Financial Modelling disclaimers:

- *The Financial Models were prepared solely for the use(s) as described in the Engagement Letter with the BRP and were not prepared for any other use(s) in mind.*
- *The BRP will not be held accountable for how any extracts from the Financial Models are utilised. Events may have occurred after the date of the Financial Model(s) which could change its content, had they been known when the Financial Models were prepared. The Financial Models are prepared using a variety of assumptions related to possible alternative strategies in relation achieving the objective of Business Rescue. The actual outcome that is eventually achieved is likely to differ from the version presented herein due to the underlying nature of forecast financial information.*
- *The extracts of the Financial Model(s) reflected below represent one of these possible potential outcomes and are not meant to reflect an exhaustive set of scenarios and possible outcomes.*
- *Reliance on the extracts of the Financial Model(s) is entirely at your own risk.*

Material Assumptions Underpinning the Financial Model(s)

The financial model has been designed to cater for a number of alternative cases, one of which is described below.

Scenario	**Description**
All investment property assets sold	• All investment property assets are sold. • This is the active scenario depicted in this annexure.
Proceeds from investment property asset sales	• The greater of the Quadrant Properties (Pty) Ltd ('Quadrant') investment property asset valuations (see Investment property asset revaluation assumptions below) or the capitalised 12-month aggregate forward looking net operating income ('NOI') at the date of sale based on Management's forecast assumptions. • The proceeds from investment property asset sales are gross amounts with transaction costs being recognised as an expense in the Income Statement(s).
Transaction costs	• 2.5% of sales proceeds.
Investment property asset transfer period	• Two months from the date of finalisation of the agreement of sale of each investment property asset.
Business rescue plan approval date	• 03/04/2023 which is ten business days from BR plan publication date. • Given that the model is in a monthly format, 30/04/2023 is assumed.
Business rescue plan Date of Substantial Implementation ('the DoSI')	• 30/06/2024 • At the DoSI, the aggregate amount of any outstanding secured and unsecured debt is assumed to be transferred to the relevant 'Reinstated debt' accounts until the lenders decide how to deal with these loans (i.e. written off/converted/credit bid/continued/etc.). • At the DoSI, the aggregate amounts of any Debt, Current and Non-current Liabilities Subject to Compromise ('LSC') are

	credited to equity, and any 'Reinstated Debt' is debited to equity.
Operational income and expense assumptions	• The current active scenario is the 'Base case', which reflects the operational cash flows from the NOI models, which were reviewed and signed off by Management. • NOI capitalisation rate assumptions were provided by Quadrant.
Revenue	• The revenue line item in the summarised income statements below is a sum of i) Rental income; ii) Other income; iii) Recoveries; and iv) Straight-line rental adjustment. Once the asset is sold, the straight-line rental accrual asset account is closed out and may result in the summarised revenue line item below being negative in the individual subsidiaries. This straight-line rental adjustment is a non-cash item and is added back in the cash flow statement.
Investment property asset revaluation	• Investment property assets were valued by Quadrant in March 2023, and these valuations are reflected from FY2023 onwards.
Minimum cash balances	• R20m at Rebosis and R20m at Ascension, resulting in a R40m minimum cash balance at Group level.
Allocation of head office ('H/O') costs	• H/O costs are allocated on the basis of apportionment according to each property's aggregate gross lettable area ('GLA') as a percentage of the Group's aggregate GLA. • Staff retrenchment costs are included in the H/O costs line item. These are apportioned according to the aggregate market value of investment assets sold at a point in time, as a percentage of the Group's aggregate remaining investment property assets.
Income tax assumptions	• The entity continues to enjoy REIT tax status, i.e. no capital gains tax ('CGT') upon sale of investment property assets. • ~~There are no s19 Income Tax Act gross income inclusions due to any concession or compromise in respect of a debt because of reliance upon specific exemptions available to the Group entities as a result of their REIT status.~~
Post commencement finance overdraft ('PCF overdraft')	• The 'PCF overdraft' reflects the cumulative amount of all operating expenses, capex and other post commencement amounts funded by the relevant lenders in each entity from the date the business rescue commenced.
'Deposit account' in each entity balance sheet	• All investment property revenue flows into deposit accounts under the Lender's control until the DoSI, at which time the full balance of these accounts in each entity is released to pay down any PCF balance outstanding. • It is assumed that interest is earned on any balance at the deposit rate. • In some entities, the release of the deposit account cash is insufficient to settle all of the PCF outstanding balance, resulting in an 'Exit overdraft'.
Exit overdraft	• The Exit overdraft at the DoSI in each entity reflects any remaining PCF balance after the release (offset) of any Deposit

	account cash and serves as a liquidity facility for each entity thereafter. • To the extent that liquidity is required, this will be reflected by an increasing Exit overdraft balance post the DoSI. For instance, it is assumed that any interest on outstanding debt is paid, and this is funded from this Exit overdraft.
Deferred tax asset	• The financial model(s) include a Deferred tax allowance account that is netted off against the Deferred tax asset account, because it is unlikely that any assessed losses will be utilised in the future.
Classification of investment property	• Investment property has not been reclassified to 'Investment property held for sale' as the forecasts depict the intention to sell all assets by FY2024.
Intercompany loans	• The 'New interco loans' reflect the transfer of cash between the various entities to settle debt in terms of the debt waterfall(s).
Outstanding account balances	• As each lender maintains their rights in relation to the outstanding account balances post the DoSI, the forecasts contain certain accounts with balances that persist beyond the DoSI. • The intention is to only finalise these accounts after the DoSI.
Consolidation treatment	• At the consolidated levels, the 'Investment in subsidiaries', intercompany loans and subsidiary equity is eliminated with positive or negative Goodwill as the adjustment amount.

Financial Extracts:

Cape Horizon:

Income statement	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*
	31 Aug 2023	*31 Aug 2024*	*31 Aug 2025*	*31 Aug 2026*
Revenue	14 671 694	(1 163 176)	-	-
Property expenses	(11 203 515)	(2 885 055)	-	-
Net property income	**3 468 178**	**(4 048 230)**	**-**	**-**
Operating expenses and other fees	(3 208 943)	(2 849 062)	-	-
Operating income	**259 236**	**(6 897 292)**	**-**	**-**
Net interest	477 483	(633 455)	(502 169)	(557 234)
Net operating (loss)/income	**736 718**	**(7 530 747)**	**(502 169)**	**(557 234)**
Other incomes	-	-	-	-
Profit/(loss) from sale of investment property	-	(100 591)	-	-
Changes in fair value and impairments	(141 569 559)	-	-	-
Total (loss)/profit before taxation	**(140 832 840)**	**(7 631 337)**	**(502 169)**	**(557 234)**
Taxation expense	38 018 427	1 339 186	-	-
Total comprehensive (loss)/income	**(102 814 413)**	**(6 292 151)**	**(502 169)**	**(557 234)**

<u>Balance sheet</u>	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*
	31 Aug 2023	*31 Aug 2024*	*31 Aug 2025*	*31 Aug 2026*
Assets				
Non-current assets	**230 244 731**	**226 685 645**	**226 685 645**	**226 685 645**
Investment property	64 917 149	-	-	-
Fair value of property portfolio	*60 000 000*	-	-	-
Straight-line rental income accrual	*4 917 149*	-	-	-
Loans to group entities	126 969 914	126 969 914	126 969 914	126 969 914
New interco loan to Ascension	-	60 000 000	60 000 000	60 000 000
Leasing commission	36 874	-	-	-
Tenant Installations	395	-	-	-
Deferred tax assets	38 320 398	39 715 731	39 715 731	39 715 731
Current assets	**16 554 662**	**-**	**-**	**-**
Trade and other receivables	1 817 803	-	-	-
Cash and cash equivalents	-	-	-	-
Deposit account	14 736 860	-	-	-
Total assets	**246 799 393**	**226 685 645**	**226 685 645**	**226 685 645**
Equity and liabilities				
Equity	**37 960 433**	**50 256 355**	**49 754 185**	**49 196 952**
Stated capital and share premium	-	18 588 073	18 588 073	18 588 073
Retained income/(accumulated losses)	37 960 433	31 668 282	31 166 113	30 608 879
Non-current liabilities (prefiling)	**171 849 663**	**171 849 663**	**171 849 663**	**171 849 663**
Loans from group entities	171 849 663	171 849 663	171 849 663	171 849 663
Current liabilities (prefiling)	**15 415 333**	**-**	**-**	**-**
Trade and other payables	15 357 568	-	-	-
Current tax payable	-	-	-	-
Allowance for losses	57 765	-	-	-
Non-current liabilities (post BR plan acceptance)	**-**	**-**	**-**	**-**
Current liabilities (BR plan acceptance)	**21 573 964**	**4 579 627**	**5 081 797**	**5 639 030**
Current LSC accounts	18 588 073	-	-	-
PCF overdraft	2 985 891	-	-	-
Exit overdraft	-	4 579 627	5 081 797	5 639 030
Reinstated debt (post BR plan acceptance)	**-**	**-**	**-**	**-**
Total liabilities	**208 838 960**	**176 429 291**	**176 931 460**	**177 488 694**
Total equity and liabilities	**246 799 393**	**226 685 645**	**226 685 645**	**226 685 645**

<u>Cash flow statement</u>	*FY 2023*	*FY 2024*	*FY 2025*	*FY 2026*
	31 Aug 2023	*31 Aug 2024*	*31 Aug 2025*	*31 Aug 2026*
Net cash inflow/(outflow) from operating activities	(1 551 392)	(1 446 495)	(502 169)	(557 234)
Net cash (outflow)/inflow from investing activities	(1 435 026)	59 852 759	-	-
Net cash (outflow)/inflow from financing activities	2 985 891	(62 985 891)	-	-
Net cash (outflow)/inflow from emergence from business rescue	-	4 579 627	502 169	557 234
Net increase/(decrease) in cash and cash equivalents	**(527)**	**-**	**-**	**-**
Cash and cash equivalents at the end of the year	**(0)**	**(0)**	**(0)**	**(0)**