 562 117)	(2 349 572)	(1 978 420)
Proceeds from financial liabilities	26	1 070 592 349	161 267 445	1 070 592 349	1 173 460 337
Repayment of financial liabilities	26	(703 240 903)	(312 181 417)	(703 240 903)	(312 181 417)
Net cash from financing activities		**357 497 132**	**(48 587 022)**	**359 232 214**	**979 319 301**
Total cash at beginning of the period		62 852 515	-	47 898 763	-
Total cash movement for the period		(15 168 646)	62 852 515	(14 002 605)	47 898 763
Total cash at end of the period	9	**47 683 869**	**62 852 515**	**33 896 158**	**47 898 763**

ACCOUNTING POLICIES

CORPORATE INFORMATION

Exemplar REITail Limited ("Exemplar" or the "Company") is a corporate REIT incorporated and registered in South Africa.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Group financial statements are set out below.

1.1 Basis of preparation

The Group and Company financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair value. The financial statements are prepared on the going concern basis. They are presented in Rand, which is the Group and Company's functional currency, and all values are rounded to the nearest Rand, except where otherwise indicated.

The Group financial statements have been prepared in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa, as amended, ("the Companies Act") and the Listings Requirements of the JSE Limited.

"The accounting policies are consistent with those applied in the prior periods.

The Group early adopted IFRS 16 Leases for the first time in the 2019 Group and Company financial statements. The adoption of this standard did not have a material quantitative effect on the financial statements of the Group and Company, however, it resulted in additional qualitative disclosure, refer to notes 1, 14 and 34.

1.2 Use of estimates and judgements

The preparation of Group financial statements in conformity with IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses, as well as judgements used in accounting for the acquisitions of the asset portfolios and effective dates. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making its judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Key estimates and assumptions

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the Group's assets, liabilities, income and expenses. Judgement in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates.

Information on the key estimations and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statements:

Accounting policies – notes 1.3, 1.4, 1.5 and 1.10

Investment property valuation – note 3
The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation

and discount rate. Changes in the capitalisation or discount rate attributable to changes in market conditions can have a significant impact on property valuations.

Impairment of staff scheme loans – note 7
Staff scheme loans under the share purchase scheme were granted to staff to align the interests of staff, management and executive directors to shareholders. The impairment and recoverability of the staff scheme loans requires judgement. No debt to any staff member has been written off and the full loan amounts owing to the Exemplar still remain.

Impairment of receivables – note 8
The Group tests whether assets have suffered any impairment in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry-based market forecasts."

Acquisition of assets and liabilities – note 35
The appropriate accounting treatment of acquisitions requires judgement in the determination of whether a transaction meets the definition of a business combination in terms of IFRS 3 and in conducting a control assessment in accordance with IFRS 10 to determine whether control has been obtained.

Events after the reporting period – note 38
In terms of IAS 10 Events after the Reporting Period, non-adjusting post balance sheet events are events that arose after the end of the reporting. Judgement is involved in assessing the point in time when sentiment changed to viewing COVID-19 as a South African pandemic. We considered that there were no reported infections in South Africa at 29 February 2020 and the likelihood of this evolving into an epidemic in the country was considered to be low in light of the geographic distance. This changed with the president's announcement on 15 March 2020 confirming that the virus had become a local pandemic. As such, it was concluded COVID-19 is a non-adjusting post balance sheet event at reporting date.

1.3 Consolidation

Basis of consolidation

Subsidiaries

The Group financial statements include the financial statements of the Company and subsidiaries that it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued and excludes transaction costs.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated in the preparation of the consolidated annual financial statements. The accounting policies of the subsidiaries are consistent with those of the Group.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses where necessary.

1.4 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company recognises the following in relation to its interests in a joint operation:
- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

1.5 Investment property

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually by external independent registered valuers on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine fair value.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss for the year in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss in the period during which it occurs.

Tenant installation costs are capitalised and amortised over the period of the respective lease. The carrying value of tenant installations is included with investment properties.

Leased property

At the beginning of an arrangement, the Group assesses whether or not it contains a lease. An agreement is or contains a lease if it transfers the right to control the use of an asset identified by a period of time in exchange for consideration.

The present value of the lease liability on commencement date equals the fair value of the right of use asset, if determinable (i.e. rate implicit in the lease). If not determinable, the present value of the lease is calculated using the incremental borrowing rate. At the commencement date, a lessee shall measure the right of use asset at cost.

The cost of the right of use asset shall comprise:
a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by

the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The arrangement whereby a property is held under a lease and leased out under operating leases is considered to a be a sublease, and classified as investment property and stated at fair value.

In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

a) if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying IFRS 16 paragraph 6, the sublease shall be classified as an operating lease.
b) otherwise, the sublease shall be classified by reference to the right of use asset arising from the head lease, rather than by reference to the underlying asset."

1.6 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method, to write off the costs to their residual values over their estimated useful lives. The depreciation rates applicable are as follows:

ITEM	AVERAGE USEFUL LIFE
Computer equipment	3 years
Furniture, fittings and fixtures	10 years
Motor vehicles	5 years

The useful lives and residual values of property, plant and equipment are assessed annually.

1.7 Financial instruments

The Group's financial instruments consist mainly of derivative instruments, trade and other receivables, trade and other payables, cash and borrowings. Financial instruments are initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit and loss, transaction costs.

Subsequent to initial recognition these instruments are measured as set out below:

Cash and equivalents
– Carried at amortised cost.

Derivative financial instruments
– Carried at fair value, with gain or loss on measurement to fair value recognised immediately in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

Trade and other receivables
– Stated at amortised cost using the effective interest method less accumulated impairment losses.

Trade and other payables
– Stated at amortised cost using the effective interest method.

Related party loans receivable
– Stated at amortised cost using the effective interest method less accumulated impairment losses.

Related party loans payable
– Stated at amortised cost using the effective interest method.

Financial liabilities
– Non-derivative financial liabilities not at fair value through profit and loss are recognised at amortised cost using the effective interest method.

For all financial instruments carried at amortised cost, where the financial effect of the time value of money is not considered to be material, discounting is not applied as the fair values of these instruments approximate their carrying values.

Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flow from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Interest-bearing borrowings

Interest-bearing borrowings comprise long-term loans from various financial institutions which accrue interest over the pre-determined loan period.

1.8 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in profit or loss.

The recoverable amount of an asset or a cash-generating unit is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

Financial assets

In terms of IFRS 9 an entity is required to recognise an expected credit loss on a financial asset, other than trade receivables and lease receivables, based on unbiased, forward looking information. Exposures would be divided into the following three stages:

- Stage 1: 12-month expected credit loss will be recognised on exposures where the credit risk has not significantly increased since origination.
- Stage 2: Lifetime expected credit losses will be recognised for exposures with a significant increase in credit risk since origination.
- Stage 3: Lifetime expected credit losses will be recognised on exposures that meet the definition of default.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the probability weighted estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money, certain forward-looking information and the risks specific to the asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised. An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables and lease receivables

Trade receivables are impaired using the simplified approach in terms of IFRS 9. Lifetime expected credit losses are recognised using a provision matrix. A provision matrix for each business unit is generated by:

- Calculating historical loss ratios for each trade receivable aging bucket, and
- Adjusting these historical loss ratios by multiplying the ratio by a forward-looking factor.

A significant increase in credit risk, in the context of IFRS 9, is a significant change in the estimated default risk. A default event is the failure of a customer to fulfil an obligation to settle monies owed to the Group in a timely manner. The Group uses an indicator-based approach to assess significant increase in credit and default risk of customers as part of the entity's internal credit risk management practices, that incorporates value judgments, market indicators and dealing with other relevant qualitative factors. This assessment is conducted each reporting date and entails consideration of changes in the risk of default occurring over the expected life, rather than changes in the amount of ECL if the default were to occur. Once assessed, the Group will consider write off when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The resultant provision matrix provides an adjusted loss ratio for each aging bucket contained in the debtors' age analysis for each business unit. These ratios are applied to the balances in each aging bucket and then accumulated to calculate the impairment allowance for each business unit. Amounts still in a debtors' book relating to invoices dated prior to the historical loss testing period are added to the impairment loss allowance. The Group primarily operates as a market leader in the ownership and management of retail real estate in South Africa and considers that no further segmentation, in addition to the segmentation by business unit, would be beneficial for purposes of calculating the impairment allowance. Impairment losses are recognised through profit or loss. Trade receivables are written off when internal and initial legal collection processes have been exhausted and a judgement is made that the amount is likely not recoverable.

Impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. Judgement, based on past history, existing market conditions and forward looking estimates of economic growth and forecast of retail sales, are used in making these assumptions.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Factors considered when monitoring credit risk and determining write-offs include the financial status of the debtor or counterparty, existence and quality of security, disputes and failure of the debtor to engage on payment plans or untraceable debtors.

1.9 Provisions

Provisions are recognised when the Group has present legal or constructive obligations arising from past events, from which outflows of economic benefits are probable, and where the amount of the obligations can be reliably estimated.

Where the effect of discounting is material, provisions are discounted. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.10 Leases

A lease, where the Group acts as a lessor, is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

A lease liability and right of use asset is recognised for all leases where the Group acts as a lessee, except for those of low value and short-term.

Operating leases - lessor

Lease contracts, where the Group is acting as a lessor, it classifies each of its leases as either operating or finance lease based on whether a significant portion of the risks and rewards of ownership are retained by the lessor or not. Due to the nature of the Group's lease agreements, they are considered to be operating leases. Operating lease income is recognised as an income on a straight-line basis over the lease term.

Turnover rentals (variable rentals based on the turnover achieved by a tenant) are included in revenue when the amounts can be reliably measured.

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

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

Operating leases - lessee

Where the Group acts as lessee it recognises assets and liabilities for all leases, excluding exceptions listed in the standard.

Based on the accounting policy applied, the Group recognises a right of use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.
The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

1.11 Revenue

Property portfolio revenue comprises operating cost recoveries, as well as marketing and parking income, excluding VAT. Income from marketing, promotions and casual parking is recognised when the amounts can be reliably measured. Revenues associated with operating expense recoveries are recognised in the period in which the expenses are incurred.

1.12 Investment income

Interest is recognised, in profit and loss, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

1.13 Property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

1.14 Employee benefits

Short-term employee benefits

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

1.15 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, after deducting the qualifying distribution for that year of assessment, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

In accordance with the Group's status as a REIT, the dividend declared meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, 58 of 1962, (as amended) (the "Income Tax Act").

Deferred tax is provided using the statement of financial position method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As the Group has obtained REIT status effective 12 June 2018, the Group is not liable for capital gains tax on the disposal of directly held properties and local REIT securities. In addition, no deferred tax has been provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties due to the REIT legislation. Deferred tax has been provided for capital allowances claimed in respect of investment property acquired in terms of the business acquisitions which allowances will be recouped on the disposal of such assets.

1.16 Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.17 Segmental reporting

The Group identifies and presents operating segments based on the information that is provided internally to the Group's management and internal reporting structure which will be determined by the Group's executive committee. A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

There are no secondary segments. The Group's primary segment is based on geographical segments and are determined based on the location of the properties, presented by province.

Segments results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.18 Related parties

Related parties in the case of the Group include any shareholder who is able to exert a significant influence on the operating policies of the Group. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group are also considered to be related parties.

In the case of the Company, related parties would also include subsidiaries.

1.19 Earnings per share

The Group presents basic earnings per share and headline earnings per share for its shares. Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing the headline earnings attributable to equity holders by the weighted average number of shares in issue during the year.

There are no dilutionary instruments in issue.

NOTES TO THE GROUP FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2022 or later periods:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

The IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Group expects to adopt the standard for the first time in the 2023 group financial statements.

It is unlikely that the amendment to the aforementioned standard will have a significant impact on the Group's or Company's financial statements.

	Note	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
3. INVESTMENT PROPERTY					
Net carrying value					
Carrying value		5 388 396 736	5 109 098 579	3 097 851 845	3 093 761 142
Cumulative fair value adjustments		275 476 662	161 696 795	183 982 338	101 422 493
		5 663 873 398	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**
Reconciliation of investment property					
Investment properties at the beginning of the period		5 270 795 374	-	3 195 183 635	-
Additions		20 518 012	206 205 927	6 653 154	55 908 433
Disposals / Adjustments to cost		(19 219 855)	-	(2 562 451)	-
Properties acquired by group	35	278 000 000	4 902 892 652	-	3 037 852 709
Fair value adjustments		113 779 867	161 696 795	82 559 845	101 422 493
Balance at the end of the period		**5 663 873 398**	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**
Reconciliation to independent valuation					
Investment property as per valuation		5 788 843 340	5 406 403 826	3 369 943 340	3 305 003 826
Operating lease assets		(151 434 098)	(168 350 700)	(103 272 164)	(125 061 483)
Lease liabilities		26 464 156	32 742 248	15 163 007	15 241 292
		5 663 873 398	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**

Security over properties

The investment properties have been mortgaged in favour of the lenders disclosed in note 12. Furthermore, the Company and its subsidiaries have irrevocably and unconditionally jointly and severally cross-guaranteed each Group company's obligations to its lenders.

Details of valuation

The investment properties were valued using the discounted cash flow method. The valuations were performed by Quadrant Properties (Pty) Ltd, external independent qualified property valuers, with recent experience in location and category of the investment property being valued. At the financial year end, market related rental income categorised by building location, type and grade, have been used as inputs to the discounted cash flow model. The discount rates used in determining the fair value of the investment properties range between 13.50% and 16.00% (2019: 13.50% and 15.25%) and the capitalisation rates range between 8.00% and 10.25% (2019: 7.50% and 9.25%). The growth projection and risk rates used range between 7.88% and 8.51% (2019: 7.18% and 8.41%), and the contractual expense escalation projection and renewal average rates range between 7.18% and 9.40% (2019: 7.58% and 9.41%).

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting, other than for the lease liabilities and operating lease assets that are recognised separately in the statement of financial position.

Inter-relationship between key unobservable inputs and fair value measurements

The estimated fair value of investment property would increase / (decrease) if:
- Expected market rental growth was higher / (lower);
- Expected expense growth was lower / (higher);
- Discount rate was lower / (higher);
- Capitalisation rate was lower / (higher).

The fair value gains and losses are included in the other non-operating gains (losses) in the statement of profit or loss and other comprehensive income, and investment property reconciliation. The fair value of investment property is categorised as a level 3 recurring fair value measurement and there has been no transfer between levels in the current year. For the level 3 reconciliation, refer to the reconciliation of investment property contained within this note.

The effective date of the valuations was 29 February 2020.

4. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's financial statements:

Name of Company	2020		2019	
	% holding	Carrying amount R	% holding	Carrying amount R
Alex Mall (Pty) Ltd	100.00	174 956 260	100.00	174 956 260
Exemplar Leasing (Pty) Ltd	100.00	-	-	-
Katale Square (Pty) Ltd	100.00	19 373 775	-	-
Mabopane Square (Pty) Ltd	100.00	36 868 955	-	-
Maake Plaza (Pty) Ltd	100.00	92 780 852	100.00	93 111 200
Mandeni Plaza (Pty) Ltd	50.00	25 881 595	50.00	25 881 595
Modi Mall (Pty) Ltd	100.00	63 409 206	100.00	69 500 000
Phola Mall (Pty) Ltd	53.00	77 416 382	53.00	77 416 382
Theku Plaza (Pty) Ltd	82.50	84 396 835	82.50	84 396 835
Tsakane Mall (Pty) Ltd	100.00	352 141 284	100.00	354 097 719
		927 225 144		**879 359 991**

Mandeni Plaza (Pty) Ltd is considered to be a subsidiary of the Company, as control is evidenced by virtue of the Company's power to appoint or remove the majority of the members of the board of directors. The entity has been consolidated accordingly.

All subsidiaries are incorporated and have their principal place of business in South Africa.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

5. PROPERTY, PLANT AND EQUIPMENT

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Computer equipment	231 884	25 159	216 935	25 159
Cost	276 148	25 159	261 198	25 159
Accumulated depreciation	(44 264)	-	(44 263)	-
Furniture and fixtures	702 828	616 982	258 421	335 591
Cost	939 558	649 255	349 139	335 591
Accumulated depreciation	(236 730)	(32 273)	(90 718)	-
Office equipment	31 568	154 100	18 989	14 978
Cost	177 388	160 080	148 653	20 958
Accumulated depreciation	(145 820)	(5 980)	(129 664)	(5 980)
Motor vehicles	158 049	-	158 049	-
Cost	172 364	-	172 364	-
Accumulated depreciation	(14 315)	-	(14 315)	-
	1 124 329	**796 241**	**652 394**	**375 728**

Reconciliation of property, plant and equipment

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Property, plant and equipment at the beginning of the period	796 241	-	375 728	-
Additions	**730 964**	**346 741**	**549 646**	**381 708**
Computer equipment	250 989	25 159	236 039	25 159
Furniture and fixtures	290 303	161 502	13 548	335 591
Office equipment	17 308	160 080	127 695	20 958
Motor vehicles	172 364	-	172 364	-
Assets acquired on formation of group				
Furniture and fixtures	-	487 753	-	-
Depreciation	**(402 876)**	**(38 253)**	**(272 980)**	**(5 980)**
Computer equipment	(44 264)	-	(44 263)	-
Furniture and fixtures	(204 457)	(32 273)	(90 718)	-
Office equipment	(139 840)	(5 980)	(123 684)	(5 980)
Motor vehicles	(14 315)	-	(14 315)	-
	1 124 329	**796 241**	**652 394**	**375 728**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
6. LOANS TO SUBSIDIARIES				
Alex Mall (Pty) Ltd			306 338 702	311 606 053
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Exemplar Leasing (Pty) Ltd			2 000	-
The loan is unsecured, bears no interest and is repayable on demand.				
Katale Square (Pty) Ltd			101 884 275	-
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Mabopane Square (Pty) Ltd			117 841 073	-
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Mandeni Plaza (Pty) Ltd			105 561 903	104 521 742
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Modi Mall (Pty) Ltd			191 319 906	177 804 318
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Phola Mall (Pty) Ltd			281 619 156	283 039 196
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Theku Plaza (Pty) Ltd			84 813 157	81 490 977
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Tsakane Plaza (Pty) Ltd			24 930 256	-
The loan is unsecured, bears no interest and is repayable on demand.				
			1 214 310 428	**958 462 286**

The credit risk of these loans is low considering, inter alia, that the subsidiaries property value and rental yield are expected to remain at or above current levels. The net asset value of each subsidiary is sufficient to cover the value of their loan and therefore management considers the loans recoverable. Life time expected credit losses were evaluated. A probability weighted risk of default over the lifetime of the loans was applied to exposure at default. All available forward looking information, including estimates of economic growth, the expected value of the investment properties and forecast of retail sales, were taken into account, which indicated an immaterial expected credit loss and consequently the loans were not impaired.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

7. LOANS RECEIVABLE

McCormick Property Development (Pty) Ltd	169 683 818	-	169 683 818	-

The loan is unsecured, bears interest at JIBAR plus 2.35% and is repayable on demand.

Employee share scheme	45 489 005	44 400 471	45 489 005	44 400 471
	215 172 823	**44 400 471**	**215 172 823**	**44 400 471**

In order to align the interests of the employees with those of the shareholders, the company provides eligible employees with the opportunity to acquire shares. The share debt bears interest from time to time at a rate determined by the directors until repaid in full. Dividends (or other distributions) on the plan shares are applied against the interest and the balance is credited to the outstanding debt.

Number of shares in issue at the beginning of the year	4 255 100	-	4 255 100	-
Number of shares issued during the year	95 000	4 255 100	95 000	4 255 100
Number of shares in issue at the end of the year	**4 350 100**	**4 255 100**	**4 350 100**	**4 255 100**
Number of shares authorised to be issued under the scheme	10 000 000	10 000 000	10 000 000	10 000 000
Number of shares issued under the scheme	(4 350 100)	(4 255 100)	(4 350 100)	(4 255 100)
Number of shares available for issue under the scheme at the end of the year	**5 649 900**	**5 744 900**	**5 649 900**	**5 744 900**

Should an employee vacate office prior to settlement and the value of the shares falls below the outstanding loan balance, the employee will be obliged to settle the difference.

The credit risk of the employee share scheme and the McCormick Property Development (Pty) Ltd (MPD) loans are low considering, inter alia, that the net value of the shares would be sufficient to cover the share scheme debt and that MPD has sufficient liquid assets to cover the outstanding amount in full at 29 February 2020. The loans met the practical expedient requirements for low risk financial assets and consequently 12-month expected credit losses were evaluated. A probability weighted risk of default during the next 12 months was applied to exposure at default. All available forward looking information, including profit forecasts, estimates of economic growth and the expected value of the shares, were taken into account, which indicated an immaterial expected credit loss and consequently the loans were not impaired.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
8. TRADE AND OTHER RECEIVABLES				
Trade receivables	26 999 684	26 895 358	17 139 364	10 384 058
Expected credit loss of trade receivables	(8 369 100)	(8 867 302)	(6 203 538)	(6 555 354)
	18 630 584	18 028 056	10 935 826	3 828 704
Deposits	18 707 989	17 078 081	8 982 268	9 100 582
Prepaid premium on interest rate caps and collars	6 541 659	10 658 331	6 541 659	10 658 331
Sundry debtors	299 259	-	300 258	821 149
Other prepayments	2 745 387	1 946 815	2 185 718	1 595 011
	46 924 878	**47 711 283**	**28 945 729**	**26 003 777**

All amounts are short term. The net carrying amount of trade and other receivables is considered a reasonable approximation of fair value.

	Group					
2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0.37%	70.00%	90.00%	100.00%	100.00%	31.00%
Gross carrying amount	17 646 232	3 150 036	1 054 143	786 285	4 362 988	26 999 684
Loss provision	(66 073)	(2 205 025)	(948 729)	(786 285)	(4 362 988)	(8 369 100)
2019						
Expected loss rate	11.67%	75.00%	90.00%	100.00%	100.00%	32.97%
Gross carrying amount	19 991 136	1 353 280	307 262	322 663	4 921 019	26 895 360
Loss provision	(2 332 125)	(1 014 960)	(276 535)	(322 663)	(4 921 019)	(8 867 302)

	Company					
2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0.87%	70.00%	90.00%	100.00%	100.00%	36.19%
Gross carrying amount	10 250 063	2 374 651	623 370	393 784	3 497 496	17 139 364
Loss provision	(88 969)	(1 662 256)	(561 033)	(393 784)	(3 497 496)	(6 203 538)
2019						
Expected loss rate	32.57%	75.00%	90.00%	100.00%	100.00%	63.13%
Gross carrying amount	5 265 566	998 775	286 378	317 002	3 516 337	10 384 058
Loss provision	(1 715 193)	(749 081)	(257 741)	(317 002)	(3 516 337)	(6 555 354)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors. The Group does not have any non-current trade and other receivables.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
9. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents comprises:				
Cash on hand	97 732	95 264	67 324	76 478
Bank balances	19 689 413	27 486 063	16 795 372	23 149 162
Tenant deposits	27 896 724	35 271 188	17 033 462	24 673 123
	47 683 869	**62 852 515**	**33 896 158**	**47 898 763**
Cash and cash equivalents that are not available for use by the Group and Company	43 436 792	50 811 256	32 573 530	40 213 191

Restricted cash and cash equivalents comprise tenant deposits and R 15 540 068 held in a back-to-back Nedbank account linked to a guarantee issued to the City of Tshwane.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
10. STATED CAPITAL				
Authorised				
5 000 000 000 ordinary shares with no par value				
Issued				
325 027 765 (2019: 305 871 896) ordinary shares with no par value	3 235 817 139	3 046 814 683	3 235 817 139	3 046 814 683
Shares to be issued				
13 867 240 ordinary shares to be issued for acquisitions	-	138 672 402	-	138 672 402
	3 235 817 139	**3 185 487 085**	**3 235 817 139**	**3 185 487 085**
Reconciliation of number of shares issued				
Reported at beginning of year	3 185 487 085	-	3 185 487 085	-
Shares issued at incorporation	-	1 889 000	-	1 889 000
Issue of shares on listing in respect of acquisitions	-	3 024 338 221	-	3 024 338 221
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)	-
Share issue expenses	-	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	-	138 672 402	-	138 672 402
Shares issued for acquisitions	56 242 730	-	56 242 730	-
Shares issued to share scheme	950 000	42 551 000	950 000	42 551 000
Reported at end of year	**3 235 817 139**	**3 185 487 085**	**3 235 817 139**	**3 185 487 085**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

11. NON-CONTROLLING INTEREST

The non-controlling interest of R 157 716 367 represents 50% of the net asset value of Mandeni, 47% of the net asset value of Phola and 17.5% of the net asset value of Theku at 29 February 2020. The following is summarised financial information for Mandeni, Phola and Theku, prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in Group accounting policies. The information is before inter-company eliminations with other companies in the Group.

2020	Mandeni Plaza (Pty) Ltd	Phola Mall (Pty) Ltd	Theku Plaza (Pty) Ltd	Total
Extracts from statement of profit and loss and other comprehensive income:				
Revenue	26 182 645	62 717 294	31 838 543	120 738 482
Profit after taxation	6 165 896	42 879 493	25 866 373	74 911 762
Attributable to equity holders of Exemplar	3 082 948	22 825 943	21 339 758	47 248 649
Attributable to non-controlling interest	3 082 948	20 053 550	4 526 615	27 663 113
Dividends paid to non-controlling interest during the year	(4 191 069)	(9 020 181)	(2 855 452)	(16 066 703)
Extracts from the statement of financial position:				
Non-current assets	177 684 817	514 949 773	224 000 000	916 634 590
Current assets	1 197 178	8 616 554	1 365 043	11 178 775
Non-current liabilities	(5 554 315)	(4 883 041)	(7 460 632)	(17 897 988)
Current liabilities	(111 632 145)	(296 482 655)	(89 708 396)	(497 823 196)
Net assets	61 695 535	222 200 631	128 196 015	412 092 181
Net assets attributable to non-controlling interest	30 847 768	104 434 296	22 434 303	157 716 367
Extracts from the statement of cash flows:				
Cash flows from operating activities	15 101 778	37 387 922	14 960 672	67 450 372
Cash flows from investing activities	-	(195 831)	(56 500)	(252 331)
Cash flows from financing activities	(15 252 597)	(36 858 827)	(15 111 305)	(67 222 729)
Net cash flow	(150 819)	333 264	(207 133)	(24 688)

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

11. NON-CONTROLLING INTEREST (CONTINUED)

2019	Mandeni Plaza (Pty) Ltd	Phola Mall (Pty) Ltd	Theku Plaza (Pty) Ltd	Total
Extracts from statement of profit and loss and other comprehensive income:				
Revenue	18 176 282	37 599 077	20 540 524	76 315 883
Profit after taxation	19 580 294	80 107 383	21 594 746	121 282 423
Attributable to equity holders of Exemplar	13 053 529	54 494 818	18 378 507	85 926 854
Attributable to non-controlling interest	6 526 765	25 612 565	3 216 239	35 355 569
Dividends paid to non-controlling interest during the year	(452 471)	(895 860)	(323 497)	(1 671 828)
Extracts from the statement of financial position:				
Non-current assets	184 294 258	485 691 474	209 000 000	878 985 732
Current assets	1 268 954	8 259 089	1 801 300	11 329 343
Non-current liabilities	(12 286 532)	(4 480 703)	(7 668 752)	(24 435 987)
Current liabilities	(109 300 953)	(290 812 510)	(84 486 037)	(484 599 500)
Net assets	63 975 727	198 657 350	118 646 511	381 279 588
Net assets attributable to non-controlling interest	31 987 864	93 368 955	20 763 139	146 119 958
Extracts from the statement of cash flows:				
Cash flows from operating activities	4 529 681	(462 253)	9 472 506	13 539 934
Cash flows from investing activities	-	(3 664 608)	(20 587)	(3 685 195)
Cash flows from financing activities	(5 437 861)	2 178 519	(11 615 430)	(14 874 772)
Net cash flow	(908 180)	(1 948 342)	(2 163 511)	(5 020 033)

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

12. FINANCIAL LIABILITIES

Held at amortised cost

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
ABSA Bank Limited The loan bears interest at the 3 month Jibar plus 1.90%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2023.	250 000 000	250 000 000	250 000 000	250 000 000
ABSA Bank Limited The term loan bears interest at the 3 month Jibar plus 1.65%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	200 000 000	-	200 000 000	-
ABSA Bank Limited The revolving credit facility bears interest at the 3 month Jibar plus 1.75%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	90 000 000	-	90 000 000	-
Nedbank Limited The loan bears interest at the 3 month Jibar plus 2.20%, with interest-only quarterly instalments.The facility maturity date is the 31 May 2023.	600 000 000	600 000 000	600 000 000	600 000 000
Rand Merchant Bank Limited The loan bears interest at the 3 month Jibar plus 1.59%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	300 000 000	300 000 000	300 000 000	300 000 000
Rand Merchant Bank Limited The loan bears interest at the 3 month Jibar plus 1.88%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2022.	180 000 000	180 000 000	180 000 000	180 000 000

	Group		Company	
	2020 R	**2019 R**	**2020 R**	**2019 R**
12. FINANCIAL LIABILITIES (CONTINUED)				
Standard Bank South Africa Limited The loan is a revolving facility of R 200 million and bears interest at the prime lending rate less 1.56%, with interest-only quarterly instalments. The facility termination date is the 8 July 2021.	75 917 274	5 000	75 917 274	5 000
Standard Bank South Africa Limited The loan bears interest at the 3 month Jibar plus 1.68%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	120 000 000	120 000 000	120 000 000	120 000 000
Standard Bank South Africa Limited The loan bears interest at the 3 month Jibar plus 1.82%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2022.	250 000 000	250 000 000	250 000 000	250 000 000
	2 065 917 274	1 700 005 000	2 065 917 274	1 700 005 000
Prepaid participation fees on facilities	(3 106 380)	(4 545 552)	(3 106 380)	(4 545 552)
	2 062 810 894	**1 695 459 448**	**2 062 810 894**	**1 695 459 448**

Security

In terms of a Common Terms Agreement, the above facilities are secured by investment properties held by the Company and by its subsidiaries, with a fair value of R 5 788 843 340.

They are further secured by joint and several sureties given by the Company and its subsidiaries in the form of continuing irrevocable and unconditional joint and several guarantees which extend to the ultimate balance of sums payable. The extent of the guarantees given by Phola Park Shopping Centre (Pty) Ltd, Theku Plaza (Pty) Ltd and Mandeni Plaza (Pty) Ltd are limited to R 292 668 311, R 88 757 852 and R 105 704 160 respectively, plus interest and costs.

Available facilities and residual values

The Company ensures that sufficient unutilised borrowing facilities are available for future commitments and operating requirements.

Total facilities available to the company at the reporting date amounted to R 2 280 000 000, of which R 2 065 917 274 had been utilised. The Company's policy is to refinance the residual portion of interest-bearing borrowings as they become due for renewal.

Further details relating to interest-bearing borrowings are disclosed in notes 13 and 34.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
13. DERIVATIVE FINANCIAL INSTRUMENTS				
Hedging derivatives				
Interest rate cap and collar derivatives	26 465 388	3 643 042	26 465 388	3 643 042

The Company has entered into the following sequence of cap and collar transactions to hedge its interest rate exposure:

Transaction	Fixed rate payer	Floating rate payer	Cap / Floor / Swap (3 month Jibar)	Notional
Interest rate cap	Exemplar	Counterparty	7.25%	R 1 100 000 000
Interest rate cap	Counterparty	Exemplar	8.75%	R 1 100 000 000
Interest rate collar	Exemplar	Counterparty	7.00%	R 1 100 000 000
Interest rate cap	Exemplar	Counterparty	7.25%	R 600 000 000
Interest rate cap	Counterparty	Exemplar	8.00%	R 600 000 000
Interest rate collar	Exemplar	Counterparty	7.00%	R 600 000 000
Interest rate swap	Exemplar	Counterparty	6.88%	R 380 000 000

The Company utilises these derivative financial instruments to hedge all, or a portion, of the interest rate risk associated with its borrowings. The principal objective of such arrangements is to minimise the risks and / or costs associated with the Company's operating and financial structure. The interest rate cap and collar arrangements terminate on 4 October 2021 and the interest rate swap arrangement terminates on 8 July 2022. The Company does not apply hedge accounting in terms of IFRS 9.

The derivative financial instruments were valued by ABSA Bank Limited using the Black-Scholes option valuation methodology. The Company does not utilise derivatives for speculative or other purposes other than interest rate risk management.

Refer to note 34, Risk management for further details.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
14. LEASE LIABILITIES				
Minimum lease payments due				
- within one year	3 117 117	2 927 512	2 410 844	2 285 446
- in second to fifth year inclusive	11 726 030	12 535 261	8 120 436	9 257 449
- later than five years	497 516 874	500 041 783	260 185 603	261 676 460
	512 360 021	515 504 556	270 716 883	273 219 355
less: future finance charges	(485 895 865)	(482 762 308)	(255 553 876)	(257 978 063)
Present value of minimum lease payments	**26 464 156**	**32 742 248**	**15 163 007**	**15 241 292**
Present value of minimum lease payments due				
- within one year	2 718 432	2 568 548	2 100 692	1 991 437
- in second to fifth year inclusive	7 540 636	8 132 957	5 294 851	5 881 563
- later than five years	16 205 088	22 040 743	7 767 465	7 368 292
	26 464 156	**32 742 248**	**15 163 007**	**15 241 292**
Non-current liabilities	23 745 724	30 173 700	13 062 315	13 249 855
Current liabilities	2 718 432	2 568 548	2 100 692	1 991 437
	26 464 156	**32 742 248**	**15 163 007**	**15 241 292**

Acornhoek Megacity was developed on land subject to a 30 year notarial lease commencing 1 September 2017, with a 20 year option to renew. The lease liability has been discounted at a rate of 14.25% per annum.

Diepkloof Square was developed on land subject to a 30 year notarial lease commencing 1 December 2006, with an option to renew for a further 3 equal periods, totalling 9 years and 11 months. The lease liability has been discounted at a rate of 14.50% per annum.

Exemplar headoffice is subject to a 5 year lease arrangement commencing 1 June 2018. The lease liability has been discounted at a rate of 15.00% per annum.

Maake Plaza was developed on land subject to a 22 year notarial lease commencing 1 September 2006. The lease liability has been discounted at a rate of 15.00% per annum.

Mandeni Mall was developed on land subject to a 40 year notarial lease commencing 1 April 2012. The lease liability has been discounted at a rate of 14.50% per annum.

Phola Mall was developed on land subject to a 50 year notarial lease commencing 1 March 2015. The lease liability has been discounted at a rate of 13.75% per annum.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
15. DEFERRED TAX				
Proprerty, plant and equipment	(155 417)	(151 580)	-	-
Expected credit loss allowance	(1 757 511)	(572 676)	(1 302 743)	(87 167)
Prepaid expenses	521 377	545 108	367 242	446 603
Allowance for future expenditure on contracts	1 046 155	707 650	1 046 155	707 650
Income received in advance	(6 117 856)	(3 775 970)	(2 989 013)	(2 370 082)
Bonus and leave accruals	(384 071)	(282 959)	(349 714)	(282 959)
Other accruals	(594 166)	(354 736)	(594 166)	(354 736)
Fair value adjustments on derivatives	(7 410 309)	(1 020 052)	(7 410 309)	(1 020 052)
Capital allowances	110 264 695	109 471 405	66 267 833	66 267 833
Tax loss	(9 672 917)	(9 763 198)	-	-
Total deferred tax liability	**85 739 980**	**94 802 992**	**55 035 285**	**63 307 090**
Reconciliation of deferred tax (asset) / liability				
At beginning of year	94 802 992	-	63 307 090	-
Taxable temporary differences on capital allowances acquired	-	95 903 675	-	64 327 142
Proprerty, plant and equipment	(3 837)	-	-	-
Expected credit loss allowance	(1 184 835)	-	(1 215 576)	(87 167)
Prepaid expenses	(23 732)	-	(79 361)	446 603
Allowance for future expenditure on contracts	338 505	-	338 505	707 650
Income received in advance	(2 341 887)	-	(618 931)	(407 832)
Bonus and leave accruals	(101 112)	-	(66 755)	(282 959)
Other accruals	(239 429)	-	(239 430)	(354 736)
Fair value adjustments on derivatives	(6 390 257)	(1 100 683)	(6 390 257)	(1 020 052)
Capital allowances	793 290	-	-	(21 558)
Tax loss	90 282	-	-	-
	85 739 980	**94 802 992**	**55 035 286**	**63 307 090**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

16. TRADE AND OTHER PAYABLES

Trade payables	28 308 045	44 652 884	14 935 084	31 199 804
Deposits received	27 896 724	31 507 306	17 033 462	20 929 241
Accrued leave pay and bonus	1 371 681	1 010 568	1 248 979	1 010 568
Accruals	5 616 868	2 039 013	3 934 578	2 015 598
Rates and utilities accrual	70 438 878	59 854 475	19 753 931	11 721 865
Other payables	5 968	142 973	-	1 464 425
Amounts received in advance	21 849 487	13 485 605	10 675 047	8 464 579
Value Added Tax	5 532 622	6 443 835	4 487 402	3 708 684
	161 020 273	**159 136 659**	**72 068 483**	**80 514 764**

All amounts are short term. The net carrying amount of trade and other payables is considered a reasonable approximation of fair value.

17. LOANS FROM SUBSIDIARIES

Maake Plaza (Pty) Ltd	-	-	31 971 177	36 369 957
The loan is unsecured, does not bear interest and has no fixed terms of repayment.				
Tsakane Mall (Pty) Ltd	-	-	-	1 370 880
The loan is unsecured, does not bear interest and has no fixed terms of repayment.				
	-	**-**	**31 971 177**	**37 740 837**

18. RENTAL INCOME AND RECOVERIES

Rental income	504 236 929	349 015 823	301 284 647	213 419 297
Turnover rental income	3 207 178	3 161 189	2 564 101	1 503 537
Recoveries	237 162 373	152 062 565	142 252 891	95 601 572
Operating lease equalisation	(16 916 602)	13 191 837	(21 789 319)	4 754 024
	727 689 878	**517 431 414**	**424 312 320**	**315 278 430**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

19. PROPERTY OPERATING COSTS

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Accounting fees	88 118	487 252	52 557	291 061
Audit fees	1 537 075	1 018 793	881 623	570 335
Bad debts	2 518 202	1 807 781	1 562 344	1 137 030
Bank charges	109 612	53 024	46 414	37 121
Cleaning expenses	17 114 335	11 814 901	9 829 477	7 068 890
Depreciation	402 876	38 253	272 980	5 980
Employee costs	6 747 159	4 583 308	3 735 736	2 662 962
General expenses	206 874	127 435	-	107 979
Insurance	2 458 347	1 747 878	1 393 809	1 029 094
Legal expenses	887 864	590 005	826 351	541 243
Marketing	3 975 528	3 356 550	2 356 860	1 930 416
Rates and utilities	196 929 269	130 342 848	112 360 229	63 347 760
Rent paid	181 206	86 245	7 273	(33 614)
Repairs and maintenance	5 386 800	3 377 417	3 439 243	18 978 609
Security expenses	22 035 491	15 086 076	12 388 056	8 756 680
Stationery	203 674	112 667	114 467	81 988
Telephone and fax	225 462	179 294	120 190	100 771
Tenant installation amortisation	1 975 002	464 804	908 123	247 680
Travel - Local	133 633	135 694	87 238	106 840
	263 116 527	**175 410 225**	**150 382 970**	**106 968 823**

20. OTHER INCOME

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Administration and management fees received	12 176 275	8 083 552	17 360 854	12 839 484
Other income	2 800 265	1 198 344	2 484 140	2 345 814
	14 976 540	**9 281 896**	**19 844 994**	**15 185 298**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

21. OPERATING PROFIT

Operating profit for the period is stated after charging the following, amongst others:

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Employee costs				
Salaries, wages, bonuses and other benefits	27 094 160	17 087 479	22 805 775	17 087 479
Depreciation				
Depreciation of property, plant and equipment	402 876	38 253	272 980	5 980

22. INVESTMENT INCOME

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Dividend income				
Group companies:				
Subsidiaries - Local	-	-	109 170 592	2 987 753
Interest income				
Investments in financial assets:				
Bank and other cash	7 026 513	2 599 317	6 061 921	1 872 303
Employee share scheme	3 819 769	2 662 195	3 819 769	2 662 195
Loans receivable	14 417 191	-	-	-
Other financial assets	1 496 390	506 736	851 435	349 337
	26 759 863	5 768 248	10 733 125	4 883 835
Loans to group companies:				
Subsidiaries	-	-	114 262 423	58 070 074
Total interest income	**26 759 863**	**5 768 248**	**124 995 548**	**62 953 909**
Total investment income	**26 759 863**	**5 768 248**	**234 166 140**	**65 941 662**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
23. FINANCE COSTS				
Non-current borrowings	174 045 172	118 722 103	174 045 172	109 360 270
Amortisation of participation fees on facilities	6 601 226	1 944 173	6 601 226	1 944 173
Imputed interest on lease liabilities	3 715 659	2 799 173	2 229 345	2 011 574
Other interest paid	53 457	723 932	24 458	434 084
Total finance costs	**184 415 514**	**124 189 381**	**182 900 201**	**113 750 101**
24. TAXATION				
Major components of the tax income				
Deferred				
Property, plant and equipment	3 837	-	-	-
Expected credit loss allowance	1 184 835	-	1 215 576	87 167
Prepaid expenses	23 732	-	79 361	(446 603)
Allowance for future expenditure on contracts	(338 505)	-	(338 505)	(707 649)
Income received in advance	2 341 886	-	618 931	407 832
Leave and bonus accruals	101 112	-	66 755	282 959
Other accruals and provisions	239 430	-	239 429	354 736
Fair value movements in derivatives	6 390 257	1 100 683	6 390 257	(1 020 052)
Investment Property	(793 290)	-	-	21 558
Estimated tax loss	(90 282)	-	-	-
Originating and reversing temporary differences	**9 063 012**	**1 100 683**	**8 271 804**	**1 020 052**
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate				
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Permanent difference on tax deductible REIT dividend (s25BB qualifying deduction)	(28.00)%	(28.00)%	(28.00)%	(28.00)%
Reversal of taxable temporary differences	2.38%	0.30%	2.22%	0.40%
	2.38%	**0.30%**	**2.22%**	**0.40%**

		Group		Company	
		2020 R	2019 R	2020 R	2019 R
25. CASH GENERATED FROM OPERATIONS					
Profit before taxation		380 015 285	370 191 570	376 577 251	252 754 056
Adjustments for:					
Depreciation		402 876	38 253	272 980	5 980
Dividend income		-	-	(109 170 592)	(2 987 753)
Interest income		(26 759 863)	(5 768 248)	(124 995 547)	(62 953 909)
Finance costs		184 415 514	124 189 381	182 900 199	113 750 101
Fair value gains on investment property		(113 779 867)	(161 696 795)	(82 559 845)	(101 422 493)
Movement in lease liabilities		(7 002 113)	13 271 387	41 943	12 464 972
Movement in lease equalisation		16 916 602	(13 191 837)	21 789 319	(4 754 024)
Fair value losses on derivative financial instruments		22 822 346	3 643 042	22 822 346	3 643 042
Changes in working capital:					
Trade and other receivables		786 405	(25 492 125)	(2 941 952)	(12 949 457)
Trade and other payables		1 883 616	(1 012 381)	(6 931 383)	(46 601 348)
		459 700 800	**304 172 247**	**277 804 719**	**150 949 167**
26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES					
Balance at beginning of year		1 695 459 448	-	1 695 459 448	-
On acquisition of liabilities on formation of group		-	1 846 373 420	-	834 180 527
Increase / (decrease) in financial liabilities		367 351 446	(150 913 972)	367 351 446	861 278 921
Movement in prepaid participation fees on facilities		1 439 172	-	1 439 172	-
Proceeds from financial liabilities		1 069 153 177	161 267 445	1 069 153 177	1 173 460 337
Repayment of financial liabilities		(703 240 903)	(312 181 417)	(703 240 903)	(312 181 416)
Balance at end of year	12	**2 062 810 894**	**1 695 459 448**	**2 062 810 894**	**1 695 459 448**

		Group		Company	
		2020 R	2019 R	2020 R	2019 R

27. RECONCILIATION OF LOANS TO SUBSIDIARIES ARISING FROM INVESTING ACTIVITIES

Balance at beginning of year		-	-	958 462 286	-
Increase in subsidiary loans		-	-	255 848 142	958 462 286
Repayment of subsidiary loans		-	-	(220 299 032)	(162 519 430)
Advances of subsidiary loans		-	-	476 147 174	1 120 981 716
Balance at end of year	6	**-**	**-**	**1 214 310 428**	**958 462 286**

28. RECONCILIATION OF LOANS FROM SUBSIDIARIES ARISING FROM FINANCING ACTIVITIES

Balance at beginning of year		-	-	(37 740 837)	-
Decrease / (increase) in subsidiary loans		-	-	5 769 660	(37 740 837)
Repayment of subsidiary loans		-	-	9 794 633	35 609 163
Advances of subsidiary loans		-	-	(4 024 973)	(73 350 000)
Balance at end of year	17	**-**	**-**	**(31 971 177)**	**(37 740 837)**

29. DIVIDENDS PAID

Shareholders of Exemplar		(274 223 979)	(58 421 532)	(274 223 979)	(58 421 532)
Non-controlling interest		(10 593 877)	(1 671 828)	-	-
		(284 817 856)	**(60 093 360)**	**(274 223 979)**	**(58 421 532)**

Dividends are paid from operating profits.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

30. EARNINGS AND HEADLINE EARNINGS

Reconciliation of basic earnings to headline earnings

	2020 R	2019 R
Profit for the year attributable to equity holders of Exemplar	361 415 184	335 936 684
Fair value adjustment to investment properties	(113 779 867)	(161 696 795)
Non-controlling interest in fair value adjustment to investment properties	15 331 693	27 338 160
Headline earnings	**262 967 010**	**201 578 049**
Number of shares in issue	325 027 765	305 871 896
Weighted average number of shares in issue	322 082 371	233 247 311
Basic and diluted earnings per share (cents)	112.21	144.03
Headline and diluted headline earnings per share (cents)	81.64	86.42

31. DIRECTORS' EMOLUMENTS

	2020		2019	
Executive	**Short-term employee benefits**	**Total**	**Short-term employee benefits**	**Total**
Church, DA				
Salary	3 112 500	3 112 500	2 250 000	2 250 000
McCormick, J (Jason)				
Salary	1 556 250	1 556 250	1 125 000	1 125 000
McCormick, J (John)				
Salary	1 556 250	1 556 250	1 125 000	1 125 000
	6 225 000	**6 225 000**	**4 500 000**	**4 500 000**

Non-executive	**Directors' fees**	**Total**	**Directors' fees**	**Total**
Azzopardi, GVC	315 000	315 000	337 500	337 500
Berkeley, FM	420 000	420 000	450 000	450 000
Katzenellenbogen, PJ	315 000	315 000	337 500	337 500
Maponya, EP	315 000	315 000	337 500	337 500
	1 365 000	**1 365 000**	**1 462 500**	**1 462 500**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

32. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 4
Shareholder with significant influence	Jason McCormick The John McCormick Family Trust McCormick Property Development (Pty) Ltd

Related party balances

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Loan accounts - Owing (to) by related parties				
Alex Mall (Pty) Ltd	-	-	306 338 702	311 606 053
Exemplar Leasing (Pty) Ltd	-	-	2 000	-
Jason McCormick - Share Scheme	10 465 651	10 435 259	10 465 651	10 435 259
Katale Square (Pty) Ltd	-	-	101 884 276	-
Maake Plaza (Pty) Ltd	-	-	(31 971 177)	(36 369 957)
Mabopane Square (Pty) Ltd	-	-	117 841 073	-
Mandeni Plaza (Pty) Ltd	-	-	105 561 903	104 521 741
McCormick Property Development (Pty) Ltd	169 683 818	-	169 683 818	-
Modi Mall (Pty) Ltd	-	-	191 319 906	177 804 318
Phola Mall (Pty) Ltd	-	-	281 619 156	283 039 226
Theku Plaza (Pty) Ltd	-	-	84 813 157	81 490 977
Tsakane Mall (Pty) Ltd	-	-	24 930 256	(1 370 880)

Related party transactions

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Interest received from related parties				
Alex Mall (Pty) Ltd	-	-	28 588 153	19 296 131
Jason McCormick - Share Scheme	895 527	626 259	895 527	626 259
Katale Square (Pty) Ltd	-	-	6 192 051	-
Mabopane Square (Pty) Ltd	-	-	3 720 028	-
Mandeni Plaza (Pty) Ltd	-	-	9 868 797	6 480 111
McCormick Property Development (Pty) Ltd	14 416 149	-	14 416 149	-
Modi Mall (Pty) Ltd	-	-	17 267 227	11 163 717
Phola Mall (Pty) Ltd	-	-	26 522 392	16 464 105
Theku Plaza (Pty) Ltd	-	-	7 687 013	4 666 010

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
32. RELATED PARTIES (CONTINUED)				
Leasing fees received from related parties				
Alex Mall (Pty) Ltd	-	-	387 601	561 310
Exemplar Leasing (Pty) Ltd	-	-	(92 080)	-
Maake Plaza (Pty) Ltd	-	-	472 579	74 746
Mabopane Square (Pty) Ltd	-	-	22 765	-
Mandeni Plaza (Pty) Ltd	-	-	208 370	116 587
Modi Mall (Pty) Ltd	-	-	253 375	42 656
Phola Mall (Pty) Ltd	-	-	33 841	100 249
Theku Plaza (Pty) Ltd	-	-	33 580	225 385
Tsakane Mall (Pty) Ltd	-	-	250 075	27 336
Commission paid to related parties				
Exemplar Leasing (Pty) Ltd	-	-	1 126 562	-
Management fees received from related parties				
Alex Mall (Pty) Ltd	-	-	1 616 666	1 069 801
Katale Square (Pty) Ltd	-	-	250 757	-
Maake Plaza (Pty) Ltd	-	-	233 308	571 756
Mabopane Square (Pty) Ltd	-	-	182 248	-
Mandeni Plaza (Pty) Ltd	-	-	593 529	438 924
Modi Mall (Pty) Ltd	-	-	905 890	643 686
Phola Mall (Pty) Ltd	-	-	1 445 473	1 074 863
Theku Plaza (Pty) Ltd	-	-	748 237	519 310
Tsakane Mall (Pty) Ltd	-	-	1 154 708	1 675 640
Dividends received from related parties				
Alex Mall (Pty) Ltd	-	-	12 604 495	-
Maake Plaza (Pty) Ltd	-	-	9 794 632	-
Mandeni Plaza (Pty) Ltd	-	-	4 191 070	452 471
Modi Mall (Pty) Ltd	-	-	2 968 149	-
Phola Mall (Pty) Ltd	-	-	10 171 710	1 010 225
Theku Plaza (Pty) Ltd	-	-	13 461 417	1 525 057
Tsakane Mall (Pty) Ltd	-	-	55 979 136	-
Rent and operating costs paid to related parties				
The John McCormick Family Trust	1 284 297	1 118 894	1 284 297	1 118 894

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

33. MINIMUM LEASE PAYMENTS RECEIVABLE

Minimum lease payments comprise contractual rental income from investment properties and operating recoveries due in terms of signed lease agreements.

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Receivable within one year	483 119 663	420 894 769	286 058 710	296 154 515
Receivable two to five years	1 033 788 854	954 676 737	541 516 704	616 595 980
Receivable beyond five years	438 715 346	230 729 637	284 921 311	169 976 966
	1 955 623 863	**1 606 301 143**	**1 112 496 725**	**1 082 727 461**

The Group leases a number retail properties under operating leases. Leases typically run for an average period of three to ten years, with an applicable escalation rate ranging between 5 to 8%.

34. RISK MANAGEMENT

Categories of financial instruments

	Notes	Group		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans receivable	7	-	215 172 823	215 172 823
Trade and other receivables	8	-	18 929 843	18 929 843
Cash and cash equivalents	9	-	47 683 869	47 683 869
		-	**281 786 535**	**281 786 535**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans receivable	7	-	44 400 471	44 400 471
Trade and other receivables	8	-	18 028 056	18 028 056
Cash and cash equivalents	9	-	62 852 515	62 852 515
		-	**125 281 042**	**125 281 042**

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	104 369 759	104 369 759
Financial liabilities	12	-	2 065 917 274	2 065 917 274
Derivative financial instruments	13	26 465 388	-	26 465 388
		26 465 388	**2 170 287 033**	**2 196 752 421**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	105 858 445	105 858 445
Financial liabilities	12	-	1 700 005 000	1 700 005 000
Derivative financial instruments	13	3 643 042	-	3 643 042
		3 643 042	**1 805 863 445**	**1 809 506 487**

34. RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

		Company		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans to subsidiaries	6	-	1 214 310 428	1 214 310 428
Loans receivable	7	-	215 172 823	215 172 823
Trade and other receivables	8	-	11 236 084	11 236 084
Cash and cash equivalents	9	-	33 896 158	33 896 158
		-	**1 474 615 493**	**1 474 615 493**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans to subsidiaries	6	-	958 462 286	958 462 286
Loans receivable	7	-	44 400 471	44 400 471
Trade and other receivables	8	-	4 649 853	4 649 853
Cash and cash equivalents	9	-	47 989 763	47 989 763
		-	**1 055 502 373**	**1 055 502 373**

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	38 623 593	38 623 593
Financial liabilities	12	-	2 065 917 274	2 065 917 274
Derivative financial instruments	13	26 465 388	-	26 465 388
		26 465 388	**2 104 540 867**	**2 131 006 255**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	45 570 792	45 570 792
Financial liabilities	12	-	1 700 005 000	1 700 005 000
Derivative financial instruments	13	3 643 042	-	3 643 042
		3 643 042	**1 745 575 792**	**1 749 218 834**

34. RISK MANAGEMENT (CONTINUED)

Pre tax gains and losses on financial instruments

		Group		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	26 759 863	26 759 863
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	5 768 248	5 768 248

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial liabilities		**R**	**R**	**R**
Finance costs	23	-	(184 415 514)	(124 189 381)
Loss on fair value of derivative financial instruments		(22 822 346)	-	(22 822 346)
		(22 822 346)	**(184 415 514)**	**(207 237 860)**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial liabilities		**R**	**R**	**R**
Finance costs	23	-	(124 189 381)	(124 189 381)
Loss on fair value of derivative financial instruments		(3 643 042)	-	(3 643 042)
		(3 643 042)	**(124 189 381)**	**(127 832 423)**

		Company		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	124 995 548	124 995 548
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	62 953 909	62 953 909

34. RISK MANAGEMENT (CONTINUED)

2020		Fair value through profit or loss	Amortised cost	Total
Gains and losses on financial liabilities		R	R	R
Finance costs	23	-	(182 900 201)	(182 900 201)
Loss on fair value of derivative financial instruments		(22 822 346)	-	(22 822 346)
		(22 822 346)	**(182 900 201)**	**(205 722 547)**

2019		Fair value through profit or loss	Amortised cost	Total
Gains and losses on financial liabilities		R	R	R
Finance costs	23	-	(113 750 101)	(113 750 101)
Loss on fair value of derivative financial instruments		(3 643 042)	-	(3 643 042)
		(3 643 042)	**(113 750 101)**	**(117 393 143)**

Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, as well as maintain an optimal capital structure to reduce cost of capital.

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 9, cash and cash equivalents disclosed in notes 7, and equity as disclosed in the statement of financial position.

		Group		Company	
	Notes	2020	2019	2020	2019
		R	R	R	R
Loans from subsidiaries	17	-	-	31 971 177	37 740 837
Financial liabilities	12	2 065 917 274	1 700 005 000	2 065 917 274	1 700 005 000
Finance lease liabilities	14	26 464 156	32 742 248	15 163 007	15 241 292
Trade and other payables	16	104 369 759	105 858 445	38 623 593	45 570 792
Total borrowings		**2 196 751 189**	**1 838 605 693**	**2 151 675 051**	**1 798 557 921**
Cash and cash equivalents	9	(47 683 869)	(62 852 515)	(33 896 158)	(47 898 763)
Net borrowings		**2 149 067 320**	**1 775 753 178**	**2 117 778 893**	**1 750 659 158**

34. RISK MANAGEMENT (CONTINUED)

Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- interest rate risk.

The Group's management policies are designed to ensure that there is an acceptable level of risk within the Group as a whole.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is assessed individually for creditworthiness before terms and conditions are offered, which involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables; and
- debt investments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The lease receivable assets relate to straight-lining of leases and have substantially the same risk characteristics as the trade receivables for the same types of leases. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the lease receivables.

The expected loss rates are based on the payment profiles over a period of 12 months before 29 February 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, unemployment rate and inflation rate as the key macroeconomic factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

34. RISK MANAGEMENT (CONTINUED)

On that basis, the loss allowance as at 29 February 2020 was determined as follows for both trade receivables and lease receivables.

Financial assets exposed to credit risk at year end were as follows:

	Notes	Group		
2020		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans receivable	7	215 172 823	-	215 172 823
Trade and other receivables	8	27 298 943	(8 369 100)	18 929 843
Cash and cash equivalents	9	47 683 869	-	47 683 869
		290 155 635	**(8 369 100)**	**281 786 535**
2019		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans receivable	7	44 400 471	-	44 400 471
Trade and other receivables	8	26 895 358	(8 867 302)	18 028 056
Cash and cash equivalents	9	62 852 515	-	62 852 515
		134 148 344	**(8 867 302)**	**125 281 042**

		Company		
2020		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans to subsidiaries	6	1 214 310 428	-	1 214 310 428
Loans receivable	7	215 172 823	-	215 172 823
Trade and other receivables	8	17 439 622	(6 203 538)	11 236 084
Cash and cash equivalents	9	33 896 158	-	33 896 158
		1 480 819 031	**(6 203 538)**	**1 474 615 493**
2019		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans to subsidiaries	6	958 462 286	-	958 462 286
Loans receivable	7	44 400 471	-	44 400 471
Trade and other receivables	8	11 205 207	(6 555 354)	4 649 853
Cash and cash equivalents	9	47 898 763	-	47 898 763
		1 061 966 727	**(6 555 354)**	**1 055 411 373**

34. RISK MANAGEMENT (CONTINUED)

Liquidity risk

The Group is exposed to liquidity risk as a result of the funds available to cover future commitments, detailed below.

The Group mitigates its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements comprise a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and the Company manages the liquidity risk through an ongoing review of commitments and credit facilities. Cash flow forecasts and budgets are prepared and adequate utilised borrowing facilities, disclosed in notes 9 and 12, are monitored.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Group			
2020	**Less than 1 year R**	**2 to 5 years R**	**Over 5 years R**	**Total R**
Non-current liabilities				
Financial liabilities	-	2 065 917 274	-	2 065 917 274
Derivative financial instruments	26 465 388	-	-	26 465 388
Finance lease liabilities	3 117 117	11 726 030	497 516 874	512 360 021
Current liabilities				
Trade and other payables	104 369 759	-	-	104 369 759
	133 952 264	**2 077 643 304**	**497 516 874**	**2 709 112 442**
2019				
Non-current liabilities				
Financial liabilities	-	1 700 005 000	-	1 700 005 000
Derivative financial instruments	3 643 042	-	-	3 643 042
Finance lease liabilities	2 927 512	12 535 261	500 041 783	515 504 556
Current liabilities				
Trade and other payables	105 858 445	-	-	105 858 445
	112 428 999	**1 712 540 261**	**500 041 783**	**2 325 011 043**

34. RISK MANAGEMENT (CONTINUED)

	Company			
2020	**Less than 1 year R**	**2 to 5 years R**	**Over 5 years R**	**Total R**
Non-current liabilities				
Financial liabilities	-	2 065 917 274	-	2 065 917 274
Derivative financial instruments	26 465 388	-	-	26 465 388
Finance lease liabilities	2 410 844	8 120 436	260 185 603	270 716 883
Current liabilities				
Trade and other payables	38 623 593	-	-	38 623 593
Loans from subsidiaries	31 971 177	-	-	31 971 177
	99 471 002	**2 074 037 710**	**260 185 603**	**2 433 694 315**
2019				
Non-current liabilities				
Financial liabilities	-	1 700 005 000	-	1 700 005 000
Derivative financial instruments	3 643 042	-	-	3 643 042
Finance lease liabilities	2 285 446	9 257 449	261 676 459	273 219 354
Current liabilities				
Trade and other payables	45 570 792	-	-	45 570 792
Loans from subsidiaries	37 740 837	-	-	37 740 837
	89 240 117	**1 709 262 449**	**261 676 459**	**2 060 179 025**

Fair value hierarchy for financial instruments and investment property

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. IFRS 13 requires that an entity disclose for each class of financial instrument and investment property measured at fair value, the level of fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy has the following levels:
Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.
Level 3 – fair value is determined through the use of valuation techniques using significant inputs (refer note 3 for assumptions applied to valuation of investment property).

34. RISK MANAGEMENT (CONTINUED)

	Group			
	Fair value	Level 1	Level 2	Level 3
2020	R	R	R	R
Assets				
Investment properties	5 788 843 340	-	-	5 788 843 340
Liabilities				
Derivative financial instruments	26 465 388	-	26 465 388	-
2019				
Assets				
Investment properties	5 406 403 826	-	-	5 406 403 826
Liabilities				
Derivative financial instruments	3 643 042	-	3 643 042	-

	Company			
	Fair value	Level 1	Level 2	Level 3
2020	R	R	R	R
Assets				
Investment properties	3 369 943 341	-	-	3 369 943 341
Liabilities				
Derivative financial instruments	26 465 388	-	26 465 388	-
2019				
Assets				
Investment properties	3 305 003 826	-	-	3 305 003 826
Liabilities				
Derivative financial instruments	3 643 042	-	3 643 042	-

There have been no transfers between level 1, level 2 and level 3 during the financial year.

Refer to notes 3 and 13 for the relevant valuation methods, inputs and assumptions made.

34. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Fluctuations in interest rates impact on the value of investments, financing activities and an interest rate swap, giving rise to interest rate risk.

The interest rate risk arises primarily from long-term borrowings, which bear interest at rates linked to 3 month Jibar. The Company's weighted average cost of borrowing is 3 month Jibar plus 1.86%, excluding the amortisation of hedging costs and participation fees. The Group strategy is well-managed and monitored, and it has entered into a sequence of collar and cap transactions to hedge its interest rate exposure, with the collar and cap arrangements terminating on 4 October 2021 and the interest rate swap terminating on 8 July 2022 as disclosed in note 13. Monitoring of international and local economic climate and aligning development and hedging strategy with views of future rate movements further mitigates the risk.

A 1% increase in the effective interest rate applicable to interest-bearing borrowings, will result in an increase in finance charges of R759 173 before tax.

35. ACQUISITION OF ASSETS AND LIABILITIES BY THE GROUP

During the current year, Exemplar REITail acquired shares and shareholders' claims in Katale Square and Mabopane Square.

Management assessed the shares and shareholders' claims acquired and has concluded that in its view that all acquisitions are subsidiary acquisitioned are dealt with under IAS 27 – Separate Financial Statements, IFRS 10 – Consolidated Financial Statements and IFRS 12 – Disclosure of Interests in Other Entities, and are therefore accounted for in terms of those standards. These entities did not constitute a business as defined in terms of IFRS 3 – Business Combinations, as there were no adequate processes identified within these entities to warrant classification as businesses.

	Group	
	2020 R	2019 R
Entities	**Interest acquired** **%**	**Interest acquired** **%**
Acornhoek Plaza Share Block (Pty) Ltd		43.98
Alex Mall (Pty) Ltd		100.00
Katale Square (Pty) Ltd	100.00	-
Maake Plaza (Pty) Ltd		100.00
Mabopane Square (Pty) Ltd	100.00	-
Mandeni Plaza (Pty) Ltd		50.00
Modi Mall (Pty) Ltd		100.00
Phola Mall (Pty) Ltd		53.00
Theku Plaza (Pty) Ltd		82.50
Tsakane Mall (Pty) Ltd		100.00

Management assessed the properties acquired and has concluded that in its view that all acquisitions are property acquisitions in terms of IAS 40 – Investment Property and are therefore accounted for in terms of that standard. These properties did not constitute a business as defined in terms of IFRS 3 – Business Combinations, as there were no adequate processes identified within these properties to warrant classification as businesses.

35. ACQUISITION OF ASSETS AND LIABILITIES BY THE GROUP (CONTINUED)

	Group	
	2020 R	2019 R
Properties	**Interest acquired** **%**	**Interest acquired** **%**
Atteridge Stadium Centre		100.00
Blouberg Mall		100.00
Chris Hani Crossing		100.00
Diepkloof Plaza		100.00
Edendale Mall		100.00
Emoyeni Regional Mall		100.00
Jane Furse Plaza		29.83
Kwagga Mall		43.51
Lusiki Plaza		100.00
Modjadji Plaza		70.00
Olievenhout Plaza		100.00
Thorntree Shopping Centre		100.00

Assets and liabilities arising from the acquisitions are as follows:

Assets	**R**	**R**
Investment property	278 000 000	4 902 892 652
Operating lease asset	-	155 158 863
Property, plant and equipment	-	487 855
Loans receivable	-	38 023 994
Cash and cash equivalents	-	124 963 886
Trade and other receivables	-	22 219 258
Liabilities		
Financial liabilities	-	(1 850 918 972)
Deferred tax	-	(95 903 675)
Trade and other payables	-	(182 112 861)
Fair value of net assets acquired	278 000 000	3 114 811 000
Non-controlling interest	-	(112 436 217)
Fair value of Exemplar REITail's share of net assets acquired	278 000 000	3 002 374 783
Cash and cash equivalents acquired	-	124 963 883

The shares in and claims against Katale Square (Pty) Ltd and Mabopane Square (Pty) Ltd were acquired through the issue of ordinary shares in the company and cash of R 221 757 270. On 1 July 2019, 1 812 327 shares were issued at R10.69 each and on 1 November 2019, 3 381 302 shares were issued at R10.90 each in respect of the Katale Square and Mabopane Square acquisitions.

The entities and businesses acquired in the prior year on the formation of the Group were acquired through the issue of 297 431 896 shares in the Company on 1 June 2018 at R10.00 each.

36. JOINT OPERATIONS

Profits and losses resulting from the transactions with the joint operations are recognised in the Group's consolidated annual financial statements only to the extent of interests that are not related to the Group.

The Group accounts for the assets, liabilities, revenues and expenses relating to joint operations in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

In the separate annual financial statements of the company, interests in joint operations are accounted for in the same manner.

	Group	
	2020 R	2019 R
Joint operations comprise the following properties:		
	%	%
Acornhoek Megacity	43.98	43.98
Chris Hani Crossing	50.00	50.00
Jane Furse Plaza	29.83	29.83
Kwagga Mall	43.51	43.51
Maake Plaza	30.00	30.00
Modjadji Plaza	70.00	70.00
Tsakane Mall	50.00	50.00

	Group	
	2020 R	2019 R

36. JOINT OPERATIONS (CONTINUED)

Exemplar's share of profit and loss and net assets:

	2020 R	2019 R
Statement of profit or loss and other comprehensive income		
Property portfolio	187 909 128	137 490 277
Rental income and recoveries	196 854 210	137 078 971
Straight-line lease income adjustments	(8 945 082)	411 306
Property operating expenses	(58 917 519)	(37 327 974)
Profit from operations	128 991 609	100 162 303
Fair value adjustment to investment properties	(27 636 058)	54 195 848
Profit before taxation	101 355 551	154 358 151
Statement of financial position		
Opening fair value of property assets	1 687 403 825	-
Purchase consideration	-	1 517 425 718
Additions	5 211 419	115 618 917
Fair value adjustment	(27 636 058)	54 195 848
Finance lease liability	3 837 949	(247 964)
Operating lease asset	(8 945 082)	411 306
Closing fair value of property assets	1 659 872 053	1 687 403 825
Property, plant and equipment	267 980	14 978
Current assets	206 755 752	24 920 279
Total assets	**1 866 895 785**	**1 712 339 082**
Equity	2 007 764 339	1 786 890 768
Deferred taxation	(46 003 488)	(46 050 944)
Finance lease liabilities	(4 028 713)	(3 749 530)
Current liabilities	(90 836 353)	(24 751 212)
Total equity and liabilities	**1 866 895 785**	**1 712 339 082**

All joint operations have their principal place of business in South Africa. They own and manage retail real estate.

37. CONTINGENCIES

A claim has been made by a competing developer. The claim is being defended and is still in progress, although pleadings have now closed. The matter does not have a hearing date as yet. The attorneys are of the view that the prospects of successfully defending the matter, especially on the basis that the claim has prescribed, are sound.

38. EVENTS AFTER THE REPORTING PERIOD

In terms of IAS 10 Events after the Reporting Period, non-adjusting post balance sheet events are events that arose after the end of the reporting. It was concluded that the declaration of COVID-19 as a pandemic and the associated restrictions on personal movement is such an event.

The impact of COVID-19 on accounting standards that require the use of forward-looking information (for example, expected credit losses, impairments and valuations of investment property) was assessed based on information available as at 29 February 2020. The general economic decline, reduced trade and measures to control the spread of the virus may lead to unemployment and reduced income, as well as a substantial fall in GDP and consumer confidence in South Africa.

The Group is currently evaluating the potential short-term and long-term implications of COVID-19 on its consolidated financial statements and has concluded that while it is reasonably possible that the virus could have a negative effect on the Group's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Group continues to monitor the impact of the COVID-19 outbreak closely.

39. SEGMENT ANALYSIS

The Group identifies and presents operating segments based on information that is provided to the Group's management and internal reporting structure as determined by the Group's executive committee. The Group's management reviews the performance of its investment properties on an individual basis and due to the entire portfolio being retail, has taken a decision to aggregate operating segments and disclose such reportable segments on a geographical basis, initially:

- Gauteng;
- Mpumalanga;
- KwaZulu Natal;
- Limpopo;
- Eastern Cape.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

2020	GLA	Investment property fair value	Revenue	Straight line lease income adjustments	Property operating expenses	Change in fair values	Net income
	m²	R	R	R	R	R	R
Gauteng	134,371	2 640 505 340	313 787 259	(14 406 444)	(115 736 281)	85 446 766	269 091 300
Mpumalanga	89,737	1 402 369 000	172 244 835	(2 410 789)	(60 978 956)	(9 776 990)	99 078 100
KwaZulu Natal	58,889	779 000 000	118 962 050	(1 182 711)	(49 197 000)	26 809 153	95 391 492
Limpopo	53,165	779 969 000	114 864 531	1 529 754	(48 956 776)	1 271 405	68 708 913
Eastern Cape	13,597	187 000 000	26 569 621	(446 412)	(9 335 836)	10 029 533	26 816 906
	349,759	5 788 843 340	746 428 296	(16 916 602)	(284 204 849)	113 779 867	559 086 711

2019	GLA	Investment property fair value	Revenue	Straight line lease income adjustments	Property operating expenses	Change in fair values	Net income
	m²	R	R	R	R	R	R
Gauteng	124,103	2 399 000 000	214 510 030	6 016 307	(70 917 849)	81 359 498	230 967 986
Mpumalanga	81,136	1 298 825 326	114 367 035	6 829 571	(37 365 938)	32 400 313	116 230 981
KwaZulu Natal	59,135	753 000 000	81 146 752	(140 621)	(31 881 800)	15 734 714	64 859 045
Limpopo	53,417	778 578 500	77 172 121	275 078	(28 073 662)	31 734 842	81 108 379
Eastern Cape	13,597	177 000 000	17 043 638	211 503	(7 170 976)	467 428	10 551 593
	331,388	5 406 403 826	504 239 576	13 191 838	(175 410 225)	161 696 795	503 717 984

ANNEXURE TO THE GROUP FINANCIAL STATEMENTS

	Group	
Distributable earnings reconciliation	**2020 R**	**2019 R**
Net property income	**559 086 711**	**503 717 984**
Other income	34 243 047	9 281 896
Administrative expenses and corporate costs	(32 836 475)	(20 744 135)
Interest income	26 759 863	5 768 248
Finance costs	(184 415 514)	(124 189 381)
Fair value adjustment to derivative financial instruments	(22 822 346)	(3 643 042)
Taxation	9 063 012	1 100 683
Total comprehensive income	**389 078 298**	**371 292 253**
Distributable earnings adjustments:		
Attributable to non-controlling interests	(27 663 113)	(35 355 568)
Fair value adjustment to investment properties	(113 779 867)	(161 696 795)
Non-controlling interest in fair value adjustment to investment properties	15 331 692	27 338 160
Straight-line lease income adjustments	16 916 602	(13 191 837)
Non-controlling interest in straight-line lease income adjustments	1 508 042	1 510 651
Finance lease liability adjustment - rent paid	(2 358 708)	-
Finance lease liability adjustment - interest on finance lease	3 403 479	-
Non-controlling interest in finance lease liability adjustments	(408 408)	-
Fair value adjustment to derivative financial instruments	22 822 346	3 643 042
Deferred tax movement	(9 063 012)	(1 100 683)
Antecedent adjustment	2 589 600	2 649 954
Distributable income	**298 376 951**	**195 089 177**
Distributable income per share (cents)	92,26859	61,84348
Distributable income for the year	298 376 951	195 089 177
Interim dividend paid	(140 743 075)	(58 421 532)
Dividend per share (cents)	43,77000	19,10000
Number of shares	321 551 463	305 871 896
Final dividend	157 633 876	136 667 645
Dividend per share (cents)	48,49859	42,74348
Number of shares	325 027 765	319 739 136
Dividend per share for the 12 months (cents)	**92,26859**	**61,84348**

CHAPTER 5

SHAREHOLDER INFORMATION

Modi Mall | Limpopo

SHAREHOLDER ANALYSIS

Analysis of ordinary shareholders as at 29 February 2020

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	24	22.43	8 874	0.00
1 001 - 10 000 shares	15	14.02	64 214	0.02
10 001 - 100 000 shares	33	30.84	1 281 660	0.39
100 001 - 1 000 000 shares	15	14.02	5 461 339	1.68
Over 1 000 000 shares	20	18.69	318 211 678	97.91
Total	**107**	**100.00**	**325 027 765**	**100.00**
Distribution of shareholders				
Individuals	78	72.89	5 838 902	1.80
Private companies	21	19.63	309 854 376	95.33
Trusts	6	5.61	6 300 106	1.94
Close corporations	2	1.87	3 034 381	0.93
Total	**107**	**100.00**	**325 027 765**	**100.00**
Shareholder type				
Non-public shareholders				
Shares held by extended family of directors	1	0.92	2 572 731	0.79
Directors and associates of the Company	10	9.17	253 071 852	77.86
Share scheme	37	33.95	4 350 100	1.34
Public shareholders	61	55.96	65 033 082	20.01
Total	**109**	**100.00**	**325 027 765**	**100.00**
Shareholders holding 3% or more				
McCormick Property Development Pty Ltd			193 055 613	59.39
Thorntree Shopping Centre Pty Ltd			24 006 372	7.39
Diepkloof Plaza Pty Ltd			16 440 379	5.06
Edendale Mall Pty Ltd			16 422 559	5.05
Blouberg Mall Pty Ltd			14 557 154	4.48
Olievenhout Plaza Pty Ltd			12 810 228	3.94
Total			**277 292 305**	**85.31**

**Note that two shareholders hold shares under the share scheme and either under directors and associates of the Company or under public shareholders*

SHAREHOLDER DIARY

Record date for receipt of notice purposes	Friday, 5 June 2020
Posting date	Wednesday, 17 June 2020
Last day to trade in order to be eligible to vote	Tuesday, 7 July 2020
Record date for voting purposes	Friday, 10 July 2020
For administration purposes, forms of proxy to be lodged by15h00 on	Monday, 13 July 2020
AGM to be held at 15h00 on	Wednesday, 15 July 2020
Results of AGM released on SENS on or before	Friday, 17 July 2020

NOTICE OF ANNUAL GENERAL MEETING

EXEMPLAR

Exemplar REITail Limited
(Incorporated in the Republic of South Africa)
Registration number 2018/022591/06
Approved as a REIT by the JSE
JSE share code: EXP
ISIN: ZAE000257549
LEI: 3789000558287E37F130
("Exemplar" or the "Company")

Notice is hereby given that the AGM of shareholders of Exemplar will be held at the Company's registered office, Sokatumi Estate, cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, on Wednesday, 15 July 2020 at 15h00, for the purpose of:

- presenting the directors' report, the AFS, the Audit and Risk Committee report and the Social and Ethics Committee report for the year ended 29 February 2020 contained in the IAR to which this notice of AGM is attached;
- transacting any other business as may be transacted at an AGM of shareholders of a Company, including the re-appointment of the auditors and re-election of retiring directors;
- considering and, if deemed fit, adopting with or without modification, the resolutions set out below.

If you are in doubt as to what action you should take arising from the following resolutions, please consult your CSDP, stockbroker, banker, attorney, accountant or other professional advisor immediately.

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

"Resolved that the following directors who retire by rotation in accordance with the Company's memorandum of incorporation and who, being eligible, offer themselves for re-election, be re-elected as directors of the Company, each by way of a separate vote:

1.1 Frank M Berkeley;
1.2 Gregory VC Azzopardi; and
1.3 John McCormick."

The abbreviated curriculum vitae of the aforementioned directors is available on pages 18 to 21 of the IAR of which this notice forms part.

The board has considered the performance and contribution to the Company of each of the aforementioned directors and recommends that each of the directors is re-elected as a director of the Company.

In order for ordinary resolutions 1.1 to 1.3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 2: RE-APPOINTMENT OF EXTERNAL AUDITORS

"Resolved that BDO South Africa Inc, together with Garron Chaitowitz as the engagement audit partner, be and are hereby re-appointed as the external auditors of the Company from the conclusion of this AGM."

The Audit and Risk Committee has recommended BDO South Africa Inc. for re-appointment as independent auditors of the Company, pursuant to section 90(2)(c) of the Companies Act, and further confirms that their appointment, together with the engagement audit partner, Garron Chaitowitz, is in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements.

In order for ordinary resolution 2 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 3: RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

"Resolved that the members of the Company's Audit and Risk Committee set out below, being eligible, be and are hereby re-appointed, each by way of a separate vote, with effect from the end of this AGM, in terms of section 94(2) of the Companies Act:

3.1 Peter J Katzenellenbogen;
3.2 Frank M Berkeley; and
3.3 Elias P Maponya,

all of whom are independent non-executive directors"

The abbreviated curriculum vitae of each of the Audit and Risk Committee members is available on pages 18 to 21 of the IAR of which this notice forms part.

In order for ordinary resolutions 3.1 to 3.3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 4: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act, the JSE Listings Requirements, and the Company's memorandum of incorporation, the directors of the Company be and are hereby authorised, until this authority lapses at the next AGM or 15 months from the date on which this resolution is passed, whichever is the earlier date, to allot and issue shares of the Company for cash, on the basis that:

a the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;
b the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
c the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 32 502 776 shares, being 10% of the Company's issued shares as at the date of notice of this AGM, excluding treasury shares. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 32 502 776 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
d in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
e the maximum discount at which the shares may be issued is 10% to the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue (the "reference period") is agreed between the Company and the party subscribing for the shares (the "reference price"), provided that the reference price shall be reduced by the amount of any dividend if:
  - the "ex" date for shareholders to be recorded on the share register in order to receive the relevant dividend occurs during the reference period; and/or
  - the shares to be issued shall only be issued after the "ex" date; and

f after the Company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and an explanation, including supporting information (if any), of the intended use of the funds."

In terms of the JSE Listings Requirements, in order for ordinary resolution 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 5: SPECIFIC AUTHORITY TO ISSUE SHARES PURSUANT TO A REINVESTMENT OPTION

"Resolved that, subject to the provisions of the Companies Act, the Company's memorandum of incorporation and the JSE Listings Requirements, and in addition to the authority granted to the directors pursuant to ordinary resolution 4, the directors be and are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their distributions in new shares of the Company pursuant to a reinvestment option."

In order for ordinary resolution 5 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 6: AUTHORISATION TO SIGN DOCUMENTS

"Resolved that any executive director and/or the company secretary of the Company be and is hereby authorised to sign all such documents and do all such things as may be necessary or incidental to the implementation of ordinary resolutions 1 to 5, the non-binding advisory resolutions 1 – 2, and special resolutions 1 – 4, which are passed by the shareholders in accordance with and subject to the terms thereof."

In order for ordinary resolution 6 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

NON-BINDING ADVISORY RESOLUTIONS

NON-BINDING ADVISORY RESOLUTION 1: APPROVAL OF REMUNERATION POLICY

"Resolved that, by way of a non-binding advisory vote, the Company's remuneration policy, a summary of which has been presented to shareholders in the Company's IAR on page 54 and 55, be and is hereby approved."

NON-BINDING ADVISORY RESOLUTION 2: APPROVAL OF REMUNERATION IMPLEMENTATION REPORT

"Resolved that, by way of a non-binding advisory vote, the Company's remuneration implementation report, which has been presented to shareholders in the Company's IAR on page 56, be and is hereby approved."

In line with King IV and the JSE Listings Requirements, the remuneration policy and the remuneration implementation report must be tabled at each AGM, with both subject to separate non-binding advisory votes. This allows shareholders to express their views on the Company's remuneration structures and policies.

In the event that either the remuneration policy or the remuneration implementation report, or both, are voted against by 25% or more of the voting rights exercised by shareholders, the board is committed to actively engage with shareholders in order to address all legitimate and reasonable objections and concerns.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION 1: APPROVAL OF FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

"Resolved, as a special resolution in terms of section 66(9) of the Companies Act, as read with section 65(11)(h) of the Companies Act, and subject to the provisions of the Company's memorandum of incorporation, that the Company be and is hereby authorised to pay remuneration to its non-executive directors for their service as directors for the period of two years from the passing of this resolution or until its renewal, whichever is the earlier date, as detailed in the following table. The proposed remuneration excludes value added tax (VAT), which will be added by the directors in accordance with current VAT legislation, where applicable."

	Fees for FY2020	Proposed fees for FY2021
Chair of the board	R420 000	R436 800
Non-executive member of the board	R315 000	R327 600

The above rates have been proposed to ensure that the remuneration of non-executive directors remains competitive, in order to enable the Company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required in order to make meaningful contributions to the Company. The remuneration proposed is considered to be both fair and reasonable and in the best interests of the Company.

In order for special resolution 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass those resolutions.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 1

The reason for special resolution 1 is to obtain shareholder approval by way of a special resolution in accordance with section 66(9) of the Companies Act for the payment by the Company of remuneration to each of the non-executive directors of the Company for each non-executive director's services as a non-executive director in the amounts set out under special resolution 1.

SPECIAL RESOLUTION 2: GENERAL AUTHORITY TO REPURCHASE SHARES

"Resolved, as a special resolution that, subject to the Companies Act, the JSE Listings Requirements and the restrictions set out below, the Company or any subsidiary of the Company, be and are hereby authorised by way of a general authority to acquire, from time to time, the ordinary shares issued by the Company, in terms of sections 46 and 48 of the Companies Act, and provided that:

a any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement;
b 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 passing this special resolution;
c the Company (or any subsidiary) is duly authorised by its memorandum of incorporation to do so;
d acquisitions of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the Company's issued ordinary share capital as at the date of passing this special resolution;
e in determining the price at which 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 shares may be acquired will be 10% above the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;
f at any point in time the Company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;

g repurchases may not take place during a prohibited period as contemplated in the JSE Listings Requirements unless a repurchase programme is in place, where the dates and quantities of shares to be repurchased during the prohibited period are fixed, and full details of the programme have been submitted to the JSE in writing prior to commencement of the prohibited period;

h an announcement will be published as soon as the Company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such repurchases; and

i the board of directors of the Company must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the Group."

In accordance with the JSE Listings Requirements, the directors record that although there is no immediate intention to effect a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the general authority, for a period of 12 months after the date of notice of this AGM:

a the Company and the Group will, in the ordinary course of business, be able to pay its debts;

b the consolidated assets of the Company and the Group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the Company and the Group fairly valued in accordance with International Financial Reporting Standards; and

c the Company's and the Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

In order for special resolution 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass those resolutions.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 2

The reason for special resolution 2 is to afford the directors of the Company (or a subsidiary of the Company) general authority to effect a repurchase of the Company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements and the Companies Act, to effect repurchases of the Company's shares on the JSE.

ADDITIONAL INFORMATION REQUIRED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

For purposes of this general authority, the following additional information, some of which may appear elsewhere in the IAR of which this notice forms part, is provided in terms of paragraph 11.26 of the JSE Listings Requirements:

- Major shareholders: Refer to the shareholder analysis on page 131 of the IAR.

- Material changes: Other than the facts and developments reported on in the IAR of which this notice forms part, 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 for the financial year ended 29 February 2020 and up to the date of this notice.

- Share capital of the Company: Refer to page 95 of this IAR.

- Directors' responsibility statement: The directors, whose names appear on page 4 of the IAR of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

SPECIAL RESOLUTION 3: FINANCIAL ASSISTANCE IN TERMS OF SECTION 45 OF THE COMPANIES ACT

"Resolved that, to the extent required by the Companies Act, the board may, subject to compliance with the requirements of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act, by way of loans, guarantees, the provision of security or otherwise, to a director or prescribed officer of the Company or of a related or inter-related Company (as defined in the Companies Act), or to any of its present or future subsidiaries and/or any other Company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company, or to a member of a related or inter-related corporation (as defined in the Companies Act), or to a person related to any such Company, corporation, director, prescribed officer or member, for any purpose or in connection with any matter, such authority to endure for a period of two years from the date of the passing of this special resolution."

In order for special resolution 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass those resolutions.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 3

The Company would like the ability to provide financial assistance, if necessary, in accordance with section 45 of the Companies Act. Therefore, the reason for and effect of special resolution 3 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the persons referred to in special resolution 3.

SPECIAL RESOLUTION 4: FINANCIAL ASSISTANCE IN TERMS OF SECTION 44 OF THE COMPANIES ACT

"Resolved that, to the extent required by the Companies Act, the board may, subject to compliance with the requirements of the Company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, authorise the Company to provide direct or indirect financial assistance as contemplated in section 44 of the Companies Act, by way of a loan, guarantee, the provision of security or otherwise, to any person, for the purpose of or in connection with the subscription of any option or any securities issued or to be issued by the Company or a related or inter-related Company (as defined in the Companies Act), or for the purchase of any securities of the Company or a related or a related or inter-related Company (as defined in the Companies Act), such authority to endure for a period of two years from the date of the passing of this special resolution."

In order for special resolution 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass those resolutions.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 4

The Company would like the ability to provide financial assistance, if necessary, in accordance with section 44 of the Companies Act. Therefore, the reason for and effect of special resolution 4 is to permit the Company to provide financial assistance (within the meaning attributed to that term in section 44 of the Companies Act) to the persons and for the purposes referred to in special resolution 4.

IMPORTANT DATES AND TIMES

Record date for receipt of notice purposes	Friday, 5 June 2020
Posting date	Wednesday, 17 June 2020
Last day to trade in order to be eligible to vote	Tuesday, 7 July 2020
Record date for voting purposes	Friday, 10 July 2020
For administration purposes, forms of proxy to be lodged by 15h00 on	Monday 13 July 2020
AGM to be held at 15h00 on	Wednesday, 15 July 2020
Results of AGM released on SENS on or before	Friday, 17 July 2020

ATTENDANCE AND PARTICIPATION AT THE MEETING

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, for purposes of being entitled to attend, participate in and vote at the AGM is Friday, 10 July 2020.

QUORUM

The quorum, for the purposes of considering the resolutions to be proposed at the AGM, shall consist of three shareholders of the Company, present in person or represented by proxy, and entitled to vote at the meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

VOTING AND PROXIES

In terms of section 62(3)(e) of the Companies Act, a shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and participate in and vote at the AGM in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein, and a proxy need not be a shareholder of the Company.

A form of proxy is attached for the convenience of any Exemplar shareholder holding certificated shares who cannot attend the AGM, but who wishes to be represented thereat. Forms of proxy may also be obtained on request from the Company's registered office. For administrative purposes, the completed forms of proxy should be deposited at or emailed to the office of the transfer secretaries, so as to be received by 15h00 on Monday, 13 July 2020 to allow for processing of the proxy forms. Alternatively, the form of proxy may be handed to the chair of the AGM or to the transfer secretaries at the AGM at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to vote in person at the AGM, should the shareholder subsequently decide to do so.

Shareholders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and who wish to attend the AGM, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders who have elected "own name" registration in the sub-register through a CSDP and who are unable to attend, but wish to vote at the AGM of shareholders, must complete and return the attached form of proxy and lodge it with the transfer secretaries of the Company by 15h00 on Monday, 13 July 2020 to allow for processing. Alternatively, the form of proxy may be handed to the chair of the AGM at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM. All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with "own name" registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the AGM. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the AGM. Such shareholder must not complete the attached form of proxy.

In terms of section 63(1) of the Companies Act, meeting participants will be required to provide identification to the reasonable satisfaction of the chair of the AGM and the chair must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably satisfied. Accordingly, valid identification is required in order to verify the participants who are entitled to participate in, vote and speak at the meeting – this applies to both shareholders and proxies. Shareholders and proxies should, therefore, ensure that such identification is available on the day of the meeting. Acceptable forms of identification include valid identity documents, drivers' licences and passports.

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll.

TELEPHONIC PARTICIPATION

Shareholders or their proxies may participate in the meeting by way of a telephone conference call. Shareholders or their proxies who wish to participate in the AGM via the teleconference facility will be required to advise the Company thereof by no later than 15h00 on Monday, 13 July 2020, by submitting, by email to the company secretary at ananda@exemplarreit.co.za, relevant contact details including an email address, cellular number and landline, as well as full details of the shareholder's title to the shares issued by the Company together with proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and written confirmation from the shareholder's CSDP (in the case of dematerialised shareholders) confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the teleconference facility during the AGM.

Shareholders who wish to participate in the AGM by way of telephone conference call must note that they will not be able to vote during the AGM. Such shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable (i) complete the form of proxy; or (ii) contact their CSDP or broker, as set out above.

In light of the directive announced on 23 March 2020 by the President of South Africa in terms of section 27(1) of the Disaster Management Act, No. 57 of 2002 implementing a nationwide lockdown with effect from 26 March 2020 and extended to the end of April 2020, which may be extended or re-instated from time to time ("Lockdown"), and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic, shareholders are encouraged to make use of proxies at the AGM. In the event of a future Lockdown, future regulations or directives or preventative measures relating to COVID-19, shareholders or their proxies may be prevented from attending the AGM in person. In such circumstances, Exemplar may determine, by way of notice to shareholders published on SENS and in the South African press by no later than 10 (ten) business days prior to the AGM, that the AGM will take place entirely by electronic means and/or that shareholders or their proxies will be entitled to vote electronically, which notice will include details and instructions of such arrangement.

ANANDA BOOYSEN
Company Secretary

FORM OF PROXY

(FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY)

Exemplar REITail Limited
(Incorporated in the Republic of South Africa)
Registration number 2018/022591/06
Approved as a REIT by the JSE
JSE share code: EXP
ISIN: ZAE000257549
LEI: 3789000558287E37F130
("Exemplar" or the "Company")

FOR USE BY CERTIFICATED AND OWN-NAME DEMATERIALISED SHAREHOLDERS ONLY

For use by shareholders of the Company holding certificated shares and/or dematerialised shareholders who have selected "own name" registration, at the AGM of the Company to be held at the Company's registered office, Sokatumi Estate, cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, on Wednesday, 15 July 2020 at 15h00 (or at any postponement or adjournment thereof).

Not for use by dematerialised shareholders who have not selected "own name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the AGM in order for the CSDP or broker to vote in accordance with their instructions at the AGM.

I/We		*(names in block letters)*
of		*(address in block letters)*
being the holder/s of		shares in the Company, do hereby appoint:
	of	or failing him/her,
	of	or failing him/her, the chair of the AGM,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the AGM and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the AGM, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner:

RESOLUTIONS		*FOR	*AGAINST	*ABSTAIN
ORDINARY RESOLUTIONS				
Ordinary resolution 1:	Re-election of directors:			
	1.1 Frank M Berkeley			
	1.2 Gregory VC Azzopardi			
	1.3 John McCormick			
Ordinary resolution 2:	Re-appointment of external auditor			
Ordinary resolution 3:	Re-appointment of members of the Audit and Risk Committee:			
	3.1 Peter J Katzenellenbogen			
	3.2 Frank M Berkeley			
	3.3 Elias P Maponya			
Ordinary resolution 4:	General authority to issue shares for cash			
Ordinary resolution 5:	Specific authority to issue shares pursuant to a reinvestment option			
Ordinary resolution 6:	Authorisation to sign documents			
NON-BINDING ADVISORY RESOLUTIONS				
Non-binding advisory resolution 1: Approval of remuneration policy				
Non-binding advisory resolution 2: Approval of remuneration implementation report				
SPECIAL RESOLUTIONS				
Special resolution 1: Approval of fees payable to non-executive directors				
Special resolution 2: General authority to repurchase shares				
Special resolution 3: Financial assistance in terms of section 45 of the Companies Act				
Special resolution 4: Financial assistance in terms of section 44 of the Companies Act				

** One vote per share held by shareholders, recorded in the register on the record date.*

	2020
Full name(s) and capacity:	
Signature:	
Assisted by (where applicable):	

Please read the notes to the form of proxy on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1 Shareholders that are certificated shareholders or "own name" dematerialised shareholders entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the chair of the AGM", but any such deletion must be initialled by the shareholder(s). Such proxy(ies) may participate in, speak and vote at the AGM in the place of that shareholder at the AGM. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chair shall be deemed to be the proxy.

2 A proxy appointed by a shareholder in terms hereof may not delegate his authority to act on behalf of the shareholder to any other person.

3 If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the AGM unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or emailed to proxy@computershare.co.za, by 15h00 on Monday, 13 July 2020.

4 A shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat relating to the resolutions proposed in this form of proxy.

5 The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

6 A shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.

7 The chair of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.

8 Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory(ies).

9 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or the transfer secretaries or waived by the chair of the AGM.

10 Where there are joint registered holders of any shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted and only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.

11 This form of proxy may be used at any adjournment or postponement of the AGM, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

12 The aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act.

FORMS OF PROXY SHOULD BE LODGED AT, POSTED, FAXED OR EMAILED TO THE TRANSFER SECRETARIES, COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED:

HAND DELIVERIES TO:
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
South Africa

POSTAL DELIVERIES TO:
Computershare Investor Services
Proprietary Limited
Private Bag X9000
Saxonwold
2132
South Africa

FAX TO:
F +27 11 688 5238

EMAIL TO:
Proxy@Computershare.co.za

to be received, for administrative purposes, by 15h00 on Monday, 13 July 2020.

Alternatively, the form of proxy may be handed to the chair of the AGM or the transfer secretaries prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.

CORPORATE INFORMATION

REGISTERED OFFICE AND BUSINESS ADDRESS

Corner Lyttelton Road and Leyden Avenue
Clubview, Centurion, 0157
+27 12 660 3020
info@exemplarreit.co.za

COMPANY SECRETARY

Ananda Booysen
+27 12 660 3020
ananda@exemplarreit.co.za

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank , 2196
+27 11 370 5000

CORPORATE ADVISOR AND SPONSOR

Java Capital
6A Sandown Valley Crescent
Sandton, 2196
+27 11 722 3050

AUDITORS

BDO South Africa Incorporated
Wanderers Office Park, 52 Corlett Drive
Illovo, 2196
+27 11 488 1700

Exemplar REITail Limited
(Incorporated in the Republic of South Africa)
Registration number 2018/022591/06
Approved as a REIT by the JSE
JSE share code: EXP
ISIN: ZAE000257549
LEI: 3789000558287E37F130
("Exemplar" or the "Company")

ACRONYMS AND DEFINITIONS

AFS	Annual financial statements
AGM	Annual general meeting
Audit and Risk Committee	Audit and risk committee (a committee of the board)
B-BBEE	Broad-based black economic empowerment
b	Billion
board	The board of directors of Exemplar
BPR	Best practice recommendations
CEO	Chief executive officer
CFO	Chief financial officer
Companies Act	Companies Act, No 71 of 2008
CPS	Cents per share
CSI	Corporate social investment
DPS	Distribution per share
EPS	Earnings per share
Exemplar or the Company	Exemplar REITail Limited
FY2019	Financial year ended 28 February 2019, commencing on incorporation of the Company being 17 January 2018
FY2020	Financial year ending 29 February 2020
FY2021	Financial year ending 28 February 2021
GLA	Gross lettable area
Group	Exemplar and its subsidiaries
HR	Human resources
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
International <IR> Framework	The International Integrated Reporting Framework of the International Integrated Reporting Council
JIBAR	Johannesburg Interbank Acceptance Rate
JSE	JSE Limited
JSE Listings Requirements	Listings requirements of the JSE
King IV	King IV Report on Corporate Governance for South Africa 2016
LTV	Loan to value ratio
m	Million
MPD	McCormick Property Development Proprietary Limited
NAV	Net asset value
NTAV	Net tangible asset value
Prospectus	The Company prospectus issued on 30 May 2018
PV	Photovoltaic
REIT	Real Estate Investment Trust
Remco or Remuneration Committee	Remuneration committee (a committee of the board)
SENS	Stock Exchange News Service of the JSE
Social and Ethics Committee	Social and ethics committee (a committee of the board)

EXEMPLAR

EXEMPLAR REITAIL LIMITED
Sokatumi Estate
Corner Lyttelton Road and
Leyden Avenue
Clubview, Centurion, 0157

012 660 3020
info@exemplarREIT.co.za
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@ExemplarREITail
/EReitail