FAIRVEST
LIMITED

Unaudited Condensed Consolidated Interim Results and Cash Dividend Declaration

for the period ended 31 March 2022

HIGHLIGHTS

- Merger between Arrowhead Properties Limited ("**Arrowhead**") and Fairvest Property Holdings Limited ("**Old Fairvest**") successfully concluded
- Distributable income of 61.52 cents per A share for the 6 months ended 31 March 2022
- Distributable income of 21.33 cents per B share for the 6 months ended 31 March 2022
- Pay-out ratio of 100%
- 2% increase in net property income attributable to the direct core portfolio
- Vacancies reduced to 7.2%
- Tenant retention at 88.5%
- LTV of 39.2%
- Distributable income per B share for the financial year to 30 September 2022 expected to exceed forecasted distributable income

NATURE OF THE BUSINESS

Fairvest Limited ("**Fairvest**") is a diversified South African Real Estate Investment Trust ("**REIT**") focused on creating long-term shareholder value.

The merger between Arrowhead and Old Fairvest was implemented during the current reporting period (the "**merger**"). Arrowhead, the legal acquiring entity, was renamed Fairvest Limited.

Fairvest holds a portfolio of 143 retail, office and industrial properties valued at R11.77 billion (held directly and indirectly through subsidiaries excluding Indluplace). The average value per direct property held as at 31 March 2022 was R82.3 million.

As at 31 March 2022, Fairvest held a 61.0% interest in its subsidiary, Indluplace Properties Limited ("**Indluplace**"), which owns a portfolio of residential properties. In addition, Fairvest held an 8.6% interest in Dipula Income Fund Limited at 31 March 2022. This interest will dilute to 5.1% post the Dipula capital restructure which will be effective on 6 June 2022.

DISCLOSURE

The **Commercial Effective Date** of the merger was 1 October 2021. Shareholders of Fairvest will receive an interim distribution for the **6 months** ended 31 March 2022. Any analysis of distributable income, distributable income per share and distribution per share refers to the 6 month period ended 31 March 2022.

The **Acquisition Date** in terms of the International Financial Reporting Standards ("**IFRS**") is 26 January 2022 as this is the date the accounting acquiror, Old Fairvest, obtained control of the accounting acquiree, Arrowhead. The merger is accounted for as a reverse acquisition in terms of IFRS 3. These unaudited condensed consolidated interim results are therefore a continuation of Old Fairvest and represent the reporting period from 1 July 2021 to 31 March 2022, being a period of **9 months**. Arrowhead has been consolidated into these results from the IFRS acquisition date of 26 January 2022.

Furthermore, following the reverse acquisition, Old Fairvest changed its year end from 30 June to 30 September to align with the year end of Arrowhead.

DISTRIBUTION ANALYSIS

To create meaningful disclosure, the consolidated distributable income for the 6 months from 1 October 2021 (being the commercial effective date of the merger) to 31 March 2022 are disclosed which includes Indluplace.

DISTRIBUTABLE INCOME ANALYSIS

R'000 Unaudited	6 months ended 31 March 2022	Comparable 6 month period 2021*
Revenue (excluding straight line rental income)	1 214 603	1 270 348
Sundry income	15 200	3 123
Property expenses	(553 989)	(548 888)
Administration and corporate costs	(59 298)	(68 475)
Finance charges	(256 790)	(300 329)
Finance income	19 863	16 497
Dividend receivable from Dipula	19 243	20 557
Adjustment for income retained and not distributed by Indluplace	(13 781)	(7 112)
Non-controlling interest share in distributable income	(34 838)	(35 880)
Distributable income	**350 213**	**349 841**
A share - distributable income for the 6 month period	38 585	36 748
B share - distributable income or the 6 month period	311 628	313 093
Total amount available for distribution	**350 213**	**349 841**
Distributable income per A share (cents) for the 6 month period	61.52	58.59
Distributable income per B share (cents) for the 6 month period	21.33	21.43#

* For purposes of providing meaningful comparative information, the numbers above reflect a combination of those of Arrowhead and Old Fairvest for the six months ended 31 March 2021 and 31 December 2020 respectively.

The distributable income per B share for the 2021 comparable period was calculated on the combined comparable period distributable income for Old Fairvest and Arrowhead, using the number of shares in issue at 31 March 2022.

ANALYSIS OF DISTRIBUTABLE INCOME PER B SHARE

Unaudited	6 months ended 31 March 2022 cents per share	Comparable 6 month period 2021*# cents per share
Total distributable income		
Fairvest's operations - core portfolio	37.31	36.57
Fairvest's operations - income attributable to assets disposed of	0.20	3.41
Net finance cost	(12.26)	(14.89)
Head office and admin costs	(3.05)	(3.69)
Income from operations attributable to minority interests	(1.28)	(0.79)
Net income from operations before listed investments	**20.92**	**20.61**
Income from Dipula	1.32	1.41
Income from Indluplace	1.73	1.93
Total distributable income	**23.97**	**23.95**
Minus distributable income to A shares	(2.64)	(2.52)
Total distributable income to B shares	**21.33**	**21.43**

* For purposes of providing meaningful comparative information, the numbers above reflect a combination of those of Arrowhead and old Fairvest for the six months ended 31 March 2021 and 31 December 2020 respectively.
# The distributable income per B share for the 2021 comparable period was calculated on the combined comparable period distributable income for Old Fairvest and Arrowhead, using the number of shares in issue at 31 March 2022.
The core portfolio excludes properties held for sale or sold during the current or previous periods.

RECONCILIATION OF TOTAL COMPREHENSIVE PROFIT

R'000 Unaudited	6 months ended 31 March 2022	Comparable 6 month period 2021*
Income as per Statement of Profit or Loss and Other Comprehensive Income ("**SOCI**")	1 478 855	174 846
Add income attributable to shareholders of Arrowhead for the 4 months ended 25 January 2022	159 008	-
Add income attributable to shareholders of Arrowhead for the 6 months ended 31 March 2021	-	432 395
Equals total income attributable to shareholders of the Group	**1 637 863**	**607 241**
Adjustments:		
Changes in fair values of investment property	(28 661)	(75 583)
Changes in fair values of listed securities and financial instruments	(105 922)	(177 716)
Changes in fair values of loans in respect of the share purchase and option scheme	28 568	(77 271)
Capital expenses	221 966	23
Gain on bargain purchase related to Arrowhead/Old Fairvest merger	(1 406 658)	-
Loss on sale of investment properties	763	3 162
Straight line rental income accrual	20 821	13 030
Impact of IFRS 16 - Lease	(289)	41
Accrued distribution of financial assets	19 243	20 557
Accrued distribution on financial assets recognised in prior financial year	(20 329)	-
Non-distributable dividend received from Arrowhead prior to acquisition date	(4 924)	-
Taxation	30 469	29 952
IFRS 2 Share based payment expense	1 968	-
Adjustment for income expected to be retained and not distributed by Indluplace	(8 884)	(7 112)
Clean-out distribution to Old Fairvest shareholders for the 3 months to 30 September 2021#	(57 075)	-
Non-controlling interest share in above adjustments	21 294	13 517
Distributable earnings attributable to shareholders	**350 213**	**349 841**

* For purposes of providing meaningful comparative information, the numbers above reflect a combination of those of Arrowhead and old Fairvest for the six months ended 31 March 2021 and 31 December 2020 respectively.

The Arrowhead/Fairvest merger became effective from 1 October 2021. Any distributable income prior to this date has been distributed to the respective shareholders of as a final and clean-out distribution. The above adjustment is therefore required as the income per the SOCI includes the income for Old Fairvest for 9 months, with the first 3 months relating to the pre-merger period. This income has been distributed to Fairvest shareholders as a clean out distribution on 28 January 2022.

CORE DIRECT PORTFOLIO

Net income movement on properties owned at 1 July 2020 and still owned on 31 March 2022

R'000 Unaudited	6 months ended 31 March 2022	Comparable 6 month period 2021*	% Change
Revenue	942 516	880 844	7.0%
Property expenses	(397 236)	(346 506)	14.6%
Net operating income including COVID-19 relief	**545 280**	**534 338**	**2.0%**
Add back COVID-19 relief #	344	7 275	(95.3%)
Net operating income before COVID-19 relief	**545 624**	**541 613**	**0.7%**

* For purposes of providing meaningful comparative information, the numbers above reflect a combination of those of Arrowhead and old Fairvest for the six months ended 31 March 2021 and 31 December 2020 respectively.
# The COVID-19 relief reported above is in respect of the core portfolio only and differs from the total COVID-19 relief reported.

The core portfolio excludes both Indluplace and Dipula.

DISPOSALS (EXCLUDING DISPOSALS BY INDLUPLACE)

For the 6 months period 1 October 2021 to 31 March 2022

Asset class	Number	Sales value (R)	Book value (R)	Discount to book value	Average yield	Average price per asset	Vacancy %
Retail	2	39 258 366	40 204 228	(2.35%)	8.9%	19 629 183	0%
Industrial	2	22 300 000	22 300 000	0.00%	12.5%	11 150 000	0%
Total	**4**	**61 558 366**	**62 504 228**	**(1.51%)**	**10.2%**	**15 389 592**	**0%**

A further 6 properties valued at R89.6 million are currently classified as "held for sale" pending registration and transfer.

LISTED SECURITIES INCOME

On 5 May 2022, Dipula declared an interim dividend of 42.21706 cents per B-share (2021: 45.09965) which is payable on 6 June 2022. We have included this income of R19.2 million for the period as part of Fairvest's distributable income.

Indluplace is consolidated into the Group IFRS results but for distributable income purposes it is accounted for as a listed investment with a declared interim dividend of 13.16350 cents per share (2021: R Nil). This income of R25.2 million has been included as part of Fairvest's distributable income.

OPERATING COSTS

R'000 Unaudited	6 months ended 31 March 2022	% of total	Comparable 6 month period 2021*	% of total
Municipal expenses	254 166	64%	264 058	67%
Repairs and Maintenance	30 746	8%	9 890	3%
Security	29 454	7%	28 171	7%
Property management	23 362	6%	27 813	7%
Letting commission	12 103	3%	11 935	3%
Cleaning	11 431	3%	12 664	3%
Bad debts	7 815	2%	8 088	2%
Building salaries	5 657	1%	5 565	1%
Insurance	5 040	1%	5 097	1%
Meter reading fees	3 565	1%	3 773	1%
Other	15 726	4%	14 297	5%
Fairvest's operating costs (excluding Indluplace)	**399 065**		**391 351**	
Plus Indluplace's operating costs	154 924		157 537	
Total as per distributable income analysis	**553 989**		**548 888**	

There has been a general reduction in operating costs as a result of the disposal of a number of properties by the Group over the past 18 months. The increase in repairs and maintenance is largely attributable to riot related expenses that were incurred. The majority of these expenses were recovered through SASRIA claims which have been included under sundry income.

FINANCE INCOME

R'000 Unaudited	6 months ended 31 March 2022	% of total	Comparable 6 month period 2021	% of total
Interest on group share purchase and option schemes	6 596	33%	-	0%
Interest received from loans	10 118	51%	12 207	74%
Interest on cash balances and tenant arrears	3 149	16%	4 290	26%
Total as per distributable income analysis	**19 863**		**16 497**	

The loans provided under the Group share purchase and option schemes bear interest at a rate equal to the declared distributions. The increase in interest attributable to these loans is due to the declaration of a distribution by Fairvest and Indluplace in the current period and Arrowhead and Indluplace not declaring a distribution in the comparable 6-month period.

FINANCE COST

R'000 Unaudited	6 months ended 31 March 2022	% of total	Comparable 6 month period 2021	% of total
Secured financial liabilities and swap facilities	247 862	97%	291 854	97%
Lease liability & solar funding	3 171	1%	1 980	1%
Amounts owing to non-controlling interests	3 201	1%	3 955	1%
Amortisation of structuring fee and other interest paid	2 556	1%	2 540	1%
Total as per distributable income analysis	**256 790**		**300 329**	

Finance charges decreased due to a reduction in interest-bearing liabilities as a result of the sales program. Further certain derivatives were settled at the end of February 2021 in line with Fairvest's hedging policy. The decrease is offset by increases in the interest rates in the last 6 months.

PROPERTY PORTFOLIO

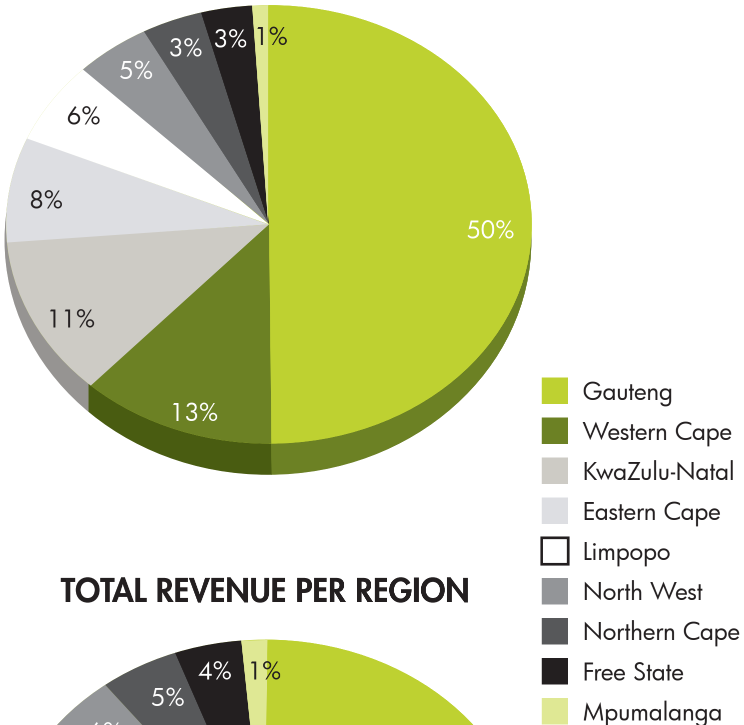
At 31 March 2022, the direct portfolio comprised 143 retail, industrial and office properties valued at R11.77 billion with an average property value of R82.3 million.

In addition, Indluplace owned 119 residential properties valued at R3.48 billion with an average property value of R29.3 million as at 31 March 2022.

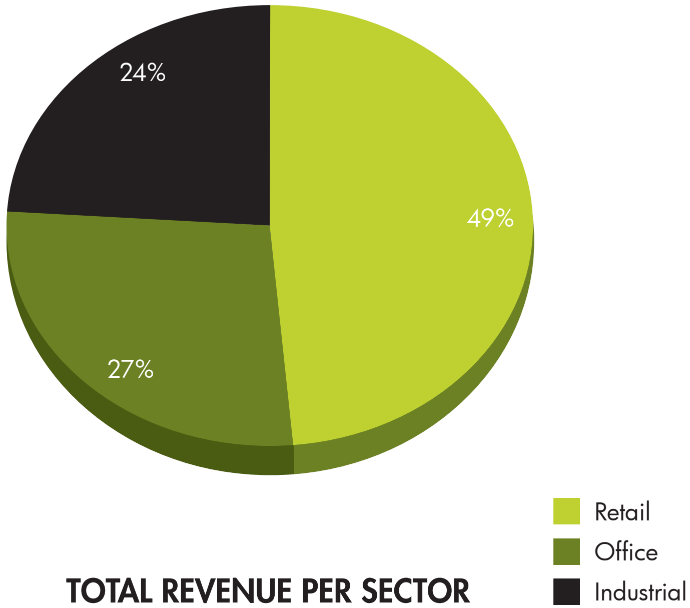
	Fairvest's property portfolio		Indluplace's residential portfolio		Total	
	No. of buildings	R'000	No. of buildings	R'000	No. of buildings	R'000
Balance at the beginning of the period	147	11 729 775	132	3 516 198	279	15 245 973
Acquisitions, additions and fair value adjustments	-	99 354	-	24 445	-	123 799
Disposals	(4)	(61 004)	(13)	(56 202)	(17)	(117 206)
Balance at the end of the period	**143**	**11 768 125**	**119**	**3 484 441**	**262**	**15 252 566**

The direct portfolio comprised 143 retail, industrial and office properties is made up as follows:

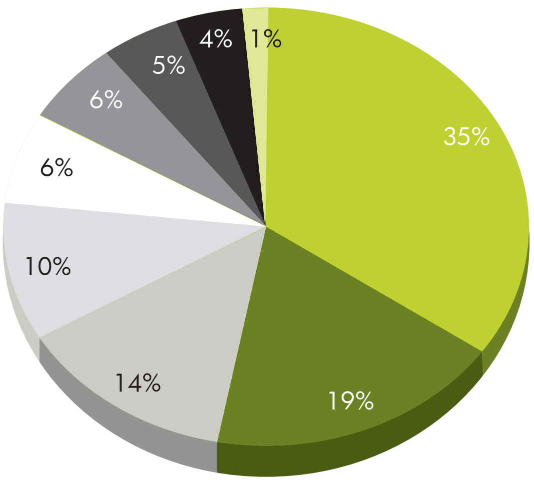
TOTAL GLA PER REGION



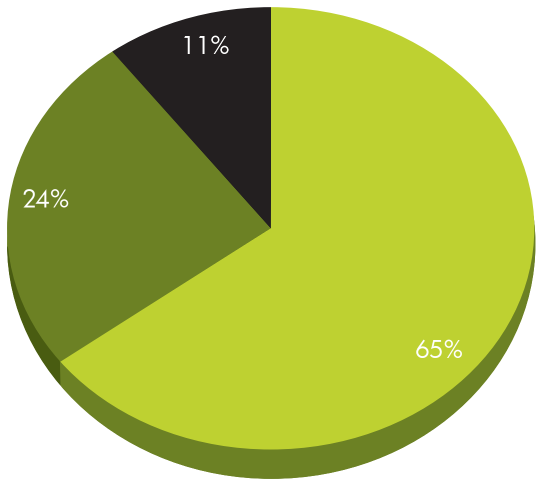
TOTAL GLA PER SECTOR



TOTAL REVENUE PER REGION



TOTAL REVENUE PER SECTOR



The average gross monthly rental per m² per sector was R144 for retail, R115 for office and R45 for industrial. Gross rental includes parking, operational cost recoveries and rates recoveries. The average net monthly rental per m² per sector was R132 for retail, R100 for office and R43 for industrial.

CAPITAL EXPENDITURE

The Group continued to invest in its property portfolio over the reporting period with total capital expenditure of R86.4 million (excluding Indluplace) incurred.

R'000	Capital expenditure	Property value	% of value spend
Office	24 526	2 802 949	0.9%
Industrial	18 788	1 202 336	1.6%
Retail	43 141	7 762 840	0.6%
	86 455	**11 768 125**	**0.7%**

SUSTAINABILITY

The Group has continued to invest in renewable energy. We have the following highlights to report as at 31 March 2022:

- 33 solar plants are fully operational with 14.2 Megawatt installed capacity.
- Solar plants produced 9.79% of the combined portfolio's electricity cost for the period.
- Clean energy to the value of R14.4 million was produced from October 2021 to March 2022.
- We currently have a further 6 solar plants in construction which will add 2.4 Megawatt of capacity.
- The combined value after construction of our 39 solar plants will be R173 million at a capacity of 16.7 Megawatt.

A strong emphasis has also been placed on water management with the following highlights to report as at 31 March 2022:

- Strategic installation of smart monitoring equipment completed at 7 properties to enable early leak detection.
- Eight ground water harvesting plants in operation with further plants in the exploration phase.
- Benchmarking on water usage across the portfolio is being implemented to identify high users and implement strategic water saving.

LETTING ACTIVITY

In what has been a very challenging economic environment we have experienced positive letting activity and a strong performance from the direct portfolio. Vacancies have decreased slightly from 7.3% at 30 September 2021 to 7.2% at 31 March 2022 (retail 4.9%, office 16.7% and industrial 1.0%).

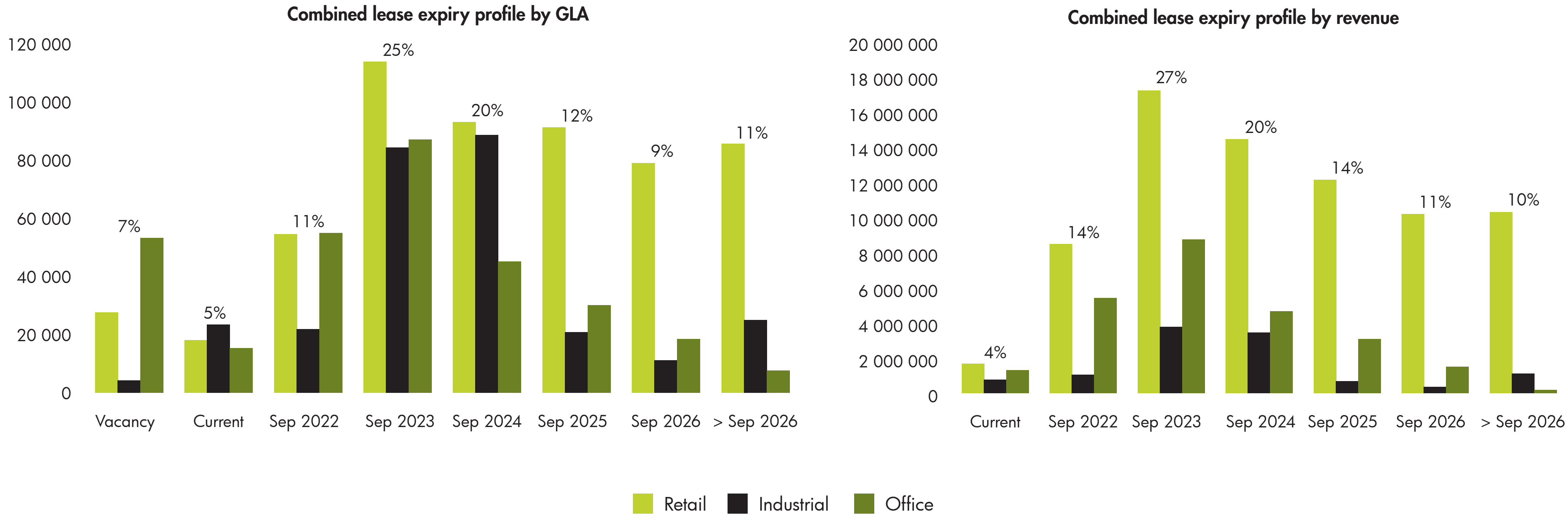
Rental reversions were (-7.8%) overall, comprising retail (-4.1%), office (-20.8%) and industrial (-1.2%). The average weighted lease escalation across the portfolio was 6.7%, with retail at 6.6%, office at 6.8% and industrial at 6.7%. These negative reversions were in line with our expectation and exceeded the budgeted rental.

For the six months to 31 March 2022, GLA of 139 137m^2 came up for renewal, of which 123 183m^2 was renewed or re-let. Aggregate retention was 88.5% of GLA. New deals in respect of 35 268m^2 were concluded during the six months to 31 March 2022.

The weighted average lease length was 4.3 years (2021: 4.5 years).

LEASE EXPIRY PROFILE

The lease expiry profile at 31 March 2022 was as follows:



CIVIL UNREST UPDATE

During the July 2021 civil unrest, the Group suffered damages to 21 of its properties. These damages amounted to R39.2 million in capital repairs and R18.1 million in loss of rental. The Group has filed insurance claims for these losses and has recovered R47.4 million to date with R9.9 million of claims still pending finalisation from our insurers. The affected 21 properties are fully operational with no lasting damage to report.

LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND OPTION SCHEMES

The loans to the participants of the Group share schemes are held at fair value in accordance with IFRS 9 "Financial Instruments". The fair value has been determined by calculating a future share price by considering forward-looking parameters based on a dividend growth model. These loans all bear interest at a rate equal to the dividend declared for the period.

SECURED FINANCIAL LIABILITIES

Group loans of R6.11 billion which, net of cash and cash equivalents, represents a Group SA REIT Loan to Value ("**LTV**") 39.2%.

Excess funds are deposited into access facilities to reduce the overall interest charge. The weighted average interest rate for the period ended was 8.4% for the Group. The Group has loan facilities of R2.98 billion which expire within the next 12 months. The refinancing of a significant portion of these loan facilities is well progressed and expected to be concluded by the end of the financial year.

At its current LTV of 39.2% including derivatives, Fairvest is well within the Group and portfolio LTV covenants in respect of its facilities. The Group interest cover ratio ("**ICR**") is 2.4 times (measured on a rolling 12-month basis), which is in excess of the 2 times cover required by its funders and also well above the portfolio ICR covenants of all funders. As at 31 March 2022, the Group (excluding Indluplace) had cash on hand and undrawn debt facilities of approximately R484.1 million.

Maturity date	Fairvest Capital amount (R'000)	Indluplace Capital amount (R'000)	Consolidated Capital amount (R'000)
Expiring in the next 12 months	2 375 014	604 286	2 979 300
Expiring in the next 24 months	1 713 384	503 190	2 216 574
Expiring in the next 36 months	550 167	151 153	701 320
Expiring in the next 48 months	88 000	133 776	221 776
	4 726 565	**1 392 405**	**6 118 970**

The weighted average cost of funding increased to 8.4%. The increase is largely as a result of the increase in the South African Reserve Bank repo rate.

The Group has entered into interest rate swaps to hedge its exposure to fluctuations in the interest rates of its debt. The interest rate swaps of R4.22 billion equates to 69.0% (68.2% for Fairvest and 71.6% for Indluplace) of the total loans hedged. The interest rate swaps have a 1.8 years weighted average maturity (1.6 years for Fairvest and 2.6 years for Indluplace).

ANALYSIS OF NET ASSET VALUE

	31 March 2022	30 September 2021	30 June 2021	31 March 2021
Number of Fairvest ordinary shares in issue				
- Fairvest (Previously Arrowhead) A shares	62 718 658	62 718 658	-	62 718 658
- Fairvest (Previously Arrowhead) B shares*	1 460 863 899	951 422 029	-	969 807 177
- Old Fairvest*	-	-	989 246 076	-
Net asset value per share (Rand)				
- Fairvest (Previously Arrowhead) A shares	14.90	11.69	-	7.91
- Fairvest (Previously Arrowhead) B shares	4.91	5.94	-	6.31
- Old Fairvest (Applied swap ratio of 0.54054)	-	-	4.25	-
* Excludes treasury shares of:				
- Fairvest (Previously Arrowhead) B shares	33 278 933	-	-	25 534 700
- Old Fairvest	-	-	38 086 599	-

The above net asset values per B share have been calculated using the IFRS derived Shareholders' interest as per the relevant Statement of Financial Position at each reporting period date and therefore differs from the "SA REIT Net Asset Value" per share reported elsewhere in these results.

PROSPECTS

The current difficult operating environment is expected to continue in the short- to medium-term due to current global macro economic, the limited expected local economic growth as well as record unemployment in a rising interest rate environment. The remainder of the 2022 financial year will be used to focus on further bedding down the merger and implementing our new strategic direction.

In the revised listings particulars sent to shareholders on 10 December 2021, distributable income for the 2022 financial year was forecast to be 126.22 cents per A share and 41.48 cents per B share. This forecast was based on conservative assumptions. Given the performance of the portfolio, the successful implementation of the merger and the synergies achieved through the merger, we anticipate that the distributable income per B share for the 12 months to 30 September 2022 will be between 0% and 5% higher than the forecast in respect of the B share contained in the revised listing particulars, with no change to the forecast distributable income per A share.

This forecast assumes that there is no material deterioration in the macroeconomic environment relative to current levels, that no major corporate and tenant failures will occur, that no civil unrest events occur, that tenants will be able to absorb increases in municipal as well as utility costs and that no further significant trading restrictions related to the COVID-19 pandemic are implemented by government. Forecast rental income is based on contractual lease terms and anticipated market related renewals. This forecast further assumes that Dipula and Indluplace will continue to pay distributions for the full year. This forecast is the responsibility of the Board and has not been reviewed or reported on by the auditors.

The Board has resolved to maintain the current dividend pay-out ratio of 100% of distributable earnings as a dividend. The policy is reviewed on a bi-annual basis and any changes will be communicated to shareholders at least 12 months before any changes are implemented.

DECLARATION OF DIVIDEND FOR THE PERIOD ENDED 31 MARCH 2022

The Board has resolved to declare a dividend equal to 100% of the distributable income (2021: the Board had resolved to defer the decision on the payment on an interim dividend for the six months ended 31 March 2021). The Board has resolved to declare an interim dividend (dividend number 13) of 61.52076 cents per A share and 21.33173 per B share. The dividend will be paid to shareholders in accordance with the timetable set out below:

	2022
Last date to trade cum distribution	Tuesday, 21 June
Shares trade ex-distribution	Wednesday, 22 June
Record date	Friday, 24 June
Payment date	Monday, 27 June

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 June 2022 and Friday, 24 June 2022, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 27 June 2022. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depositary Participant ("**CSDP**") accounts/broker accounts on Monday, 27 June 2022. Certificated shareholders' dividend payments will be deposited on or about Monday, 27 June 2022 into certificated shareholders' bank accounts.

In accordance with Fairvest's status as a REIT, shareholders are advised that the dividends meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**"). The distributions on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

a) a declaration that the dividend is exempt from dividends tax; and
b) a written undertaking to inform the CSDP, broker or the company should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Dividends withholding tax is 20% and accordingly, any dividends received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("**DTA**") between South Africa and the country of residence of the shareholders. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders in respect of the interim dividend per A share is 49.21661 cents per A share. The net dividend amount due to non-resident shareholders in respect of the interim dividend per B share is 17.06538 cents per B share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker in respect of uncertificated shares, or the Company, in respect of certificated shares:

a) a declaration that the dividends are subject to a reduced rate as a result of the application of a DTA; and

b) a written undertaking to inform their CSDP, broker or the company should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the company to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

A-shares in issue at the date of declaration of the dividend: 62 718 658
B-shares in issue at the date of declaration of the dividend: 1 494 142 832
Fairvest's income tax reference number: 9068/723/17/1

EVENTS AFTER REPORTING PERIOD

The directors of Fairvest are not aware of any other material matters or circumstances arising between 31 March 2022 and the date of this report which may materially affect the financial position of the Group or the results of its operations.

CHANGES TO THE BOARD

After the completion of the merger between Arrowhead and Old Fairvest, LW Andrag, JF du Toit, BJ Kriel, N Mkhize, KR Nkuna, JD Wiese and DM Wilder were appointed as directors to the Company effective 31 January 2022. MJ Kaplan and J Limalia resigned as directors of the Company effective 25 January 2022 and TM Adler, GS Kinross and S Mokorosi resigned as directors of the Company effective 31 January 2022.

GOING CONCERN

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the reviewed results have been prepared on a going concern basis.

LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Fairvest is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the group's financial position.

APPRECIATION

We extend our appreciation to our directors, management, and staff for their valued efforts, as well as our advisors and shareholders for their continued support and belief in Fairvest.

For and on behalf of the board.

Fairvest Limited
31 May 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 March 2022

R'000	Unaudited for the 9 months ended 31 March 2022	Unaudited for the 6 months ended 31 December 2020	Audited for the year ended 30 June 2021
Contractual rental income	728 717	265 043	541 348
Straight line rental income accrual	(8 821)	9 165	8 765
Sundry income	13 580	3 123	3 541
Net income	**733 476**	**277 331**	**553 654**
Operating costs	(307 042)	(100 877)	(198 759)
Administration and corporate costs	(37 450)	(15 123)	(31 079)
Profit from operations	**388 984**	**161 331**	**323 816**
Finance income	25 151	13 757	25 912
Finance charges	(145 583)	(50 871)	(99 485)
Dividends received	4 924	-	-
Changes in fair values	54 587	71 692	100 460
Impairment of loan receivable	-	-	(15 765)
Gain on bargain purchase	1 406 658	-	-
Profit before capital expenses	**1 734 721**	**195 909**	**334 938**
Contracted lease cancellation fees	(133 873)	-	-
Capital expenses	(72 005)	(23)	(2 385)
Profit before taxation	**1 528 843**	**195 886**	**332 553**
Taxation	(827)	237	107
Total comprehensive income	**1 528 016**	**196 123**	**332 660**
Income for the period attributable to:			
Equity shareholders of Fairvest	1 478 855	174 846	289 342
Non-controlling interest	49 161	21 277	43 318
Total comprehensive income for the year	**1 528 016**	**196 123**	**332 660**
Weighted average number of shares			
Fairvest A shares	62 718 658	-	-
Fairvest B shares	755 005 002	-	-
Fairvest B shares - Dilutive	761 871 691	-	-
Old Fairvest shares	-	529 843 007	530 887 805
Basic earnings per share (cents)			
Fairvest shares	180.85	33.00	54.50
Diluted earnings per share (cents)			
Fairvest shares	179.34	33.00	54.50

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2022

R'000	Unaudited at 31 March 2022	Unaudited at 31 December 2020	Audited at 30 June 2021
Assets			
Non-current assets	**15 453 885**	**3 701 084**	**3 612 219**
Investment property	15 060 878	3 407 376	3 385 761
Fair value of property portfolio	14 871 549	3 337 725	3 319 421
Straight line rental income accrual	189 329	69 651	66 340
Right-of-use assets	3 161	4 042	3 794
Deferred tax	12 150	-	-
Property, plant and equipment	5 212	223	161
Loans to participants of group share purchase option schemes	126 297	-	-
Financial assets	200 013	4 545	4 533
Loans receivable	45 207	284 898	215 833
Trade and other receivables	967	-	2 137
Current assets	**563 561**	**142 466**	**174 430**
Trade and other receivables	273 040	89 760	69 597
Current tax receivable	633	-	-
Loans receivable	134 854	21 759	69 245
Amounts owing by non-controlling interests	18 972	12 552	20 326
Cash and cash equivalents	136 062	18 395	15 262
Non-current assets held for sale	**191 688**	**-**	**36 200**
Total assets	**16 209 134**	**3 843 550**	**3 822 849**
Equity and liabilities			
Shareholders' interest	**8 108 089**	**2 247 437**	**2 274 932**
Stated capital	5 265 350	733 689	750 474
Reserves	9 250	-	-
Retained income	2 833 489	1 513 748	1 524 458
Non-controlling interest	**1 035 739**	**144 551**	**166 592**
Non-current liabilities	**3 430 882**	**1 170 621**	**689 557**
Deferred tax	5 398	1 481	1 458
Borrowings	3 132 665	939 170	491 650
Lease liabilities	75 979	15 808	19 480
Derivatives	94 907	71 247	39 715
Deposits received	70 468	13 914	15 870
Amounts owing to non-controlling interests	51 465	129 001	121 384
Current liabilities	**3 634 424**	**280 941**	**691 768**
Borrowings	2 984 782	167 729	592 172
Lease liabilities	11 434	620	1 340
Trade and other payables	593 680	103 902	89 827
Amounts owing to non-controlling interests	44 528	8 690	8 429
Total equity and liabilities	**16 209 134**	**3 843 550**	**3 822 849**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000 Unaudited	Stated capital	Reserves	Retained income	Non-controlling interest	Total
Balance at 30 June 2020	**734 046**	**-**	**1 434 112**	**135 916**	**2 304 074**
Total comprehensive income for the year	-	-	174 846	21 277	196 123
Acquisition of treasury shares	(357)	-	-	-	(357)
Acquisition of non-controlling interest	-	-	1 669	(1 801)	(132)
Dividends paid	-	-	(96 879)	(10 841)	(107 720)
Balance at 31 December 2020	**733 689**	**-**	**1 513 748**	**144 551**	**2 391 988**
Total comprehensive income for the year	-	-	114 496	22 041	136 537
Shares issued	16 785	-	-	-	16 785
Dividends paid	-	-	(103 786)	-	(103 786)
Balance at 30 June 2021	**750 474**	**-**	**1 524 458**	**166 592**	**2 441 524**
Total comprehensive income for the period	-	-	1 478 855	49 161	1 528 016
Shares issued	37 633	-	-	-	37 633
Issue of shares as a result of reverse acquisition of Arrowhead	4 477 243	-	-	-	4 477 243
Reserves acquired as a result of the reverse acquisition of Arrowhead	-	9 250	-	845 971	855 221
Acquisition of non-controlling interest	-	-	-	(758)	(758)
Dividends paid	-	-	(169 824)	(25 227)	(195 051)
Balance at 31 March 2022	**5 265 350**	**9 250**	**2 833 489**	**1 035 739**	**9 143 828**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited for the 9 months ended 31 March 2022	Unaudited for the 6 months ended 31 December 2020 Restated	Audited for the year ended 30 June 2021
Cash flows from operating activities	**(91 648)**	**7 262**	**47 116**
Cash generated from operations	204 121	160 957	337 887
Finance charges	(126 145)	(46 741)	(91 726)
Finance income	20 506	472	1 167
Dividends received	4 924	-	-
Tax paid	(3)	-	(153)
Dividends paid	(195 051)	(107 426)	(200 059)
Cash flows from investing activities	**244 570**	**97 783**	**69 334**
Acquisition of property, plant and equipment	(310)	(110)	(111)
Acquisition of and improvements to investment property	(39 475)	(26 654)	(51 501)
Proceeds from disposal of investment property (including held for sale)	39 060	103 045	103 045
Business combinations	133 109	-	-
Acquisition of investment	-	-	(52)
Proceeds from repayments of loans receivable	121 422	21 502	30 675
Repayment of amounts owing by non-controlling interests	(10 923)	-	(12 722)
Amounts owing by non-controlling interests raised	1 687	-	-
Cash flows from financing activities	**(32 122)**	**(100 407)**	**(114 945)**
(Costs)/proceeds from issue of shares	(320)	-	16 785
Cost incurred in buy back of share capital	-	(357)	(357)
Proceeds from borrowings	24 801	-	-
Repayment of borrowings	-	(87 275)	(110 196)
Movement in amounts owing to non-controlling interests	(53 258)	(12 679)	(21 258)
Repayment on lease liabilities	(3 345)	(96)	81
Total cash movement for the period	**120 800**	**4 638**	**1 505**
Cash and cash equivalents at the beginning of the period	15 262	13 757	13 757
Cash and cash equivalents at the end of the period	**136 062**	**18 395**	**15 262**

RECONCILIATION OF EARNINGS TO HEADLINE EARNINGS

R'000	Unaudited for the 9 months ended 31 March 2022	Unaudited for the 6 months ended 31 December 2020	Audited for the year ended 30 June 2021
Comprehensive income attributable to owners of the parent	1 478 855	174 846	289 342
Change in fair value of investment property	(28 661)	(75 583)	(72 882)
Change in fair value of investment property - non-controlling interest	5 345	7 001	14 674
Loss on sale of investment property	763	-	-
Gain on bargain purchase	(1 406 658)	-	-
Headline profit attributable to shareholders	**49 644**	**106 264**	**231 134**
Number of A shares in issue	62 718 658	-	-
Number of B shares in issue	1 460 863 899	-	-
Number of Old Fairvest shares in issue	-	529 843 007	530 887 805
Weighted average number of A shares in issue	62 718 658	-	-
Weighted average number of B shares in issue	755 005 002	-	-
Weighted average number of B shares in issue after dilutive impact of Conditional Share Plan	761 871 691	-	-
Weighted average number of Old Fairvest shares in issue	-	529 843 007	530 887 805
Basic earnings per combined shares in issue (cents)	180.85	33.00	54.50
Diluted earnings per combined shares in issue (cents)	179.34	33.00	54.50
Headline earnings per combined shares in issue (cents)	6.07	20.06	43.54
Diluted headline earnings per combined shares in issue (cents)	6.02	20.06	43.54

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

The Company has nine reportable segments based on the geographic split of the country, which determines the Company's strategic business segments. The Company's executive directors review internal management reports on a monthly basis and all segments greater than 5% are considered strategic. All segments are located in South Africa. There are no single major tenants. The following summary describes the operations in each of the entity's reportable segments.

GEOGRAPHICAL

R'000 Unaudited	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
31 March 2022											
Contractual rental income	273 649	113 299	116 710	58 630	36 768	19 525	19 946	42 036	50 645	(2 491)	728 717
Straight line rental income	(5 912)	688	(2 838)	345	716	(284)	(38)	(1 511)	14	(1)	(8 821)
Sundry income	9 692	1 422	1 845	123	51	5	-	340	103	(1)	13 580
Operating costs and administrative costs	(129 686)	(43 875)	(45 637)	(21 779)	(10 646)	(8 618)	(7 808)	(19 224)	(19 827)	(37 392)	(344 492)
Profit/(loss) from operations	**147 743**	**71 534**	**70 080**	**37 319**	**26 889**	**10 628**	**12 100**	**21 641**	**30 935**	**(39 885)**	**388 984**
Interest received	3 103	143	330	44	51	4	26	44	23	21 383	25 151
Finance charges	(183)	(117)	(1)	(4)	1	(5)	(927)	(1)	-	(144 346)	(145 583)
Listed securities income	-	-	-	-	-	-	-	-	-	4 924	4 924
Changes in fair values	(7 861)	19 170	570	4 012	272	332	732	3 799	3 335	30 226	54 587
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	1 406 658	1 406 658
Capital expenses	-	-	-	-	-	-	-	-	-	(205 878)	(205 878)
Profit before taxation	**142 802**	**90 730**	**70 979**	**41 371**	**27 213**	**10 959**	**11 931**	**25 483**	**34 293**	**1 073 082**	**1 528 843**
Taxation	-	-	-	-	-	-	-	-	-	(827)	(827)
Reportable segment profit after tax	**142 802**	**90 730**	**70 979**	**41 371**	**27 213**	**10 959**	**11 931**	**25 483**	**34 293**	**1 072 255**	**1 528 016**
Reportable segment assets	7 319 968	2 548 912	1 646 343	1 061 046	866 912	394 811	729 792	444 266	502 391	694 693	16 209 134
Reportable segment liabilities	(378 002)	(108 839)	(126 156)	(42 904)	(51 785)	(17 029)	(69 280)	(46 412)	(38 034)	(6 186 865)	(7 065 306)
	6 941 966	**2 440 073**	**1 520 187**	**1 018 142**	**815 127**	**377 782**	**660 512**	**397 854**	**464 357**	**(5 492 172)**	**9 143 828**

SECTORAL

R'000 Unaudited	Office	Industrial	Retail	Residential	Overheads	Total
31 March 2022						
Contractual rental income	88 121	31 412	516 679	94 998	(2 493)	728 717
Straight line rental income	(9 282)	(835)	1 297	-	(1)	(8 821)
Sundry income	86	-	13 494	-	-	13 580
Operating costs and administrative costs	(34 840)	(11 854)	(215 101)	(45 305)	(37 392)	(344 492)
Profit/(loss) from operations	**44 085**	**18 723**	**316 369**	**49 693**	**(39 886)**	**388 984**
Interest received	172	105	814	2 676	21 384	25 151
Finance charges	(115)	(36)	(1 086)	-	(144 346)	(145 583)
Listed securities income	-	-	-	-	4 924	4 924
Changes in fair values	(228)	308	28 009	(3 727)	30 225	54 587
Gain on bargain purchase	-	-	-	-	1 406 658	1 406 658
Capital expenses	-	-	-	-	(205 878)	(205 878)
Profit before taxation	**43 914**	**19 100**	**344 106**	**48 642**	**1 073 081**	**1 528 843**
Taxation	-	-	-	-	(827)	(827)
Reportable segment profit after tax	**43 914**	**19 100**	**344 106**	**48 642**	**1 072 254**	**1 528 016**
Reportable segment assets	2 879 487	1 253 975	7 827 130	3 553 848	694 694	16 209 134
Reportable segment liabilities	(167 671)	(59 445)	(531 807)	(119 516)	(6 186 867)	(7 065 306)
	2 711 816	**1 194 530**	**7 295 323**	**3 434 332**	**(5 492 173)**	**9 143 828**

GEOGRAPHICAL

R'000 Unaudited	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
30 June 2021											
Contractual rental income	125 143	101 389	118 552	46 191	25 670	13 227	-	46 915	63 538	723	541 348
Straight line rental income	2 504	1 932	2 201	937	(380)	(244)	-	(548)	2 363	-	8 765
Sundry income	10	2 449	332	36	1	-	-	541	172	-	3 541
Operating costs and administrative costs	(48 577)	(36 478)	(36 911)	(13 432)	(8 717)	(7 224)	-	(23 193)	(24 227)	(31 079)	(229 838)
Profit/(loss) from operations	**79 080**	**69 292**	**84 174**	**33 732**	**16 574**	**5 759**	**-**	**23 715**	**41 846**	**(30 356)**	**323 816**
Interest received	-	-	-	-	-	-	-	-	-	25 912	25 912
Finance charges	-	-	-	-	-	-	-	-	-	(99 485)	(99 485)
Listed securities income	-	-	-	-	-	-	-	-	-	-	-
Changes in fair values	12 699	16 960	1 626	2 137	13 079	7 863	-	13 994	4 911	11 426	84 695
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	-	-
Capital expenses	-	-	-	-	-	-	-	-	-	(2 385)	(2 385)
Profit/(loss) before taxation	**91 779**	**86 252**	**85 800**	**35 869**	**29 653**	**13 622**	**-**	**37 709**	**46 757**	**(94 888)**	**332 553**
Taxation	-	-	-	-	-	-	-	-	-	107	107
Reportable segment profit/(loss) after tax	**91 779**	**86 252**	**85 800**	**35 869**	**29 653**	**13 622**	**-**	**37 709**	**46 757**	**(94 781)**	**332 660**
							-				
Reportable segment assets	832 375	625 929	796 793	309 451	174 805	81 852	-	251 921	416 374	333 349	3 822 849
Reportable segment liabilities	(44 313)	(14 975)	(21 247)	(12 642)	(4 166)	(3 009)	-	(6 428)	(11 291)	(1 263 254)	(1 381 325)
	788 062	**610 954**	**775 546**	**296 809**	**170 639**	**78 843**	**-**	**245 493**	**405 083**	**(929 905)**	**2 441 524**

SECTORAL

R'000 Unaudited	Office	Industrial	Retail	Residential	Overheads	Total
30 June 2021						
Contractual rental income	19 264	-	521 361	-	723	541 348
Straight line rental income	(1 931)	-	10 696	-	-	8 765
Sundry income	-	-	3 541	-	-	3 541
Operating costs and administrative costs	(4 341)	-	(194 418)	-	(31 079)	(229 838)
Profit/(loss) from operations	**12 992**	**-**	**341 180**	**-**	**(30 356)**	**323 816**
Interest received	-	-	-	-	25 912	25 912
Finance charges	-	-	-	-	(99 485)	(99 485)
Listed securities income	-	-	-	-	-	-
Changes in fair values	(10 675)	-	83 944	-	11 426	84 695
Gain on bargain purchase	-	-	-	-	-	-
Capital expenses	-	-	-	-	(2 385)	(2 385)
Profit/(loss) before taxation	**2 317**	**-**	**425 124**	**-**	**(94 888)**	**332 553**
Taxation	-	-	-	-	107	107
Reportable segment profit/(loss) after tax	**2 317**	**-**	**425 124**	**-**	**(94 781)**	**332 660**
Reportable segment assets	121 498	-	3 368 002	-	333 349	3 822 849
Reportable segment liabilities	(3 328)	-	(114 743)	-	(1 263 254)	(1 381 325)
	118 170	**-**	**3 253 259**	**-**	**(929 905)**	**2 441 524**

GEOGRAPHICAL

R'000 Unaudited	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
31 December 2020											
Contractual rental income	61 094	50 889	57 153	22 334	12 752	6 266	-	23 065	31 490	-	265 043
Straight line rental income	1 673	1 586	3 231	1 051	(149)	(140)	-	(200)	2 113	-	9 165
Sundry income	51	2 437	143	29	1	-	-	362	100	-	3 123
Operating costs and administrative costs	(24 214)	(20 019)	(18 365)	(6 803)	(4 761)	(2 500)	-	(12 119)	(12 096)	(15 123)	(116 000)
Profit/(loss) from operations	**38 604**	**34 893**	**42 162**	**16 611**	**7 843**	**3 626**	**-**	**11 108**	**21 607**	**(15 123)**	**161 331**
Interest received	-	-	-	-	-	-	-	-	-	13 757	13 757
Finance charges	-	-	-	-	-	-	-	-	-	(50 871)	(50 871)
Listed securities income	-	-	-	-	-	-	-	-	-	-	-
Changes in fair values	12 443	22 264	12 893	6 954	8 521	461	-	3 420	8 627	(3 891)	71 692
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	-	-
Capital expenses	-	-	-	-	-	-	-	-	-	(23)	(23)
Profit/(loss) before taxation	**51 047**	**57 157**	**55 055**	**23 565**	**16 364**	**4 087**	**-**	**14 528**	**30 234**	**(56 151)**	**195 886**
Taxation	-	-	-	-	-	-	-	-	-	237	237
Reportable segment profit/(loss) after tax	**51 047**	**57 157**	**55 055**	**23 565**	**16 364**	**4 087**	**-**	**14 528**	**30 234**	**(55 914)**	**196 123**
Reportable segment assets	827 514	632 923	812 312	312 452	169 846	74 690	-	241 203	417 701	354 909	3 843 550
Reportable segment liabilities	(39 668)	(15 292)	(26 248)	(12 198)	(3 210)	(822)	-	(8 635)	(8 911)	(1 336 578)	(1 451 562)
	787 846	**617 631**	**786 064**	**300 254**	**166 636**	**73 868**	**-**	**232 568**	**408 790**	**(981 669)**	**2 391 988**

SECTORAL

R'000 Unaudited	Office	Industrial	Retail	Residential	Overheads	Total
31 December 2020						
Contractual rental income	9 409	-	255 634	-	-	265 043
Straight line rental income	(812)	-	9 977	-	-	9 165
Sundry income	-	-	-	-	3 123	3 123
Operating costs and administrative costs	(2 177)	-	(98 700)	-	(15 123)	(116 000)
Profit/(loss) from operations	**6 420**	**-**	**166 911**	**-**	**(12 000)**	**161 331**
Interest received	-	-	-	-	13 757	13 757
Finance charges	-	-	-	-	(50 871)	(50 871)
Listed securities income	-	-	-	-	-	-
Changes in fair values	(4 868)	-	80 451	-	(3 891)	71 692
Gain on bargain purchase	-	-	-	-	-	-
Capital expenses	-	-	-	-	(23)	(23)
Profit/(loss) before taxation	**1 552**	**-**	**247 362**	**-**	**(53 028)**	**195 886**
Taxation	-	-	-	-	237	237
Reportable segment profit/(loss) after tax	**1 552**	**-**	**247 362**	**-**	**(52 791)**	**196 123**
Reportable segment assets	125 973	-	3 362 668	-	354 909	3 843 550
Reportable segment liabilities	(3 553)	-	(111 431)	-	(1 336 578)	(1 451 562)
	122 420	**-**	**3 251 237**	**-**	**(981 669)**	**2 391 988**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

BASIS OF PREPARATION

The condensed consolidated interim results for the 9 months ended 31 March 2022 have not been reviewed or reported on by the Groups' auditors, BDO South Africa Incorporated.

These condensed consolidated interim results for the nine months ended 31 March 2022 ("**condensed results**") have been prepared in accordance with the requirements of International Financial Reporting Standards, IAS 34: Interim Financial Reporting, the JSE Listings Requirements, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, no. 71 of 2008. The accounting policies are consistent with the previous consolidated financial statements. These results have been prepared under the supervision of BJ Kriel, CA (SA), Fairvest's Chief Financial Officer.

NEW STANDARDS AND INTERPRETATIONS ADOPTED

All amendments to standards that are applicable to Fairvest for its financial year beginning 1 July 2021 have been considered. The accounting policies applied in these unaudited condensed consolidated interim results are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2021.

COMMENTARY ON CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Contractual rental income increased by 175% compared to the comparable prior 6 months period ended December 2020. Further total comprehensive income increased by 679% compared to this prior period. These increases should however be seen in context with the reverse acquisition of Arrowhead (refer business combination note later in this document) which has resulted in the consolidation of Arrowhead from 26 January 2022. Furthermore, following the reverse acquisition, Old Fairvest changed its year end from 30 June to 30 September to align with the year end of Arrowhead which has in turn resulted in these results being for a 9 month period compared to the 6 month comparative period ended 31 December 2020.

BUSINESS COMBINATIONS

Reverse acquisition of Arrowhead

During the year, Old Fairvest merged with Arrowhead. Subsequently Arrowhead changed its name to Fairvest Limited. Arrowhead issued B shares in the capital of the Company to Old Fairvest shareholders in lieu of their shares, constituting Old Fairvest a wholly owned subsidiary of Arrowhead. Old Fairvest was subsequently delisted.

For accounting purposes under IFRS 3: Business Combinations, the transaction is treated as the acquisition of Arrowhead by Old Fairvest even though, legally, Arrowhead is the acquirer and was the entity which issued shares to Old Fairvest shareholders in consideration for their shares in Old Fairvest. Applying the guidance contained in IFRS 3: B15-B17 the acquirer was identified as Old Fairvest. The following factors were considered in identifying the acquirer:

- The acquirer is usually the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. Due to the commonality in shareholders across Arrowhead and Old Fairvest, there will be no change in the specific shareholders who will have the largest portion of voting rights in the Combined Group.
- After the implementation of the transaction, Old Fairvest's Chief Executive Officer and Chief Financial Officer continued in their respective roles in the Combined Group. Furthermore, 5 of the 7 non-executive directors from the Old Fairvest board of directors were appointed to the Fairvest Board.
- The transaction was initiated by Old Fairvest. Further the transaction was both led by Old Fairvest and controlled by Old Fairvest.

Fair value of assets acquired and liabilities assumed

R'000	Unaudited At 26 January 2022
Assets	
Property, plant and equipment	4 750
Investment property - Fair value of property portfolio	11 595 311
Investment property - Straight line rental income accrual	129 270
Loans to participants of group share purchase option scheme	128 582
Deferred tax	9 035
Financial assets	216 001
Trade and other receivables	219 606
Current tax receivable	632
Cash and cash equivalents	133 109
Non-current assets held for sale	84 353
Equity	
Share-based payments reserve	(9 250)
Liabilities	
Borrowings	(5 008 824)
Lease liabilities	(69 938)
Derivatives	(104 793)
Trade and other payables	(559 901)
Total identifiable net assets	**6 767 943**
Non-controlling interest	(845 971)
Fair value of equity interest held before the business combination	(38 071)
Gain on bargain purchase recognised	(1 406 658)
	4 477 243
Acquisition date fair value of consideration paid	
Equity - 542 720 803 Fairvest Limited B shares	**4 477 243**

Equity issued as part of consideration paid

Under IFRS, the fair value of the consideration transferred by the accounting acquirer is based on the number of shares that the accounting acquirer (Old Fairvest) would have had to issue to the owners of the accounting acquiree (Arrowhead) to give the owners of the legal parent the same percentage of equity interests in the combined entity that results from the reverse acquisition. 2 184 021 145 Old Fairvest shares were deemed to be issued by Old Fairvest in consideration for Arrowhead's shares. For the purpose of estimating the fair value of the consideration transferred, the existing shares of Arrowhead were deemed to be acquired on 26 January 2022 based upon the closing price on the acquisition date of Old Fairvest's existing shares (being R2.05).

Gain on acquisition

A gain on bargain purchase of R1 406 658 000 was recognised on acquisition. The gain resulted due to Arrowhead being acquired at a discount to net asset value.

Revenue and profit or loss of reverse acquisition of Arrowhead

Revenue of R 304.1 million and profit of R 47.7 million have been included in the group's results since the date of acquisition.

Group revenue and profit (loss) for full period

Had the business combination taken place at the beginning of the 9-month reporting period, the revenue for the group would have been R1.88 billion and the net profit would have been R1.14 billion.

Shares issued during the period

542 720 803 new Fairvest B shares were issued to Old Fairvest shareholders in exchange for 1 004 034 490 Old Fairvest shares.

Acquisition costs

The Group incurred acquisition-related costs of R71.9 million to 31 March 2022. This cost is disclosed as part of "Capital expenses" in the statement of profit or loss and other comprehensive income.

Trade and other receivables

The fair value of the trade and other receivables acquired as part of the business combination amounted to R219.6 million with a gross contractual amount of R254.0 million. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to R34.4 million.

FAIR VALUE HIERARCHY

The different levels have been defined as:
Level 1 - fair value is determined from quoted prices (unadjusted) in active markets for identical asset or liabilities;
Level 2 - fair value determined through the use of valuation techniques based on observable inputs, either directly or indirectly; and
Level 3 - fair value is determined through the use of valuation techniques using significant inputs.

The investment in Dipula shares are valued using a level 1 model.

The loans to participants of Group share purchase option schemes are valued based on a level 3 model.

The derivative instruments are valued by the various financial institutions by discounting the future cashflows using the JIBAR swap curve based on a level 2 model.

Investment property is valued using a level 3 model.

Measurement of fair value for level 3

Investment property

Investment property is valued using a combination of the discounted cash flow and yield capitalisation methodology. These methods are based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate. Investment properties are not revalued for interim reporting purposes, other than by exception, based on a review by the directors of the portfolio of investment properties to identify those properties where the value thereof is expected to have materially changed. As required by the JSE as part of the merger between Arrowhead and Old Fairvest, Old Fairvest revalued its entire investment property portfolio using external valuers at 30 September 2021.

The key inputs applied in the last valuation cycle are as follows:

- Expected net operating income;
- Discount rate (14.00% - 16.50%; 2021:14.00% - 16.50%);
- Exit CAP rate (8.50% - 13.78%; 2021:8.50% - 13.78%);
- Growth rate (0% - 7.00%; 2021:0% - 7.00%)

Loans to participants of Group share purchase option schemes

To determine the fair value, a future share price assessment was carried out taking forward looking parameters such as expected dividend yield and dividend growth into account and applying these factors to a Dividend Growth Model based on a weighted scenario probability analysis, resulting in the fair market value of the future share price at the expiry of the loan discounted back to present value using a discount rate.

The key inputs are as follows:

- Dividend yield (12.00 - 13.00%; 2021:11.00%);
- Growth in annual dividend (1.00% - 10.00%; 2021:0% - 5.00%); and
- Discount rate (5.00% - 8.00%; 2021:5.00 - 8.00%).

Sensitivity analysis if key inputs change as follows:

R'000 Unaudited	Up 2%	Down 2%
Dividend yield	(9 141)	12 408
Growth rate	5 878	(5 505)
Discount rate	(5 418)	6 011

Reconciliation of loans to participants of Group share purchase option schemes

R'000	Unaudited for the 9 months ended 31 March 2022
Opening balance	-
Acquisition of Arrowhead through reverse acquisition	128 582
Fair value adjustments	(2 285)
Closing balance	**126 297**

31 March 2022

R'000 Unaudited	Designated at fair value	Level 1	Level 2	Level 3
Investment property (including non-current assets held for sale)	**15 252 566**	-	-	**15 252 566**
	313 155	**182 325**	**4 533**	**126 297**
Listed securities	182 325	182 325	-	-
Financial assets	4 533	-	4 533	-
Loans to participants of group share option scheme	126 297	-	-	126 297
Total assets	**15 565 721**	**182 325**	**4 533**	**15 378 863**
Derivatives	94 907	-	94 907	-
Total liabilities	**94 907**	-	**94 907**	-

31 December 2020

R'000 Unaudited	Designated at fair value	Level 1	Level 2	Level 3
Investment property (including non-current assets held for sale)	**3 407 376**	-	-	**3 407 376**
	4 545	-	**4 545**	-
Listed securities	-	-	-	-
Financial assets	4 545	-	4 545	-
Loans to participants of group share option scheme	-	-	-	-
Total assets	**3 411 921**	-	**4 545**	**3 407 376**
Derivatives	71 247	-	71 247	-
Total liabilities	**71 247**	-	**71 247**	-

30 June 2021

R'000 Unaudited	Designated at fair value	Level 1	Level 2	Level 3
Investment property (including non-current assets held for sale)	**3 421 961**	-	-	**3 421 961**
	4 533	-	**4 533**	-
Listed securities	-	-	-	-
Financial assets	4 533	-	4 533	-
Loans to participants of group share option scheme	-	-	-	-
Total assets	**3 426 494**	-	**4 533**	**3 421 961**
Derivatives	39 715	-	39 715	-
Total liabilities	**39 715**	-	**39 715**	-

RESTATEMENT OF COMPARATIVES

The Group has reclassified the cash flows on loans receivable and amounts owing from non-controlling interests between financing and investing activities in the cashflow statement as these were previously incorrectly classified as financing activities. This reclassification impacted the comparatives for the 31 December 2020 period in the statements of cash flows only.

Prior period reclassification impact on statements of cash flows:

R'000 Unaudited	31 December 2020 Originally presented	Reclassification	31 December 2020 Restated
Cashflow from investing activities	76 281	21 502	97 783
Proceeds from repayments of loans receivable	-	21 502	21 502
Cashflow from financing activities	(78 905)	(21 502)	(100 407)
Net repayments to loans receivable	21 502	(21 502)	-

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE)

* For the purpose of providing meaningful comparatives following the merger between Old Fairvest and Arrowhead, the comparative numbers are a combination of the 6 month period ended 31 March 2021 for Arrowhead and the 6 month period ended 31 December 2020 for Old Fairvest. Further, the new share structure of the merged entities shares in issue at 31 March 2022 was used as a base for calculating the metrics for any comparative "per share" values.

\# Further, for any ratios compared at a point in time ("balance sheet ratios"), a further third comparative period was included which comprises the Old Fairvest numbers as at 30 June 2021 and the Arrowhead numbers as at 30 September 2021.

SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE

R'000 Unaudited	Current 6 month period ended 31 March 2022	Comparable 6 month period 2021*
Profit or loss per IFRS Statement of comprehensive Income (SOCI) attributable to the parent	1 478 855	174 846
Add income attributable to shareholders of Arrowhead for the 6 months ended 31 March 2021	-	432 395
Total income attributable to shareholders	**1 478 855**	**607 241**
Adjusted for:		
Accounting/specific adjustments:	(1 198 264)	(51 915)
Fair value adjustments to:	(26 375)	(115 477)
- Investment property	(28 661)	(75 583)
- Listed securities	-	37 377
- Loans to participants of Group share purchase option schemes	2 286	(77 271)
Impairment of goodwill or the recognition of a bargain purchase gain	(1 406 658)	-
Non-distributable deferred tax movement recognised in profit or loss	827	29 952
Straight-lining operating lease adjustment	8 821	13 030
Transaction costs expensed in accounting for a business combination and other capital expenses	205 878	23
Adjustments to dividends from equity interests held	19 243	20 557
Adjustments arising from investing activities:	763	3 162
Gains or losses on disposal of Investment property and property, plant and equipment	763	3 162
Foreign exchange and hedging items:	(28 975)	(215 093)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(28 975)	(215 093)
Other adjustments:	96 155	6 405
Non-controlling interests in respect of the above adjustments	14 913	13 517
Adjustments relating to subsidiary Indluplace - Adjusting for pay-out ratio and other sundry items	(3 964)	(7 112)
Distributable income for Old Fairvest relating to the pre-merger period	(57 075)	-
Non distributable dividend received from Arrowhead prior to acquisition date	(4 924)	-
Distributable income from Arrowhead from 1 October 2021 to 25 January 2022	147 205	-
SA REIT FFO:	**348 534**	**349 800**
Allocated to the A shares:	38 585	36 748
Thus balance allocated to the B shares:	309 949	313 052
Number of shares outstanding at end of period (net of treasury shares) - A shares	62 718 658	62 718 658
Number of shares outstanding at end of period (net of treasury shares) - B shares	1 460 863 899	1 460 863 899
SA REIT FFO per share - A shares (cents)	**61.52**	**58.59**
SA REIT FFO per share - B shares (cents)	**21.22**	**21.43**
Company-specific adjustments	1 679	41
Impact of IFRS 16 - leases	(289)	41
IFRS 2 share based payment expense	1 968	-
Equals total dividend	350 213	349 841
Allocated to the A shares:	38 585	36 748
Thus balance allocated to the B shares:	311 628	313 093
Dividend per share - A shares (cents)	**61.52**	**58.59**
Dividend per share - B shares (cents)	**21.33**	**21.43**

SA REIT NET ASSET VALUE (SA REIT NAV)

R'000 Unaudited	31 March 2022	31 March 2021 / 31 December 2020*	30 September 2021 / 30 June 2021#
Reported NAV attributable to the parent	8 108 089	8 864 130	8 656 227
Adjustments:			
Dividend to be declared	(350 213)	(349 841)	(642 892)
Dividend to be received from Dipula	19 243	20 557	20 557
Fair value of certain derivative financial instruments	94 907	280 136	200 943
Deferred tax	(6 752)	(31 833)	(37 220)
SA REIT NAV	**7 865 274**	**8 783 149**	**8 197 615**
Allocated to the A shares*:	934 795	578 709	733 429
Thus balance allocated to the B shares:	6 930 479	8 204 440	7 464 186
Number of shares outstanding at end of period (net of treasury shares) - A shares	62 718 658	62 718 658	62 718 658
Number of shares outstanding at end of period (net of treasury shares) - B shares	1 460 863 899	1 460 863 899	1 460 863 899
Effect of dilutive instruments	6 866 690	10 310 863	10 310 863
Dilutive number of shares in issue	**1 467 730 589**	**1 471 174 762**	**1 471 174 762**
SA REIT NAV per A share	**14.90**	**9.23**	**11.69**
SA REIT NAV per B share	**4.72**	**5.58**	**5.07**

In terms of the Memorandum of Incorporation of the Company, should the Company be wound up, the A shareholders would be entitled to an amount equal to the volume weighted average traded price of A shares over the last 60 days. This is therefore the effective claim of the A shareholders on the Company's net asset value with the residual then being allocated to the B shareholders.

SA REIT COST-TO-INCOME RATIO

R'000 Unaudited	Current 6 month period ended 31 March 2022	Comparable 6 month period 2021*
Expenses		
Operating expenses per income statement (includes municipal expenses)	553 989	548 888
Administrative expenses per income statement	59 298	68 475
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(1 497)	(1 570)
Operating costs	**611 790**	**615 793**
Rental income		
Contractual rental income per income statement (excluding straight-lining)	895 534	954 187
Utility and operating recoveries per income statement	319 069	316 161
Gross rental income	**1 214 603**	**1 270 348**
SA REIT cost-to-income ratio	**50.4%**	**48.5%**

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

R'000 Unaudited	Current 6 month period ended 31 March 2022	Comparable 6 month period 2021*
Expenses		
Administrative expenses per income statement	59 298	68 475
Administrative costs	**59 298**	**68 475**
Rental income		
Contractual rental income per income statement (excluding straight-lining)	895 534	954 187
Utility and operating recoveries per income statement	319 069	316 161
Gross rental income	**1 214 603**	**1 270 348**
SA REIT administrative cost-to-income ratio	**4.9%**	**5.4%**

SA REIT GLA VACANCY RATE

	31 March 2022	31 March 2021 / 31 December 2020*	30 September 2021 / 30 June 2021#
Gross lettable area of vacant space	83 411	121 043	86 883
Gross lettable area of total property portfolio	1 160 585	1 275 008	1 193 329
SA REIT GLA vacancy rate	**7.2%**	**9.5%**	**7.3%**

Please note this table excludes Indluplace

COST OF DEBT

	Current 6 month period ended 31 March 2022	Comparable 6 month period 2021*
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	6.5%	5.8%
Fixed interest rate borrowings		
Weighted average fixed rate	0.0%	0.0%
Pre-adjusted weighted average cost of debt	**6.5%**	**5.8%**
Adjustments:		
Impact of interest rate derivatives	1.8%	2.2%
Impact of cross-currency interest rate swaps	0.0%	0.0%
Amortised transaction costs imputed into the effective interest rate	0.1%	0.1%
All-in weighted average cost of debt	**8.4%**	**8.1%**

SA REIT LOAN-TO-VALUE

R'000 Unaudited	31 March 2022	31 March 2021 / 31 December 2020*	30 September 2021 / 30 June 2021#
Gross debt	6 204 860	6 571 690	5 762 714
Less:			
Cash and cash equivalents	(136 062)	(86 894)	(197 215)
Add cash and cash equivalents linked to tenant deposits	26 313	-	29 977
Add:			
Derivative financial instruments	94 907	280 136	200 943
Net debt	**6 190 018**	**6 764 932**	**5 796 419**
Total assets - per Statement of financial Position	16 209 134	17 710 018	16 554 641
Less:			
Cash and cash equivalents	(136 062)	(86 894)	(197 215)
Deferred tax	(12 150)	(33 314)	(38 678)
Trade and other receivables	(273 040)	(339 207)	(318 701)
Carrying amount of property-related assets	**15 787 882**	**17 250 603**	**16 000 047**
SA REIT loan-to-value ("SA REIT LTV")	**39.2%**	**39.2%**	**36.2%**

FAIRVEST LIMITED
(previously known as Arrowhead Properties Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2007/032604/06)
JSE share code: FTA ISIN: ZAE000275491
JSE share code: FTB ISIN: ZAE000275509
LEI: 378900E93AFC4D1CAD45
(Approved as a REIT by the JSE)
("**Fairvest**")

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JF du Toit*#, BJ Kriel (CFO)#, NN Makhoba*, KR Nkuna*#,
JD Wiese*#, DM Wilder (CEO)#

* Independent non-executive
\# appointed 31 January 2022
All directors are South African.

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Sponsor
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