PROPOSED PROPERTY EQUITY INVESTMENT

(12B) ***Orchard Heights, Newlands, Cape Town***

Q2 (May), 2026

Attn/To: James Dieter Kristen

Dear Jim, thank you for taking a few minutes to review, and consider this proposal.

It outlines an opportunity to strategically reallocate a portion of existing public-equity exposure into a premium Southern Suburbs property asset located in Newlands, Cape Town, through a structured co-investment in (10 / 12 *) Orchard Heights.

(Though – of course this is in itself not 'new', being a topic we have previously discussed on various occasions, the framework / proposal itself however, I believe is.)

The investment combines hard-asset ownership, long-term capital appreciation potential, rental income participation, renovation-driven value enhancement, and embedded discounted entry value.

Description	**Amount**
Property Valuation	R10,000,000
Capital Previously Contributed	R500,000
Aligned Equity Allocation	R250,000
Proposed Additional Contribution	R2,000,000
Additional Good-Faith Equity Allocation	R250,000
Total Effective Equity Position	R3,000,000
Equivalent Ownership Interest	**33%**

* The investment is initially proposed to apply specifically to either 10 or 12B Orchard Heights, with the intention of simplifying the legal structuring, ownership arrangements, administration, accountability, and overall auditability of the investment framework from the outset.

This approach is intended to maintain a cleaner, more manageable, and operationally efficient structure during the initial phase of the investment, while still preserving flexibility for future expansion should both parties wish to do so.

Potential future expansion opportunities may include increased equity participation, inclusion of additional properties, broader portfolio participation, and/or a potential dual-property structure.

These aspects can naturally be further clarified, refined, and discussed in greater detail through a brief follow-up discussion, meeting, or call if required.

Strategic Investment Rationale

The proposal is intended as a long-term diversification from traditional stock-market exposure into a premium hard-asset investment with physical asset backing, lower day-to-day volatility, inflation-resistant characteristics, rental-income potential, and long-term capital appreciation potential.

The *additional 3%* ownership allocation (equivalent to approximately R300,000 in additional equity value, to be allocated from DA Kristen's personal equity portion) is intended as a personal good-faith gesture and acknowledgement of family alignment, trust, and long-term support.

This results in a cumulative effective equity enhancement and/or aligned-equity allocation of approximately **R800,000** across the various investments and contributions made by JD Kristen to date.

The intention of this structure is, in part, to create an unusually strong value proposition and aligned-entry opportunity, while simultaneously supporting long-term partnership alignment, future collaborative investment potential, and continued financial security through tangible hard-asset participation and downside-conscious structuring.

Capital Improvements & Value Enhancement

Approximately R300,000–R500,000 of the proposed investment capital is intended to be reinvested directly into renovations, repairs, upgrades, and optimization improvements designed to enhance rental appeal, improve operational quality, and increase overall property value.

These improvements are intended to strengthen both rental-income potential and long-term appreciation.

Rental Income Participation Structure

Two participation structures are proposed:

Option A — Passive Equity Participation:

Participation as a pure equity holder with long-term appreciation and future sale participation.

Option B — Income Participation Structure:

If proportional operational costs are shared (33%), then 33% of net rental income would also be distributed proportionally.

Liquidity Protection / Exit Mechanism

A key objective of the structure is to provide practical downside protection and capital accessibility.

Should JD Kristen at any stage wish to access or withdraw the capital invested, a formal instruction may be provided requesting realization of the investment.

Upon such instruction, the property would be placed on the open market at fair market value, with the intention of facilitating an orderly sale of the asset.

Based on current Newlands market conditions, premium properties in the area have demonstrated exceptionally strong demand and rapid turnover times. (Typically, low single figures day/s to move from listing/available, to sale/sold – with the majority of sales occurring quite literally within 0 days from listing, year to date.)

Upon completion of a sale, JD Kristen's proportional investment entitlement, together with any proportional capital appreciation and/or accumulated gains, would be distributed after deduction of applicable transactional costs, including but not limited to conveyancing fees, agent commissions, taxes, rates adjustments, and any other legally applicable settlement costs.

Final terms, timelines, and procedures relating to any exit mechanism would ultimately be formalized through appropriate legal agreements.

Rental Overview

Description	Estimate
Expected Gross Rental Income	~R60,000/month
Estimated Monthly Costs	~R15,000–R18,000/month
Estimated Net Rental Income	~R42,000/month
Estimated 33% Participation	***~R14,000/month***

Indicative Long-Term Growth Scenarios

Annual Growth	Property Value (10 Yrs)	33% Interest Value
5%	~R16.3m	~R5.4m
8%	~R21.6m	~R7.1m
10%	***~R25.9m***	***~R8.6m***
12%	~R31.1m	~R10.3m

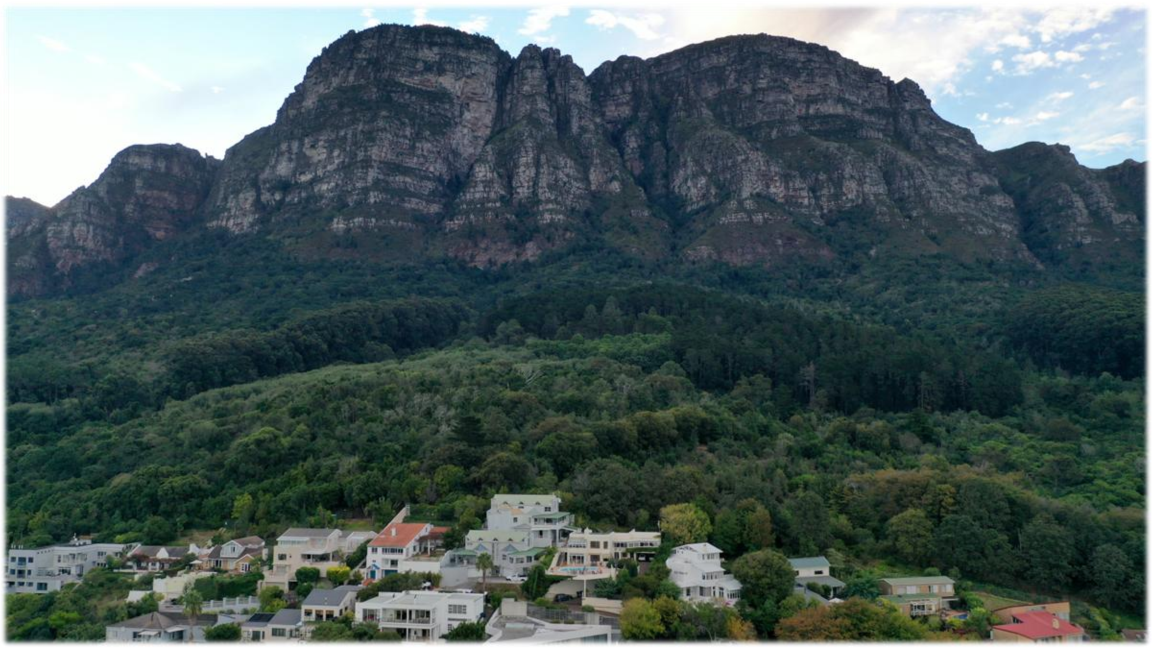
High-Level Statistics / Property Data

Item	Value	Notes/Detail
ERF Number	97421	N/A
Legal Description	ORCHARD HEIGHTS - SS72/1998-1	Incl. Exclusive Use Areas
Total SS Extent	481sqm	*Total ERF: 786sqm*
Features	**Ground floor:** Double garage, workshop, storeroom, lift motor room. **2nd (4th) Level:** 2 fully equipped self-catering apartments, wine cellar, gardening storeroom, laundry room. **5th & 6th Level:** Main house. 3 bedrooms, 3.5 bathrooms, kitchen, lounge, dining area, gallery/loft area/office space. Balcony with unobstructed 270 degree views. Direct forest access.	*Main house rental opportunity*: Approx. R50,000–R65,000 p/m. *"Vista" apartment rental opportunity:* Approx. R20,000 – R90,000 p/m. *(Seasonality / booking dependent)*

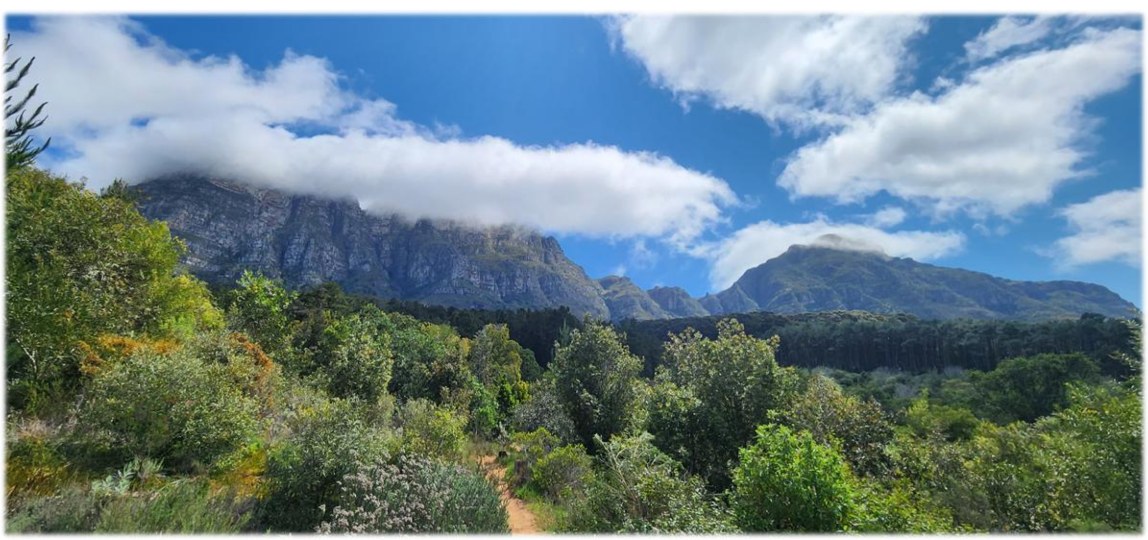
Governance & Closing Perspective

This proposal is intended as a good-faith investment framework and discussion document only. All terms, structures, rights, obligations, and implementation mechanisms would ultimately be formalized through appropriate legal agreements, with the legal structuring, entities, advisors, and implementation framework remaining flexible and open for mutual consideration, including structures proposed or preferred by JD Kristen.

The 'Proofs in the Pudding'! *(Just a few pics to showcase / refresh the memories…)*



Set against the foothills of Table Mountain, the two most-highest positioned properties, with unobstructed views over the city, spanning out & including mountain ranges & even the ocean. Direct access to the Newlands forest & Table Mountain national reserve, 0m via the back gate!



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~ DK