



**AFINE
INVESTMENTS**

**AFINE INVESTMENTS LIMITED
(formerly Domanolor Proprietary Limited)
(Approved as a REIT by the JSE)**

(Incorporated in the Republic of South Africa)
Registration number 2020/852422/06

JSE share code: ANI ISIN: ZAE000303947
(**"Afine"** or **"the Company"**)

RELATED PARTY ACQUISITION OF GLOMOR THREE (PROPRIETARY) LIMITED ("Glomor")

1. The Acquisition

Shareholders are advised that Afine has concluded an agreement ("**the Agreement**") with Petroland Group Proprietary Limited ("**Petroland**") and Terra Optimus Proprietary Limited ("**Terra Optimus**") (collectively "**the Vendors**") in terms of which Afine will acquire 100% of the shares in Glomor ("**the Acquisition**").

Glomor 3 owns two properties namely Portion 112 Of Farm Middelvlei 255, IG Division, Gauteng Province Main Reef Road (R28), Randfontein ("**Engen Property**") and Remainder Erf 438 Rocky Drift, JT Division, Mpumalanga Province situated alongside R40, Axis Industrial Park, White River ("**Sasol Property**").

One of the vendors, Petroland, is a related party to the Company in terms of the Listings Requirements of the JSE Limited ("**JSE**") as it is held by the family trust of Mr A Loubser, who is the Chief Executive Officer of Afine. The Acquisition is therefore classified as a related party transaction in terms of paragraph 21.12(b) of the JSE Listings Requirements. Terra Optimus is owned by The Gary du Preez Family Trust, and is not a related party to Afine.

The purchase consideration will be settled with a combination of cash and Afine shares. Accordingly, in terms of paragraph 10.7(b) of the JSE Listings Requirements, an independent expert acceptable to the JSE must express an opinion on the fairness of the Acquisition ("**Fairness Opinion**").

Following the completion of the Acquisition, Petroland and Terra Optimus will hold an interest of 6.22% and 5.55% in Afine respectively.

2. Rationale for the Acquisition

One of Afine's stated objectives at the time of listing was to operate as a specialist REIT with a focus on the acquisition of petrol stations. The acquisition of Glomor is the first acquisition of two properties in line with the expansion strategy.

3. Effective date of the acquisition

The effective date of the Acquisition is 1 March 2022.

4. Details of the business of Glomor and property information

Glomor is 50% owned by Petroland and 50% by Terra Optimus and holds two petrol station properties with long term leases with Sasol and Engen.

The property information is set out below:

Details	Engen Property	Sasol Property
Location	Main Reef Road, Randfontein	White River, Mpumalanga Province
Rentable area, including forecourt and auto tellers	574m ²	668m ²
Weighted average rental per square metre for the rentable area	R409.33	R351.73
Valuation	R31 100 000	R28 500 000
Valuation date	28 February 2022	28 February 2022
Date of valuation report	22 April 2022	21 April 2022

It is noted that the weighted average rental per square metre is not a normal metric for a petrol station as the entire site is rented by the oil major, irrespective of the size of the land. Accordingly, only the rentable area, including the forecourt, has been presented above.

The properties were independently valued by Appraisal Corporation CC, an external property valuer, whose members are duly registered with the South African Council for the Property Valuers Profession, in terms of Section 20(2)(a) of the South African Property Valuers Profession Act, 2000.

As Afine is acquiring the shares in Glomor 3, there are no property transfer costs payable. No agent's commission is payable in relation to the Acquisition.

5. Purchase consideration

The purchase consideration will be settled with a combination Afine shares and cash as follows:

- issue of 4 512 195 Afine shares to Petroland;
- issue of 4 024 390 Afine shares, plus R2 000 000 (two million Rand) in cash, to Terra Optimus.

The exchange of 100% of the Glomor shares held collectively by the Vendors for shares in Afine in this asset-for share transaction is in accordance with the terms of the Agreement and section 42 of the Income Tax Act No. 58 of 1962, as amended.

The new shares in Afine will be issued ex-dividend.

6. Conditions precedent

The acquisition is subject to the outcome of the Fairness Opinion referred to in paragraph 9 below.

7. Other significant terms of the Agreement

The Agreement provides for warranties and indemnities that are normal for a transaction of this nature.

8. Glomor 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 that will be 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 the Sasol Property and R31 100 000 for the Engen Property. It is noted that a portion of the deferred tax liability of R9 489 781, which is related to the properties will be reversed following the acquisition by Afine.

The information contained in the AFS was prepared in accordance with IFRS for Small and Medium Enterprises and the auditor is Lloyd Viljoen, a registered auditor. The Board of Afine is satisfied that the audited financial information is reliable. The audit opinion is unmodified.

The financial information contained in this announcement has not been reviewed or reported on by the Company's auditors.

9. Fairness opinion

In terms of paragraphs 21.12 and 10.7(b) of the JSE Listings Requirements, an independent expert acceptable to the JSE ("**Independent Expert**") must express an opinion on the fairness of the Acquisition ("**Fairness Opinion**") as far as it pertains to the Related Party. To this end, the Company appointed AcaciaCap Advisors Proprietary Limited as the Independent Expert. The Fairness Opinion has been submitted to the JSE for review and a subsequent announcement in this regard will be made in due course. The Acquisition will only require approval by Afine shareholders in the event that the Independent Expert determines that the terms of the Acquisition from the Related Party are unfair as far as shareholders are concerned.

By order of the Board

13 June 2022

Designated Advisor

