



FAIRVEST

LIMITED

COMING OF AGE

UNAUDITED CONDENSED CONSOLIDATED INTERIM
RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 31 MARCH 2023

HIGHLIGHTS



Robust performance in a challenging environment

Distribution of **64.60** cents per A share for the six months ended 31 March 2023

Distribution of **20.97** cents per B share for the six months ended 31 March 2023

Distributable income per B share for the full year expected to be in line with guidance of **40.50** to **42.00** cents per share

Pay-out ratio of **100%** maintained

Like-for-like net property income increased by **5.0%**

Vacancies at **5.96%**

Tenant retention improved to **90.7%**

Loan to value at **38.4%**

NATURE OF THE BUSINESS

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

Fairvest holds a portfolio of 137 retail, office and industrial properties valued at R11.9 billion (held directly and through subsidiaries). The average value per property held as at 31 March 2023 was R87.2 million.

As at 31 March 2023, Fairvest held a 60.9% interest (2022: 61.0%) in its subsidiary, Indluplace Properties Limited ("**Indluplace**"), which owns a portfolio of residential properties. In addition, Fairvest held a 5.1% interest (2022: 5.1%) in Dipula Income Fund Limited ("**Dipula**") at 31 March 2023.

DISCLOSURE

The merger between Arrowhead Properties Limited ("**Arrowhead**") and Fairvest Property Holdings Limited ("**Old Fairvest**") was implemented during the 2022 reporting period (the "**merger**"). Arrowhead, the legal acquiring entity, was renamed Fairvest Limited.

The commercial effective date of the merger was 1 October 2021. Any analysis of the prior period distributable income, distributable income per share and distribution per share refers to the six-month period ended 31 March 2022.

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

DISTRIBUTION ANALYSIS

DISTRIBUTABLE INCOME ANALYSIS

R'000 – Unaudited	Unaudited for the six months ended 31 March 2023	Unaudited for the six months ended 31 March 2022*#
Revenue (excluding straight-line rental income)	953 286	933 038
Sundry income	2 783	15 200
Operating costs	(387 262)	(400 021)
Administration and corporate costs	(43 786)	(44 598)
Finance charges	(228 000)	(196 004)
Finance income	13 136	16 848
Non-controlling interest share in distributable income	(1 677)	(18 712)
Distributable income from Fairvest's operations	308 480	305 751
Dividend receivable from Indluplace	20 036	25 219
Dividend receivable from Dipula	11 781	19 243
Distributable income	340 297	350 213
A share – distributable income for the six months period	40 514	38 585
B share – distributable income for the six months period	299 783	311 628
Total amount available for distribution	340 297	350 213
Distributable income/dividend per A share (cents) for the six months period	64.60	61.52
Distributable income/dividend per B share (cents) for the six months period	20.97	21.33

* The prior period was updated to deconsolidate Indluplace and disclose the dividend receivable separately.

For purposes of providing meaningful disclosure, the comparatives reflect a combination of those of Arrowhead and Old Fairvest for the six months ended 31 March 2022, excluding Indluplace which is disclosed separately.

During the current and previous period, the Group acquired all the remaining non-controlling shares in various subsidiaries resulting in the reduction in the non-controlling interest share in distributable income.

ANALYSIS OF DISTRIBUTABLE INCOME PER B SHARE

Cents per share – Unaudited	Unaudited for the six months ended 31 March 2023	Unaudited for the six months ended 31 March 2022
Distributable income		
Fairvest’s operations – core portfolio	39.25	37.31
Fairvest’s operations – income attributable to sold assets	0.33	0.20
Net finance cost	(15.03)	(12.26)
Head office and admin costs	(2.85)	(3.05)
Income from operations attributable to minority interests	(0.12)	(1.28)
Net distributable income from operations before listed investments	21.58	20.92
Income from Indluplace	1.40	1.73
Income from Dipula	0.82	1.32
Total distributable income	23.80	23.97
Minus distributable income to A shares	(2.83)	(2.64)
Total distributable income to B shares	20.97	21.33

COMMENTARY

CORE DIRECT PORTFOLIO (EXCLUDING DIPULA AND INDLUPLACE)

Like-for-like net property income on properties owned at 1 October 2022 and still owned on 31 March 2023

Description	Unaudited for the six months ended 31 March 2023	Unaudited for the six months ended 31 March 2022	Growth %
Revenue	944 639	910 532	3.7
Property expenses	(383 398)	(375 806)	2.0
Net operating income	561 241	534 726	5.0
Net income is split per sector as follows:			
Retail	389 129	375 932	3.5
Office	111 503	106 030	5.2
Industrial	60 609	52 764	14.9

DISPOSALS

For the six-month period 1 October 2022 to 31 March 2023

Asset class	Number	Sales value (R'm)	Book value (R'm)	(Discount)/ premium to book value %	Average yield %	Average price per asset (R'm)	Total GLA disposed	Vacancy %
Retail	1	5.2	3.8	37.3	(7.3)	5.2	877	100.0
Office	3	247.3	248.1	(0.3)	11.6	82.4	25 337	0.0
Total	4	252.5	251.9	0.2	11.2	63.1	26 214	3.3

There were four disposals during the period. A further 10 properties at a value of R442.1 million are currently classified as held-for-sale pending registration and transfer.

LISTED SECURITIES INCOME

On 17 May 2023, Dipula declared a final dividend of 25.85 cents per share which is payable on 12 June 2023. This income of R11.8 million for the period has been included 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.

SA Corporate Real Estate Limited (“SA Corporate”) has made an offer to acquire the entire issued share capital of Indluplace for R3.40 per share plus a clean-out distribution from which certain reserves will be withheld. The reserves include R45.0 million (15.2 cents per share) which is capital in nature which Fairvest will account for as a reduction in the consideration received, by adding it back to its own distributable income. The balance of the reserves to be withheld is currently projected to be approximately R27.0 million.

Indluplace has undertaken that other than the clean-out distribution, no distribution will be paid to shareholders until the earlier of the scheme of arrangement being implemented or lapsing.

Indluplace’s reported distributable income for the six months ended 31 March 2023 is R56.5 million. The distributable income attributable to Fairvest, adjusted for non-capital reserves expected to be withheld is R20.0 million and has been provided for in the distributable income calculation for the reporting period.

OPERATING COSTS

R’000 – Unaudited	Unaudited for the six months ended 31 March 2023	% of total	Unaudited for the six months ended 31 March 2022	% of total
Municipal expenses	261 817	68%	254 166	64%
Security	31 856	8%	29 454	7%
Property management	25 621	7%	23 362	6%
Other	15 757	4%	16 683	4%
Cleaning	12 716	3%	11 431	3%
Letting commission	10 716	3%	12 103	3%
Repairs and maintenance	10 291	3%	30 746	8%
Insurance	5 786	1%	5 040	1%
Building salaries	5 555	1%	5 657	1%
Meter reading fees	3 716	1%	3 565	1%
Bad debts	3 431	1%	7 815	2%
Total as per distributable income analysis	387 262		400 022	

In general, operating expenses increased in line with inflation. The substantial decrease in repairs and maintenance is largely attributable to riot-related expenses that were incurred in the prior period.

FINANCE INCOME

R'000 – Unaudited	Unaudited for the six months ended 31 March 2023	% of total	Unaudited for the six months ended 31 March 2022	% of total
Interest received from loans	4 991	38%	10 118	60%
Interest on Group share purchase and option schemes	4 089	31%	4 161	25%
Interest on cash balances and tenant arrears	4 056	31%	2 569	15%
Total as per distributable income analysis	13 136		16 848	

The loans provided under the Group share purchase and option schemes bear interest at a rate equal to the declared distributions. The interest received on loans receivable reduced due to a number of loans to non-controlling interests being repaid.

FINANCE COST

R'000 – Unaudited	Unaudited for the six months ended 31 March 2023	% of total	Unaudited for the six months ended 31 March 2022	% of total
Secured financial liabilities and swap facilities	216 598	95%	187 046	95%
Amounts owing to non-controlling interests	5 302	3%	3 201	2%
Lease liability and solar funding	3 260	1%	3 171	2%
Amortisation of structuring fee and other interest paid	2 840	1%	2 586	1%
Total as per distributable income analysis	228 000		196 004	

Finance costs increased due to the continued repo rate hikes imposed by the South African Reserve Bank during the period.

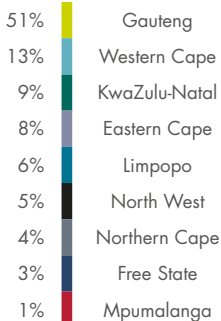
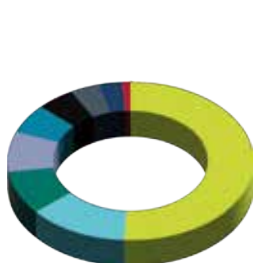
PROPERTY PORTFOLIO

At 31 March 2023, the direct property portfolio comprised 137 retail, industrial and office properties valued at R11.9 billion with an average property value of R87.2 million (R107.2 million for retail, R72.1 million for office and R48.8 million for industrial).

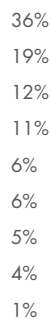
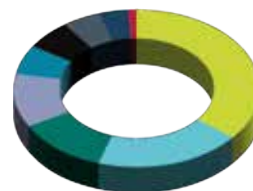
	Fairvest's property portfolio	
	Number of buildings	Value R'000
Balance at the beginning of the period	141	12 100 924
Capital expenditure and other	-	91 154
Fair value adjustments	-	(3 609)
Straight-lining and other	-	8 119
Disposals	(4)	(252 450)
Balance at the end of the period	137	11 944 138

The property portfolio comprises 76 retail, 26 industrial and 35 office properties made up as follows:

TOTAL GLA PER REGION



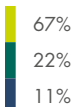
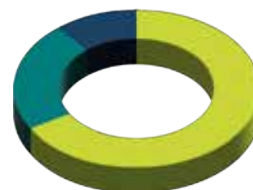
TOTAL REVENUE PER REGION



TOTAL GLA PER SECTOR



TOTAL REVENUE PER SECTOR



The average gross monthly rental per m² per sector was R151.80 for retail, R114.00 for office and R48.02 for industrial. Gross rental includes parking, fixed cost recoveries and rates recoveries. The average net monthly rental per m² per sector was R138.16 for retail, R98.27 for office and R45.51 for industrial.

CAPITAL EXPENDITURE

The Group continued to invest in its property portfolio over the reporting period with total capital expenditure of R91.2 million incurred, of which R10.3 million relates to further investments in solar initiatives.

	Capital expenditure R'000	Property value R'000	% of value spend
Retail	43 576	8 150 268	0.5%
Office	40 270	2 524 329	1.6%
Industrial	7 308	1 269 541	0.6%
	91 154	11 944 138	0.8%

SUSTAINABILITY

ENERGY MANAGEMENT

The Group has continued to invest in renewable energy. We have the following highlights to report for the period to 31 March 2023:

- 38 solar plants are fully operational with 16.4MWp of installed capacity.
- Solar plants produced 11.7% of the combined portfolio's electricity requirement for the six-month period.
- Clean energy to the value of R16.6 million has been produced for the period.
- Our first ground mount solar farm of 1MWp at Cleary Park Shopping Centre was switched on in January 2023, Eersterust Shopping Centre of 402kWp switched on in February 2023 and our 134kWp plant at Midrand IBG was switched on in March 2023.
- We have a further 12 approved plants in various stages of implementation which will add 7.6MWp capacity.

BACKUP POWER

The Group has developed a backup power strategy following the severe load shedding currently being experienced. Embedded in this strategy is the exploration of converting on-grid solar systems to off-grid/partially off-grid solar systems as well as utilising relevant technology including fuel saver equipment, batteries, and additional generator capacities. The strategy includes a variety of aspects such as generator maintenance, diesel cost management and a needs analysis within the portfolio. We commissioned our first solar-generator integration project at Midrand Gate and are currently exploring this integration at three more properties. We are exploring the feasibility of full backup battery-solar integration at two properties. Part of the backup power strategy is the exploration of battery backup on a smaller/tenant level scale. We have 47 installed generators owned and operated by the Group, being 11.9MVA of installed capacity. This equates to 42% of the portfolio GLA having access to partial or full backup power. Another five generators are on order. We have spent R8.3 million in six months on diesel of which 86.9% has been recovered from tenants.

WATER

A strong emphasis has been placed on water management, with the following highlights to report:

- Strategic installation of smart monitoring equipment completed at 12 properties to enable early leak detection.
- 13 ground water harvesting plants are in operation, with further plants in the exploration phase.
- Benchmarking on water usage across the portfolio is being implemented to identify high users and to implement strategic water saving initiatives.

LETTING ACTIVITY

In what has been a very challenging economic environment we have experienced positive letting activity and a strong performance from the portfolio. Vacancies have increased slightly from 5.93% at 30 September 2022 (retail 4.3%, office 13.6% and industrial 1.0%) to 5.96% at 31 March 2023 (retail 4.3%, office 13.9% and industrial 1.5%).

For the period ended 31 March 2023, GLA of 103 545m² came up for renewal, of which 81 505m² was renewed or re-let, therefore aggregate retention was 90.7% of GLA. Rental reversions were positive at 1.8% overall, comprising retail +2.3%, office -1.3% and industrial +4.3%.

New deals in respect of 49 430m² were concluded for the period ended 31 March 2023.

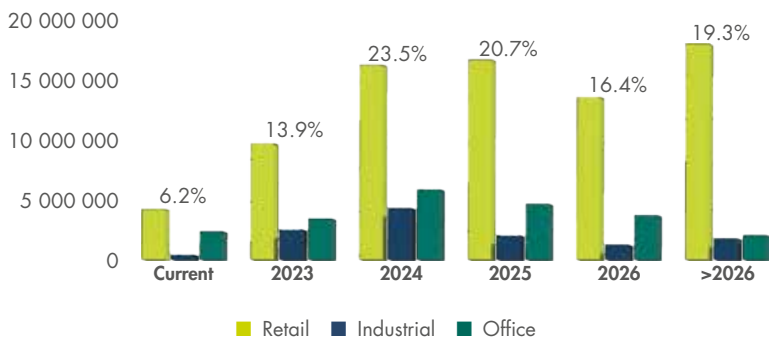
The weighted average lease escalation across the portfolio was 6.6%, with retail at 6.5%, office at 6.9% and industrial at 6.8%. The weighted average lease expiry was 26.3 months.

LEASE EXPIRY PROFILE

The lease expiry profile at 31 March 2023 was as follows:



COMBINED LEASE EXPIRY PROFILE BY REVENUE



LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND OPTION SCHEMES

The loans to the participants of the Group share purchase and option 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, 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 R4.8 billion which, net of cash and cash equivalents, represent a Group SA REIT loan to value (“LTV”) of 38.4%.

Excess funds are deposited into access facilities to reduce the overall interest charge. The weighted average interest rate for the period ended was 9.22% (2022: 8.97%) for the Group with a weighted average maturity of 1.5 years. The increase in interest rate is a result of the increase in the South African Reserve Bank repo rate.

The Group has loan facilities of R2.3 billion which expire within the next 12 months. We have embarked on a syndicated loan process to re-finance these maturities and streamline the borrowing structure for the Group. We have received credit approved commitments from all our lenders, resulting in a heavily oversubscribed transaction. We are in the process finalising the loan documentation and expect funds to flow in the next six weeks. Once implemented, we expect our weighted average debt maturity to increase from 1.5 years to 2.7 years. The weighted average cost of debt of the loans refinanced through the syndicated transaction will be materially lower than the current cost of debt.

At its current LTV of 38.4%, Fairvest is well within the Group and portfolio LTV covenants in respect of its facilities. The Group interest cover ratio (“ICR”) is 2.5 times, which is in excess of the two times cover required by its funders and also well above the portfolio ICR covenants of all funders. As at 31 March 2023, the Group (excluding Indluplace) had cash on hand and undrawn debt facilities of approximately R360.4 million.

Maturity date	Debt facilities R'000	Interest rate swaps R'000
Expiring in the next 12 months	2 313 803	1 698 297
Expiring in the next 24 months	919 613	1 227 000
Expiring in the next 36 months	1 056 535	500 000
Expiring in the next 48 months	528 400	–
	4 818 351	3 425 297

The Group has entered into interest rate swaps to hedge its exposure to interest rate fluctuations on its debt. The interest rate swaps of R3.4 billion equate to 71.1% of debt being hedged. The interest rate swaps have a 1.0 year weighted average maturity.

ANALYSIS OF NET ASSET VALUE

	Unaudited for the six months ended 31 March 2023	Unaudited for the six months ended 31 March 2022	Audited for the year ended 30 September 2022
Number of Fairvest ordinary shares in issue			
– Fairvest A shares	62 718 658	62 718 658	62 718 658
– Fairvest B shares	1 429 916 223	1 460 863 899	1 460 863 899
Net asset value per share (Rand)			
– Fairvest A shares	13.71	14.90	13.19
– Fairvest B shares*	4.77	4.91	5.19
Excludes treasury shares of:			
– Fairvest B shares	65 830 871	33 278 933	33 278 933

* 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.

The number of B shares in issue changed as follows during the period:

	Fairvest B shares
Opening balance at 1 October 2022	1 460 863 899
Shares issued in terms of the Conditional Share Plan	1 604 260
Shares bought back at an average price of R3.07	(32 551 936)
Closing balance at 31 March 2023	1 429 916 223

PROSPECTS

High inflation, load shedding and dysfunctional local municipalities are expected to continue to negatively impact economic growth. The challenging operating environment is expected to continue, with the current higher interest rates to remain.

The Group's strategic objective remains to move towards a retail focused fund, by recycling out of non-core assets, with disposals expected to continue. The focus for the remainder of the financial year will be to further reduce vacancies, to implement additional operational efficiencies and realise further synergies from the merger. We project net property income growth from all sectors on a like-for-like basis for the full financial year to be achieved.

The guidance previously provided is reaffirmed, as we anticipate distributable earnings per B share for the full financial year of between 40.50 and 42.00 cents per B share. Additionally, as per the Group's memorandum of incorporation, distribution per A share will increase by the lesser of 5% or the most recent Consumer Price Index ("CPI").

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 before any changes are implemented.

This forecast assumes that there is no material deterioration in the current macroeconomic environment, that total grid failure does not occur, that no major corporate and tenant failures will occur, that no civil unrest events occur and that tenants will be able to absorb increases in municipal and utility costs. Forecast rental income is based on contractual lease terms and anticipated market-related renewals. This forecast further assumes that Dipula will continue to pay distributions in line with expectations for the current year and that the Indluplace scheme of arrangement is implemented in accordance with the terms and timelines previously reported.

This forecast is the responsibility of the Board and has not been reviewed or reported on by the auditors.

DECLARATION OF DIVIDEND FOR THE PERIOD ENDED 31 MARCH 2023

The Board has resolved to declare an interim dividend (dividend number 16) of 64.59600 cents per A share and 20.96506 per B share, being 100% of the distributable income for the period (2022: 100%). The dividend will be paid to shareholders in accordance with the timetable set out below:

	2023
Last date to trade <i>cum</i> distribution	Tuesday, 20 June
Shares trade <i>ex</i> -distribution	Wednesday, 21 June
Record date	Friday, 23 June
Payment date	Monday, 26 June

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 June 2023 and Friday, 23 June 2023, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 26 June 2023. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (“CSDP”) accounts/broker accounts on Monday, 26 June 2023. Certificated shareholders’ dividend payments will be deposited on or about Monday, 26 June 2023 into certificated shareholders’ bank accounts.

Tax implications

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 ceases 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 above mentioned 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. Dividend 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 51.67680 cents per A share. The net dividend amount due to non-resident shareholders in respect of the interim dividend per B share is 16.77205 cents. 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 ceases 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 above mentioned 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: 1 495 747 091

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 2023 and the date of this report which may materially affect the financial position of the Group or the results of its operations.

RELATED PARTY TRANSACTIONS

No related party transactions occurred during the period.

GOING CONCERN

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

At face value the current liabilities are higher than the current assets. However, negotiations with debt providers are in an advanced stage for debt facilities maturing during the next nine months and these are expected to be refinanced at least at current levels. Furthermore, the Group has access to undrawn unrestricted cash facilities of R360.4 million and has concluded property sale agreements in excess of R442.1 million which are expected to transfer in the next 12 months.

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 impact 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 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 March 2023

R'000	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022 [#]	Audited for the 15 months ended 30 September 2022 [#]
Contractual rental income	951 585	633 719	1 584 901
Straight-line rental income accrual	3 607	(8 821)	(19 577)
Sundry income	2 783	13 580	19 329
Property income	957 975	638 478	1 584 653
Operating costs	(386 545)	(261 870)	(653 639)
Administration and corporate costs	(50 414)	(31 660)	(95 372)
Contract cancellation fees	–	(133 873)	(133 873)
Profit from operations	521 016	211 075	701 769
Finance income	13 136	22 475	38 549
Finance charges	(228 000)	(126 581)	(332 556)
Dividends received	14 127	4 924	24 167
Changes in fair values and impairments	(3 452)	49 144	425 327
Gain on bargain purchase	–	1 406 658	1 406 658
Profit before capital expenses	316 827	1 567 695	2 263 914
Capital expenses	(279)	(72 005)	(74 556)
Profit before taxation	316 548	1 495 690	2 189 358
Taxation	–	653	1 445
Income from continuing operations	316 548	1 496 343	2 190 803
(Loss)/income from discontinued operations	(948 564)	31 673	(27 563)
Total comprehensive (loss)/income	(632 016)	1 528 016	2 163 240
(Loss)/income for the period attributable to:			
Equity shareholders of Fairvest:			
From continuing operations	310 214	1 459 535	2 137 180
From discontinued operations	(578 091)	19 320	(16 813)
	(267 877)	1 478 855	2 120 367
Non-controlling interest:			
From continuing operations	6 334	36 808	53 623
From discontinued operations	(370 473)	12 353	(10 750)
	(364 139)	49 161	42 873
Total comprehensive (loss)/income attributable to:			
Equity shareholders of Fairvest	(267 877)	1 478 855	2 120 367
Non-controlling interest	(364 139)	49 161	42 873
Total comprehensive (loss)/income for the year	(632 016)	1 528 016	2 163 240

[#] The comparative reporting periods have been restated pursuant to the decision to dispose of the Group's investment in Indulplace Properties Limited which has, in accordance with the requirements of IFRS 5, been reclassified as a discontinued operation.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONTINUED

for the period ended 31 March 2023

Cents	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Audited for the 15 months ended 30 September 2022
From continuing operations:			
Basic earnings per A share in issue*	57.26	157.63	206.28
Diluted earnings per A share in issue*	57.26	157.63	206.28
Headline earnings/(loss) per A share in issue*	57.81	(17.15)	48.73
Headline diluted earnings/(loss) per A share in issue*	57.81	(17.15)	48.73
Basic earnings per B share in issue*	18.81	180.22	193.49
Diluted earnings per B share in issue*	18.56	178.60	191.16
Headline earnings per B share in issue*	19.36	5.44	35.94
Headline diluted earnings per B share in issue*	19.10	5.39	35.51
From discontinued operations:			
Basic (loss)/earnings per A share in issue*	(33.93)	2.36	0.61
Diluted (loss)/earnings per A share in issue*	(33.93)	2.36	0.61
Headline earnings per A share in issue*	6.90	2.36	8.41
Headline diluted earnings per A share in issue*	6.90	2.36	8.41
Basic (loss)/earnings per B share in issue*	(38.18)	2.36	(1.66)
Diluted (loss)/earnings per B share in issue*	(37.67)	2.34	(1.64)
Headline earnings per B share in issue*	2.65	2.36	6.14
Headline diluted earnings per B share in issue*	2.61	2.34	6.07
In total:			
Basic earnings per A share in issue*	23.33	159.99	206.89
Diluted earnings per A share in issue*	23.33	159.99	206.89
Headline earnings/(loss) per A share in issue*	64.71	(14.79)	57.14
Headline diluted earnings/(loss) per A share in issue*	64.71	(14.79)	57.14
Basic (loss)/earnings per B share in issue*	(19.37)	182.58	191.83
Diluted (loss)/earnings per B share in issue*	(19.11)	180.94	189.52
Headline earnings per B share in issue*	22.01	7.80	42.08
Headline diluted earnings per B share in issue*	21.71	7.73	41.58

* Refer to note: Restatement of earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share for details of the restatement.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

R'000	Unaudited at 31 March 2023	Unaudited at 31 March 2022	Audited at 30 September 2022
Assets			
Non-current assets	11 808 018	15 453 885	15 234 975
Investment property	11 502 064	15 060 878	14 872 881
Fair value of property portfolio	11 305 935	14 871 549	14 679 221
Straight-line rental income accrual	196 129	189 329	193 660
Right-of-use assets	2 318	3 161	2 740
Deferred tax	–	12 150	2 568
Property, plant and equipment	828	5 212	4 446
Loans to participants of Group share purchase and option schemes	59 484	126 297	105 642
Financial assets	200 000	200 013	196 816
Derivatives	19 991	–	36 102
Loans receivable	23 333	45 207	13 780
Trade and other receivables	–	967	–
Current assets	351 610	563 561	495 693
Trade and other receivables	184 155	273 040	218 252
Current tax receivable	3	633	9
Loan receivable	26 543	134 854	118 677
Derivatives	2 419	–	–
Amounts owing by non-controlling interests	–	18 972	24 186
Cash and cash equivalents	138 490	136 062	134 569
Non-current assets and assets in disposal group held-for-sale	2 962 444	191 688	584 074
Total assets	15 122 072	16 209 134	16 314 742
Equity and liabilities			
Shareholders' interest	7 687 568	8 108 089	8 409 164
Stated capital	5 169 998	5 265 350	5 269 499
Reserves	17 163	9 250	14 564
Retained income	2 500 407	2 833 489	3 125 101
Non-controlling interest	455 302	1 035 739	984 874
Other non-current liabilities	2 591 214	3 430 882	3 713 045
Deferred tax	3 915	5 398	3 915
Interest-bearing borrowings	2 457 305	3 132 665	3 549 738
Lease liabilities	37 612	75 979	71 649
Derivatives	1 074	94 907	884
Deposits received	65 004	70 468	64 052
Amounts owing to non-controlling interests	26 304	51 465	22 807
Current liabilities	2 937 459	3 634 424	3 207 659
Interest-bearing borrowings	2 356 146	2 984 782	2 570 313
Derivatives	–	–	3 385
Lease liabilities	1 574	11 434	11 063
Trade and other payables	548 749	593 680	596 879
Amounts owing to non-controlling interests	30 990	44 528	26 019
Liabilities in disposal group classified as held-for-sale	1 450 529	–	–
Total equity and liabilities	15 122 072	16 209 134	16 314 742

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March 2023

R'000	Stated capital	Reserves	Retained income	Non-controlling interest	Total
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
Total comprehensive income for the period	–	–	641 512	(6 288)	635 224
Shares issued	4 149	–	–	–	4 149
Acquisition of non-controlling interest	–	–	–	(29 366)	(29 366)
Employee share schemes – value	–	5 314	–	915	6 229
Dividend paid	–	–	(349 900)	(16 126)	(366 026)
Balance at 30 September 2022	5 269 499	14 564	3 125 101	984 874	9 394 038
Total comprehensive loss for the period	–	–	(267 877)	(364 139)	(632 016)
Share buy-backs	(100 008)	–	–	–	(100 008)
Acquisition of non-controlling interest	–	–	2 372	(115 862)	(113 490)
Dilution of shareholding in subsidiary	–	–	(907)	2 037	1 130
Employee share schemes – value of employee service	–	3 106	–	–	3 106
Employee share scheme – shares vested during the period	507	(507)	–	–	–
Dividends paid	–	–	(358 282)	(51 608)	(409 890)
Balance at 31 March 2023	5 169 998	17 163	2 500 407	455 302	8 142 870

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 March 2023

R'000	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022 [#]	Audited for the 15 months ended 30 September 2022 [#]
Cash flows from/(used in) operating activities	14 279	(91 648)	(17 240)
Cash generated from operations	552 498	170 032	714 241
Cash generated from operations – discontinued operations	46 954	17 763	99 217
Finance charges paid	(228 000)	(107 143)	(325 169)
Finance income received	13 136	17 830	5 550
Dividends received	14 127	4 924	24 167
Tax received/(paid)	6	(3)	604
Dividends paid	(384 442)	(195 051)	(535 850)
Cash flows from investing activities	21 191	244 570	208 522
Acquisition of property, plant and equipment	–	(310)	(782)
Acquisition of and improvements to investment property	(102 172)	(34 123)	(92 334)
Proceeds from disposal of investment property (including held-for-sale)	119 300	39 060	65 546
Business combinations	–	133 109	133 109
Net cash outflow from investing activities – discontinued operations	(713)	(5 352)	(16 221)
Proceeds from repayments of loans receivable	5 891	121 422	133 654
Amounts owing by non-controlling interests raised	(1 115)	(10 923)	(16 192)
Repayment of amounts owing by non-controlling interests	–	1 687	1 742
Cash flows used in financing activities	19 254	(32 122)	(71 975)
Proceeds from issue of shares	–	(320)	–
Acquisition of additional interest in subsidiary	(15 903)	–	(27 713)
Cost incurred in buy back of share capital	(100 008)	–	–
Net cash inflow/(outflow) from financing activities – discontinued operations	3 902	(35 764)	(71 767)
Proceeds from borrowings	718 846	59 083	2 479 646
Repayment of borrowings	(537 750)	–	(2 387 203)
Movement amounts owing to non-controlling interests raised	(6 307)	(53 258)	(58 805)
Repayment on lease liabilities	(43 526)	(1 863)	(6 133)
Total cash movement for the period	54 724	120 800	119 307
Cash and cash equivalents at the beginning of the period	134 569	15 262	15 262
Cash and cash equivalents at the end of the period	189 293	136 062	134 569
Continued operations	138 490	50 208	74 892
Discontinued operations	50 803	85 854	59 677

[#] The comparative reporting periods have been restated pursuant to the decision to dispose of the Group's investment in Indulpage Properties Limited which has, in accordance with the requirements of IFRS 5 been classified as a discontinued operation.

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the period ended 31 March 2023

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	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
31 March 2023											
Contractual rental income	347 392	179 540	117 004	93 741	61 788	12 601	59 322	39 941	38 599	1 657	951 585
Straightline rental income	1 186	670	612	345	299	22	141	86	246	-	3 607
Sundry income	422	1 119	340	2	2	3	-	261	74	560	2 783
Operating costs and administrative costs	(167 116)	(62 372)	(45 536)	(35 974)	(16 341)	(5 113)	(17 405)	(17 335)	(14 486)	(55 281)	(436 959)
Profit/(loss) from operations	181 884	118 957	72 420	58 114	45 748	7 513	42 058	22 953	24 433	(53 064)	521 016
Interest received	610	164	510	46	368	3	43	32	22	11 338	13 136
Finance charges	(77)	(43)	(73)	(4)	4	(2)	(666)	-	-	(227 139)	(228 000)
Listed securities income	-	-	-	-	-	-	-	-	-	14 127	14 127
Changes in fair values	(1)	-	(7 317)	-	-	-	-	-	-	3 866	(3 452)
Capital expenses	-	-	-	-	-	-	-	-	-	(279)	(279)
Profit/(loss) before taxation	182 416	119 078	65 540	58 156	46 120	7 514	41 435	22 985	24 455	(251 151)	316 548
Taxation	-	-	-	-	-	-	-	-	-	-	-
Income/(loss) from continuing operations	182 416	119 078	65 540	58 156	46 120	7 514	41 435	22 985	24 455	(251 151)	316 548
Loss from discontinued operations	(777 137)	-	(3 051)	-	-	(56 295)	-	-	(5 900)	(106 181)	(948 564)
Total comprehensive (loss)/income	(594 721)	119 078	62 489	58 156	46 120	(48 781)	41 435	22 985	18 555	(357 332)	(632 016)
Reportable segment assets	6 388 992	2 713 012	1 474 195	1 179 873	893 852	318 249	744 275	499 970	564 912	344 742	15 122 072
Reportable segment liabilities	(288 643)	(124 209)	(155 551)	(60 332)	(54 057)	(17 271)	(70 109)	(45 557)	(46 394)	(6 117 079)	(6 979 202)
	6 100 349	2 588 803	1 318 644	1 119 541	839 795	300 978	674 166	454 413	518 518	(5 772 337)	8 142 870

SECTORAL

R'000	Office	Industrial	Retail	Residential	Overheads	Total
31 March 2023						
Contractual rental income	226 874	105 060	617 615	379	1 657	951 585
Straight-line rental income	485	418	2 683	21	-	3 607
Sundry income	5	-	2 218	-	560	2 783
Operating costs and administrative costs	(107 241)	(44 470)	(229 848)	(119)	(55 281)	(436 959)
Profit/(loss) from operations	120 123	61 008	392 668	281	(53 064)	521 016
Interest received	91	288	1 419	-	11 338	13 136
Finance charges	(68)	(38)	(755)	-	(227 139)	(228 000)
Listed securities income	-	-	-	-	14 127	14 127
Changes in fair values	-	-	(7 318)	-	3 866	(3 452)
Capital expenses	-	-	-	-	(279)	(279)
Profit/(loss) before taxation	120 146	61 258	386 014	281	(251 151)	316 548
Taxation	-	-	-	-	-	-
Income/(loss) from continuing operations	120 146	61 258	386 014	281	(251 151)	316 548
Loss from discontinued operations	-	-	-	(842 383)	(106 181)	(948 564)
Total comprehensive (loss)/ income	120 146	61 258	386 014	(842 102)	(357 332)	(632 016)
Reportable segment assets	2 557 246	1 309 479	8 567 916	2 342 689	344 742	15 122 072
Reportable segment liabilities	(164 553)	(59 672)	(636 704)	(1 194)	(6 117 079)	(6 979 202)
	2 392 693	1 249 807	7 931 212	2 341 495	(5 772 337)	8 142 870

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS CONTINUED

GEOGRAPHICAL

R'000	Gauteng	Western Cape	KwaZulu- Natal	Eastern Cape	Limpopo	Mpuma- langa	North West	Northern Cape	Free State	Other	Total
30 September 2022											
Contractual rental income	525 921	288 813	239 563	154 067	98 246	27 659	80 041	81 913	88 052	626	1 584 901
Straightline rental income	(14 128)	1 882	(5 147)	372	996	(285)	(56)	(3 060)	(151)	-	(19 577)
Sundry income	10 709	1 012	4 932	648	56	33	-	702	176	1 061	19 329
Operating costs and administrative costs	(273 712)	(106 208)	(92 331)	(59 578)	(25 766)	(13 751)	(30 057)	(34 585)	(32 089)	(80 934)	(749 011)
Contract cancellation fees	-	-	-	-	-	-	-	-	-	(133 873)	(133 873)
Profit/(loss) from operations	248 790	185 499	147 017	95 509	73 532	13 656	49 928	44 970	55 988	(213 120)	701 769
Interest received	1 203	236	692	80	2 865	15	88	74	47	33 249	38 549
Finance charges	(776)	(115)	(24)	(6)	8	(17)	(1 828)	(1)	-	(329 897)	(332 556)
Dividend received	-	-	-	-	-	-	-	-	-	24 167	24 167
Changes in fair values	6 057	115 053	68 030	54 419	8 654	5 008	11 125	35 609	25 099	96 273	425 327
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	1 406 658	1 406 658
Capital expenses	-	-	-	-	-	-	-	-	-	(74 556)	(74 556)
Profit before taxation	255 274	300 773	215 715	150 002	85 059	18 662	59 313	80 652	81 134	942 774	2 189 358
Taxation	-	-	-	-	-	-	-	-	-	1 445	1 445
Income from continuing operations	255 274	300 773	215 715	150 002	85 059	18 662	59 313	80 652	81 134	944 219	2 190 803
(Loss)/income from discontinued operations	108 663	-	473	-	-	15 931	-	-	1 669	(154 299)	(27 563)
Total comprehensive income	363 937	300 773	216 188	150 002	85 059	34 593	59 313	80 652	82 803	789 920	2 163 240
Reportable segment assets	7 276 390	2 628 646	1 587 638	1 223 524	857 842	386 054	741 404	442 945	527 890	642 409	16 314 742
Reportable segment liabilities	(305 080)	(52 475)	(53 718)	(25 691)	(34 667)	(8 124)	(71 201)	(15 901)	(8 611)	(6 345 236)	(6 920 704)
	6 971 310	2 576 171	1 533 920	1 197 833	823 175	377 930	670 203	427 044	519 279	(5 702 827)	9 394 038

SECTORAL

R'000	Office	Industrial	Retail	Residential	Overheads	Total
30 September 2022						
Contractual rental income	307 957	131 999	1 144 268	51	626	1 584 901
Straight-line rental income	(10 742)	(1 990)	(6 845)	–	–	(19 577)
Sundry income	80	–	18 188	–	1 061	19 329
Operating costs and administrative costs	(154 296)	(70 644)	(443 022)	(115)	(80 934)	(749 011)
Contract cancellation fees	–	–	–	–	(133 873)	(133 873)
Profit/(loss) from operations	142 999	59 365	712 589	(64)	(213 120)	701 769
Interest received	456	282	4 562	–	33 249	38 549
Finance charges	185	(670)	(2 174)	–	(329 897)	(332 556)
Listed securities income	–	–	–	–	24 167	24 167
Changes in fair values	(69 990)	45 101	350 581	3 362	96 273	425 327
Gain on bargain purchase	–	–	–	–	1 406 658	1 406 658
Capital expenses	–	–	–	–	(74 556)	(74 556)
Profit before taxation	73 650	104 078	1 065 558	3 298	942 774	2 189 358
Taxation	–	–	–	–	1 445	1 445
Income from continuing operations	73 650	104 078	1 065 558	3 298	944 219	2 190 803
Income/(loss) from discontinued operations	–	–	–	126 736	(154 299)	(27 563)
Total comprehensive income	73 650	104 078	1 065 558	130 034	789 920	2 163 240
Reportable segment assets	2 813 462	1 289 159	8 162 738	3 406 974	642 409	16 314 742
Reportable segment liabilities	(142 610)	(56 720)	(285 519)	(90 619)	(6 345 236)	(6 920 704)
	2 670 852	1 232 439	7 877 219	3 316 355	(5 702 827)	9 394 038

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS CONTINUED

GEOGRAPHICAL

R'000	Gauteng	Western Cape	KwaZulu- Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
31 March 2022											
Contractual rental income	185 158	113 299	116 455	58 630	36 768	13 869	19 946	42 036	50 049	(2 491)	633 719
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	(86 653)	(43 875)	(45 575)	(21 779)	(10 646)	(6 638)	(7 808)	(19 224)	(19 597)	(31 735)	(293 530)
Contract cancellation fees	-	-	-	-	-	-	-	-	-	(133 873)	(133 873)
Profit/(loss) from operations	102 285	71 534	69 887	37 319	26 889	6 952	12 100	21 641	30 569	(168 101)	211 075
Interest received	427	143	330	44	51	4	26	44	23	21 383	22 475
Finance charges	(183)	(117)	(1)	(4)	1	(5)	(927)	(1)	-	(125 344)	(126 581)
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	24 783	49 144
Gain on bargain purchase	-	-	-	-	-	-	-	-	-	1 406 658	1 406 658
Capital expenses	-	-	-	-	-	-	-	-	-	(72 005)	(72 005)
Profit before taxation	94 668	90 730	70 786	41 371	27 213	7 283	11 931	25 483	33 927	1 092 298	1 495 690
Taxation	-	-	-	-	-	-	-	-	-	653	653
Income from continuing operations	94 668	90 730	70 786	41 371	27 213	7 283	11 931	25 483	33 927	1 092 951	1 496 343
(Loss)/income from discontinued operations	48 134	-	194	-	-	3 677	-	-	365	(20 697)	31 673
Total comprehensive income	142 802	90 730	70 980	41 371	27 213	10 960	11 931	25 483	34 292	1 072 254	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	Commercial	Industrial	Retail	Residential	Overheads	Total
31 March 2022						
Contractual rental income	88 121	31 412	516 679	–	(2 493)	633 719
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)	–	(31 735)	(293 530)
Contract cancellation fees	–	–	–	–	(133 873)	(133 873)
Profit/(loss) from operations	44 085	18 723	316 369	–	(168 102)	211 075
Interest received	172	105	814	–	21 384	22 475
Finance charges	(115)	(36)	(1 086)	–	(125 344)	(126 581)
Listed securities income	–	–	–	–	4 924	4 924
Changes in fair values	(228)	308	28 009	(3 727)	24 782	49 144
Gain on bargain purchase	–	–	–	–	1 406 658	1 406 658
Capital expenses	–	–	–	–	(72 005)	(72 005)
Profit/(loss) before taxation	43 914	19 100	344 106	(3 727)	1 092 297	1 495 690
Taxation	–	–	–	–	653	653
Income/(loss) from continuing operations	43 914	19 100	344 106	(3 727)	1 092 950	1 496 343
(Loss)/income from discontinued operations	–	–	–	(52 370)	84 043	31 673
Total comprehensive income/(loss)	43 914	19 100	344 106	(56 097)	1 176 993	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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

These unaudited condensed consolidated interim results for the period ended 31 March 2023 have not been reviewed or reported on by the Group's auditors, BDO South Africa Incorporated.

These unaudited condensed consolidated interim results for the period ended 31 March 2023 ("**consolidated results**") have been prepared in accordance with the requirements of International Financial Reporting Standards ("**IFRS**"), IAS 34: *Interim Financial Reporting*, Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa 2008. The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous period. 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 October 2022 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 September 2022.

RECONCILIATION OF EARNINGS TO HEADLINE EARNINGS

	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Unaudited for the 15 months ended 30 September 2022
From continuing operations:			
Profit for the year attributable to Fairvest shareholders	310 214	1 459 535	2 137 180
<i>Adjusted for:</i>			
Change in fair value of investment property	8 277	(28 661)	(328 956)
Change in fair value of investment property – non-controlling interest	(20)	5 345	832
Loss on sale of investment property	142	763	1 141
Loss on sale of investment property – non-controlling interest	–	–	(3)
Gain on bargain purchase	–	(1 406 658)	(1 406 658)
Headline profit attributable to shareholders	318 613	30 324	403 536
From discontinued operations:			
(Loss)/profit for the year attributable to Fairvest shareholders	(578 091)	19 320	(16 813)
<i>Adjusted for:</i>			
Change in fair value of investment property	–	–	140 712
Change in fair value of investment property – non-controlling interest	–	–	(54 882)
Fair value adjustment	1 019 819	–	–
Fair value adjustment – non-controlling interest	(398 776)	–	–
Headline profit attributable to shareholders	42 952	19 320	69 017
In total:			
(Loss)/profit for the year attributable to Fairvest shareholders	(267 877)	1 478 855	2 120 367
<i>Adjusted for:</i>			
Change in fair value of investment property	8 277	(28 661)	(188 244)
Change in fair value of investment property – non-controlling interest	(20)	5 345	(54 050)
Loss on sale of investment property	142	763	1 141
Loss on sale of investment property – non-controlling interest	–	–	(3)
Gain on bargain purchase	–	(1 406 658)	(1 406 658)
Fair value adjustment	1 019 819	–	–
Fair value adjustment – non-controlling interest	(398 776)	–	–
Headline profit attributable to shareholders	361 565	49 644	472 553

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Basic earnings, diluted earnings, headline earnings and diluted headline earnings attributable to the A and B classes of ordinary shares, respectively, are determined as follows for purposes of calculating earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share:

For each of the A and B classes of shares:

- Any dividends paid in the relevant financial period are first allocated to the relevant class of shares; and
- thereafter, any remaining basic earnings/(loss), diluted earnings/(loss), headline earnings/(loss) and diluted headline earnings/(loss) of the Company, not yet allocated by way of dividends paid in the period, are allocated to each A and B share on a *pari passu* basis.

The application of IAS 33: *Earnings per Share*, paragraph A14, results in the allocation of earnings to each class of ordinary shares, firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter by the allocation of remaining earnings by the participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fairvest MOI provides that other than a (i) distribution of income, if declared; or (ii) capital participation rights on winding up of the Company, the A and B shares rank *pari passu*.

Therefore, in the absence of events (i) or (ii), the *pari passu* principle for each A share and each B share has been applied as the participation feature in the allocation of any remaining earnings/(loss).

Given the nature of the business, Fairvest uses dividend per share as its key performance measure as it is considered a more relevant performance measure than the above mentioned earnings or headline earnings per share metric which is calculated in accordance with IAS 33.A14.

ALLOCATION OF BASIC EARNINGS AND HEADLINE EARNINGS TO A AND B SHARES

	Unaudited for the six months ended 31 March 2023	Restated unaudited for the nine months ended 31 March 2022	Restated audited for the 15 months ended 30 September 2022
From continuing operations:			
Basic and diluted earnings for the period attributable to equity holders			
Dividends paid to A shareholders	36 538	–	35 807
Remaining basic (loss)/earnings to be allocated <i>pari passu</i> per A and B share	(627)	98 863	93 568
Total A share basic and diluted earnings	35 911	98 863	129 375
Dividends paid to B shareholders	288 879	170 560	459 754
Remaining basic (loss)/earnings to be allocated <i>pari passu</i> per A and B share	(14 576)	1 190 112	1 548 051
Total B share basic and diluted earnings	274 303	1 360 672	2 007 805
Total A and B share basic and diluted earnings	310 214	1 459 535	2 137 180

	Unaudited for the six months ended 31 March 2023	Restated unaudited for the nine months ended 31 March 2022	Restated audited for the 15 months ended 30 September 2022
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	36 538	–	35 807
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(281)	(10 756)	(5 245)
Total A share headline and diluted headline earnings/(loss)	36 257	(10 756)	30 562
Dividends paid to B shareholders	288 879	170 560	459 754
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(6 523)	(129 480)	(86 780)
Total B share headline and diluted headline earnings	282 356	41 080	372 974
Total A and B share headline and diluted headline earnings	318 613	30 324	403 536
From discontinuing operations:			
Basic and diluted earnings for the period attributable to equity holders			
Dividends paid to A shareholders	4 042	–	2 777
Remaining basic earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(25 320)	1 482	(2 395)
Total A share basic and diluted (loss)/earnings	(21 278)	1 482	382
Dividends paid to B shareholders	31 956	–	22 434
Remaining basic earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(588 769)	17 838	(39 629)
Total B share basic and diluted (loss)/earnings	(556 813)	17 838	(17 195)
Total A and B share basic and diluted (loss)/earnings	(578 091)	19 320	(16 813)
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	4 042	–	2 778
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	287	1 482	2 497
Total A share headline and diluted headline earnings	4 329	1 482	5 275
Dividends paid to B shareholders	31 956	–	22 434
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	6 667	17 838	41 309
Total B share headline and diluted headline earnings	38 623	17 838	63 743
Total A and B share headline and diluted headline earnings	42 952	19 320	69 018

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Unaudited for the 15 months ended 30 September 2022
In total:			
Basic and diluted earnings for the period attributable to equity holders			
Dividends paid to A shareholders	40 580	–	38 585
Remaining basic earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(25 946)	100 345	91 173
Total A share basic and diluted earnings	14 634	100 345	129 758
Dividends paid to B shareholders	320 835	170 560	482 188
Remaining basic earnings/(loss) to be allocated <i>pari passu</i> per A and B share	(603 346)	1 207 950	1 508 421
Total B share basic earnings	(282 511)	1 378 510	1 990 609
Total A and B share basic and diluted earnings	(267 877)	1 478 855	2 120 367
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	40 580	–	38 585
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	6	(9 274)	(2 748)
Total A share headline and diluted headline earnings	40 586	(9 274)	35 837
Dividends paid to B shareholders	320 835	170 560	482 188
Remaining headline earnings/(loss) to be allocated <i>pari passu</i> per A and B share	144	(111 642)	(45 472)
Total B share headline and diluted headline earnings	320 979	58 918	436 716
Total A and B share headline and diluted headline earnings	361 565	49 644	472 553

BASIC EARNINGS, DILUTED EARNINGS, HEADLINE EARNINGS AND DILUTED HEADLINE EARNINGS PER SHARE

Cents	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Unaudited for the 15 months ended 30 September 2022
From continuing operations:			
Basic earnings per A share in issue	57.26	157.63	206.28
Diluted earnings per A share in issue	57.26	157.63	206.28
Headline earnings/(loss) per A share in issue	57.81	(17.15)	48.73
Headline diluted earnings/(loss) per A share in issue	57.81	(17.15)	48.73
Basic earnings per B share in issue	18.81	180.22	193.49
Diluted earnings per B share in issue	18.56	178.60	191.16
Headline earnings per B share in issue	19.36	5.44	35.94
Headline diluted earnings per B share in issue	19.10	5.39	35.51
From discontinued operations:			
Basic (loss)/earnings per A share in issue	(33.93)	2.36	0.61
Diluted (loss)/earnings per A share in issue	(33.93)	2.36	0.61
Headline earnings per A share in issue	6.90	2.36	8.41
Headline diluted earnings per A share in issue	6.90	2.36	8.41
Basic (loss)/earnings per B share in issue	(38.18)	2.36	(1.66)
Diluted (loss)/earnings per B share in issue	(37.67)	2.34	(1.64)
Headline earnings per B share in issue	2.65	2.36	6.14
Headline diluted earnings per B share in issue	2.61	2.34	6.07
In total:			
Basic earnings per A share in issue	23.33	159.99	206.89
Diluted earnings per A share in issue	23.33	159.99	206.89
Headline earnings/(loss) per A share in issue	64.71	(14.79)	57.14
Headline diluted earnings/(loss) per A share in issue	64.71	(14.79)	57.14
Basic (loss)/earnings per B share in issue	(19.37)	182.58	191.84
Diluted (loss)/earnings per B share in issue	(19.11)	180.94	189.52
Headline earnings per B share in issue	22.01	7.80	42.09
Headline diluted earnings per B share in issue	21.72	7.73	41.58

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

WEIGHTED AVERAGE NUMBER OF SHARES

Basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share are based on the following weighted average shares in issue during the period:

	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Unaudited for the 15 months ended 30 September 2022
Number of A shares in issue	62 718 658	62 718 658	62 718 658
Number of B shares in issue (net of treasury shares)	1 429 916 223	1 460 863 899	1 460 863 899
Weighted average number of A shares in issue	62 718 658	62 718 658	62 718 658
Weighted average number of B shares in issue	1 458 429 966	755 005 002	1 037 657 471
Weighted average number of B shares in issue after dilutive impact of Conditional Share Plan	1 478 085 781	761 871 691	1 050 332 533

RESTATEMENT OF EARNINGS PER SHARE, DILUTED EARNINGS PER SHARE, HEADLINE EARNINGS PER SHARE AND DILUTED HEADLINE EARNINGS PER SHARE

Earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share have been restated and are now calculated, per IAS 33: *Earnings per Share*, paragraph A14, whereby the allocation of earnings to each class of ordinary shares is firstly by the allocation of dividends paid in the financial period to a particular class of shares, and thereafter by the allocation of remaining earnings by the participation feature of each class of shares, as if all the profit or loss for the period had been distributed. The Fairvest MOI provides that other than a (i) distribution of income, if declared; or (ii) capital participation rights on winding up of the Company, the A and B shares rank *pari passu*.

Therefore, in the absence of events (i) or (ii), the *pari passu* principle for each A share and each B share has been applied as the participation feature in the allocation of any remaining earnings/(loss).

In addition, the comparative reporting periods have been restated pursuant to the decision to dispose of the Group's investment in Indluplace Properties Limited which has, in accordance with the requirements of IFRS 5, been reclassified as a discontinued operation.

Cents	Previously reported	Change	Restated
Nine months ended 31 March 2022:			
From continuing operations:			
Basic earnings per A share in issue	180.85	(23.22)	157.63
Diluted earnings per A share in issue	179.34	(21.71)	157.63
Headline earnings/(loss) per A share in issue	6.07	(23.22)	(17.15)
Headline diluted earnings/(loss) per A share in issue	6.02	(23.17)	(17.15)
Basic earnings per B share in issue	180.85	(0.63)	180.22
Diluted earnings per B share in issue	179.34	(0.74)	178.60
Headline earnings per B share in issue	6.07	(0.63)	5.44
Headline diluted earnings per B share in issue	6.02	(0.63)	5.39
From discontinued operations:			
Basic earnings per A share in issue	–	2.36	2.36
Diluted earnings per A share in issue	–	2.36	2.36
Headline earnings per A share in issue	–	2.36	2.36
Headline diluted earnings per A share in issue	–	2.36	2.36
Basic earnings per B share in issue	–	2.36	2.36
Diluted earnings per B share in issue	–	2.34	2.34
Headline earnings per B share in issue	–	2.36	2.36
Headline diluted earnings per B share in issue	–	2.34	2.34
In total:			
Basic earnings per A share in issue	180.85	(20.86)	159.99
Diluted earnings per A share in issue	179.34	(19.35)	159.99
Headline earnings/(loss) per A share in issue	6.07	(20.86)	(14.79)
Headline diluted earnings/(loss) per A share in issue	6.02	(20.81)	(14.79)
Basic earnings per B share in issue	180.85	1.73	182.58
Diluted earnings per B share in issue	179.34	1.60	180.94
Headline earnings per B share in issue	6.07	1.73	7.80
Headline diluted earnings per B share in issue	6.02	1.71	7.73

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

Cents	Previously reported	Change	Restated
15 months ended 30 September 2022:			
From continuing operations:			
Basic earnings per A share in issue	192.69	13.59	206.28
Diluted earnings per A share in issue	190.50	15.78	206.28
Headline earnings per A share in issue	42.94	5.79	48.73
Headline diluted earnings per A share in issue	42.46	6.27	48.73
Basic earnings per B share in issue	192.69	0.80	193.49
Diluted earnings per B share in issue	190.50	0.66	191.16
Headline earnings per B share in issue	42.94	(7.00)	35.94
Headline diluted earnings per B share in issue	42.46	(6.95)	35.51
From discontinued operations:			
Basic earnings per A share in issue	–	0.61	0.61
Diluted earnings per A share in issue	–	0.61	0.61
Headline earnings per A share in issue	–	8.41	8.41
Headline diluted earnings per A share in issue	–	8.41	8.41
Basic loss per B share in issue	–	(1.66)	(1.66)
Diluted loss per B share in issue	–	(1.64)	(1.64)
Headline earnings per B share in issue	–	6.14	6.14
Headline diluted earnings per B share in issue	–	6.07	6.07
In total:			
Basic earnings per A share in issue	192.69	14.20	206.89
Diluted earnings per A share in issue	190.50	16.39	206.89
Headline earnings per A share in issue	42.94	14.20	57.14
Headline diluted earnings per A share in issue	42.46	14.68	57.14
Basic earnings per B share in issue	192.69	(0.85)	191.84
Diluted earnings per B share in issue	190.50	(0.98)	189.52
Headline earnings per B share in issue	42.94	(0.85)	42.09
Headline diluted earnings per B share in issue	42.46	(0.88)	41.58

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 assets 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 is valued using a level 1 model.

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

The investment in Cadiz Life Limited is valued using a level 2 model. The investment, via an endowment policy, was valued on the aggregate of the market value of the investments in the underlying fund.

The derivative instruments are valued by the various financial institutions by discounting the future cash flows 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.

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

- Expected net operating income;
- Discount rate (13.3% – 16.3%; 2022: 13.3% – 16.3%);
- Exit cap rate (8.5% – 12.0%; 2022: 8.5% – 12.0%);
- Growth rate (0% – 7.0%; 2022: 0% – 7.0%).

LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND 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 (13.6%; 2022: 13.6%);
- Growth in annual dividend (3.5% – 9.0%; 2022: 3.5% – 9.0%);
- Discount rate (6.5%; 2022: 6.5%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Sensitivity analysis if key inputs change as follows:

R'000	Up 2%	Down 2%
Dividend yield	(13 641)	18 036
Growth rate	8 103	(7 764)
Discount rate	(7 629)	8 267

Reconciliation of loans to participants of Group share purchase and option schemes

R'000	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Audited for the 15 months ended 30 September 2022
Opening balance	105 642	–	–
Acquisition of Arrowhead through reverse acquisition	–	128 582	128 582
Fair value adjustments	(1 755)	(2 285)	(22 940)
Assets in disposal group removed	(44 403)	–	–
Closing balance	59 484	126 297	105 642

31 March 2023 – Unaudited

R'000	Designated at fair value	Level 1	Level 2	Level 3
Investment property (including non-current assets held-for-sale)	11 944 138	–	–	11 944 138
Assets in disposal group	2 520 370	–	–	2 520 370
	268 745	182 325	26 936	59 484
Listed securities	182 325	182 325	–	–
Derivatives	22 410	–	22 410	–
Financial assets	4 526	–	4 526	–
Loans to participants of Group share purchase and option schemes	59 484	–	–	59 484
Total assets	14 733 253	182 325	26 936	14 523 992
	1 074	–	1 074	–
Derivatives	1 074	–	1 074	–
Total liabilities	1 074	–	1 074	–

31 March 2022 – Unaudited

R'000	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 purchase and option schemes	126 297	–	–	126 297
Total assets	15 565 721	182 325	4 533	15 378 863
	94 907	–	94 907	–
Derivatives	94 907	–	94 907	–
Total liabilities	94 907	–	94 907	–

30 September 2022 – Audited

R'000	Designated at fair value	Level 1	Level 2	Level 3
Investment property (including non-current assets held-for-sale)	15 456 955	–	–	15 456 955
	325 370	179 109	40 619	105 642
Listed securities	179 109	179 109	–	–
Derivatives	36 102	–	36 102	–
Financial assets	4 517	–	4 517	–
Loans to participants of Group share purchase and option schemes	105 642	–	–	105 642
Total assets	15 782 325	179 109	40 619	15 562 597
	4 269	–	4 269	–
Derivatives	4 269	–	4 269	–
Total liabilities	4 269	–	4 269	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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DISCONTINUED OPERATIONS

On 14 March 2023, Fairvest provided an irrevocable undertaking to SA Corporate in terms of which Fairvest undertakes to vote in favour of a scheme of arrangement in terms of which SA Corporate will make an offer to acquire the entire issued share capital of Indluplace for a cash consideration of R3.40 per Indluplace share. Fairvest is the majority shareholder of Indluplace and holds 191 581 362 Indluplace shares, or circa 60.9%.

It is currently expected that implementation date for the scheme of arrangement will be 31 July 2023.

Consequently, the assets and liabilities of Indluplace were classified as non-current assets held-for-sale. Revenue and expenses, gains and losses relating to Indluplace have also been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss as a discontinued operation.

R'000	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Audited for the 15 months ended 30 September 2022
Contractual rental income	302 830	94 999	396 519
Straight-line rental income accrual	–	–	(412)
Property income	302 830	94 999	396 107
Operating costs	(165 533)	(45 173)	(201 017)
Administration and corporate costs	(14 686)	(5 790)	(26 997)
Profit from operations	122 611	44 036	168 093
Finance income	1 081	2 676	5 808
Finance charges	(66 781)	(19 002)	(84 157)
Changes in fair values and impairments	15 467	5 443	(106 919)
Profit/(loss) before taxation	72 378	33 153	(17 175)
Taxation	(639)	(1 480)	(10 388)
Income from operations	71 739	31 673	(27 563)
Adjustment of discontinued operation to sales value	(1 020 303)	–	–
Total comprehensive (loss)/income	(948 564)	31 673	(27 563)

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

R'000	Unaudited at 31 March 2023	Provision for adjustment of discontinued operation to sales value	Fair value of disposal group
Non-current assets			
Investment property	3 289 315	(1 020 303)	2 269 012
Loans to participants of Group share purchase and option schemes	60 869	–	60 869
Other non-current assets	16 345	–	16 345
Current assets			
Trade and other receivables	55 427	–	55 427
Cash and cash equivalents	50 803	–	50 803
Other current assets	67 914	–	67 914
Assets classified as held-for-sale	3 540 673	(1 020 303)	2 520 370
Non-current liabilities			
Borrowings	891 826	–	891 826
Current liabilities			
Borrowings	467 182	–	467 182
Trade and other payables	91 521	–	91 521
Liabilities classified as held-for-sale	1 450 529	–	1 450 529

Non-current assets and assets in disposal group held-for-sale

R'000	Unaudited for the six months ended 31 March 2023	Unaudited for the nine months ended 31 March 2022	Audited for the 15 months ended 30 September 2022
The balance is made up as follows:			
Non-current assets held-for-sale	442 074	191 688	584 074
Assets in disposal group	2 520 370	–	–
	2 962 444	191 688	584 074

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE)

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

R'000 – Unaudited	Six months ended 31 March 2023	Six months ended 31 March 2022	Year ended 30 September 2022
Total (loss)/income attributable to shareholders	(267 877)	1 478 855	2 120 367
Adjusted for:			
Accounting/specific adjustments:	20 243	(1 198 264)	(1 298 385)
Fair value adjustments to:	5 881	(26 375)	(143 209)
– Investment property	7 317	(28 661)	(188 244)
– Loss on revaluation of listed securities	(3 191)	–	23 711
– Sundry adjustments	–	–	(1 616)
– Fair value loss on loans to participants of Group share purchase and option schemes	1 755	2 286	22 940
Impairment of goodwill or the recognition of a bargain purchase gain	–	(1 406 658)	(1 406 658)
Non-distributable deferred tax movement recognised in profit or loss	–	827	8 943
Straight-lining operating lease adjustment	(3 607)	8 821	19 990
Transaction costs expensed in accounting for a business combination and other capital expenses	279	205 878	208 429
Adjustments to dividends from equity interests held	17 690	19 243	14 120
Adjustments arising from investing activities:	142	763	1 141
Gains on disposal of investment property and property, plant and equipment	142	763	1 141
Foreign exchange and hedging items:	(2 571)	(28 975)	(176 340)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(2 571)	(28 975)	(176 340)
Other adjustments:	584 449	96 155	58 894
Add back loss from discontinued operations	948 564	–	–
Non-controlling interests in respect of the above adjustments	(365 816)	14 913	(13 875)
Impact of intragroup revenue eliminated on consolidation	1 701	–	–
Adjustments relating to subsidiary Indluplace – adjusting for pay-out ratio and other sundry items	–	(3 964)	(17 361)
Distributable income for Old Fairvest relating to the pre-merger period	–	(57 075)	(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	147 205
SA REIT FFO	334 386	348 534	705 677

R'000 – Unaudited	Six months ended 31 March 2023	Six months ended 31 March 2022	Year ended 30 September 2022
Allocated to the A shares	40 514	38 585	79 165
Thus balance allocated to the B shares	293 872	309 949	626 512
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	1 429 916 223	1 460 863 899	1 460 863 899
SA REIT FFO per share – A shares (cents)	64.60	61.52	126.22
SA REIT FFO per share – B shares (cents)	20.55	21.22	42.89
Company-specific adjustments	5 911	1 679	5 951
Impact of IFRS 16: Leases	(717)	(289)	(1 560)
Share-based payment expense	6 628	1 968	7 511
Equals total dividend	340 297	350 213	711 628
Allocated to the A shares	40 514	38 585	79 165
Thus balance allocated to the B shares	299 783	311 628	632 463
Dividend per share – A shares (cents)	64.60	61.52	126.22
Dividend per share – B shares (cents)	20.97	21.33	43.29

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE)

CONTINUED

SA REIT NET ASSET VALUE (SA REIT NAV)

R'000 – Unaudited		At 31 March 2023	At 31 March 2022	At 30 September 2022
Reported NAV attributable to the parent		7 687 568	8 108 089	8 409 164
Adjustments:				
Dividend to be declared		(340 297)	(350 213)	(361 415)
Dividend to be received from Dipula		11 781	19 243	14 120
Fair value of certain derivative financial instruments		(21 336)	94 907	(31 833)
Deferred tax		3 915	(6 752)	1 347
SA REIT NAV	A	7 341 631	7 865 274	8 031 383
Allocated to the A shares		859 911	934 795	827 120
Thus balance allocated to the B shares		6 481 720	6 930 479	7 204 263
Number of shares outstanding at end of period (net of treasury shares) – A shares	B	62 718 658	62 718 658	62 718 658
Number of shares outstanding at end of period (net of treasury shares) – B shares		1 429 916 223	1 460 863 899	1 460 863 899
Effect of dilutive instruments		19 655 815	6 866 690	12 675 063
Dilutive number of shares in issue	C	1 449 572 038	1 467 730 589	1 473 538 962
SA REIT NAV per A share	A/B	13.71	14.90	13.19
SA REIT NAV per B share	A/C	4.47	4.72	4.89

SA REIT COST-TO-INCOME RATIO

Please note the numbers exclude Indluplace as it is being treated as a discontinued operation.

R'000 – Unaudited		Six months ended 31 March 2023	Six months ended 31 March 2022	Year ended 30 September 2022
Expenses				
Operating expenses per IFRS income statement (includes municipal expenses)		386 545	399 065	786 134
Administrative expenses per IFRS income statement		50 414	43 555	113 796
<i>Exclude:</i>				
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets		(500)	(913)	(663)
Operating costs	A	436 459	441 707	899 267
Rental income				
Contractual rental income per IFRS income statement (excluding straight-lining)		684 301	665 901	1 355 550
Utility and operating recoveries per IFRS income statement		267 284	266 119	551 661
Gross rental income	B	951 585	932 020	1 907 211
SA REIT cost-to-income ratio	(A/B)	45.9%	47.4%	47.2%
Expenses				
Administrative expenses as per IFRS income statement		50 414	43 555	113 796
Administrative costs	A	50 414	43 555	113 796
Rental income				
Contractual rental income per IFRS income statement (excluding straight-lining)		684 301	665 901	1 355 550
Utility and operating recoveries per IFRS income statement		267 284	266 119	551 661
Gross rental income	B	951 585	932 020	1 907 211
SA REIT administrative cost-to-income ratio	(A/B)	5.3%	4.7%	6.0%

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE)

CONTINUED

SA REIT GLA VACANCY RATE

m ²		At 31 March 2023	At 31 March 2022	At 30 September 2022
Gross lettable area of vacant space	A	67 201	83 411	68 211
Gross lettable area of total property portfolio	B	1 127 134	1 160 585	1 150 862
SA REIT GLA vacancy rate	(A/B)	5.96%	7.19%	5.93%

Please note this table excludes Indulplace.

COST OF DEBT

	Note	At 31 March 2023	At 31 March 2022	At 30 September 2022
<i>Variable interest rate borrowings</i>				
Floating reference rate plus weighted average margin		9.9%	6.5%	8.6%
Pre-adjusted weighted average cost of debt	A	9.9%	6.5%	8.6%
Adjustments:				
Impact of interest rate derivatives	B	(0.7%)	1.8%	0.4%
Amortised transaction costs imputed into the effective interest rate	C	0.1%	0.1%	0.1%
All-in weighted average cost of debt	A+B+C	9.3%	8.4%	9.1%

SA REIT LOAN-TO-VALUE

R'000 – Unaudited		At 31 March 2023	At 31 March 2022	At 30 September 2022
Gross debt		6 211 645	6 204 860	6 202 763
<i>Less:</i>				
Cash and cash equivalents		(189 293)	(136 062)	(134 569)
<i>Less:</i> Cash and cash equivalents linked to tenant deposits		25 454	26 313	25 829
<i>Add/less:</i>				
Derivative financial instruments		(32 084)	94 907	(31 833)
Net debt	A	6 015 722	6 190 018	6 062 190
Total assets – per statement of financial position		15 122 072	16 209 134	16 314 742
Add back IFRS 5 impairment relating to disposal group		1 019 819	–	–
<i>Less:</i>				
Cash and cash equivalents		(189 293)	(136 062)	(134 569)
Deferred tax		–	(12 150)	(2 568)
Derivative financial assets		(33 158)	–	(36 102)
Trade and other receivables		(239 582)	(273 040)	(218 252)
Carrying amount of property-related assets	B	15 679 858	15 787 882	15 923 251
SA REIT loan-to-value (“SA REIT LTV”)	A/B	38.4%	39.2%	38.1%

Please note the above table includes the consolidated assets and liabilities of Indluplace and therefore would not tie back to the line-for-line disclosure of the statement of financial position where Indluplace has been accounted for as a discontinued operation in terms of IFRS 5.

CORPORATE INFORMATION

Fairvest Limited

(Incorporated in the Republic of South Africa)
(Registration number 2007/032604/06)
JSE share code: FTA ISIN: ZAE000304788
JSE share code: FTB ISIN: ZAE000304796
LEI: 378900E93AFC4D1CAD45
(Approved as a REIT by the JSE)
("Fairvest" or "the Company" or "the Group")

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LW Andrag*
AI Basserabie*
JF du Toit*
BJ Kriel (CFO)
NN Makhoba-Shange*
KR Nkuna*
JD Wiese*
DM Wilder (CEO)

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