INDLUPLACE
DWELLING ON RESIDENTIAL

Unaudited results for the six months ended 31 March 2022

Unaudited results

FOR THE SIX MONTHS ENDED 31 MARCH 2022

INDLUPLACE PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2013/226082/06)
JSE share code: ILU ISIN: ZAE000201125
(Approved as a REIT by the JSE)
("**Indluplace**" or "**the company**" or "**the Group**")

Nature of business

Indluplace is a proudly South African property investor, owning a portfolio primarily focused on the affordable end of the rental residential market. The company was listed on the Main Board of the JSE in June 2015 and currently owns a portfolio of 9 220 residential units and 15 549m^2 of associated retail space. The portfolio is valued at approximately R3,5 billion, with properties situated primarily in Gauteng.

As at 31 March 2022, Indluplace successfully completed the internalisation of its property management function which was previously outsourced to various property management companies. The Group now directly employs in excess of 280 people providing all the services required to efficiently manage a large portfolio which is home to over 25 000 people. The staff complement includes those located at various buildings in the portfolio as well as head office staff, ensuring that tenants are provided with a superior service, that buildings are clean and well maintained and that properties deliver results which enable the company to pay to investors dividends that are sustainable.

Overview

The residential letting environment remains very competitive. We have seen substantial improvement in letting activity from January 2022; a welcome sign following the difficult end to 2021. We ended the first six months with the best occupancy rate since July 2020 and anticipate further improvements in the second half of the financial year. The disappointing performance of our student portfolio and the high cost of council charges, are however negatively impacting our overall numbers.

Summarised

Funds from operations analysis

FOR THE SIX MONTHS ENDED 31 MARCH 2022
(NON-IFRS INFORMATION)

	Unaudited for the six months ended		Audited for the year ended
R	**31 MARCH 2022**	**31 MARCH 2021**	**30 SEPTEMBER 2021**
Contractual rental income	229 633 220	241 993 891	490 138 346
Net property expenses	(101 974 628)	(105 313 256)	(224 499 087)
Net property income	**127 658 592**	**136 680 635**	**265 639 259**
Distributable income			
Amount available for distribution	**55 125 732**	**58 931 715**	**117 806 099**
Distributed for the six months ended:			
6 months ended - 31 March	**41 344 314**	**-**	**-**
6 months ended - 30 September			**88 354 574**
Total distributions	**41 344 314**	**-**	**88 354 574**
Dividend for the half year ending 31 March and year ended 30 September		**Cents**	
6 months ended - 31 March	**13,16350**	**-#**	**-**
6 months ended - 30 September			**28,13096**
Dividends per share	**13,16350**	**-**	**28,13096**
Property expense ratio - Net (%)	44,4	43,5	45,8
Property expense SA REIT cost to income ratios - Gross (%)	60,0	58,7	60,6
SA REIT administration costs to income (%)	5,6	5,2	4,7
Net asset value per share - REIT BPR (cents)	698,51	782,88	709,55
Shares used in calculation of the dividends for the 6 and 12 months ended:			
31 March	314 082 990^	319 356 799^	319 356 799^
30 September			314 082 990^

^ - per IFRS 2, 22 440 285 shares used to partially fund the October 2017 acquisition have been excluded from the number of shares in issue.
# - A dividend of 18,4533 cents per share was available but not declared pre the payout ratio (13,84 cents post the pay out ratio)

Commentary

Contractual rental income

Contractual rental income has decreased from R242,0 million at 31 March 2021 to R229,6 million at 31 March 2022. The decrease in contractual rental income of R12,4 million comprises of disposals, R7,9 million, increased vacancies and reversions, R3,8 million and R0,7 million arising from the reduced uptake of beds in the student portfolio.

Property portfolio

		31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Residential	Buildings	124	145	132
	Units	8 740*	9 582	9 199
	Vacancy (%)	10,3*	11,4	12,8
Retail	GLA – m^2	15 549	18 834	16 058
	Vacancy (%)	8,6	14,3	7,1

* The student vacancy at 31 March 2022 amounts to 57% spread over 480 units/2 530 beds.

Residential unit spread	%
Johannesburg suburbs	46
Johannesburg Inner city	33
Pretoria/Midrand	10
Emalahleni	5
Vanderbijlpark	5
Bloemfontein	1
Total	**100**

Residential unit category	%
Rooms	8
Bachelors	15
One bed	19
Two bed	48
Three bed	8
Other	2
Total	**100**

Vacancies

While vacancies improved to 10,3% at 31 March 2022, down from 11,4% at 31 March 2021, average vacancies over the period increased to 12,1% up 0,8% when compared to the prior comparable period.

Operating costs

Operating costs have decreased by R2,6 million to R154,9 million as a result of disposals. The operating costs include the costs associated with the internalised property management function. The decrease was offset by increased municipal charges including back-charges for refuse in an amount of R4 million as a result of a change to the tariff structure.

The net expense ratio and SA REIT cost to income ratios have increased to 44,4% and 60,0% from 43,5% and 58,7% respectively, as a result of both the increased expenses and lower contractual rental income.

Administration costs

Administration costs increased from R15,2 million at 31 March 2021 to R15,7 million at 31 March 2022, primarily due to the share purchase and option scheme.

Finance income

	31 March 2022	31 March 2021	30 September 2021
Interest on Share Purchase and Option Scheme	2 435 405	-	5 204 569
Interest received	614 817	804 446	1 257 564
Total	**3 050 222**	**804 446**	**6 462 133**

The increase in finance income is mainly as a result of the declaration of the dividend and the resultant interest on loans issued in terms of the Indluplace Share Purchase and Option Scheme.

Finance charges

	31 March 2022	31 March 2021	30 September 2021
Interest paid on secured financial liabilities and swaps	59 176 687	63 258 531	125 043 442
Interest charge on cash balances and municipal accounts	663 626	48 754	844 661
Total	**59 840 313**	**63 307 285**	**125 888 103**

Finance charges decreased as a result of the higher cash balances on hand compared to the prior year.

Investment property

The company has adopted the strategy of ensuring that the portfolio is well maintained and able to attract quality tenants continues.

This entails a capital expenditure programme which covers a range of areas including internet connectivity, supplementing the council water supply at certain buildings and the refurbishment of various building.

During the current six month period, properties to the value of circa R53 million were disposed of. The non-current assets available for sale comprise seven properties excluding the student-specific properties for which discussions are still underway.

Fair value sensitivity

A vacancy movement of 1% would have a R13,4 million fair value movement. A capitalisation rate movement of 0,25% would have a R89,2 million fair value movement.

Indluplace Share Purchase and Option Scheme

The loans issued in terms of the discontinued Indluplace Share Purchase and Option Scheme are held at fair value in accordance with IFRS 9 - "Financial Instruments" and have been adjusted to fair value which approximates the share price at the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents decreased from R90,7 million at 30 September 2021 to R85,0 million at 31 March 2022.

Trade and other receivables

Trade and other receivables increased from R49,4 million at 30 September 2021 to R60,6 million at 31 March 2022 mainly as a result of the delayed contractual payment arising from the student portfolio for the period January 2022 to 31 March 2022 which is expected to be received in April 2022. The balance is made up of municipal deposits, municipal receivables and prepayments. The Group applies the IFRS 9 simplified approach to measure expected losses, using a lifetime expected credit loss provision for trade receivables. The movement in the expected credit loss decreased due to the write off of debt previously provided for, in the current six months, from R10,2 million to R3,1 million.

Secured financial liabilities and derivative instruments

Secured financial liabilities remained flat at about R1,39 billion as the payment of the full 2021 dividend in December 2021 of R88 million was offset by disposals amounting to R53 million as well as excess cash placed into the access facilities over the six months ended 31 March 2022. The weighted average cost of debt amounts to about 8,6% at 31 March 2022, with a weighted average debt maturity of 1,4 years. There are two loans that mature in October 2022 and we have engaged with the relevant banks in respect of the refinance.

Secured financial liabilities

Bank		Maturity	Drawn (R)	Base	Margin
ABSA	RCF	16 November 2023	24 000 000	Prime	- 0,9%
Investec	RCF	16 November 2023	12 008 043	Prime	- 1,0%
ABSA	3 year	16 November 2023	304 683 109	JIBAR	+ 2,4%
Investec	3 year	16 November 2023	162 499 192	JIBAR	+ 2,3%
ABSA	4 year	16 November 2024	75 575 931	JIBAR	+ 2,55%
Investec	4 year	16 November 2024	75 576 735	JIBAR	+ 2,4%
ABSA	5 year	16 November 2025	66 887 240	JIBAR	+ 2,7%
Investec	5 year	16 November 2025	66 888 981	JIBAR	+ 2,5%
ABSA	5 year	4 October 2022	302 142 857	JIBAR	+ 2,20%
Investec	5 year	4 October 2022	302 142 857	JIBAR	+ 2,20%
Total facilities			**1 392 404 945**		

Hedgings/Swaps	Maturity	Notional (R)	Fixed Rate
ABSA	7 October 2024	275 025 021	7,07%
Investec	7 October 2024	275 025 021	7,07%
ABSA	7 October 2024	28 484 987	7,13%
Investec	7 October 2024	28 484 987	7,13%
ABSA	7 October 2024	144 979 382	7,68%
Investec	7 October 2024	144 979 382	7,68%
ABSA	7 January 2025	50 000 000	6,55%
Investec	7 January 2025	50 000 000	6,55%
		996 978 780	

Trade and other payables

Trade and other payables decreased from R114,6 million at 30 September 2021 to R111,7 million at 31 March 2022. Included in the aforesaid amount are trade payables and accruals of R15,6 million, prepayment of tenant rentals of R24.3 million and deposits from tenants amounting to R23,9 million.

Prospects

Slow economic growth and financially constrained households continue to be a challenge. The rental residential environment is showing positive signs but is still very competitive, especially in the inner city of Johannesburg.

We have continued to experience local municipalities' inability to deliver consistent service at affordable rates, with further highly punitive calculation methods introduced for sewer and refuse services. While stable collection rates and occupancy numbers indicate that our units are defensive in nature and in demand by quality tenants, the performance of the portfolio is largely dependent on our tenant base thriving and growing. The current signs of an improvement in occupancies bodes well for the company but we expect this improvement to be gradual.

Our student portfolio, previously on head leases with the Vanderbijlpark universities, saw a disappointing take-up of beds after a delayed start to the academic year. Our team is in discussions with various stakeholders to improve the future situation. The student portfolio has been on our disposal list and we have been in discussions with a range of interested buyers.

The environment remains unpredictable and management will remain focused on ensuring that our properties and service to tenants enable us to retain and attract quality tenants. The internalisation of the property management function has been completed and we are confident that our team will keep improving.

Payment of dividend for the six months ended 31 March 2022

The Board has declared a gross cash dividend of 13,16350 cents per share (dividend number 17) for the six months ended 31 March 2022, in accordance with the following timetable:

Last date to trade cum dividend	Monday, 13 June 2022
Shares trade ex-dividend	Tuesday, 14 June 2022
Record date	Friday, 17 June 2022
Payment date	Monday, 20 June 2022

Shares may not be dematerialised or rematerialised between Tuesday, 14 June 2022 and Friday, 17 June 2022, both days inclusive.

Payment of the dividend will be made to shareholders on Monday, 20 June 2022. In respect of dematerialised shares, the dividend will be transferred to the Central Securities Depository Participant (**"CSDP"**) / broker accounts on Monday, 20 June 2022. Certificated shareholders' dividend payment will be deposited on or about Monday, 20 June 2022.

Tax treatment of dividend

In accordance with Indluplace's status as a REIT, shareholders are advised that the dividend meets 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 distribution on 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. This dividend is, however, exempt from dividends withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders furnished 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, as the case may be, 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, as the case may be, 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. Any dividend received by a non–resident from a REIT is subject to a dividend withholding tax of 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 is 10,53080 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied on if the non–resident shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shareholders, or the company, in respect of certificated shareholders:

a) a declaration that the dividend is 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, as the case may be, 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, as the case may be, 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.

Shares in issue at the date of declaration of this dividend: 336 523 275

Indluplace's income tax reference number: 9390/649/177

Litigation statement

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Indluplace 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.

Basis of preparation

The unaudited interim group financial statements for the six months ended 31 March 2022 have not been reviewed or reported on by the company's independent auditors, BDO South Africa Incorporated. The financial statements have been prepared in accordance with the requirements of IAS 34: Interim Financial Statements and the Financial Reporting pronouncement as issued by the Financial Reporting Standard Council, the JSE Listings Requirements and the requirements of the South African Companies Act, 2008. The accounting policies are in accordance with International Financial Reporting Standards and are consistent with those of the audited results for the year ended 30 September 2021. These results have been prepared under the supervision of Terry Kaplan CA (SA), Indluplace's Chief Financial Officer.

Subsequent events

The directors are not aware of any material event which has occurred after the reporting date and up until the date of this report.

Change of directorate

Darren Wilder was appointed to the Board as non-independent non-executive director with efffect from 1 February 2022.

Nindi Tetyana, an independent non-executive director of Indluplace, was appointed as a member of the Remuneration and Nomination Committee from 4 May 2022.

Taffy Adler resigned as a director and chairman of the Board prior to the AGM on 1 March 2022. Selwyn Noik was appointed as acting chairman on 4 March 2022.

Grant Harris has notified the Board of his decision to emigrate and to resign as an executive director before the end of 2022.

Going concern

The interim financial statements have been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Refinancing of the loans maturing in the next 12 months are underway.

Condensed consolidated statement of

Comprehensive income

FOR THE SIX MONTHS ENDED 31 MARCH 2022

R	Unaudited for the six months ended 31 MARCH 2022	Unaudited for the six months ended 31 MARCH 2021	Audited for the year ended 30 SEPTEMBER 2021
Property portfolio revenue			
Contractual rental income	229 633 220	241 993 891	490 138 346
Recoveries	52 949 866	52 223 920	112 175 598
Straight line rental income accrual	-	-	(1 433 425)
Total revenue	**282 583 086**	**294 217 811**	**600 880 519**
Operating costs	(154 924 494)	(157 537 176)	(336 674 685)
Administration costs	(15 742 769)	(15 246 081)	(28 407 190)
Net operating profit	**111 915 823**	**121 434 554**	**235 798 644**
Changes in fair values - Indluplace Share Purchase and Option Scheme	(2 405 157)	8 796 757	6 817 106
Changes in fair values - Investment property & derivatives	27 937 655	36 335 180	(219 051 061)
Profit from operations	**137 448 321**	**166 566 491**	**23 564 689**
Net finance charges	(56 790 091)	(62 502 839)	(119 425 970)
Finance charges	(59 840 313)	(63 307 285)	(125 888 103)
Finance income	3 050 222	804 446	6 462 133
Profit /(loss) before taxation	**80 658 230**	**104 063 652**	**(95 861 281)**
Taxation	(8 413 950)	(14 299 071)	(12 318 523)
Total comprehensive income /(loss) for the period	**72 244 280**	**89 764 581**	**(108 179 804)**
Reconciliation of earnings, headline earnings and distributable earnings			
Profit /(loss) for the year attributable to equity holders	72 244 280	89 764 581	(108 179 804)
Change in fair value of properties	-	-	269 617 913
Headline profit attributable to equity holders	**72 244 280**	**89 764 581**	**161 438 109**
Number of shares in issue at year end	314 082 990	319 356 701	314 082 990
Number of shares in issue used for the calculation of dividend per share	314 082 990	319 356 701	314 082 990
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	314 082 990	319 356 701	314 961 958
Weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	316 888 610	322 162 321	317 767 578
Basic earnings/(loss) per share (cents)	23,00	28,11	(34,35)
Diluted earnings/(loss) per share (cents)	22,80	27,86	(34,35)
Headline earnings per share (cents)	23,00	28,11	51,26
Diluted headline earnings per share (cents)	22,80	27,86	50,80
Dividends per share (cents)	13,16	-	28,13

Condensed consolidated statement of

Financial position

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Unaudited for the six months ended		Audited for the year ended
R	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Assets			
Non-current assets	**3 456 359 846**	**3 866 986 069**	**3 443 618 015**
Investment property	3 377 106 920	3 777 727 483	3 352 662 311
Fair value of property portfolio for accounting purposes	3 375 555 703	3 774 742 839	3 351 111 092
Straight line rental income accrual	1 551 217	2 984 644	1 551 219
Property, plant and equipment	4 092 584	3 041 672	4 482 986
Right of use Assets	4 110 565	-	4 603 833
Loans to participants of Indluplace Share Purchase and Option Scheme	59 573 896	62 904 114	61 979 054
Deferred tax assets	11 475 881	23 312 800	19 889 831
Current assets	**148 284 087**	**162 937 849**	**148 741 941**
Trade and other receivables	60 564 976	97 552 999	49 409 271
Property loan receivable	2 760 975	38 991 628	8 660 975
Cash and cash equivalents	84 958 136	8 462 271	90 671 695
Loans to participant of Indluplace Share Purchase and Option Scheme	-	17 930 951	-
Non-current assets held for sale	**107 334 793**	**41 527 000**	**163 535 296**
Total assets	**3 711 978 726**	**4 071 450 918**	**3 755 895 252**
Equity and liabilities			
Shareholders' interest	**2 175 854 721**	**2 405 200 505**	**2 191 028 233**
Stated capital	3 026 423 255	3 043 299 444	3 026 423 255
Share based payment reserve	23 629 922	22 047 752	22 674 733
Reserves	(874 198 456)	(660 146 691)	(858 069 755)
Other non-current liabilities	**819 028 061**	**1 548 683 553**	**1 449 205 537**
Secured financial liabilities	786 391 761	1 477 001 000	1 388 225 303
Derivative instruments	29 513 056	71 682 553	57 450 711
Lease liability	3 123 244	-	3 529 523
Current liabilities	**717 095 944**	**117 566 860**	**115 661 482**
Trade and other payables	111 675 177	112 163 344	114 585 603
Secured financial liabilities	604 285 714	-	-
Lease liability	1 135 053	5 403 516	1 075 879
Total equity and liabilities	**3 711 978 726**	**4 071 450 918**	**3 755 895 252**

Statement of

Changes in equity

FOR THE SIX MONTHS ENDED 31 MARCH 2022

R	STATED CAPITAL	RETAINED EARNINGS	SHARE BASED PAYMENT RESERVE	TOTAL
Group				
Balance at 30 September 2020	**3 043 299 444**	**(609 344 071)**	**20 795 600**	**2 454 750 973**
Total comprehensive income for the 6 months	-	89 764 581	-	89 764 581
Share based payments	-	-	1 252 152	1 252 152
Dividends	-	(140 545 880)	-	(140 545 880)
Balance at 31 March 2021	**3 043 299 444**	**(660 125 370)**	**22 047 752**	**2 405 221 826**
Total comprehensive (loss) for the 6 months	-	(197 944 385)	-	(197 944 385)
Share buy-backs	(16 876 189)	-	-	(16 876 189)
Share based payments	-	-	626 981	626 981
Balance at 30 September 2021	**3 026 423 255**	**(858 069 755)**	**22 674 733**	**2 191 028 233**
Total comprehensive income for the 6 months	-	72 244 280	-	72 244 280
Share based payments	-	-	955 189	955 189
Dividends	-	(88 372 981)	-	(88 372 981)
Balance at 31 March 2022	**3 026 423 255**	**(874 198 456)**	**23 629 922**	**2 175 854 721**

Consolidated statement of

Cash flows

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Unaudited for the six months ended		Audited for the year ended
R	**31 MARCH 2022**	**31 MARCH 2021**	**30 SEPTEMBER 2021**
Net cash (utilised in) / generated from operating activities	**(39 234 140)**	**(67 148 957)**	**68 893 625**
Cash generated from operations	105 782 769	149 040 689	341 985 080
Dividend paid	(88 372 981)	(140 567 201)	(140 545 880)
Taxation paid	-	(13 119 606)	(13 119 605)
Finance charges paid	(59 694 150)	(63 307 285)	(125 888 103)
Finance income received	3 050 222	804 446	6 462 133
Net cash generated from / (utilised in) investing activities	**31 561 677**	**(14 330 631)**	**15 709 256**
Acquisition of investment property	(24 444 611)	(20 329 275)	(32 024 425)
Acquisition of property, plant and equipment	(194 215)	(3 001 356)	(4 967 004)
Proceeds from disposal of investment property	56 200 503	9 000 000	52 700 687
Net cash generated from / (utilised in) financing activities	**1 958 904**	**33 996 233**	**(49 876 813)**
Proceeds from secured financial liabilities	96 008 043	33 996 233	79 000 000
Repayment of secured financial liabilities	(93 555 871)	-	(128 549 538)
Payment on lease liabilities	(493 268)	-	(327 276)
Net movement in cash and cash equivalents	**(5 713 559)**	**(47 483 355)**	**34 726 072**
Cash and cash equivalents at the beginning of the period	90 671 695	55 945 626	55 945 626
Cash and cash equivalents at the end of the period	**84 958 136**	**8 462 271**	**90 671 695**

Consolidated condensed

Segmental analysis

Indluplace has four reportable segments based on the geographic split of the portfolio which are the entity's strategic business segments. For each strategic business segment, the entity's executive directors being the chief operating decision makers, review internal management reports on a monthly basis. All segments are located in South Africa. There are no single major tenants. The following summary describes the operations for each of the entity's reportable segments.

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
Six months ended 31 March 2022					
Property portfolio revenue					
Rental income and recoveries	263 062 202	1 785 878	16 969 254	765 752	282 583 086
Straight line rental income accrual	-	-	-	-	-
Total revenue	**263 062 202**	**1 785 878**	**16 969 254**	**765 752**	**282 583 086**
Operating costs	(148 109 696)	(690 843)	(5 939 558)	(184 397)	(154 924 494)
Net property income	**114 952 506**	**1 095 035**	**11 029 696**	**581 355**	**127 658 592**
Administration costs					(15 742 769)
Net operating expenses					**111 915 823**
Changes in fair values					25 532 498
Profit from operations					**137 448 321**
Net finance charges					**(56 790 091)**
Finance income					3 050 222
Finance charges					(59 840 313)
Profit before taxation					**80 658 230**
Taxation					(8 413 950)
Total comprehensive income for the period					**72 244 280**
Reportable segment assets	971 484 355	38 919 696	253 810 746	30 561 551	1 294 776 348
Corporate segment assets	-	-	-	-	2 417 202 378
Reportable segment liabilities	(75 437 798)	(3 267 699)	(6 893 174)	(7 604)	(85 606 275)
Corporate segment liabilities	-	-	-	-	(1 450 517 730)
					2 175 854 721

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
Six months ended 31 March 2021					
Property portfolio revenue					
Rental income and recoveries	276 746 478	1 796 920	14 808 243	866 170	294 217 811
Straight line rental income accrual	-	-	-	-	-
Total revenue	**276 746 478**	**1 796 920**	**14 808 243**	**866 170**	**294 217 811**
Operating costs	(150 779 888)	(591 114)	(5 467 042)	(699 132)	(157 537 176)
Net property income	**125 966 591**	**1 205 806**	**9 341 201**	**167 037**	**136 680 635**
Administration costs					(15 246 081)
Net operating expense					**121 434 554**
Changes in fair values					45 131 937
Profit from operations					**166 566 491**
Net finance charges					**(62 502 839)**
Finance income					804 446
Finance charges					(63 307 285)
Profit before taxation					**104 063 652**
Taxation					(14 299 071)
Total comprehensive income for the period					**89 764 581**
Reportable segment assets	3 649 960 549	26 342 254	225 961 303	14 543 376	3 916 807 482
Corporate segment assets	-	-	-	-	1 554 179 113
Reportable segment liabilities	(108 289 552)	(1 387 957)	(2 210 921)	(182 870)	(112 071 300)
Corporate segment liabilities	-	-	-	-	(1 554 087 069)
					2 405 200 505

R	GAUTENG	FREE STATE	MPUMALANGA	KWAZULU NATAL	TOTAL
Year ended 30 September 2021					
Property portfolio					
Rental income and recoveries	567 127 493	3 639 334	29 650 524	1 896 593	602 313 944
Straight line rental income accrual	(1 433 425)	-	-	-	(1 433 425)
Total revenue	**565 694 068**	**3 639 334**	**29 650 524**	**1 896 593**	**600 880 519**
Operating costs	(322 581 447)	(1 166 241)	(11 771 465)	(1 155 532)	(336 674 685)
Net property income	**243 112 621**	**2 473 093**	**17 879 059**	**741 061**	**264 205 834**
Administration costs					(28 407 190)
Net operating expenses					**235 798 644**
Changes in fair values					(212 233 955)
Profit from operations					**23 564 689**
Net finance charges					**(119 425 970)**
Finance income					6 462 133
Finance charges					(125 888 103)
Profit before taxation					**(95 861 281)**
Taxation					(12 318 523)
Total comprehensive loss for the year					**(108 179 804)**
Reportable segment assets	3 369 257 516	25 987 597	225 192 151	28 322 786	3 628 760 050
Corporate segment assets	-	-	-	-	127 135 202
Reportable segment liabilities	(107 268 861)	(339 650)	(6 260 032)	(716 760)	(114 585 303)
Corporate segment liabilities	-	-	-	-	(1 450 281 416)
					2 191 028 533

R	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Reconciliation of comprehensive income to distributable earnings (Non IFRS unaudited disclosure)			
Headline profit / (loss) attributable to equity holders	72 244 280	89 764 581	(108 179 804)
Change in fair value of derivative instruments	(27 937 655)	(36 335 180)	(50 567 024)
Change in fair value of properties	-	-	269 617 913
Change in fair value of loans to participants of Indluplace Share Purchase and Options Scheme	2 405 157	(8 796 757)	(6 816 935)
Straight line rental income accrual	-	-	1 433 425
Deferred tax expense	8 413 950	8 895 554	12 318 523
Current tax expense	-	5 403 517	-
Amount available for distribution	**55 125 732**	**58 931 715**	**117 806 099**
Reconciliation of amount available for distribution for the six months			
Amounts available for distribution to shareholders	55 125 732	58 931 715	117 806 099
6 month ended - 31 March	55 125 732	58 931 715	-
6 month ended - 30 September			117 806 099
Amount available for distribution for the six months ended:	**55 125 732**	**58 931 715**	**117 806 099**
Available dividends per share (at 100% payout ratio)	17,55	18,45	37,51

Fair value hierarchy

The different levels have been defined as:

Level 1 - fair value is determined from quoted price (unadjusted in active markets for identical assets or liabilities;
Level 2 - fair value is 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 Loans to Participants of Indluplace Share Purchase and Option Scheme are valued based on level 2 model.

The derivatives instruments are valued by the various financial institutions by discounting the future cashflows using the JIBAR swap curve.

Investment property is valued using a level 3 model.

Measurement of fair value for level 3

Investment property is measured using the discounted net cash flow method and income rate cap. Using the expected net income an appropriate capitalisation rate is applied. During the previous year, 33,3% of the property portfolio was valued externally with the balance being valued by the executive directors.

Levels of fair value measurements

R	DESIGNATED AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Group				
Six months ended 31 March 2022				
Investment property (including non-current assets held for sale)	3 484 441 713	-	-	3 484 441 713
Financial assets	**59 573 896**	**-**	**59 573 896**	**-**
Loans to Participants of Indluplace Share Purchase and Option Scheme	59 573 896	-	59 573 896	-
Total assets	**3 544 015 609**	**-**	**59 573 896**	**3 484 441 713**
Financial liabilities	**29 513 056**	**-**	**29 513 056**	**-**
Derivatives	29 513 056	-	29 513 056	-
Total liabilities	**29 513 056**	**-**	**29 513 056**	**-**

R	DESIGNATED AT FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Group				
Six months ended 31 March 2021				
Investment property (including non-current assets held for sale)	3 819 254 483	-	-	3 819 254 483
Financial assets	**80 835 065**	**-**	**80 835 065**	-
Loans to Participants of Indluplace Share Purchase and Option Scheme	80 835 065	-	80 835 065	-
Total assets	**3 900 089 548**	**-**	**80 835 065**	**3 819 254 483**
Financial liabilities	**71 682 553**	**-**	**71 682 553**	**-**
Derivatives	71 682 553	-	71 682 553	-
Total liabilities	**71 682 553**	**-**	**71 682 553**	**-**
Year ended September 2021				
Investment property (including non-current assets held for sale)	3 516 197 607	-	-	3 516 197 607
Financial assets	**61 979 054**	**-**	**61 979 054**	**-**
Loans to Participants of Indluplace Share Purchase and Option Scheme	61 979 054	-	61 979 054	-
Total assets	**3 578 176 661**	**-**	**61 979 054**	**3 516 197 607**
Financial liabilities	**57 450 711**	**-**	**57 450 711**	**-**
Derivatives	57 450 711	-	57 450 711	-
Total liabilities	**57 450 711**	**-**	**57 450 711**	**-**

Related parties

Holding company	Fairvest Limited (Previously known as Arrowhead Properties Limited)	
Fellow subsidiaries	Fairvest Property Holdings Limited	Macassar Retail Centre Proprietary Limited
	Cumulative Properties Limited	Fluxrub Investments No 196 Proprietary Limited
	Gemgrow Asset Management Proprietary Limited	Clearwater Crossing Proprietary Limited
	Arrowgem Limited	FPP Property Venture 103 Proprietary Limited
	Fairvest Properties Two Proprietary Limited	Libode Shopping Centre Proprietary Limited
	Moolgem Proprietary Limited	FPP Property Venture 102 Proprietary Limited
	Vividend Income Fund Limited	Qumba Plaza Proprietary Limited
	Arrowprop 1 Limited	South View Shopping Centre Proprietary Limited
	Fairvest Property Management Proprietary Limited	Bara Precinct Proprietary Limited
	Vividend Management Group Proprietary Limited	Diepkloof Leaseholder Proprietary Limited
	Parow Valley Centre Proprietary Limited	

R	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Loan accounts - Owing (to) by related parties			
Loans to Participants of Indluplace Share Purchase and Option Scheme	59 573 896	80 835 065	61 979 054
Related party transactions			
Interest on Directors loans - Owing (to) by related parties	(2 435 405)	-	(5 204 569)
Dividends declared to holding company	25 218 808	-	53 893 676
Management fees paid to holding company	467 390	1 400 400	2 577 435
Dividends paid to participants of the Indluplace Share Purchase and Option Schemes	5 204 569	-	10 464 746

REIT Best Practices - Ratios

SA REIT Funds from operations

PER SHARE
(NON IFRS DISCLOSURE)

R / UNAUDITED	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Profit or loss per IFRS Statement of Comprehensive Income (SOCI)	72 244 280	89 764 581	(108 179 804)
Adjusted for:			
Accounting/specific adjustments:	**10 819 107**	**5 502 314**	**276 552 926**
Fair value adjustments to:	2 405 157	(8 796 757)	262 800 979
Fair value loss on loans to participants of Indluplace Share Purchase and Option Scheme	2 405 157	(8 796 757)	(6 816 935)
Investment property	-	-	269 617 914
Non-distributable deferred tax movement recognised in profit or loss	8 413 950	8 895 554	12 318 523
Non-distributable income tax movement recognised in profit or loss	-	5 403 517	-
Straight-lining operating lease adjustment	-	-	1 433 425
Foreign exchange and hedging items:	**(27 937 655)**	**(36 335 180)**	**(50 567 024)**
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(27 937 655)	(36 335 180)	(50 567 024)
Funds from operations	**55 125 732**	**58 931 715**	**117 806 099**
Available dividend per share (cents)	**17,5513**	**18,45325**	**37,5080**
Reported NAV attributable to the parent	2 175 854 721	2 405 200 505	2 191 028 233
Fair value of certain derivative financial instruments	29 513 056	71 682 553	57 450 711
Deferred tax	(11 475 881)	23 312 800	(19 889 831)
SA REIT NAV	**2 193 891 896**	**2 500 195 858**	**2 228 589 113**
Net asset value per share (cents)	698,51	782,88	709,55
Shares used in calculation of the dividends for the 6 and 12 months ended:			
31 March	314 082 990^	319 356 799^	319 356 799^
30 September			314 082 990^

^ - per IFRS 2, 22 440 285 shares have been excluded from the number of shares in issue

REIT Best Practices - Ratios

Cost-to-income ratio

R / UNAUDITED	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	154 924 494	157 537 176	336 674 685
Administration expenses per IFRS income statement	15 742 769	15 246 081	28 407 190
Exclude			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(1 077 885)	(79 084)	-
	169 589 378	**172 704 173**	**365 081 875**
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	229 633 220	241 993 891	490 138 346
Utility and operating recoveries per IFRS income statement	52 949 866	52 223 920	112 175 598
Gross rental income	**282 583 086**	**294 217 811**	**602 313 944**
SA REIT cost-to-income ratio	**60,0%**	**58,7%**	**60,6%**
SA REIT administrative cost-to-income ratio	**5,6%**	**5,2%**	**4,7%**
Cost of debt:			
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	6,1%	6,1%	5,6%
Pre-adjusted weighted average cost of debt	**6,1%**	**6,1%**	**5,6%**
Adjustments			
Impact of interest rate derivatives	2,5%	2,4%	2,5%
All-in weighted average cost of debt	**8,6%**	**8,5%**	**8,1%**

REIT Best Practices - Ratios

Loan-to-value

R	31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
Gross debt	1 390 677 475	1 477 053 377	1 388 225 303
Less:			
Cash and cash equivalents	(58 645 593)	(8 462 271)	(60 694 376)
Cash and cash equivalents Property manager accounts	-	(26 527 738)	-
Add:			
Derivative financial instruments	29 513 056	71 682 553	57 450 711
Net debt	**1 361 544 938**	**1 513 745 922**	**1 384 981 638**
Total assets – per Statement of Financial Position	3 711 978 726	4 076 407 245	3 755 895 252
Less:			
Cash and cash equivalents	(58 645 593)	(34 990 009)	(60 694 376)
Tenant deposits	(26 312 544)		(29 977 319)
Deferred tax	(11 475 881)	(23 213 800)	(19 889 831)
Right of use asset - IFRS 16	(4 110 565)		(4 603 833)
Trade and other receivables - Net	(60 564 976)	(71 025 261)	(49 409 271)
Carrying amount of property-related assets	**3 550 869 168**	**3 947 178 175**	**3 591 320 622**
Loan-to-value (ito REIT BPR)	**38,3%**	**38,4%**	**38,6%**

By order of the Board
18 May 2022

Directors S Noik (Chairperson)*^, C Abrams*^, C de Wit (CEO), T Kaplan (CFO), G Harris (COO), A Rehman*^, N Tetyana*^, D. Wilder*

* Non–executive, ^ Independent. All directors are South African.

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Computershare Investor Services Proprietary Limited

Sponsor
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Company secretary
CIS Company Secretaries Proprietary Limited

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