UNAUDITED CONSOLIDATED, INTERIM FINANCIAL RESULTS

for the 6 months ended 31 August 2022

AFINE INVESTMENTS

INTERIM PERIOD OVERVIEW

DISTRIBUTION

Interim dividend of 19.3 cents per share declared

MARKET CAPITALISATION
R 327,1 million

(Dec* 2021: R 240 million)
*Company listed 9 Dec 2021

INVESTMENT PROPERTY VALUE
R 362,4 million

(August 2021: R 301.7 million)

PROPERTY ACTIVITY

Increase in property portfolio with the addition of 2 Petrol Filling Station properties that have a combined value of circa

R 59.6 million

COMPANY OVERVIEW

THE COMPANY

Afine Investments Limited
Registration number: 2020/852422/06
JSE share code: ANI
ISIN: ZAE000303947
(Approved as a REIT by the JSE)

Afine is incorporated as a holding company of property entities constituting a portfolio of income generating immovable properties focused primarily in the petroleum sector.

The executive directors are the Chief Executive Officer, Anton Loubser and the Financial Director, JT Loubser, located in Cape Town. The company's website is: www.afineinvestments.com.

SPECIALISED REIT

Afine Investments Limited is a property entity classified as a specialised REIT, managed by its Board, and holds a portfolio of income generating immovable properties focused primarily in the petroleum sector, strategically located in four of South Africa's nine provinces.

Afine was incorporated as a private company on 12 November 2020 under the name “Domanolor Proprietary Limited”, which was changed to “Afine Investments Proprietary Limited” on 10 March 2021 and converted to a public company on 11 May 2021.

The Company was incorporated as the holding company for the purpose of listing on the AltX.

PORTFOLIO

9 Petrol Filling Station Properties
Investment property value of circa
R 362,4m

CONTENTS

COMMENTARY

The Company's board of directors ("**Board**") is pleased to present the Group's interim results for the period under review.

The steadfast income stream provided by an asset portfolio that have long term leases, taken up by blue chip tenants, has proven its worth amidst difficult operating conditions impacted by an underperforming economy and the COVID-19 pandemic. The Board's focus during this interim period has been on expanding Afine's portfolio whilst also overseeing improvements on existing properties held in subsidiary companies.

1. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

The Company is a Johannesburg Stock Exchange ("JSE") - listed Real Estate Investment Trust ("REIT") which owns a property portfolio of directly owned properties in petrol filling stations located primarily in the major metropolitan areas of South Africa. There were no major changes herein during the period.

BUSINESS COMBINATIONS

During the period, the group acquired a 100% interest in Glomor Three (Pty)Ltd thereby adding a wholly-owned subsidiary to the group. The purchase consideration of Glomor Three (Pty) Ltd was settled with a combination of Afine shares and cash as follows:

- issue of 8 536 585 Afine shares; and
- R 2 million cash consideration.

There were no disposals during the period under review.

GLOMOR THREE (PTY) LTD FINANCIAL INFORMATION

For the 12 month period ended 28 February 2022, being the latest available set of audited annual financial statements ("**AFS**"), the value of the net assets of Glomor acquired by Afine was R29 682 805 and profit after taxation was R22 115 030. The two underlying properties were independently valued by Appraisal Corporation CC at R28 500 000 for a Sasol Property (located in White River, Mpumalanga Province) and R31 100 000 for an Engen Property (located in Main Reef Road, Randfontein).

Following the acquisition of Glomor Three (Pty) Ltd the interest of the Company in the profits and losses of its subsidiaries and joint arrangements are as follows

	Unaudited August 2022	Unaudited August 2021
	Percentage shareholding (%)	
Lizalor Investments (Pty) ltd	100%	100%
Thunder Cats Investments 78 (Pty) Ltd	100%	100%
Clifton Dunes Investments 10 (Pty) Ltd	100%	100%
Clifton Dunes Investments 79 (Pty) Ltd	100%	100%
Investment Facility Company Three Three Six (Pty) Ltd	100%	100%
Coral Lagoon Investments 163 (Pty) Ltd	50%	50%
Glomor Three (Pty) Ltd	100%	-

COMMENTARY

INVESTMENT PROPERTY

Valuation technique: Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.
Fair values are determined annually by external independent professional valuators with appropriate and recognised professional qualifications and recent experience in the location and category of the property being valued. Valuations are done on the open-market value basis and the valuators use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period 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 during the period in which it occurs. Investment property is maintained, upgraded, and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

Investment property was acquired through business combinations of R 362 365 600 (2021: R307 300 000). No evaluations were performed during the 6 months ending 31 August 2022. A Straight-line rental accrual was also recognised at R21 248 780 during the 6 month period. The operating results and statement of financial position of the company are fully set out in the attached financial results and do not in our opinion require any further comment.

2. GOING CONCERN

The condensed financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Not withstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

3. EVENTS AFTER REPORTING DATE

The board has declared an interim dividend of 19.3 cents per ordinary share for the six months half-year to 31 August 2022. The interim dividend is, and is hereby, declared payable on 12 December 2022 to shareholders registered in the books of the company at the close of business day on 6 December 2022.

All events subsequent to the date of the financial results and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed. The directors are not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial position of the company.

COMMENTARY

4. CAPITAL STRUCTURE

The authorised share capital comprises 1 000 000 000 ordinary shares with no par value. There were 72 536 585 shares in issue at 31 August 2022. The Company issued 8 536 585 shares during the period under review for the acquisition of Glomor Three (Pty) Ltd. The Group has no unlisted securities in issue and no treasury shares are held.

5. LIQUIDITY AND SOLVENCY

The Board declares that it has considered the maintenance of solvability and liquidity of the Company and that, in its opinion, the payment of the dividend in December 2022 will not lead to the Company not being able to meet its commitments, in the ordinary course of business.

6. STRATEGY

The resilience of the Petrol Filling Station portfolio is underlined by long term leases escalating at a fixed rate. Again demonstrating the quality of this portfolio.

With the acquisition of Glomor Three (Pty) Ltd, adding two Petrol Filling Station properties to the portfolio, the board is content in Afines's investment strategy and the company will remain to annually invest in one to two well positioned properties within Afine's investment criteria. Each opportunity will be investigated to ascertain the viability and also positioning of the specific site not only within the Group portfolio but also within Afine's long term vision.

7. CHANGES IN DIRECTORATE

Mr G du Preez was appointed as a Non-Executive Director of the Company with effect from 12 July 2022.

Mr Du Preez has over 36 years' experience in securing and developing service station and commercial properties for both local and international oil companies and in his personal capacity. His various roles have given him exposure to all aspects required for the successful development of retail service stations and commercial properties, where he has been responsible for the development of over 90 service stations during his career to date, including four direct access rest and service areas service station developments located along national freeways.

Mr Du Preez was also appointed as a member of the Company's Audit and Risk Committee and its Remuneration Committee.

Mr PM Todd retired from the Board prior to the Company's annual general meeting on 11 August 2022. The Board recorded its sincere gratitude to Mr PM Todd for his significant contribution to the deliberations of the Board and Board Committees, and for his dedication and commitment to the Company. The Board and management wishes him well in his future endeavours.

8. PROSPECTS

The information included in this announcement, including any forward-looking information, has not been reviewed or reported on by the Company's auditors.

UNAUDITED, FINANCIAL RESULTS

Condensed Unaudited Consolidated Statement of Financial Position as at 31 August 2022

Figures in Rand	Notes	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022
Assets				
Non-current assets				
Investment properties	2	341 709 507	280 573 129	281 516 820
Straight line rental accrual	2	20 656 093	26 726 871	20 174 262
Plant and equipment		87 220	-	-
Total non-current assets		**362 452 820**	**307 300 000**	**301 691 082**
Current assets				
Trade and other receivables		53 731	158 185	305 021
Cash and cash equivalents		8 885 647	15 118 487	7 663 890
Total current assets		**8 939 378**	**15 276 672**	**7 968 911**
Total assets		**371 392 198**	**322 576 672**	**309 659 993**
Equity and liabilities				
Equity				
Share capital		40 202 000	5 302 000	5 202 000
Retained income		222 544 148	174 473 206	222 201 727
Total equity		**262 746 148**	**179 775 206**	**227 403 727**
Liabilities				
Non-current liabilities				
Borrowings		43 546 702	31 472 729	26 600 994
Deferred tax		-	59 336 282	-
Loans from related parties		42 295 043	41 471 985	42 340 319
Total non-current liabilities		**85 841 745**	**132 280 996**	**68 941 313**
Current liabilities				
Trade and other payables		2 055 452	878 529	2 399 933
Provisions		1 295	-	315 000
Borrowings		20 471 998	9 373 394	10 324 196
Current tax payable		275 560	268 547	275 824
Total current liabilities		**22 804 305**	**10 520 470**	**13 314 953**
Total liabilities		**108 646 050**	**142 801 466**	**82 256 266**
Total equity and liabilities		**371 392 198**	**322 576 672**	**309 659 993**

Condensed Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 August 2022

Figures in Rand	Notes	Unaudited for the 6 months ended 31 August 2022	Unaudited for the 6 months ended 31 August 2021	Audited for the year ended 28 February 2022
Total revenue		**21 761 170**	**21 705 999**	**33 328 427**
Revenue from contracts with customers		1 737 380	1 766 670	3 642 471
Lease income		20 023 790	19 939 329	29 685 956
Other income		91 601	128 985	268 510
Other expenses		(2 176 309)	(2 014 625)	(5 222 261)
Profit from operating activities		**19 676 462**	**19 820 359**	**28 374 676**
Gain on bargain purchase in a business combination	3	1 058 485	55 627 004	25 151 661
Other operating gain in a business combination	3	2 134 146	-	-
Investment income		120 659	121 997	282 496
Fair value adjustments	2	-	131 854 000	160 885 989
Finance costs		(4 855 331)	(2 183 940)	(5 063 176)
Profit before tax		**18 134 421**	**205 239 420**	**209 631 646**
Income tax		-	(29 765 929)	29 765 929
Profit for the period		**18 134 421**	**175 669 054**	**239 397 575**
Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the period				
Basic earnings per share*				
Basic earnings per share	5.1	27.25	274.48	469.06
Diluted earnings per share*				
Diluted earnings per share	5.2	27.25	274.48	469.06
Headline earnings per share*				
Headline earnings per share	5.3	22.45	27.75	46.23
Dividends per share*				
Dividends per share**		27.80	-	25.00

* Dividends and earnings per share are presented in cents per share.
** The dividends per share of 27.8 cents relates to the financial year ended February 2022 and which was subsequently paid in May 2022.

Condensed Unaudited Consolidated Statement of Changes in Equity for period ended 31 August 2022

Figures in Rand	Share capital	Retained income	Total
Balance at 1 March 2021	**6 002 000**	**(1 195 848)**	**4 806 152**
Changes in equity			
Profit for the period	-	175 669 054	175 669 054
Total comprehensive income for the period	-	175 669 054	175 669 054
Listing expenses paid from equity	(700 000)	-	(700 000)
Balance at 31 August 2021	**5 302 000**	**174 473 206**	**179 775 206**
Balance at 1 September 2021	**5 302 000**	**174 473 206**	**179 775 206**
Changes in equity			
Profit for the period	-	63 728 521	63 728 521
Total comprehensive income for the period	-	63 728 521	63 728 521
Listing expenses paid from equity	(100 000)	-	(100 000)
Dividend distributions	-	(16 000 000)	(16 000 000)
Balance at 28 February 2022	**5 202 000**	**222 201 727**	**227 403 727**
Balance at 1 March 2022	**5 202 000**	**222 201 727**	**227 403 727**
Changes in equity			
Profit for the period	-	18 134 421	18 134 421
Total comprehensive income for the period	-	18 134 421	18 134 421
Issue of shares	35 000 000	-	35 000 000
Dividend distributions	-	(17 792 000)	(17 792 000)
Balance at 31 August 2022	**40 202 000**	**222 544 148**	**262 746 148**

Condensed Unaudited Consolidated Statement of Cash Flows for period ended 31 August 2022

Figures in Rand	Notes	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022
Cash generated from operations	4	18 787 735	14 140 200	34 077 813
Interest received		120 659	121 997	282 496
Net cash flows generated from operating activities		**18 908 394**	**14 262 197**	**34 360 309**
Cash flows from investing activities				
Acquisition of subsidiaries		(2 000 000)	-	(24 191 202)
Proceeds from sale of investments		-	11 234 025	-
Cash acquired through business combinations		2 144 775	2 501 810	2 501 810
Cash flows (used in) / generate from investing activities		**144 775**	**13 735 835**	**(21 689 392)**
Cash flows from financing activities				
Listing expenses paid from equity		-	(700 000)	(800 000)
Proceeds of loans from related parties		-	91 023	41 000 000
Repayment of loans from related parties		(45 276)	(6 199 867)	(22 815 555)
Issue of shares		-	-	6 002 000
Proceeds from borrowings		3 248 662	-	-
Repayment of borrowings		-	(4 115 173)	(8 418 722)
Finance costs paid		(3 242 798)	(2 183 940)	(4 203 162)
Dividends paid		(17 792 000)	-	(16 000 000)
Cash flows used in financing activities		**(17 831 4121)**	**(13 107 957)**	**(5 235 439)**
Net increase in cash and cash equivalents		**1 221 757**	**14 890 075**	**7 435 478**
Cash and cash equivalents at beginning of the period		7 663 890	228 412	228 412
Cash and cash equivalents at end of the period		**8 885 647**	**15 118 487**	**7 663 890**

Notes to the Condensed Unaudited Consolidated Financial Statements

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

1. Basis of preparation

These condensed unaudited consolidated interim financial statements consist of Afine Investments Limited (the "Company" or "Afine") and its subsidiaries (together the "Group") established in the Republic of South Africa, as a Real Estate Investment Trust ("REIT"). The Company is listed on the Johannesburg Stock Exchange ("JSE").

The Company is incorporated as a public company. The address of its registered office is Unit 4602, Greenways, Strand, Western Cape, 7140.

The condensed unaudited consolidated interim financial statements have been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS"), and contain the information required by IAS 34: Interim Financial Reporting, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act of South Africa, 2008, as amended. The accounting policies applied in the preparation of these condensed unaudited consolidated interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements.

These condensed unaudited consolidated interim financial statements for the six months ended 31 August 2022 have been prepared under the supervision of JT Loubser, the Financial Director, and have not been audited nor reviewed by the Group's auditors, PKF Pretoria Incorporated.

2. Investment properties

2.1 Balances at year end and movements for the year/period

Reconciliation for the period			
Balance at the beginning of the period			
At fair value	301 691 082	10 946 000	10 946 000
Carrying amount	**301 691 082**	**10 946 000**	**10 946 000**
Movements for the period			
Acquisitions through business combinations	60 192 687	164 500 000	164 500 000
Gains on fair value adjustment	-	129 466 955	130 410 646
Straight-line rental accrual	481 831	2 387 045	(4 165 564)
Total movement for the period	**60 674 518**	**296 354 000**	**290 745 082**
Closing balance at the end of the period			
At fair value	362 365 600	307 300 000	301 691 082
Carrying amount	**362 365 600**	**307 300 000**	**301 691 082**
Straight-lining of rental income accrual			
Balance at the beginning of the period	20 174 262	-	-
Straight-line adjustments from business combinations	(592 687)	24 339 826	24 339 826
Movements of the period	1 074 518	2 387 045	(4 165 564)
Balance at the end of the period	**20 656 093**	**26 726 871**	**20 174 262**

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

2. Investment properties (continued)

2.2 Valuation techniques used to derive level 3 fair values

The most recent valuation was performed by Appraisal Corporation on 1 May 2021. Valuations are performed using the income approach comprising of the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalisation exit value is further calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Investment property is maintained, upgraded, and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

The significant fair value adjustment during the prior periods resulted mainly from the new lease agreements entered into on 1 April 2021, as well as the appointment of the independent valuator using more updated information on current and future market conditions.

The total fair value of investment properties is R362 365 600 as at 31 August 2022.

There were no significant changes in valuation techniques and inputs since 28 February 2022.

The straight-lining debtor or creditor of lease income is deducted from investment property as the discounted value of future rental cash flows forms part of the valuation methodology of investment property.

2.3 Information about fair value measurements using significant unobservable inputs (level 3)

	Group Assets
Fair value at 31 August 2022	
Valuation technique	Income Approach
Unobservable inputs - Discount rates used	10.5% - 15.0%
Unobservable inputs - Capitalisation rates used	9.5% - 10.5%
Fair value at 31 August 2021	
Valuation technique	Income Approach
Unobservable inputs - Discount rates used	10.5%
Unobservable inputs - Capitalisation rates used	10.5%
Fair value at 28 February 2022	
Valuation technique	Income Approach
Unobservable inputs - Discount rates used	10.5% - 15.0%
Unobservable inputs - Capitalisation rates used	9.5% - 10.5%

Fair value sensitivity analysis

The average discount and capitalisation rates used in the property valuation are dependent on a number of factors such as location, condition of improvements, current market conditions, lease covenants and the risk inherent in the property. These rates are assessed for each individual property based on its specific circumstances.

The valuations of investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding other inputs constant, would have the following effects on the fair value of the investment property in the statement of profit or loss and other comprehensive income:

Increase in discount rates 0.5%change	(14 414 012)	(13 968 182)	(8 524 316)
Decrease in discount rates 0.5%change	16 215 676	15 365 000	9 069 668
Increase in capitalisation rates 0.5% change	(14 414 012)	(13 968 182)	(4 307 955)
Decrease in capitalisation rates 0.5% change	16 215 676	15 365 000	4 747 862

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

2. Investment properties (continued)

2.4 Details of properties

2.4.1 Erf 1 Thandekile Township

IT Division, Mpumalanga, Piet Retief			
Purchase price	96 900	96 900	96 900
Fair value adjustments	45 691 188	46 303 100	45 691 188
Straight-lining of lease income	(924 678)	-	(1 390 108)
	44 863 410	**46 400 000**	**44 397 980**

A first covering mortgage bond has been registered over Erf 1 Thandekile Township in favour of Investec Bank Limited South Africa to the amount of R20 000 000, to provide limited guarantee to Investec Bank (Mauritius) Limited as security for a loan from Investec Bank (Mauritius) Limited to KSP Offshore Limited.

2.4.2 Stand 15848 and Stand 15851

Somerset West, Province of Western Cape			
Purchase price	114 000	114 000	114 000
Fair value adjustments	43 306 943	44 186 000	43 306 943
Straight-lining of lease income	(1 135 081)	-	(1 600 337)
	42 285 862	**44 300 000**	**41 820 606**

A first covering mortgage bond has been registered over Erf 1 Thandekile Township in favour of Investec Bank Limited South Africa to the amount of R20 000 000, to provide limited guarantee to Investec Bank (Mauritius) Limited as security for a loan from Investec Bank (Mauritius) Limited to KSP Offshore Limited.

2.4.3 Portion 4 of Erf 34 Riverside Park Extension 4 and the remainder of Erf 34 Riverside Park Extension 4

JT Division, Mpumalanga			
Purchase price	1 366 000	1 366 000	1 366 000
Improvements	7 942 496	7 942 496	7 942 496
Fair value adjustments	38 140 715	38 140 715	38 140 715
Straight-lining of lease income	456 723	550 789	550 789
	47 905 934	**48 000 000**	**48 000 000**

A first covering mortgage bond has been registered over Erf 34 Riverside Park Extension 4 in favour of Investec Bank Limited South Africa to the amount of R8 500 000.

A third covering mortgage bond has been registered over Erf 34 Riverside Park Extension 4 in favour of Investec Bank Limited South Africa to the amount of R600 000.

A fourth covering mortgage bond has been registered over the remaining extent of Erf 34 Riverside Park Extension 4 in favour of Investec Bank Limited South Africa to the amount of R3 900 000.

2.4.4 Portion 2 of Erf 654 Parkdene Ext 3 Township and Erf 1439 Protea Park Ext 1

IR Division, Gauteng			
Purchase price	158 000	158 000	158 000
Fair value adjustments	28 842 000	28 842 000	28 842 000
	29 000 000	**29 000 000**	**29 000 000**

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

2. Investment properties (continued)

2.4 Detail of properties (continued)

2.4.5 Portion 150 and 151 of Farm Doornpoort

JR Division, Gauteng			
Purchase price	57 787 694	57 787 694	57 787 694
Fair value adjustments	35 279 640	35 279 640	35 279 640
Straight-lining of lease income	22 886 838	23 432 666	23 432 666
	115 954 172	**116 500 000**	**116 500 000**

The service stations have been built as an improvement on the following lease properties:
Portion 150 of the Farm Doornpoort, measuring 9 157 square meters and 21 877 square meters respectively.
Portion 151 of the Farm Doornpoort, measuring 18 042 square meters.

The revenue stream received from the rental income has been ceded to Rand Merchant Bank as security for the outstanding facility.

2.4.6 Erf 2490 Witbank Ext 13 Township

JS Division, Mpumalanga			
Purchase price	51 300	51 300	51 300
Fair value adjustments	22 739 944	23 048 700	22 739 944
Straight-lining of lease income	(567 733)	-	(818 748)
	22 223 511	**23 100 000**	**21 972 496**

2.4.7 Erf 438 Rocky Drift Nelspruit and Portion 112 of Erf 255 Farm Middelvlei Randfontein

JS Division, Mpumalanga			
Purchase price	4 839 351	-	-
Improvements	12 395 552	-	-
Fair value adjustments	42 957 784	-	-
Straight-lining of lease income	(59 976)	-	-
	60 132 711	**-**	**-**

First mortgage bond has been registered over Portion 112 of Farm Middelvlei 255 in favour of Nedbank Limited.

First mortgage bond has been registered over the remaining extend of Erf 438 Rocky Drift Township in favour of Nedbank Limited.

3. Business combinations

Assets acquired and liabilities recognised at the date of acquisition

For the period ended 31 August 2022

During the period ended 31 August 2022, the Group acquired 100% of the issued share capital of Glomor Three (Pty) Ltd, a real-estate investment company. The interest was acquired to further expand the investment holding of the Company as part of the Group's operational strategy. The date of acquisition was 1 March 2022.The gain on acquisition of the interest has been recognised in accordance with IFRS 10 condensed consolidated Financial Statements in profit and loss at the date of acquisition.

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

3. Business combinations (continued)

Glomor Three (Pty) Ltd

The fair values of assets acquired and liabilities assumed summarised by each major category are as follow:

Investment property	60 192 687
Other assets	1 514 301
Cash and cash equivalents	2 144 775
Total liabilities	(23 659 133)
Net identifiable assets	**40 192 630**
Net identifiable assets acquired at 100%	40 192 630
Less: considerations paid in cash	(2 000 000)
Less: consideration paid with shares in Afine *	(37 134 145)
Gain on bargain purchase on business combination	**1 058 485**

The Fair Value of Investment Property according to the Company's valuation was higher than the valuation performed by the Directors of Glomor Three (Pty) Ltd, and that gave rise to the gain on bargain purchase.

Summary of profit and loss

Revenue	6 964 744
Profit before tax	**28 333 114**
Tax expense	(6 350 179)
Profit after tax	**21 982 935**

***** The value of the 8 536 585 Afine shares for consideration was based on the trading price at acquisition of R4.35 per share. The price per share used as part of the acquisition was R4.10, which resulted in an additional R2 134 146 other operating gain in a business combination as disclosed in the Condensed Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 August 2022.

4. Cash flows from operating activities

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022
Cash generated from operations			
Profit before tax:	18 134 421	205 239 420	209 631 646
Adjustments for:			
Investment income	(120 659)	(121 997)	(282 496)
Finance costs	4 855 331	2 183 940	5 063 176
Fees on loan accounts	-	-	480 305
Fair value adjustments	-	(129 466 955)	(160 885 989)
Straight-line rental income adjustment	(481 831)	(2 387 045)	4 165 564
Gain on bargain purchase in a business combination	(1 058 485)	(55 627 004)	(25 151 661)
Other operating gain in a business combination	(2 134 146)	-	-
Change in operating assets and liabilities:			
Trade and other receivables	251 290	(5 319 741)	(241 585)
Trade and other payables	(344 481)	(360 418)	983 853
Provisions	(313 705)	-	315 000
Net cash flows from operations	**18 787 735**	**14 140 200**	**34 077 813**

Notes to the Condensed Unaudited Consolidated Financial Statements (continued)

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022
5. Earnings per share			
5.1 Basic earnings per share			
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Profit for the period attributable to owners of the Company for continuing operations	18 134 421	175 669 054	239 397 575
IAS33 earnings	18 134 421	175 669 054	239 397 575
Weighted average number of ordinary shares used in the calculation of basic earnings per share	66 551 697	64 000 000	51 037 633
5.2 Diluted earnings per share			
The earnings used in the calculation of dilutedearnings per share are as follows:			
Earnings used in the calculation of basic earnings per share for continuing operations	18 134 421	175 669 054	239 397 575
5.3 Headline earnings per share			
The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:			
Profit for the period attributable to owners of the Company for continuing operations	18 134 421	175 669 054	239 397 575
IAS33 earnings	18 134 421	175 669 054	239 397 575
Fair value adjustments	-	(131 854 000)	(160 885 989)
Other operating gain in a business combination	(2 134 146)	-	-
Total tax effects of adjustments	-	29 765 929	(29 765 929)
Gain on bargain purchase in a business combination	(1 058 485)	(55 627 004)	(25 151 661)
Earnings used in the calculation of headline earnings per share for continuing operations	**14 941 790**	**17 758 416**	**23 593 996**
Weighted average number of ordinary shares used in the calculation of headline earnings per share	66 551 697	64 000 000	51 037 633

6. Segment information

6.1 General information

Factors used to identify the Group's reportable segments, as determined by management that chose to organise the Group around different geographical areas, where certain operating segments have been aggregated together.

Operating segments that have been aggregated together are less than the 10% margin as per IAS34.13 (Quantitative threshold). Each reportable segment derives its revenues mainly from rental income and reimburse expensive.

Figures in Rand

6. Segment information (continued)

6.2 Segment revenues

	Gauteng and North-West	Mpumalanga	Western Cape	Revenue from external customers
Period ended 31 August 2022				
Revenue	**10 298 080**	**8 273 234**	**3 189 866**	**21 761 170**
Period ended 31 August 2021				
Revenue	**8 393 086**	**10 008 806**	**5 876 752**	**24 278 644**
Year ended 28 February 2022				
Revenue	**15 641 113**	**11 848 387**	**5 838 928**	**33 328 428**

Figures in Rand

6. Segment information (continued)

6.3 Other incomes and expenses

	Finance costs	Fair value adjustments	Interest income	Other expenses	Gain on bargain purchase	Other operating gain in a business combination	Other income	Income tax expense - Deferred tax
Period ended 31 August 2022								
Gauteng and North-West	(2 358 422)	-	26 529	(224 038)	-	-	11 097	5 085 462
Mpumalanga	(764 488)	-	15 360	(378 920)	-	-	80 504	4 694 271
Western Cape	-	-	-	(38 680)	-	-	-	-
Head Office	(1 732 421)	-	78 770	(1 534 671)	1 058 485	2 134 146	-	-
Total other incomes and expenses	**(4 855 331)**	**-**	**120 659**	**(2 176 309)**	**1 058 485**	**2 134 146**	**91 601**	**9 779 733**
Period ended 31 August 2021								
Gauteng and North-West	(2 183 855)	27 235 510	10 960	(227 674)	-	-	-	(5 704 832)
Mpumalanga	(85)	63 794 177	-	(1 061 925)	-	-	-	(14 679 977)
Western Cape	-	40 824 313	-	(38 130)	-	-	-	(9 381 120)
Head Office	-	-	111 036	(686 897)	55 627 004	-	128 985	-
Total other incomes and expenses	**(2 183 940)**	**131 854 000**	**121 997**	**(2 014 625)**	**55 627 004**	**-**	**128 985**	**(29 765 929)**
Year ended 28 February 2022								
Gauteng and North-West	(4 187 833)	25 631 968	19 105	(823 827)	-	-	-	24 363 426
Mpumalanga	(4 609)	63 777 734	-	(991 935)	-	-	177 487	4 094 404
Western Cape	-	41 000 943	-	(83 239)	-	-	-	1 308 099
Head Office	(870 734)	30 475 344	263 391	(3 323 260)	25 151 661	-	91 023	-
Total other incomes and expenses	**(5 063 176)**	**160 885 989**	**282 496**	**(5 222 261)**	**25 151 661**	**-**	**268 510**	**29 765 929**

Figures in Rand

6. Segment information (continued)

6.4 Assets and liabilities

	Segment profit / (loss) before discontinued operations and tax	Total assets	Total liabilities
Period ended 31 August 2022			
Gauteng and North-West	7 753 247	179 559 055	43 925 376
Mpumalanga	7 225 689	147 984 936	22 090 368
Western Cape	3 151 176	43 078 257	139 347
Head Office	4 309	769 950	42 490 959
Total assets and liabilities	**18 134 421**	**371 392 198**	**108 646 050**
Period ended 31 August 2021			
Gauteng and North-West	31 391 771	147 439 790	65 305 504
Mpumalanga	72 190 271	119 025 012	25 891 039
Western Cape	46 662 934	44 839 965	9 969 006
Head Office	54 994 444	11 271 905	41 635 916
Total assets and liabilities	**205 239 420**	**322 576 672**	**142 801 466**
Year ended 28 February 2022			
Gauteng and North-West	39 912 980	147 026 982	37 914 872
Mpumalanga	74 807 064	114 841 454	241 397
Western Cape	46 756 632	41 923 483	23 397
Head Office	48 154 970	5 868 074	44 076 600
Total assets and liabilities	**209 631 646**	**309 659 993**	**82 256 266**

7. Related parties

Group companies

Ultimate holding company	KSP Offshore Limited
Holding company	Afine Investments Limited
Subsidiaries	Lizalor Investments (Pty) Ltd Thunder Cats Investments 78 (Pty) Ltd Clifton Dunes Investments 10 (Pty) Ltd Clifton Dunes Investments 79 (Pty) Ltd Investment Facility Company Three Three Six (Pty) Ltd Coral Lagoon Investments 163 (Pty) Ltd Glomor Three (Pty) Ltd

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

7. Related parties (continued)

Other related parties

Entity name	Nature of relationship
Petroland Group (Pty) Ltd	Common Management and shareholder *
Petroland Developments (Pty) Ltd	Common Management
KSP Offshore Limited	Shareholder
Terra Optimus (Pty) Ltd	Shareholder **
Anton Loubser Trust *	Ultimate beneficial owner
Gary du Preez Trust **	Ultimate beneficial owner

Related party balances

	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022
Loans from related parties			
KSP Offshore Limited	42 295 043	41 471 985	42 340 319
Related party transactions			
Management fees paid			
Petroland Group (Pty) Ltd	529 000	984 439	950 000
Petroland Developments (Pty) Ltd	-	22 024	803 636
Dividend distributions			
KSP Offshore Limited	17 792 000	-	16 000 000

* Acquired 4 512 195 shares as part of the acquisition of Glomor Three (Pty) Ltd. Refer to note 5
** Acquired 4 024 390 shares as part of the acquisition of Glomor Three (Pty) Ltd. Refer to note 5

8. Capital risk management

The Group's and Company's capital comprise shareholders' equity and interest-bearing borrowings. Capital is actively managed to ensure that the Group and Company are properly capitalised and funded at all times, having regard to its regulatory needs, prudent management and the needs of their stakeholders. The Board has overall responsibility for the establishment and oversight of the Group's and Company's risk management framework. The Audit and Risk Committee is responsible for developing and monitoring the Group's and Company's risk management policies. The Audit Risk Committee reports regularly to the Board on its activities.

The Group and Company have a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analysis of forecasts, that the Group's and Company's capital is managed. Specifically, the Group and Company have adopted the following capital management policies:

- Maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary.
- Maintenance of an appropriate level of liquidity at all times. The Group and Company further ensure that they can meet their expected capital and financing needs at all times, having regard to the business plans, forecasts and any strategic initiatives.
- Maintenance of an appropriate level of issued shares based on approval from the shareholders and the Board.

Figures in Rand	Unaudited 31 August 2022	Unaudited 31 August 2021	Audited 28 February 2022

8. Capital risk management (continued)

The Group and Company have both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analysis and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined. The Group's and Company's capital risk management strategy has remained unchanged from the prior year.

Loans from related parties	42 295 043	41 471 985	42 340 319
Other financial liabilities	64 018 700	40 846 123	36 925 190
Trade and other payables	2 055 452	878 529	625 273
Total borrowings	**108 369 195**	**83 196 637**	**79 890 782**
Cash and cash equivalents	(8 885 647)	(15 118 487)	(7 663 890)
Net borrowings	**99 483 548**	**68 078 150**	**72 226 892**
Equity	252 373 731	179 775 206	222 201 727
Gearing ratio	39%	38%	32%

The loan-to-value ratio is calculated by dividing interest bearing borrowings net of cash on hand by the total value of investment property and is calculated in line with the SA REIT Best Practice guidelines.

Gross borrowings	108 369 195	83 196 637	79 890 782
Less: Cash and cash equivalents	(8 885 647)	(15 118 487)	(7 663 890)
Net borrowings	**99 483 548**	**68 078 150**	**72 226 892**
Total assets - per Statement of Financial Position	371 392 198	322 576 672	309 569 993
Less: Cash and cash equivalents	(8 885 647)	(15 118 487)	(7 663 890)
Less: Trade and other receivables	(53 731)	(158 185)	(305 021)
Carrying amount of property-related assets	**362 452 820**	**307 300 000**	**301 601 082**
SA REIT loan-to-value	27%	22%	24%

9. Events after the reporting date

In line with IAS 10 – Events after the Reporting Period, the declaration of the interim dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements. The board approved an interim dividend on 17 November 2022 of 19.30 cents per share for the 6 month period ended 31 August 2022.

The Board are not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial position of the Group.

Notes to the Consolidated and Separate Financial Statements (continued)

10. Going concern

The condensed unaudited consolidated interim financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Board believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the condensed unaudited consolidated interim financial statements have been prepared on a going concern basis.

The Board have satisfied themselves that the Group is in a sound financial position, has considered the solvency and liquidity of the Group and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The Board are not aware of any new material changes that may adversely impact the Group. The Board are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the Group.

Distributable profit for the 6 month period ended 31 August 2022

A reconciliation of the profit for the 6 month period ended 31 August 2022 is set out below:

Figures in Rand	**31-Aug-22**
Profit for the period	**18 134 421**
Adjusted for:	
Revenue straight-line adjustment	(481 831)
Gain on bargain purchase	(1 058 485)
Distributable Profit	16 594 105
Dividend distribution	(13 999 561)

Appendix A: Property Portfolio Review

Information regarding the Group's property portfolio

The properties, specific information in respect of each is included in Appendix B, have been valued by the Independent Valuer. A summarised valuation report is set out in Appendix B.

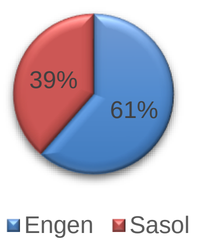
Set out below and based on the Property Forecast Information, are the following profiles of the properties referred to in Appendix B:

Tenant	Tenant profile (Note 1)	Sector	Forecast Contracted Rental Income	Tenant profile by GLA
Engen	A	Oil major	61%	69%
Sasol	A	Oil major	39%	31%
Total			**100%**	**100%**

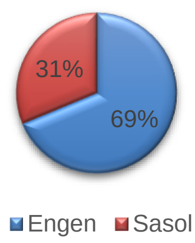
Note 1 - "A": large national tenants, large listed tenants, government and major franchisees;

No uncontracted or near contracted rental has been included in the property forecast. There are no vacancies.

Tenant Profile by forecast rental income



Tenant profile by GLA



Details of the geographic area, rentable area, material revenue and lease expiry profile are set out below.

The tenant profile per geographic area is set out below, based on monthly revenue, noting that the oil major rents out the entire site and thus weighted average rental and escalation per square metre is not disclosed as the information is not meaningful and is not used in this sector.

Province	Percentage	Tenants	Expiry profile	Rentable area (m^2)	Revenue
Gauteng	49%	Engen Platinum One Stop Sasol Parkdene Engen Middelvlei	February 2028 October 2027 December 2038	59 787	1 639 215
Mpumalanga	27%	Sasol Piet Retief Sasol Grassnyers Engen Riverside Sasol Axis Park	December 2029 December 2029 November 2023 December 2030	21 643	1 238 929
Western Cape	21%	Sasol Somerset West	December 2029	3 476	454 100
North West	3%	Sasol Protea Park	March 2029	2 737	20 000
Total	**100%**			**87 643**	**3 352 244**

Appendix A: Property Portfolio Review (continued)

Information regarding the Group's property portfolio (continued)

The lease expiry profiles, based on existing leases, by province, are set out in the table above. All the above leases, totaling a monthly revenue of R3 352 244 over a rentable area of 87 643 m^2, have a lease expiry profile of between November 2023 to December 2038. All the leases are in the petroleum sector.

A table setting out the lease expiry profile per annum is set out below:

Lease expiry profile per financial year	**Total GLA (%)**	**Total Revenue (%)**
Vacant	0	0
February 2023	0.00%	0.00%
February 2024	8.31%	16.62%
February 2025	0.00%	0.00%
February 2026	0.00%	0.00%
February 2027	0.00%	0.00%
February 2028	58.59%	40.13%
February 2029	0.00%	0.00%
February 2030	23.47%	34.48%
February 2031	0.00%	0.00%
February 2032	0.00%	0.00%
February 2033	0.00%	0.00%
February 2034	0.00%	0.00%
February 2035	0.00%	0.00%
February 2036	0.00%	0.00%
February 2037	0.00%	0.00%
February 2038	0.00%	0.00%
February 2039	9.63%	8.77%
Total	**100.00%**	**100.00%**

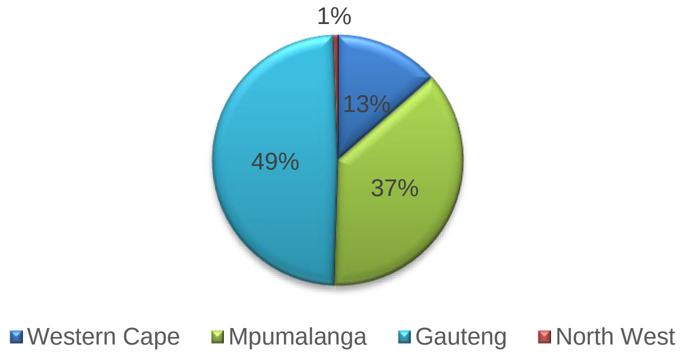
The weighted average rental per square meter by rentable area for the filling station sector is R21.21. It should be noted that this metric is not used in the rental of filling stations as they are typically rented based on the volume generated per site, irrespective of the size of the site.

The weighted average rental escalation for the total portfolio, based on existing leases, by rentable area, for the filling station sector is an average of 5%.

Appendix A: Property Portfolio Review (continued)

The average annualised property yield for the total portfolio is 11.13%.

Tenant profile by geography based on revenue



The Group's portfolio of income generating immovable properties focuses primarily in the petroleum sector. Accordingly, all of the above properties are used as service stations.

Appendix B: Property Portfolio

Commercial – Gauteng and North West

Property company/name	Property address	Location	Site area (m^2)	Value R
Sasol Parkdene, Johannesburg	Erf 654 Parkdene Extension No.3, IR Division Gauteng	Boksburg	2 274	9 900 000
Sasol Protea Park, Rustenburg	Erf 1439 Proteapark Extension No.1, IQ Division NorthWest	Rustenburg	2 737	19 100 000
Engen, Doornpoort, Pretoria	Portion 150 and Portion 151 Doorpost No.295, JR Division	Pretoria	49 076	115 954 172
Engen Middelvlei	Portion 112 of Farm Middelvlei 255, IQ Division	Randfontein	8 437	31 325 874

Commercial – Mpumalanga

Property company/name	Property address	Location	Site area (m^2)	Value R
Engen Riverside, Nelspruit	Erf 34 Riverside Park Extension No.4, JT Division Mpumalanga	Nelspruit	2 732	47 905 934
Sasol Piet Retief	Erf 1 Thandekile, IT Division Mpumalanga	Piet Retief	12 334	44 863 410
Sasol Grassnyers, Witbank	Erf 2490 Witbank Extension No.13, JS Division Mpumalanga	Witbank	2 023	22 223 511
Sasol Axis Park	Remainder Erf 438 Rocky Drift, JT Division	White River	4 554	28 806 837

Commercial – Western Cape

Property company/name	Property address	Location	Site area (m^2)	Value R
Sasol Somerset West	Erven 15848 and 15851 Somerset West	Somerset West	3 476	42 285 862

DIVIDEND DECLARATION DETAILS

(continued)

DECLARATION OF A CASH DIVIDEND

Notice is hereby given of the declaration of the gross interim cash dividend of 19.3 cents per share for the six months ended 31 August 2022 The dividend is declared out of distributable reserves of the Group.

SALIENT DATES AND TIMES 2022

	2022
Last day to trade "cum" dividend	Tuesday, 6 December
Shares commence trading "ex" dividend	Wednesday, 7 December
Record Date	Friday, 9 December
Payment date	Monday, 12 December

Notes:

- Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 7 December 2022 and the close of trade on Friday, 9 December 2022 (both days inclusive).
- All times are South African times. The above dates and times are subject to change and any change will be advised on SENS and in the press.

TAX IMPLICATIONS

As the company has REIT status, Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (No. 58 of 1962), as amended, ("Income Tax Act"). The dividend on the Shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

SOUTH AFRICAN TAX RESIDENTS

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exception, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT.

The dividend is exempt from dividend withholding tax in the hands of South African tax resident Shareholders, provided that the South African resident Shareholders provide the following forms to the CSDP or broker in respect of uncertificated shares, or to the company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividend tax; and

DIVIDEND DECLARATION DETAILS (continued)

b) a written undertaking to inform the CSDP, broker or the company, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP or broker to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

NON-RESIDENT SHAREHOLDERS

Dividends received by non-resident Shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that up to 31 December 2013 dividends received by non-residents from a REIT were not subject to dividend withholding tax.

Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder concerned. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 15.44 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following form to their CSDP or broker in respect of uncertificated shares, or the company, in respect of certificated shares:

a) a declaration that the dividend is subject to a reduced rate as a result of the application of DTA; and
b) a written undertaking to inform their CSDP, broker or the company, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident Shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

The company's tax reference number is: 901 493 3296. The number of ordinary shares which will be eligible for the dividend at the declaration date is 72 536 585.

On behalf of the Board

MJ WATTERS
Chairman

ANTON LOUBSER
CEO

Cape Town
18 November 2022

CORPORATE INFORMATION

THE COMPANY	Afine Investments Limited (Incorporated in the Republic of South Africa) (Registration number 2020/852422/06) JSE share corde: ANI ISIN: ZAE000303947 (Approved as a REIT by JSE)
REGISTERED OFFICE & POSTAL	Afine Investments Limited (Registration number 2020/852422/06) Unit 4602, Greenways, Strand, 7140
WEBSITE	www.afineinvestments.com
COMPANY SECRETARY	S Vosloo
TRANSFER SECRETARY	JSE Investor Services (Pty) Ltd
DESIGNATED ADVISOR	AcaciaCap Advisors (Pty) Ltd
ACCOUNTANTS	IQEQ Financial Services South Africa (Pty) Ltd
INDEPENDENT AUDITORS	PKF Pretoria Inc.