



APPRAISAL CORPORATION

Your Reference: Afine Valuations
Our Reference: AC220055C
Date: 05 May 2021

ATTENTION: MR. A. LOUBSER

Afine Investments (Pty) Ltd
Unit 4602 Greenways
8 Wentworth Close
Strand
7140

**VALUE DETERMINATION:
ERF 2490 WITBANK EXTENSION NO. 13, JS DIVISION, MPUMALANGA
SITUATED ON THE CORNER OF LANGERMANN & DIEDERICKS STREETS, GRASSNYERS,
WITBANK**



Prepared by:

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**ATTENTION: MR. A. LOUBSER**

Afine Investments (Pty) Ltd
Unit 4602 Greenways
8 Wentworth Close
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7140

Your Reference: **Afine Valuations**Our Reference: **AC220055C**Date: **05 May 2021**

Dear Sir

VALUE DETERMINATION: ERF 2490 WITBANK EXTENSION NO. 13, JS DIVISION, MPUMALANGA

1. Further to your instruction received on 31 March 2021, a value determination on the above-mentioned property is enclosed herewith. For ease of reference, Erf 2490 Wibank Extension No. 13, JS Division, Mpumalanga will be referred to as "**the Subject Property**" in the remainder of our report.
2. This report will be dealt with in two sections, i.e.:
 - 2.1 **Introductory Section** (pages 1-7): Includes a covering page, letter of transmittal, appraisal certificate, assumptions and limiting conditions, definitions and date of valuation.
 - 2.2 **General Report** (pages 8-19): A discussion of the Neighbourhood Area, market tendencies and research, the value calculations and conclusion.
3. We trust that this submission meets with your requirements. Please do not hesitate to contact us should you have any enquiries in this regard.

Yours sincerely,

R.E. Jackson
Pr Val (MIVSA)

J.F. du Toit
Pr Val (FIVSA)



APPRAISAL CERTIFICATE

We the undersigned certify that,

1. This report has been prepared in conformity with recognized standards of appraisal procedure and ethics. To the best of our knowledge and belief the statements contained in this report are correct.
2. Opinions stated are based on a full and fair consideration of all the pertinent factors available. The statements are subject to the Assumptions and Limiting Conditions stated in this report.
3. We have no present or contemplated interest in this or any other property or any other interests, which would affect the statements or values contained herein. Neither the employment nor compensation are contingent upon reporting predetermined or specified
4. A personal inspection of the Neighbourhood Area and the Subject Property was done. An investigation was also done of other comparable market data to assist us with the value.
5. There are **20** Pages, **3** Figures and **2** Tables, which all are essential to the report.
6. Words importing any one gender in this report shall also include the other, words importing the singular shall include the plural and vice versa and words importing persons shall include partnerships, bodies corporate and companies they represent.
7. In our opinion, a willing buyer will pay a willing seller the following amount in the open market, for the particular property (**Erf 2490 Wibank Extension No. 13, JS Division, Mpumalanga**), at the date of our value determination (**30 April 2021**):

R 23,100,000 (Twenty Three Million One Hundred Thousand Rand)
8. All mapping and photography was conducted by Appraisal Corporation.
9. The valuation excludes Value Added Tax (VAT).



10. This valuation does attempt to factor in the potential impact that the Covid-19 pandemic might have on property values. It is however at this point in time not possible to quantify such impact with certain accuracy. This will only become more measurable in forthcoming years as we progress through the recovery of this pandemic.

A handwritten signature in black ink, appearing to read "R.E. Jackson".

R.E. Jackson
Pr Val (MIVSA)

A handwritten signature in black ink, appearing to read "J.F. du Toit".

J.F. du Toit
Pr Val (FIVSA)

for

Appraisal Corporation

Date: 05 May 2021

Place: Cape Town



ASSUMPTIONS AND LIMITING CONDITIONS

Neither all nor any part of this report shall be conveyed to the public or anybody/person other than the addressee or his principals through advertising, public relations, news sales or any other media, without the written consent of:

Jacques Francois du Toit or Robyn Elizabeth Jackson of Appraisal Corporation.

This particularly pertains to the value conclusion, the identity of the appraiser/s or any reference to the professional appraisal organisation to which I/we belong. No responsibility is assumed for matters legal in nature. Information provided by property owners, parties to sales and others are assumed reliable but its accuracy is not guaranteed. This value determination has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation, has been made to ourselves, and we cannot accept any liability or responsibility whatsoever for the value determination, unless such full disclosure has been made. We emphasise that we have not carried out a structural survey of the improvements, nor have we examined them for signs of timber infestation, and accordingly, cannot be responsible for possible defects.

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for any future proposed development. Our value determination is on the basis that these aspects are satisfactory.

We have assumed that there is no contamination, other than that associated with its existing usage, affecting the property or neighbouring property, which would affect our value determination. However, we reserve the right to review our value, should it be established subsequently that contamination, other than that associated with its existing usage, exists at the property or on any

DEFINITIONS

The value determination with our report is defined by the International Valuation Standards Council (2020) as:

Open Market Rent:

“Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion .”

Open Market Value:

“Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

**Highest and Best Use:**

“The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value. If different from the current use, the costs to convert an asset to its highest and best use would impact the value.”

The Fair Value of an asset according to the IASB is defined as follows:

Fair Value:

“The amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction” (IAS 16)”.

“IFRS 13 defines Fair Value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

Value determination is made for the purpose as stated and should not be used for any other purpose.

TERMS OF REFERENCE

The purpose of this report is to determine the current Open Market Value of the Subject Property, which is required for the proposed listing of Afine Investments (Pty) Ltd on ZARX.

The valuation is based on the assumption that the new lease with Sasol, commencing 01 January 2020, is countersigned by Sasol.

DATE OF VALUATION

30 April 2021



GENERAL REPORT

VALUE DETERMINATION: ERF 2490 WITBANK EXTENSION NO. 13, JS DIVISION, MPUMALANGA

1. INSTRUCTION

- 1.1 We have been instructed by Mr Anton Loubser of Afine Investments (Pty) Ltd to undertake a current open market valuation of the Subject for the purpose as stated under the *Terms of Reference* .
- 1.2 Our market research was undertaken during the period of April 2021.

2. **DATE OF INSPECTION:** 25 April 2021

3. TITLE DEED INFORMATION

The Title Deed indicates that the Subject Property is held as follows:

Subject Property Description:	Erf 2490 Witbank Extension No. 13, JS Division Mpumalanga.
Title Deeds:	T104531/2004
Registered Owner:	Thunder Cats Investment 78 (Pty) (Ltd)
Extent:	2,023m ² or 0.2023ha
Date of Registration:	29 April 2004
Date of Purchase:	11 May 2004
Purchase Price:	R51,300
Mortgage Bonds	B122181/2004 in the amount of R5,464,306 in favour of Sasol Oil (Pty) Ltd (" Sasol ").
Servitudes Noted:	The following relevant conditions in current title deed: (i) There are historical conditions which were in place prior to the township as still a farm. These indicate that no business or trade may be operated from the property without the consent of Witbank Colliery Ltd. (ii) As per proclamation No. 216/1963 the property may not be used for residential or noxious industrial buildings. A prohibition of using the property for the making of bricks, tiles or earthenware, or to be used as an "eating house". (iii) 6 (±2m) feet wide servitude for municipal service purposes to be established along one boundary, other than a street boundary.



(iv) The owner cannot hold Witbank Colliery Ltd liable for any damages caused to the surface property due to past or current mining activities.

(v) K5629/2004 is a Notarial Lease Agreement in favour of Sasol. The lease was cancelled by an arbitration award on 26 October 2020 and the same would also apply to the below stated servitude conditions.

(viii) K5630/2004 is a servitude of pre-emptive rights in favour of Sasol indicating that the property may not be sold, leased, mortgaged or otherwise alienated without the written consent of Sasol.

(vi) K5631/2004 is a servitude of restraint in favour of Sasol. This is a condition as listed in the lease agreement which prohibits the use of the property to only the storing, handling, selling and distributing of Sasol Petroleum products.

4. TOWN PLANNING CONDITIONS AND LOCAL AUTHORITY INFORMATION

4.1 **Local Authority:** Emalahleni Local Municipality.

4.2 **Zoning:** Zoned as "Public Garage", with primary uses of a public garage and place of refreshment. It has a 60% coverage, 2 storey height limitation, 8m street and 5m common boundary setback. With 40% of the site to be reserved for parking, which include the area surrounding the fuel pumps, but excludes workshops, showrooms, work areas, lubricating or washing areas. The current use complies with these.

4.3 **Municipal Valuation:** According to the valuation roll dated 1 July 2018, the property is valued at R4,900,000 and is rated on a Business and Commercial tariff. This municipal value is considered a understatement of current market value.

5. NEIGHBOURHOOD AREA

5.1 The Subject Property is located in Witbank, now known as Emalahleni, located in the western part of Mpumalanga. The town is where the N4 and N12 National Routes converge and is ±48km south-west of Middelburg and ±215km from Pretoria central. It is a mining town alongside the N4 National Road, which road extends from Gauteng to Maputo, Mozambique, along with a parallel railway (Maputo Corridor). Emalahleni is the primary town for the district and has most commercial amenities as well as a large industrial node. The main economic base is defined by mining, steel and power generation.



5.2 The Subject Property is located in the central business district of Emalaheni. It is located at the edge of the town nearby the railway line. Immediate surrounds include a number of vehicular workshops, a Shoprite Centre, public transport hub for taxi and busses, as well as the civil service offices and the Emalaheni Hospital.

Figure 1: Google Imagery Indicating Location of Subject Property (red)



Figure 2: Aerial Imagery of Subject Property (red)





5.3 In assessing the location of a service station a visibility, accessibility, traffic and trade analysis ("VATT") was conducted. The property is developed to its highest and best use.

5.3.1 **Visibility: Average**

The Property is a corner site bordered by Lagemann, Deidrick's and Mandela Streets. Last mentioned is a main route through the town. Deidrick's Street is a connector route from Mandela Street to the public transport hub and therefore also is a fairly busy traffic route. Improvements are set back on the site which decrease visibility.

5.3.2 **Accessibility: Good**

Egress and access can be gain from all three bordering streets as mentioned above as the property has no street fencing. The three roads converge in front of the Subject Property, but with no traffic lights/signs. The layout on the site is open with sufficient circulation with parking along Lagemann Street, as well as in front of the convenience store.

5.3.3 **Traffic: Average**

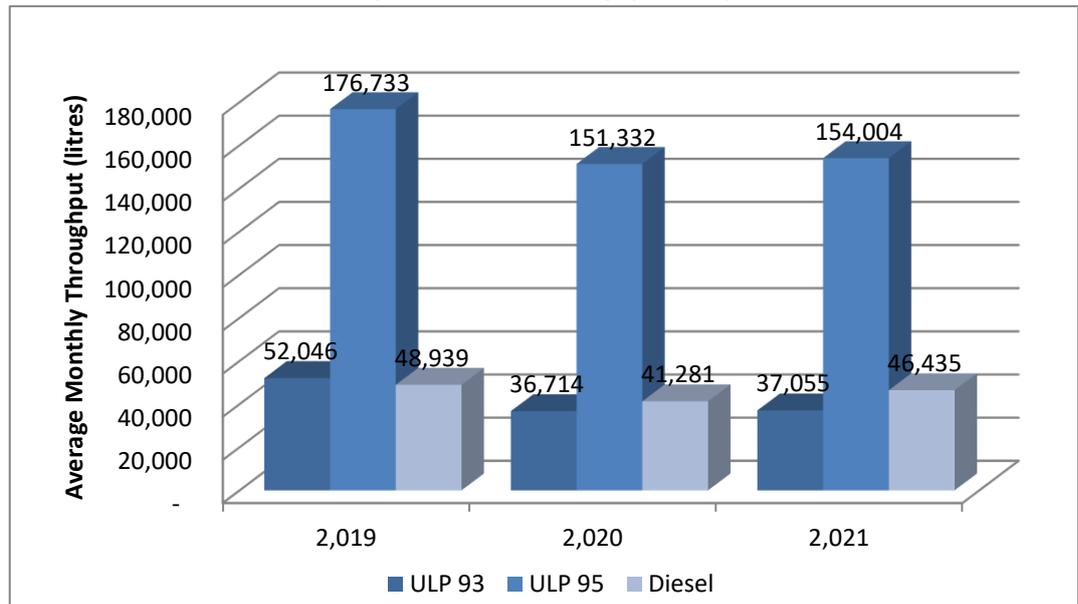
No traffic count was supplied. The traffic past the Subject Property is generally high due to the close proximity to the public transport hub as well as the surrounding commercial amenities. In addition, being located to the railway station and taxi rank, the Subject Property is exposed to high levels of pedestrian traffic as well.

5.3.4 **Trade: Average**

There is a Caltex located ±412m north-west and a Sasol ±900m south of the Subject Property, both of these are considered to be outside of the town centre. Within the centre, there is only one additional station at the opposite side of the town, ±1.1km east closer to the residential node. We were provided with the fuel sales for the years July 2019 to February 2021. A year period is noted from July to June. Over the three year period, a declining trend is noted from 2019, this is most likely due to the impact of the Covid-19 Pandemic and subsequent lockdown regulations affecting the four months of 2020 as well as sill having an effect within the 2021 period. The site can be seen to be predominantly a ULP95 Petrol dispenser (Figure 3), although figures indicate that diesel sales have increased the most in the latest year in review. Total average monthly fuel sales amounted to ±277,717l during 2019 (pre-Covid throughput) indicating an average site . In 2020, an average monthly throughput of ±229,328l was achieved, indicating a ±17% decrease. However, over the eight month review of 2021, a ±4% increase on the monthly average is noted, which indicates throughput to be recovering and may well reach pre-covid levels within the year.



Figure 3: Fuel Throughput Graph

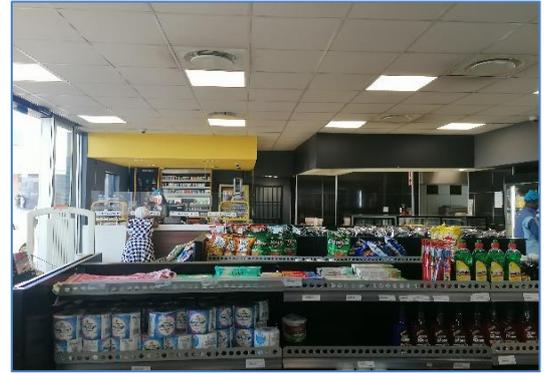


6. SUBJECT PROPERTY

The site is improved with a Sasol branded service station

6.1 Convenience Store

<p>External Walls:</p> <p>Internal Walls:</p> <p>Roof:</p> <p>Window Frames:</p> <p>Floors:</p> <p>Floor Coverings:</p> <p>Ceilings:</p> <p>Condition:</p> <p>Comments:</p>	<p>Plastered brick with feature yellow metal cladding.</p> <p>Plastered brick.</p> <p>Mono-pitched IBR.</p> <p>Aluminium.</p> <p>Concrete.</p> <p>Ceramic tiles and concrete.</p> <p>Suspended board.</p> <p>Good.</p> <p>The convenience store is a single storey building with a glass sliding door entrance. Accommodation comprises an open retail area with fitted fridges, pay kiosk counter and a take-away counter with back kitchen and store. The kitchen has splash tiled walls, a walk-in fridge and stainless steel counters. The back-end yard is located between the building and boundary walls and is enclosed with steel mesh roof and gate and is brick paved.</p>
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Comments:

Behind the pay kiosk is the administration office and cash office which fronts onto the forecourt. With separate access is the public toilets and the attendees accommodation which comprises a rest canteen fronting the forecourt, male and female ablutions which include lockers and shower facilities.



6.2

Canopy and Forecourt

External Frame: Aluminium.
 Rust: None.
 Roof: Mono-pitched IBR sheeting.
 No. of Islands: 4 islands and 1 island for a truck stop.



No. of Pumps: 4 pumps each with 6 nozzles each (four petrol, two diesel).
 1 pump at the truck stop with two nozzles (diesel).
 Surface: Brick and concrete paved.
 CCTV Cameras: Yes.
 Condition: Average.



7. APPROXIMATE BUILDING EXTENTS

	Description	Bldg. Extent	Rentable	
7.1	Shop	225m ²	157m ²	(Excl. Attendees accommodation)
7.2	Enclosed yard	95m ²	95m ²	
	Sub total	320m²	252m²	
7.3	Forecourt Canopy	353m ²	353m ²	
	Total	673m²	605m²	

8. MARKET TENDENCIES

The Covid-19 lockdown and weak economy have had a negative impact on the property sector, specifically for commercial and industrial markets. Brokers are reporting that many prospective tenants are not committing to leases or are signing leases with a shorter duration. They also report that rentals have declined on the back of higher vacancies and that the investment market is subdued. The current economic crisis has caused a slight upwards shift in yields that investors expect from their property investments. This is however mitigated by a more favourable interest rate regime. This resulted in a marginal decrease in capitalisation rates for commercial property, averaging ±8.5% to ±9.5%. Properties in prime and central locations are still trading at lower yields, with properties in secondary nodes trade at higher yields. Specialised trading properties generally trade at a slight risk margin above this.



9. LEASE DETAILS

- 9.1 The notarial lease K5629/2004 had a term of 25 years from 2004. The lease required a payback of capital cost plus interest for the first 10 years. Thereafter, a fixed monthly rental of R20,000 is indicated. . Further to the arbitration award of 26 October 2020, this notarial lease with Sasol was cancelled and has since been replaced with a new 10-year lease.
- 9.2 The new lease is in place with Sasol ("**tenant**") for the Subject Property. The lease is for a 10-year period which commenced on 01 January 2020 and expires on 31 December 2029.
- 9.3 The lease entitles the tenant to the exclusive use and occupation of the property as an automotive fuel station and retail store. The landlord is allowed to enter into direct lease agreements for ATM's, but only for this use and no other business.
- 9.4 The owner has developed the site for its current use and in accordance with tenant specification. Fuel and retail equipment as well as signage is provided by the tenant and remains under the tenant's ownership. A condition of restraint is in place in favour of Sasol for the duration of the lease, prohibiting non-service station uses and the prohibition of dealing of any other petroleum products other than those supplied by Sasol. There is also a pre-emptive right in favour of the tenant if the property is to be disposed of and first right of refusal to be re-let to Sasol on termination of the lease.
- 9.5 Rental has been set at R186,975 per month at an escalation of 6% per annum. The rental commencement date is at November 2020. Prior to this a condition stipulates that back rental for the period from January 2020 to 31 October 2020 should be added for a 5-year duration at a monthly amount of R27,829 per month in addition to the rental.
- 9.6 This is a fully-repairing lease with the tenant responsible for its pro-rata share of the municipal consumption costs, rates and taxes, insurance and maintenance.

10. VALUATION METHODOLOGY

- 10.1 When valuing property, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognizance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property. As this is a property delivering an income stream for any potential investor, the apposite valuation methodology will be the *Income Approach* .



10.2 The long-term lease in place, has a significant attribute of value. We compared the contract rentals to market rentals, with market rentals based on the premise of the RAS Model (par. 12). With 8.6-years remaining on the lease, a Discount Cashflow Analysis ("DCF") was applied to account for this income stream. The utilisation of the DCF valuation method comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation.

11. MARKET RESEARCH

11.1 Service stations are considered specialised properties, which do not frequently trade or in the case of a transaction, is difficult to compare due to the heterogeneity of ownership-types and agreements in place. Our market research therefore included dated transactions and those with different geographical locations. These indicate service stations transact on average within a capitalisation rate range of between ±8.75% and ±10.5%.

11.2 Extracts from the SAPOA Capitalisation and Discount Rate Report: November 2020:

Market Cap Rate				
Property Type	MIN	MAX	MED	AVE
Retail				
Super Regional Shopping Centre >100,000m2	6.50%	8.00%	7.25%	7.28%
Regional Shopping Centre: 50-100,000m2	7.25%	8.50%	7.50%	7.75%
Small Regional Centre: 25-50,000m2	7.25%	9.75%	8.12%	8.15%
Community Shopping Centre: 12-25,000m2	7.00%	10.00%	8.20%	8.31%
Neighbourhood Shopping Centre: 5-12,000m2	7.75%	11.00%	9.00%	9.00%
Retail Warehouse	8.00%	11.00%	9.63%	9.63%
Stand-alone Retail unit	8.25%	11.05%	10.00%	9.74%
Other	9.00%	12.00%	10.50%	10.69%

Exit Cap Rate				
Property Type	MIN	MAX	MED	AVE
Retail				
Super Regional Shopping Centre >100,000m2	6.50%	8.50%	7.50%	7.56%
Regional Shopping Centre: 50-100,000m2	7.50%	9.00%	8.13%	8.21%
Small Regional Centre: 25-50,000m2	7.75%	10.25%	8.50%	8.57%
Community Shopping Centre: 12-25,000m2	7.50%	10.50%	8.50%	8.80%
Neighbourhood Shopping Centre: 5-12,000m2	8.00%	11.50%	9.00%	9.41%
Retail Warehouse	7.25%	11.50%	10.50%	10.23%
Stand-alone Retail unit	8.50%	11.55%	10.50%	10.34%
Other	9.50%	13.00%	12.38%	11.63%



Market Discount Rate					
Property Type	MIN	MAX	MED	AVE	
Retail	Super Regional Shopping Centre >100,000m2	11.50%	13.50%	13.25%	12.95%
	Regional Shopping Centre: 50-100,000m2	12.14%	14.00%	13.13%	12.90%
	Small Regional Centre: 25-50,000m2	12.10%	15.50%	13.55%	13.29%
	Community Shopping Centre: 12-25,000m2	12.00%	15.28%	14.00%	13.64%
	Neighbourhood Shopping Centre: 5-12,000m2	12.50%	15.35%	14.50%	14.11%
	Retail Warehouse	12.50%	15.50%	14.00%	14.19%
	Stand-alone Retail unit	12.75%	15.75%	14.00%	14.29%
	Other	11.33%	17.50%	15.00%	14.66%

- 11.3 The risk inherent in income producing properties is the degree of certainty that the income stream will be realised despite the uncertainty of the future, and therefore the higher the risk factor, the better the return the investor will require, i.e., the capitalisation rate. The Subject Property has a long-term lease in place with a blue-chip tenant, Sasol, who has a vested interest in the site. This significantly mitigates the risk to lease revenue and security of tenancy. For this reason, a capitalisation rate towards the middle of the market parameters and SAPOA capitalisation benchmarks for property type "other" (non-conventional commercial property), would apply to the Subject Property.
- 11.4 Our terminal or exit capitalisation rate is based on a 1% increase on the current capitalisation rate, due to the inherent risk of the uncertainty placed around a future date of disposal.
- 11.5 SAPOA records a range of between ±11.33% and ±17.5% for discount rates for non-conventional property. Considering the lease covenant we believe the Subject Property should trade at a discount rate towards the lower end of these margins.

12. MARKET RENTAL & VALUE DETERMINATION

- 12.1 With our value determination of a service station, the Regulatory Accounting System ("RAS") for the petroleum sector must be considered, which was implemented on 4 December 2013. A window period for all existing agreements was also allowed for, to have all agreements reviewed according to the Act. The Act, which has now been approved, provides details to determine appropriate margins for the following items:
 - Wholesale
 - Coastal storage
 - Handling
 - Secondary storage
 - Distribution
 - Return on assets for the benchmark service station ("BSS")



- 12.2 To determine the rental for the petrol station component, the retail margin derived from fuel sales is calculated as per the RAS model for petrol. In terms hereof, the current regulated petrol margin is **221.6c per litre**. With consideration of this, the retail fuel margin is divided between the operator, oil company and landlord according to categories of investment into the operational and capital expenditure, as well as an entrepreneurial cost. The model is based on the "Benchmark Service Station" Matrix which is dated December 2020. With this, a rental percentage of **±32.2%** of the retail fuel margin is indicated (inclusive of 100% of Entrepreneurial Cost) and will be applied to the fuel sales. The diesel margin is unregulated and the retailer charges an average of **±199.9c per litre**. Based on this RAS model and current fuel sales, the following rental can be applied to the forecourt portion of the Subject Property:

Table 1: RAS Calculation of Forecourt Rental		
Description	Petrol	Diesel
Present Dealer Margin	R 2.2160	R 1.7698
Average Monthly Throughput (litres)	200,000	50,000
Monthly Revenue	R 443,200	R 88,490
Percentage of Retail Margin	32.17%	32.17%
Rental per litre (Rental Factor)	R 0.7128	R 0.5693
Sub-Totals of Rental Payable	R 142,560	R 28,464
Total Monthly Forecourt Rental	R 171,024	
Total Monthly Rental Per Litre	R 0.6841	

- 12.3 The retail evidence indicates rental rates of between ±R100 to ±R200 per m². The lower parameter is for industrial-type/showroom accommodation on the periphery of the CBD. The higher parameter is for retail space within a shopping centre. Rentals for shops are often based on turnover, with ratios of between ±2% and 5%. The convenience store has an average monthly turnover of around ±R336,533 per month. Based on a ±5% ratio this would indicate a market related rental of R16,827 per month. This equates to a rate of ±R107 per m², inclusive of other supplementary space and within the retail market parameters indicated.

- 12.4 Based on the before-mentioned market evidence and analysis, the following value is deemed fair for the Subject Property as reflected in **Table 2**.

Table 2: Market Rental Calculation				
Description	Lettable m² or litres	Rental per m² or per litre	Monthly Rental	Total Annual Rental
Forecourt: (Petrol)	200,000l		R 142,560	R 1,710,720
Forecourt: (Diesel)	50,000l		R 28,464	R 341,565
Shop	157m ²	R107	R 16,827	R 201,920
Enclosed yard	95m ²	R0	R -	R -
Potential Monthly Income			R 187,850	R 2,254,205



- 12.5 Our estimate of market rental is in the order of R187,850 per month. Considering an effective year commencing 01 May 2021, an annual market rental in the order of ±R2,254,205 is derived, which is in line with the current contract rental of ±R2,311,011.
- 12.6 As the lease has a remaining period of ±8.6 years, we have used a DCF calculation to account for this, with a reversion to market at the end of the lease period. The net present value of the contract rental is computed at R16,285,478. A reversion value of R23,034,927 is calculated at market rental as at the end of the lease, with a net present value of R7,889,269. These total R24,174,746, say **R24,200,000**.

13. CONCLUSIONS

- 13.1 The Subject Property is improved with a Sasol-branded service station located in Witbank Mpumalanga. It has a central location within the older city centre. It pumps both ULP Petrol and Diesel with a current average throughput of around ±248,000l per month and is improved with a separate pump for trucks and branded convenience store.
- 13.2 It has a long term, fully repairing lease in place, which expires 31 December 2029. The contract rental is considered to be market related.
- 13.3 The RAS model has been applied to determine the market rental for the forecourt in addition to the retail rental applied to the convenience store and restaurant on the property. A terminal value of R23,034,927 is envisioned with an applied exist capitalisation rate of 11.0%. This takes into account the forecourt throughput levels and current state of improvements.
- 13.4 The net present value of the remaining contract lease and reversion to market rental at the end of the lease period indicates a value in the order of **R23,100,000**.

CURRENT MARKET VALUATION:

R	23,100,000
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05 May 21

DATE

R.E. Jackson
Pr Val (MIVSA)

J.F. du Toit
Pr Val (FIVSA)