
REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF AFINE AS AT DATE OF INCORPORATION

"Afine Investments Limited
The Directors
Unit 4602, Greenways
Strand, 7140

Dear Sirs / Madam

Independent reporting accountant's report on the historical financial information of Afine ("Afine") for the period ended 28 February 2021

At your request and for the purposes of the Pre-Listing Statement to be dated on or about 19 November 2021 ("**the Pre-Listing Statement**"), we present our audit report on the historical financial information of Afine at this company's date of incorporation, presented in **Annexure 5** of the Pre-Listing Statement for the purpose of this report, in compliance with the JSE Listings Requirements.

The historical financial information of Afine consists of the Statement of Financial Position, the Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity and notes thereto, including a summary of the significant accounting policies as at the date of incorporation ("**Historical Financial Information of Afine**") presented in **Annexure 5** of the Pre-Listing Statement, and has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), for the purpose of providing financial information to satisfy the requirements of Section 8 of the JSE Limited Listings Requirements ("**Listing Requirements**") and for no other purpose.

The directors of Afine are responsible for the preparation of the Report of Historical Financial Information of Afine. The directors are ultimately responsible for the compilation, contents and preparation of the Pre-Listing Statement, including the Report of Historical Financial Information of Afine.

Opinion

We have audited the Historical Financial Information of Afine as at the date of incorporation, prepared in accordance with IFRS and the Listing Requirements.

In our opinion, the Historical Financial Information of Afine at the date of incorporation presents fairly, in all material respects, for the purposes of the Pre-Listing Statement, the financial position, financial performance and cash flows of Afine at the date of incorporation in accordance with IFRS and the JSE Listing requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting Accountant's Responsibilities for the Audit of the historical financial information section of our report.

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Managing Director: Waldek Wasowicz **Directors:** Full list available on website. **Registration No.** 2018/515503/21 **Practice No.** 944 351

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We are independent of Afine in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa.

We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with corresponding sections the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion in the Historical Financial Information of Afine.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our reporting accountant's report on the historical financial information of Afine as at date of incorporation. These matters were addressed in the context of our report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter relating to investment property valuation.

Key audit matter	How the matter was addressed in the audit
<p>Valuation of investment properties (note 3) At 28 February 2021 investment property represent a material number of the Company's Assets.</p> <p>The revaluation of these properties to fair market value is considered to be a key audit matter due to the large degree of subjectivity and judgement involved in determining these valuations and the significant impact that it would have on the asset value of the Company, being a key indicator to the shareholders.</p> <p>These valuations were prepared by management.</p> <p>The valuation inputs and judgements as disclosed in Notes 3 with the most significant inputs including the net revenue stream, capitalisation rates, vacancy rates and applicable adjustment factors.</p>	<p>We confirmed by inspecting the valuation model that the approach that management used is consistent with IFRS requirements and industry norms.</p> <p>We evaluated the judgements applied in determining the fair value, in particular:</p> <ul style="list-style-type: none"> • The model used by management; and • The significant assumptions including net income used, capitalisation rates, vacancy rates and any other adjustment factors. <p>Furthermore, we tested a selection of data inputs underpinning the investment property valuation including rental income and lease periods against appropriate supporting documentation, that include the signed lease agreements, to assess the accuracy, reliability and completeness thereof.</p> <p>We found that the model used for the property valuations to be appropriate and the net income and capitalisation rates applied were comparable to the market-related rates.</p>

Directors' responsibility for the Historical Financial Information

The directors are responsible for the preparation of the Historical Financial Information of Afine in accordance with IFRS and the Listings Requirements as well as the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the requirements of the Companies Act 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information of Afine, the directors are responsible for assessing Afine's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless the directors either intend to liquidate Afine or to cease operations, or have no realistic alternative but to do so.

Reporting Accountant's responsibility

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information of Afine is free from material misstatement, whether due to fraud or error, and to issue an independent reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Historical Financial Information of Afine.

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

- identify and assess the risks of material misstatement of the Historical Financial Information of Afine, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Afine's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Afine's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Historical Financial Information of Afine or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the Historical Financial Information, including the disclosures, and whether the historical financial information represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the historical financial information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Historical Financial Information of Afine as at the date of incorporation and are therefore the key audit matters. We describe these matters in our independent reporting accountant's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication. There are no key audit matters to report.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Pre-Listing Statement in the form and context in which it appears.

Yours faithfully



PKF Octagon Incorporated
21 Scott Street
Waverley, 2090

Per H Schalekamp
Director
Registered Auditor

Date: 18 November 2021