

UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the 6 months ended 31 August 2023



**AFINE
INVESTMENTS**

INTERIM PERIOD OVERVIEW

DISTRIBUTION

Interim dividend of 20.5 cents per share declared



MARKET CAPITALISATION
R 308.2 million

(Aug 2022: R372.1 million)



INCOME GROWTH
9.7% - R 23.8 million

(Aug 2022: R21.8 million)



INVESTMENT PROPERTY VALUE
R 364.4 million

(Aug 2022: R 362.4 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 CEO, 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 364.4 million



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COMMENTARY

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

There were no significant changes in business combinations as the portfolio remained unchanged during the 6 months under review.

The interest of the Company in the profits and losses of its joint arrangements are as follows

| | Percentage shareholding (%) | |
|---|-----------------------------|--------------------------|
| | Unaudited August 2023 | Unaudited August 2022 |
| 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 | 100 | 50 |
| Glomor Three (Pty) Ltd | 100 | 100 |

COMMENTARY

(continued)

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 assessed by the Board annually and are independently valued every three years by external independent professional valuers 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 valuers 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.

No additional valuations were performed during the 6 months ended 31 August 2023. There were no indicators for any impairment of the properties.

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.

3. 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 resources as well as borrowing facilities to meet its foreseeable cash requirements.

4. EVENTS AFTER REPORTING DATE

The board has declared an interim dividend of 20.5 cents per ordinary share for the six months period to 31 August 2023. The interim dividend be, and is hereby, declared payable on 11 December 2023 to shareholders registered in the books of the company at the close of business day on 8 December 2023.

COMMENTARY

(continued)

EVENTS AFTER REPORTING DATE CONTINUED

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.

5. CAPITAL STRUCTURE

The authorised share capital comprises 1 000 000 000 ordinary shares with no par value. This remained the same as reported in the 6 months period ended 31 August 2022. The Group has no unlisted securities in issue and no treasury shares are held.

6. LIQUIDITY AND SOLVENCY

The Board declares that it has considered the maintenance of solvency and liquidity of the Company and that, in its opinion, the payment of the dividend in December 2023 will not lead to the Company not being able to meet its commitments, in the ordinary course of business.

7. ACQUISITIONS AND DISPOSALS

There were no acquisitions or disposals during the period under review

8. STRATEGY & PROSPECTS

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

The board is content with Afines' investment strategy and the company will continue 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.

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

9. CHANGES IN DIRECTORATE

There were no changes made to the directorate of Afine during the 6 month period under review.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Figures in Rand | Notes | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|-------------------------------------|-------|--------------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Non-Current Assets | | | | |
| Investment properties | 2 | 337 261 743 | 341 709 507 | 337 261 743 |
| Straight line rental accrual | 2 | 27 183 730 | 20 656 093 | 26 350 939 |
| Plant and equipment | | 8 722 | 87 220 | 34 888 |
| | | 364 454 195 | 362 452 820 | 363 647 570 |
| Current Assets | | | | |
| Trade and other receivables | | 136 145 | 53 731 | 116 754 |
| Cash and cash equivalents | | 11 649 447 | 8 885 647 | 10 324 594 |
| | | 11 785 592 | 8 939 378 | 10 441 348 |
| Total Assets | | 376 239 787 | 371 392 198 | 374 088 918 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Share capital | | 40 202 000 | 40 202 000 | 40 202 000 |
| Retained income | | 222 426 945 | 222 544 148 | 222 455 557 |
| | | 262 628 945 | 262 746 148 | 262 657 557 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Borrowings | | 55 844 552 | 43 546 702 | 50 735 211 |
| Loans from shareholders | | 42 008 232 | 42 295 043 | 43 524 823 |
| | | 97 852 784 | 85 841 745 | 94 260 034 |
| Current Liabilities | | | | |
| Trade and other payables | | 643 516 | 2 055 452 | 2 207 572 |
| Provisions | | - | 1 295 | 495 000 |
| Borrowings | | 15 114 542 | 20 471 998 | 14 468 755 |
| Current tax payable | | - | 275 560 | - |
| | | 15 758 058 | 22 804 305 | 17 171 327 |
| Total Liabilities | | 113 610 842 | 108 646 050 | 111 431 361 |
| Total Equity and Liabilities | | 376 239 787 | 371 392 198 | 374 088 918 |

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Figures in Rand | Notes | 6 months ended 31 August 2023 Unaudited | 6 months ended 31 August 2022 Unaudited | 12 months ended 28 February 2023 Audited |
|---|-------|---|---|--|
| Revenue from contracts with customers | | 1 870 113 | 1 737 380 | 3 272 833 |
| Lease income | | 22 017 735 | 20 023 790 | 40 019 303 |
| Other income | | - | 91 601 | 297 341 |
| Fair value adjustment | | - | - | 712 987 |
| Other expenses | | (3 680 161) | (2 176 309) | (5 577 589) |
| Profit from operating activities | | 20 207 687 | 19 676 462 | 38 724 875 |
| Other operating income | | | | |
| Gain on bargain purchase in a business combination | | - | 1 058 485 | 1 058 485 |
| Other operating gain in a business combination | | - | 2 134 146 | 2 134 146 |
| Investment income | | 91 427 | 120 659 | 190 595 |
| Finance cost | | (5 385 189) | (4 855 331) | (10 011 971) |
| Profit before tax | | 14 913 925 | 18 134 421 | 32 096 130 |
| Income tax | | - | - | (50 739) |
| Profit for the period | | 14 913 925 | 18 134 421 | 32 045 391 |
| 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 | 4.1 | 20,56 | 24,04 | 44,18 |
| Diluted earnings per share* | | | | |
| Diluted earnings per share | 4.2 | 20,56 | 24,04 | 44,18 |
| Headline earnings per share* | | | | |
| Headline earnings per share | 4.3 | 20,56 | 22,45 | 38,79 |
| Dividends per share** | | | | |
| Dividends per share | | 20,60 | 27,80 | 43,83 |

* Dividends and earnings per share are presented in cents per share

** The dividends per share of 20,6 cents relates to the financial year ended February 2023 and which was subsequently paid in June 2023.

The comparative earnings per share is restated from 27,25 cents to 24,04 cents and is in line with the restatement identified in the audited results for the year ended 28 February 2023.

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| Figures in Rand | Share capital | Retained income | Total equity |
|---|-------------------|--------------------|--------------------|
| Balance at 1 March 2022 | 5 202 000 | 222 201 727 | 227 403 727 |
| Change 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 |
| Balance at 1 September 2022 | 40 202 000 | 222 544 148 | 262 746 148 |
| Change in equity | | | |
| Profit for the period | - | 13 910 970 | 13 910 970 |
| Total comprehensive income for the period | - | 13 910 970 | 13 910 970 |
| Dividend distributions | - | (13 999 561) | (13 999 561) |
| Balance at 28 February 2023 | 40 202 000 | 222 455 557 | 262 657 557 |
| Balance at 1 March 2023 | 40 202 000 | 222 455 557 | 262 657 557 |
| Change in equity | | | |
| Profit for the period | - | 14 913 925 | 14 913 925 |
| Total comprehensive income for the period | - | 14 913 925 | 14 913 925 |
| Dividend distributions | - | (14 942 537) | (14 942 537) |
| Balance at 31 August 2023 | 40 202 000 | 222 426 945 | 262 628 945 |

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

| Figures in Rand | Notes | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|---|-------|--------------------------------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | | |
| Cash generated from operations | 3 | 17 296 447 | 18 787 735 | 36 320 199 |
| Interest income | | 91 427 | 120 659 | 190 595 |
| Tax paid | | - | - | (326 563) |
| Tax received | | - | - | 896 473 |
| Net cash flows generated from operating activities | | 17 387 874 | 18 908 394 | 37 080 704 |
| Cash flows from investing activities | | | | |
| Acquisition of subsidiaries | | - | (2 000 000) | (2 000 000) |
| Cash acquired through business combinations | | - | 2 144 775 | 2 144 775 |
| Cash flows generated from investment activities | | - | 144 775 | 144 775 |
| Cash flows from financing activities | | | | |
| Repayment of loans from related parties | | - | (45 276) | - |
| Proceeds from borrowings | | 17 957 567 | 11 654 227* | 19 340 535 |
| Repayments of borrowings | | (14 574 068) | (8 405 565)* | (13 286 283) |
| Finance costs paid | | (4 503 982) | (3 242 798) | (8 827 467) |
| Dividends paid | | (14 942 537) | (17 792 000) | (31 791 561) |
| Cash flows used in financing activities | | (16 063 020) | (17 831 412) | (34 564 776) |
| Net increase in cash and cash equivalents | | 1 324 854 | 1 221 757 | 2 660 703 |
| Cash and cash equivalents at the beginning of the period | | 10 324 593 | 7 663 890 | 7 663 890 |
| Cash and cash equivalents at the end of the period | | 11 649 447 | 8 885 647 | 10 324 593 |

* These amounts have been restated in order to align with IAS 7 requirements with no impact on the cash flows used in financing activities.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|-----------------|--------------------------------|--------------------------------|--------------------------------|
|-----------------|--------------------------------|--------------------------------|--------------------------------|

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 2023 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

Balances at year end and movements for the year/period

Reconciliation for the period

Balance at the beginning of the period

| | | | |
|------------------------|--------------------|--------------------|--------------------|
| At fair value | 363 612 682 | 301 691 082 | 301 691 082 |
| Carrying amount | 363 612 682 | 301 691 082 | 301 691 082 |

Movements for the period

| | | | |
|--|----------------|-------------------|-------------------|
| Acquisitions through business combinations | - | 60 192 687 | 59 600 000 |
| Gains on fair value adjustment | - | - | 712 987 |
| Straight-line rental accrual | 832 791 | 481 831 | 1 608 613 |
| Total movement for the period | 832 791 | 60 674 518 | 61 921 600 |

Closing balance at the end of the period

| | | | |
|------------------------|--------------------|--------------------|--------------------|
| At fair value | 364 445 473 | 362 365 600 | 363 612 682 |
| Carrying amount | 364 445 473 | 362 365 600 | 363 612 682 |

Straight-lining of rental income accrual

| | | | |
|--|-------------------|-------------------|-------------------|
| Balance at the beginning of the period | 26 350 939 | 20 174 262 | 20 174 262 |
| Straight-line adjustments from business combinations | - | 592 687 | 4 568 064 |
| Movements of the period | 832 791 | 1 074 518 | 1 608 613 |
| Balance at the end of the period | 27 183 730 | 20 656 093 | 26 350 939 |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|-----------------|--------------------------------|--------------------------------|--------------------------------|
|-----------------|--------------------------------|--------------------------------|--------------------------------|

2. Investment properties (continued)

Valuation techniques used to derive level 3 fair values

The most recent valuation was performed by Appraisal Corporation on 28 February 2022. 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 R364 445 473 as at 31 August 2023.

There were no significant changes in valuation techniques and inputs since 28 February 2023.

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.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|-----------------|--------------------------------|--------------------------------|--------------------------------|
|-----------------|--------------------------------|--------------------------------|--------------------------------|

2. Investment properties (continued)

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

| | <u>Group Assets</u> | | |
|---|---------------------|--|-----------------|
| Fair value at 31 August 2023 | | | |
| Valuation technique | | | Income Approach |
| Unobservable inputs - Discount rates used | | | 11.1% - 15.9% |
| Unobservable inputs - Capitalisation rates used | | | 8.75% - 10.5% |
| 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 28 February 2023 | | | |
| Valuation technique | | | Income Approach |
| Unobservable inputs - Discount rates used | | | 11.1% - 15.9% |
| Unobservable inputs - Capitalisation rates used | | | 8.75% - 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 | (9 600 000) | (14 414 012) | (9 600 000) |
| Decrease in discount rates 0.5% change | 11 140 000 | 16 215 676 | 11 140 000 |
| Increase in capitalisation rates 0.5% change | (9 600 000) | (14 414 012) | (9 600 000) |
| Decrease in capitalisation rates 0.5% change | 11 140 000 | 16 215 676 | 11 140 000 |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|---|--------------------------------|--------------------------------|--------------------------------|
| 2. Investment properties (continued) | | | |
| 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 | 45 731 058 | 45 691 188 | 45 731 058 |
| Straight-lining of lease income | 137 137 | (924 678) | (508 379) |
| | 45 965 095 | 44 863 410 | 45 319 579 |

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.

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 | 42 423 920 | 43 306 943 | 42 423 920 |
| Straight-lining of lease income | 470 824 | (1 135 081) | (717 314) |
| | 43 008 744 | 42 285 862 | 41 820 606 |

A first covering mortgage bond has been registered over Erf 15848 and 15851 Somerset West in favour of Investec Bank Limited South Africa to the amount of R21 000 000.

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 | 38 602 492 | 38 140 715 | 38 602 492 |
| Straight-lining of lease income | (620 123) | 456 723 | 289 012 |
| | 47 290 865 | 47 905 934 | 48 200 000 |

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.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|--|--------------------------------|--------------------------------|--------------------------------|
| 2. Investment properties (continued) | | | |
| 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 |
| 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 | 37 808 466 | 35 279 640 | 37 808 466 |
| Straight-lining of lease income | 21 194 705 | 22 886 838 | 22 103 840 |
| | 116 790 865 | 115 954 172 | 117 700 000 |
| 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 | 22 263 125 | 22 739 944 | 22 263 125 |
| Straight-lining of lease income | (166 545) | (567 733) | (341 929) |
| | 22 147 880 | 22 223 511 | 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 | 4 839 351 | 4 839 351 |
| Improvements | 12 390 179 | 12 395 552 | 12 390 179 |
| Fair value adjustments | 36 839 390 | 42 957 784 | 36 839 390 |
| Straight-lining of lease income | 6 167 731 | (59 976) | 5 525 707 |
| Capitalised expenditure | 5 373 | - | 5 373 |
| | 60 242 024 | 60 132 711 | 59 600 000 |

First mortgage bond has been registered over Portion 112 of Farm Middelvlei 255 in favour of Nedbank Limited in the total amount of R23 000 000.

First mortgage bond has been registered over the remaining extend of Erf 438 Rocky Drift Township in favour of Nedbank Limited in the total amount of R1 320 000.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|--|--------------------------------|--------------------------------|--------------------------------|
| 3. Net cash flows from operations | | | |
| Profit before tax: | 14 913 923 | 18 134 421 | 32 096 130 |
| Adjustments for: | | | |
| Investment income | (91 427) | (120 659) | (190 595) |
| Finance cost | 5 385 189 | 4 855 331 | 10 011 971 |
| Fair value adjustments | - | - | (712 987) |
| Straight-line rental income adjustment | (832 791) | (481 831) | (1 608 613) |
| Gain on a bargain purchase in a business combination | - | (1 058 485) | (1 058 485) |
| Other operating gain in a business combination | - | (2 134 146) | - |
| Depreciation | - | - | 52 332 |
| Non-operating gain on share based consideration remeasured to fair value | - | - | (2 134 146) |
| Change in operating assets and liabilities: | | | |
| Trade and other receivables | (19 391) | 251 290 | 188 265 |
| Trade and other payables | (1 564 056) | (344 481) | (503 673) |
| Provisions | (495 000) | (313 705) | 180 000 |
| Increase (decrease) in trade and other payables | - | - | - |
| Net cash flows from operations | 17 296 447 | 18 787 735 | 36 320 199 |

4. Earnings per share

4.1 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 | 14 913 925 | 18 134 421 | 32 045 391 |
| Other operating gain in a business combination | - | (2 134 146) | - |
| IAS33 earnings | 14 913 925 | 16 000 275 | 32 045 391 |
| Weighted average number of ordinary shares used in the calculation of basic earnings per share | 72 536 585 | 66 551 697 | 72 536 585 |

4.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

| | | | |
|--|------------|------------|------------|
| Earnings used in the calculation of basic earnings per share for continuing operations | 14 913 925 | 16 000 275 | 32 045 391 |
|--|------------|------------|------------|

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|--|--------------------------------|--------------------------------|--------------------------------|
| 4. Earnings per share (continued) | | | |
| 4.3 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 | 14 913 925 | 16 000 275 | 32 045 391 |
| IAS33 earnings | 14 913 925 | 16 000 275 | 32 045 391 |
| Fair value adjustments | - | - | (712 987) |
| Share of loss from equity accounted investments | - | - | - |
| Non-operating gain on share based consideration remeasured to fair value | - | - | (2 134 146) |
| Gain on bargain purchase in a business combination | - | (1 058 485) | (1 058 485) |
| Earnings used in the calculation of headline earnings per share for continuing operations | 14 913 925 | 14 941 790 | 28 139 773 |
| Weighted average number of ordinary shares used in the calculation of headline earnings per share | 72 536 585 | 66 551 697 | 72 536 585 |

5. Segment information

5.1 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, commissions and reimburse expensive.

5.2 Segment revenues

| | Gauteng and North-West | Mpumalanga | Western Cape | Revenue from external customers |
|--|---------------------------|------------|-----------------|---------------------------------------|
| Period ended 31 August 2023 Revenue | 11 532 254 | 8 120 393 | 4 235 202 | 23 887 848 |
| Period ended 31 August 2022 Revenue | 10 298 080 | 8 273 234 | 3 189 866 | 21 761 170 |
| Year ended 28 February 2023 Revenue | 20 412 394 | 16 833 613 | 6 086 821 | 43 332 128 |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in Rand

5. Segment information (continued)

5.3 Other incomes and expenses

| | Finance Cost | 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 2023 | | | | | | | | |
| Gauteng and North-West | (1 758 169) | - | 83 403 | (173 464) | - | - | - | - |
| Mpumalanga | (1 165 748) | - | - | (709 219) | - | - | - | - |
| Western Cape | - | - | - | (969 129) | - | - | - | - |
| Head Office | (2 461 272) | - | 8 024 | (1 828 349) | - | - | - | - |
| Total other incomes and expenses | (5 385 189) | - | 91 427 | (3 680 161) | - | - | - | - |
| 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 |
| Year ended 28 February 2023 | | | | | | | | |
| Gauteng and North-West | (4 389 488) | 2 029 116 | 89 730 | (717 903) | - | - | - | (56 157) |
| Mpumalanga | (1 866 479) | (433 106) | 15 253 | (1 446 217) | - | - | - | 5 418 |
| Western Cape | - | (883 023) | - | (304 183) | - | - | - | - |
| Head Office | (3 756 004) | - | 85 612 | (3 109 286) | 3 192 631 | - | 297 341 | - |
| Total other incomes and expenses | (10 011 971) | 712 987 | 190 595 | (5 577 589) | 3 192 631 | - | 297 341 | (50 739) |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|---|---|--------------------------------|--------------------------------|
| 5. Segment information (continued) | | | |
| 5.4 Assets and liabilities | | | |
| | Segment profit / (loss) before discontinued operations and tax | Total assets | Total liabilities |
| Period ended 31 August 2023 | | | |
| Gauteng and North-West | 9 684 024 | 153 152 067 | 29 928 235 |
| Mpumalanga | 6 245 425 | 148 148 776 | 22 000 422 |
| Western Cape | 3 266 072 | 72 909 077 | 45 333 |
| Head Office | (4 281 597) | 2 029 867 | 61 636 853 |
| Total assets and liabilities | 14 913 924 | 376 239 787 | 113 610 843 |
| 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 |
| Year ended 28 February 2023 | | | |
| Gauteng and North-West | 17 403 138 | 183 446 191 | 37 614 792 |
| Mpumalanga | 13 084 083 | 147 305 416 | 21 249 035 |
| Western Cape | 5 185 955 | 42 703 324 | 77 112 |
| Head Office | (3 587 045) | 633 987 | 52 490 422 |
| Total assets and liabilities | 32 096 131 | 374 088 918 | 111 431 361 |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|-----------------|--------------------------------|--------------------------------|--------------------------------|
|-----------------|--------------------------------|--------------------------------|--------------------------------|

6. 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 3 (Pty) Ltd |

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

Loans from related parties

| | | | |
|----------------------|------------|------------|------------|
| KSP Offshore Limited | 42 008 232 | 42 295 043 | 43 524 823 |
|----------------------|------------|------------|------------|

Related party transactions

Management fees paid

| | | | |
|---------------------------|---------|---------|---------|
| Petroland Group (Pty) Ltd | 918 000 | 529 000 | 950 000 |
|---------------------------|---------|---------|---------|

Dividend distributions

| | | | |
|----------------------|------------|------------|------------|
| KSP Offshore Limited | 11 600 155 | 17 792 000 | 16 000 000 |
|----------------------|------------|------------|------------|

There were no transactions with related parties during the period under review outside the ordinary course of business.

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|---|--------------------------------|--------------------------------|--------------------------------|
| 7. Capital risk management | | | |
| <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. • Maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary. <p>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.</p> | | | |
| Loans from related parties | 42 008 232 | 42 295 043 | 43 524 823 |
| Other financial liabilities | 70 959 094 | 64 018 700 | 65 203 965 |
| Trade and other payables | 643 517 | 2 055 452 | 2 207 573 |
| Total borrowings | 113 610 843 | 108 369 195 | 110 936 361 |
| Cash and cash equivalents | (11 649 447) | (8 885 647) | (10 324 593) |
| Total borrowings | 101 961 396 | 99 483 548 | 100 611 768 |
| Equity | 222 426 945 | 222 544 148 | 222 455 557 |
| Gearing ratio | 46% | 45% | 45% |

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (continued)

| Figures in Rand | 31 August 2023 Unaudited | 31 August 2022 Unaudited | 28 February 2023 Audited |
|--|--------------------------------|--------------------------------|--------------------------------|
| 7. Capital risk management (continued) | | | |
| 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 | 113 610 843 | 108 369 195 | 110 936 361 |
| Less: Cash and cash equivalents | (11 649 447) | (8 885 647) | (10 324 593) |
| Net borrowings | 101 961 396 | 99 483 548 | 100 611 768 |
| Total assets - per Statement of Financial Position | 376 239 787 | 371 392 198 | 374 088 918 |
| Less: Cash and cash equivalents | (11 649 447) | (8 885 647) | (10 324 593) |
| Less: Trade and other receivables | (136 145) | (53 731) | (116 755) |
| Carrying amount of property-related assets | 364 454 195 | 362 452 820 | 363 647 570 |
| SA REIT loan-to-value | 28% | 27% | 28% |

8. Events after the reporting period

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 16 November 2023 of 20.50 cents per share for the 6 month period ended 31 August 2023.

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.

9. 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.

APPENDIX A: PROPERTY PORTFOLIO REVIEW

Information regarding the Group's property portfolio

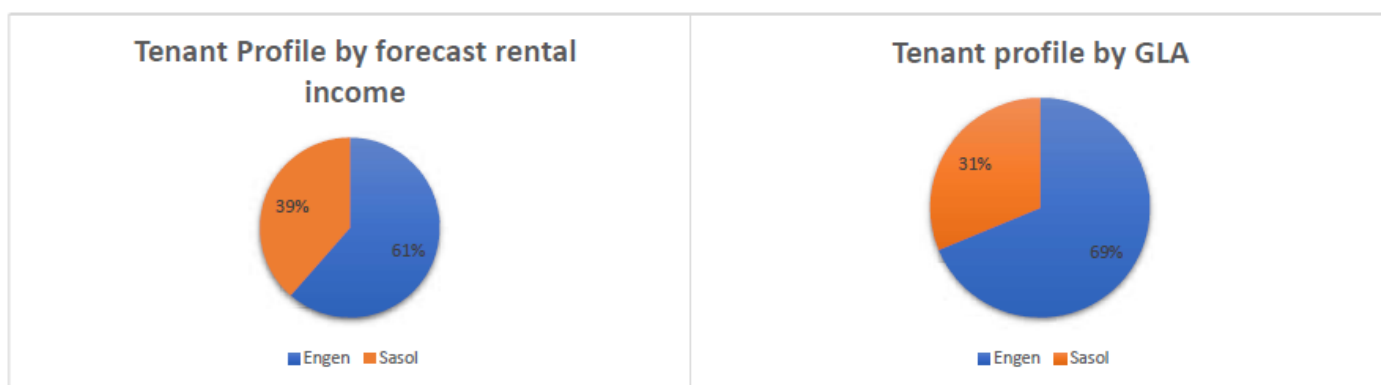
The Properties, specific information in respect of each is included in Appendix B, have been valued by the Independent Valuer. A summarised valuation report is set out in Appendix B.

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 have been included in the property forecast. There are no vacancies.



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

The tenant profile 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 meter 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 2043 September 2027 December 2039 | 59 787 | 1 639 215 |
| Mpumalanga | 27% | Sasol Piet Retief Sasol Grassnyers Engen Riverside Sasol Axis Park | December 2030 December 2030 November 2038 December 2030 | 21 643 | 1 238 929 |
| Western Cape | 21% | Sasol Somerset West | December 2030 | 3 476 | 454 100 |
| North West | 3% | Sasol Protea Park | February 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 m², have a lease expiry profile of between November 2023 to February 2043. All the leases are in the petroleum sector.

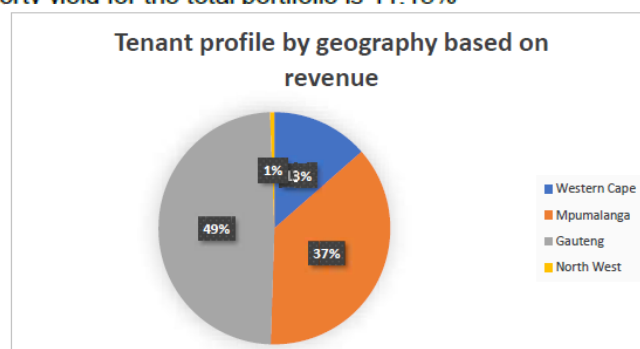
A Table setting out the lease expiry profile per annum is set out below.

| <i>Lease expiry profile</i> | Total GLA (%) | Total Revenue (%) |
|-----------------------------|------------------|----------------------|
| Vacant | 0.00% | 0.00% |
| February 2023 | 0.00% | 0.00% |
| February 2024 | 0.00% | 0.00% |
| February 2025 | 0.00% | 0.00% |
| February 2026 | 0.00% | 0.00% |
| February 2027 | 0.00% | 0.00% |
| February 2028 | 2.59% | 0.30% |
| February 2029 | 0.00% | 0.00% |
| February 2030 | 3.12% | 0.60% |
| February 2031 | 25.54% | 42.12% |
| 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 | 12.74% | 17.16% |
| February 2040 | 0.00% | 0.00% |
| February 2041 | 0.00% | 0.00% |
| February 2042 | 0.00% | 0.00% |
| February 2043 | 56.00% | 39.83% |
| 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 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%.

The Average annualised property yield for the total portfolio is 11.13%



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 Protea park Extension No. 1, IQ Division North West | Rustenburg | 2 737 | 19 100 000 |
| Engen, Doornpoort, Pretoria | Portion 150 and Portion 151 Doorpost No.295, JR Division | Pretoria | 49 076 | 116 500 000 |
| Engen Middelvlei | Portion 112 of Farm Middelvlei 255, IQ Division | Randfontein | 8 437 | 31 100 000 |

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 | 48 000 000 |
| Sasol Piet Retief | Erf 1 Thandekile, IT Division Mpumalanga | Piet Retief | 12 334 | 44 397 980 |
| Sasol Grassnyers, Witbank | Erf 2490 Witbank Extension, No.13, JS Division Mpumalanga | Witbank | 2 023 | 21 972 496 |
| Sasol Axis Park | Remainder Erf 438 Rocky Drift, JT Division | White River | 4 554 | 28 500 000 |

Commercial - Western Cape

| Property company/name | Property address | Location | Site area (m ²) | Value R |
|-----------------------|----------------------------------|---------------|-----------------------------|------------|
| Sasol Somerset West | rven 15848 and 15851 Somerset We | Somerset West | 3 476 | 41 820 606 |

DISTRIBUTABLE PROFIT FOR THE 6 MONTH PERIOD ENDED 31 AUGUST 2023

A reconciliation of the profit for the 6 month period ended 31 August 2023 is set out below:

| Figures in Rand | 31-Aug-23 |
|-----------------------|------------|
| Profit for the period | 14 913 925 |
| Distributable profit | 14 913 925 |
| Dividend distribution | 14 869 999 |

DIVIDEND DECLARATION

DECLARATION OF A CASH DIVIDEND

Notice is hereby given of the declaration of the gross interim cash dividend of 20.50 cents per share for the six months ended 31 August 2023 ("Cash Dividend").

SALIENT DATES AND TIMES 2023

Last day to trade "cum" dividend
Shares commence trading "ex" dividend
Record Date
Payment date

2023

Tuesday, 5 December
Wednesday, 6 December
Friday, 8 December
Monday, 11 December

Notes:

- Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 6 December 2023 and the close of trade on Friday, 8 December 2023 (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:

DIVIDEND DECLARATION

(continued)

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

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 16.4 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

On behalf of the Board

MJ WATTERS

Chairman

Cape Town

17 November 2023

JT LOUBSER

CEO

CORPORATE INFORMATION

THE COMPANY

Afine Investments Limited
(Incorporated in the Republic of South Africa)
(Registration number 2020/852422/06)
JSE share code: 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

Exceed (Cape Town) Inc.

INDEPENDENT AUDITORS

PKF Pretoria Inc.