

FAIRVEST

LIMITED



Unaudited condensed consolidated interim results and cash dividend declaration

for the six months ended 31 March 2024

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Highlights

Distribution of **67.83** cents
per A share for the six months ended 31 March 2024

Distribution of **21.24** cents
per B share for the six months ended 31 March 2024

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

Distribution per B share for the full year
expected at upper end of guidance of between
41.50 and **42.50 cents per share**

Like-for-like net property
income increased by **7.0%**

Vacancies at **5.3%**

Tenant retention
at **87.1%**

Loan to value
improved to **32.6%**

Nature of 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 131 retail, office and industrial properties valued at R11.8 billion (held directly and through subsidiaries). The average value per property held as at 31 March 2024 was R90.5 million.

As at 31 March 2024, Fairvest held a 5.0% interest (September 2023: 5.0%) in Dipula Income Fund Limited (“Dipula”).

Distribution analysis

Distributable income analysis

R'000 – Unaudited	Six months ended 31 March 2024	Six months ended 31 March 2023
Revenue (excluding straight-line rental income)	998 432	953 286
Sundry income	5 641	2 783
Property expenses	(421 188)	(387 262)
Administration and corporate costs	(44 662)	(43 786)
Finance charges	(214 073)	(228 000)
Finance income	13 265	13 136
Non-controlling interest share in distributable income	(1 703)	(1 677)
Distributable income from Fairvest’s operations	335 712	308 480
Dividend receivable from Indluplase	–	20 036
Dividend receivable from Dipula	11 202	11 781
Distributable income	346 914	340 297
A share – distributable income for the six-month period	42 539	40 514
B share – distributable income for the six-month period	304 375	299 783
Total amount available for distribution	346 914	340 297
Distributable income per A share (cents) for the six-month period	67.83	64.60
Distributable income per B share (cents) for the six-month period	21.24	20.97

Distribution analysis CONTINUED

Analysis of distributable income per B share

Cents per share – Unaudited	Six months ended 31 March 2024	Six months ended 31 March 2023
Total distributable income		
Fairvest's operations – Core portfolio	40.66	38.08
Fairvest's operations – Income attributable to assets disposed of	0.02	1.71
Net finance cost	(14.01)	(15.03)
Administration and corporate costs	(3.12)	(3.06)
Income from operations attributable to non-controlling interests	(0.12)	(0.12)
Net income from operations before listed investments	23.43	21.58
Income from Dipula	0.78	0.82
Income from Indluplace	–	1.40
Total distributable income	24.21	23.80
Minus distributable income to A shares	(2.97)	(2.83)
Total distributable income to B shares	21.24	20.97

Commentary

Core direct portfolio

Net operating income comparison on a like-for-like basis, on properties owned throughout the period.

Description	Six months ended 31 March 2024 R'000	Six months ended 31 March 2023 R'000	Growth
Revenue	994 305	907 450	9.6%
Property expenses	(411 764)	(363 093)	13.4%
Net operating income	582 541	544 357	7.0%

Listed securities income

On 14 May 2024, Dipula declared an interim dividend of 24.58 cents per share which is payable on 10 June 2024. This dividend of R11.2 million has been included as part of Fairvest's distributable income.

Property expenses

R'000	Six months ended 31 March 2024	% of total	Six months ended 31 March 2023	% of total
Municipal expenses	283 463	67%	261 817	68%
Security	32 789	8%	31 856	8%
Property management	20 627	5%	25 621	7%
Bad debts	13 633	3%	3 431	1%
Cleaning	13 122	3%	12 716	3%
Repairs and maintenance	11 043	3%	10 291	3%
Letting commission	10 031	2%	10 716	3%
Insurance	6 453	2%	5 786	1%
Building salaries	6 028	1%	5 555	1%
Meter reading fees	4 274	1%	3 716	1%
Other	19 725	5%	15 757	4%
Total as per distributable income analysis	421 188		387 262	

Property expenses have increased by 8.8%. This is largely driven by above inflation increases in municipal costs enforced by various municipalities and Eskom, as well as a substantial increase in expected credit loss allowances, driven by various historic arrears being unrecoverable and by a weak South African economy.

Finance income

R'000	Six months ended		Six months ended	
	31 March 2024	% of total	31 March 2023	% of total
Interest on cash balances and tenant arrears	7 554	56.9%	4 056	30.9%
Interest on Group share purchase and option schemes	4 142	31.3%	4 089	31.1%
Interest receivable from loans	1 569	11.8%	4 991	38.0%
Total as per distributable income analysis	13 265		13 136	

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

Finance cost

R'000	Six months ended		Six months ended	
	31 March 2024	% of total	31 March 2023	% of total
Secured financial liabilities and swap facilities	206 381	96.5%	216 598	95.1%
Amounts owing to non-controlling interests	3 097	1.4%	5 302	2.3%
Amortisation of structuring fee and other interest paid	2 577	1.2%	2 840	1.2%
Lease liability and solar funding	2 018	0.9%	3 260	1.4%
Total as per distributable income analysis	214 073		228 000	

Finance cost reduced largely due to the sale of Indluplace Properties Limited in the second half of the 2023 financial year which sale proceeds have been applied to debt. The positive impact of this was somewhat diluted by higher interest rates compared to the prior six-month period.

Disposals

For the six-month period 1 October 2023 to 31 March 2024

Asset class	Number	Sales value R'000	Book value R'000	Premium to book value	Average yield	Average price per asset R'000	Vacancy
Office	3	259 500	258 500	0.4%	0.7%	86 500	25.5%

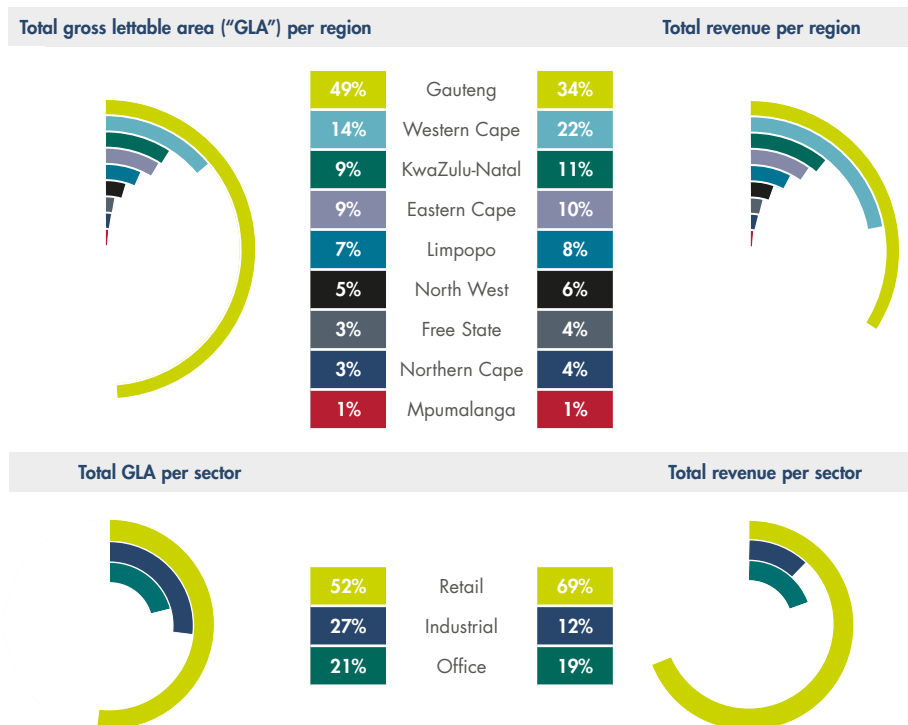
There were three disposals during the period. A further three properties at a value of R20.8 million are currently classified as held-for-sale pending registration and transfer.

Property portfolio

At 31 March 2024, the direct property portfolio comprised 131 retail, office and industrial properties valued at R11.8 billion with an average property value of R90.5 million (September 2023: R89.6 million) (R113.1 million for retail, R73.3 million for office and R48.4 million for industrial).

	Number of buildings	R'000
Balance at the beginning of the period	134	12 004 066
Capital expenditure	–	113 892
Fair value adjustments	–	(6 198)
Straight-lining and other	–	(4 041)
Disposals	(3)	(258 500)
Balance at the end of the period	131	11 849 219

The property portfolio comprises 74 retail, 29 office and 28 industrial properties made up as follows:



The average gross monthly rental per m² per sector was R162.46 for retail, R123.50 for office and R53.30 for industrial. Gross rental includes parking, fixed cost recoveries and rates recoveries. The average net monthly rental per m² per sector was R146.52 for retail, R105.17 for office and R48.03 for industrial.

Capital expenditure

The Group continued to invest in its property portfolio over the interim reporting period with total capital expenditure of R113.9 million incurred, of which R27.4 million relates to further investments in solar initiatives.

	Capital expenditure R'000	Property value R'000	% of value spend
Retail	59 034	8 368 368	0.7%
Office	42 186	2 126 144	2.0%
Industrial	12 672	1 354 707	0.9%
	113 892	11 849 219	1.0%

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 2024:

- 39 (September 2023: 38) solar plants are fully operational with 17.8MWp (September 2023: 16.4MWp) of installed capacity.
- Solar plants produced 14.4% (March 2023: 11.7%) of the combined portfolio's electricity requirement for the period.
- Clean energy to the value of R23.1 million (March 2023: R16.6 million) has been produced for the period.

Westgate Mall phase 2 was switched on in February 2024 which adds an additional 1.4MWp to the existing installed phase 1 and the combined 2.7MWp plant is now fully operational.

We have a further nine plants in various stages of approval and implementation, which will add 5.2MWp capacity.

Backup power

The Group's backup power strategy is to convert 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 constantly re-assess the changing environment relative to our portfolio's specific needs.

Five solar-generator integration projects have been commissioned at Midrand Gate, Access Park, Nyanga Junction, Trevallyn East and Trevallyn West and two more are currently in construction at Cosmos and Pinetown.

Common area battery backup systems are operational at 1 Range Road and Paddagat Shopping Centre.

The Group own and operate 63 generators, which equates to 16.4MVA of installed capacity. There are 152 tenant installed generators. This equates to 44% of the portfolio GLA having access to partial or full backup power. Fairvest has seven generator projects in different stages of construction and completed the design phase for a further six.

R5.5 million (March 2023: R8.3 million) was spent on diesel during the period, of which 84.7% (March 2023: 86.9%) has been recovered from tenants.

Water

Water management remains a significant focus area, with the following highlights to report:

- Strategic installation of smart monitoring equipment completed at 22 properties to enable early leak detection with another five being ordered.
- 17 ground water harvesting plants are in operation, with a further two ground water harvesting projects currently in construction phase.
- We have four water saving toilet projects in operation with two new water saving projects currently in feasibility phase.
- We continue to benchmark water usage across the portfolio to identify high users and implement strategic conservation measures.

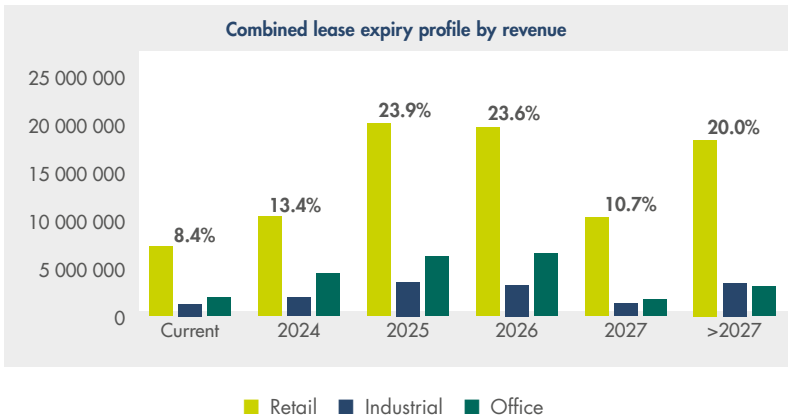
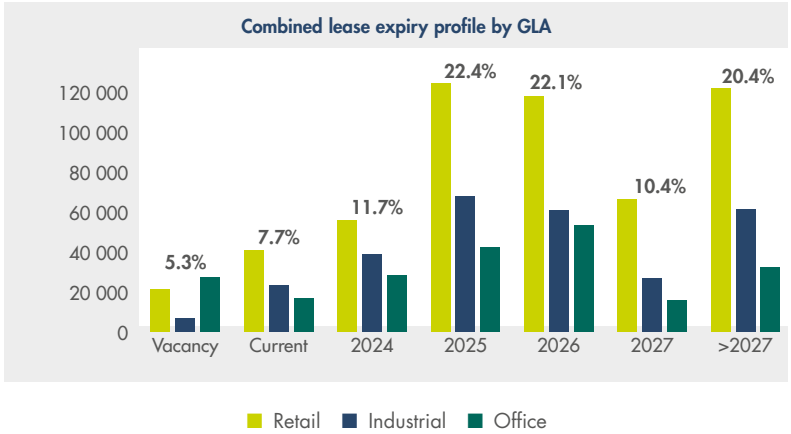
Letting activity

In what has been a challenging economic environment we have experienced positive letting activity and a strong performance from the portfolio. Vacancies have increased from 4.5% at 30 September 2023 (retail 3.7%, office 9.7% and industrial 0.95%) to 5.3% at 31 March 2024 (retail 3.9%, office 12.6% and industrial 2.3%).

For the period ended 31 March 2024, GLA of 152 911m² came up for renewal, of which 133 149m² was renewed or re-let, therefore aggregate retention was 87.1% of GLA. Rental reversions were positive at 3.0% overall, comprising retail 2.3%, office 0.4% and industrial 7.0%. New deals in respect of 80 092m² were concluded for the period ended 31 March 2024. The weighted average lease escalation across the portfolio was 6.6%, with retail at 6.5%, office at 6.7% and industrial at 7.0%. The weighted average lease expiry was 31.0 months.

Lease expiry profile

The lease expiry profile at 31 March 2024 was as follows:



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 through profit and loss 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 B share dividend declared for the period.

Secured financial liabilities

At 31 March 2024, the Group had loans of R4.1 billion which, net of cash and cash equivalents, represent a Group SA REIT loan to value ("LTV") of 32.6%, a reduction relative to the 33.3% as at 30 September 2023.

Excess funds are deposited into access facilities to reduce the overall interest charge. The weighted average interest rate for the period ended was 9.63% (September 2023: 9.74%) for the Group with a weighted average maturity of 1.9 years.

At its current LTV of 32.6%, Fairvest is well within the Group and portfolio LTV covenants of 50% 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 2024, the Group had cash on hand and undrawn debt facilities of approximately R651.9 million to apply towards growth.

Maturity date	Capital amount R'000
Expiring in the next 12 months	826 380
Expiring in the next 24 months	1 484 972
Expiring in the next 36 months	1 148 150
Expiring in the next 48 months	600 000
	4 059 502

The Group has entered into interest rate swaps to hedge its exposure to interest rate fluctuations on its debt. The interest rate swaps of R3.1 billion equate to 76.9% of debt being hedged. The interest rate swaps have a 1.3 years weighted average maturity.

Analysis of net asset value

	31 March 2024	30 September 2023	31 March 2023
Number of Fairvest ordinary shares in issue			
– Fairvest A shares	62 718 658	62 718 658	62 718 658
– Fairvest B shares*	1 433 130 896	1 429 916 223	1 429 916 223
Net asset value per share (Rand)			
– Fairvest A shares	15.55	14.07	13.71
– Fairvest B shares*	4.70	4.78	4.77
* Excludes treasury shares of:	65 830 868	65 830 868	65 830 868

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

	Fairvest B shares
Opening balance at 1 October 2023	1 429 916 223
Shares issued in terms of the Conditional Share Plan	3 214 673
Closing balance at 31 March 2024	1 433 130 896

Prospects

We anticipate net property income growth, on a like-for-like basis exceeding inflation and positive renewal reversion from all sectors for the full financial year. This is notwithstanding high inflation, load shedding, dysfunctional local municipalities, failing infrastructure and uncertainty surrounding the national elections continue to negatively impact economic growth. The challenging operating environment is expected to persist.

The Group remains committed to its strategic objective of transitioning towards a retail focused fund, by disposing of non-core assets. Since the merger in January 2022 we have successfully concluded disposals exceeding R1.3 billion, and this focus will continue throughout the remainder of the 2024 financial year. Further, since the merger, the Group has increased its shareholding in certain profitable co-owned retail assets, with a further four co-owned retail assets identified in which the minority shareholding will be acquired at accretive terms, aligning with the Group's strategic objectives.

Given the substantial progress made in implementing our stated strategy and optimising our portfolio, distributable earnings per B share is expected to be at the upper end of the guidance range issued in November 2023 of between 41.50 cents and 42.50 cents per share (September 2023: 41.29 cents per share). Additionally, distribution per A share will increase by the lesser of 5% or the most recent Consumer Price Index, as specified in the Company's memorandum of incorporation.

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 being implemented.

This forecast assumes that interest rates remain unchanged for the remainder of the financial year, 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 distributions for the previous years, with no significant changes to their payout ratio.

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 2024

The Board has resolved to declare an interim dividend (dividend number 18) of 67.82580 cents per A share and 21.23845 cents per B share, being 100% of the distributable income for the period (2023: 100%). The dividend will be paid to shareholders in accordance with the timetable set out below:

	2024
Last date to trade <i>cum</i> distribution	Tuesday, 18 June
Shares trade <i>ex</i> -distribution	Wednesday, 19 June
Record date	Friday, 21 June
Payment date	Monday, 24 June

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 June 2024 and Friday, 21 June 2024, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 24 June 2024. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (“CSDP”) accounts/broker accounts on Monday, 24 June 2024. Certificated shareholders’ dividend payments will be deposited on or about Monday, 24 June 2024 to 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 54.26064 cents per A share. The net dividend amount due to non-resident shareholders in respect of the interim dividend per B share is 16.99076 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: 1 498 961 764

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 2024 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 significant 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 all debt facilities expiring in the next 12 months are expected to be refinanced. Furthermore, the Group has access to undrawn debt facilities of R535.1 million.

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

3 June 2024

Condensed consolidated statement of comprehensive income

for the period ended 31 March 2024

R'000	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
Revenue	998 432	951 585	1 920 938
Straight-line rental income accrual	(2 537)	3 607	(11 056)
Sundry income	5 641	2 783	4 942
Property income	1 001 536	957 975	1 914 824
Operating costs	(420 082)	(386 545)	(789 878)
Administration and corporate costs	(54 239)	(50 414)	(114 793)
Profit from operations	527 215	521 016	1 010 153
Finance income	13 265	13 136	24 330
Finance charges	(214 073)	(228 000)	(456 696)
Dividends received	11 586	14 127	25 901
Changes in fair values and impairments	(6 432)	(3 452)	63 977
Capital expenses	–	(279)	(411)
Profit before taxation	331 561	316 548	667 254
Taxation	–	–	–
Income from continuing operations	331 561	316 548	667 254
Loss from discontinued operations	–	(948 564)	(539 462)
Profit/total comprehensive income/(loss)	331 561	(632 016)	127 792
Income/(loss) for the period attributable to: Equity shareholders of Fairvest:			
From continuing operations	329 854	310 214	654 822
From discontinued operations	–	(578 091)	(558 515)
	329 854	(267 877)	96 307
Non-controlling interest:			
From continuing operations	1 707	6 334	12 432
From discontinued operations	–	(370 473)	19 053
	1 707	(364 139)	31 485
Profit/total comprehensive income/(loss) attributable to:			
Equity shareholders of Fairvest	329 854	(267 877)	96 307
Non-controlling interest	1 707	(364 139)	31 485
Profit/total comprehensive income/(loss) for the period	331 561	(632 016)	127 792

R'000	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
From continuing operations:			
Basic earnings per A share in issue (cents)	67.71	57.26	120.19
Diluted earnings per A share in issue (cents)	67.71	57.26	120.19
Basic earnings per B share in issue (cents)	20.07	18.81	40.12
Diluted earnings per B share in issue (cents)	19.72	18.56	39.49
From discontinued operations:			
Basic loss per A share in issue (cents)	–	(33.93)	(31.07)
Diluted loss per A share in issue (cents)	–	(33.93)	(31.07)
Basic loss per B share in issue (cents)	–	(38.18)	(37.33)
Diluted loss per B share in issue (cents)	–	(37.67)	(37.33)
In total:			
Basic earnings per A share in issue (cents)	67.71	23.33	89.12
Diluted earnings per A share in issue (cents)	67.71	23.33	89.12
Basic earnings/(loss) per B share in issue (cents)	20.07	(19.37)	2.80
Diluted earnings/(loss) per B share in issue (cents)	19.72	(19.11)	2.75

Condensed consolidated statement of financial position

as at 31 March 2024

R'000	Unaudited at 31 March 2024	Unaudited at 31 March 2023	Audited at 30 September 2023
Assets			
Non-current assets	12 092 498	11 808 018	11 954 661
Investment property	11 789 966	11 502 064	11 654 335
Fair value of property portfolio	11 651 642	11 305 935	11 517 452
Straight-line rental income accrual	138 324	196 129	136 883
Right-of-use assets	1 475	2 318	1 897
Property, plant and equipment	674	828	705
Loans to participants of Group share purchase option schemes	71 770	59 484	62 409
Financial assets	206 796	200 000	199 054
Derivatives	9 585	19 991	23 477
Loans receivable	12 232	23 333	12 784
Current assets	374 122	351 610	372 575
Trade and other receivables	223 088	184 155	228 060
Current tax receivable	-	3	3
Loan receivable	25 493	26 543	26 004
Derivatives	8 779	2 419	11 745
Cash and cash equivalents	116 762	138 490	106 763
Non-current assets and assets in disposal group held for sale	20 750	2 962 444	307 250
Total assets	12 487 370	15 122 072	12 634 486
Equity and liabilities			
Shareholders' interest	7 710 935	7 687 568	7 713 474
Stated capital	5 176 271	5 169 998	5 169 939
Reserves	26 075	17 163	22 882
Retained income	2 508 589	2 500 407	2 520 653
Non-controlling interest	29 658	455 302	32 828
Non-current liabilities	3 400 263	2 591 214	3 923 313
Deferred tax	3 915	3 915	3 915
Borrowings	3 233 122	2 457 305	3 771 559
Lease liabilities	39 941	37 612	40 465
Derivatives	479	1 074	-
Deposits received	91 033	65 004	82 000
Amounts owing to non-controlling interests	31 773	26 304	25 374
Current liabilities	1 346 514	2 937 459	964 871
Borrowings	826 380	2 356 146	430 262
Lease liabilities	4 126	1 574	2 287
Trade and other payables	489 371	548 749	502 269
Amounts owing to non-controlling interests	26 637	30 990	30 053
Liabilities in disposal group classified as held for sale	-	1 450 529	-
Total equity and liabilities	12 487 370	15 122 072	12 634 486

Condensed consolidated statement of changes in equity

for the period ended 31 March 2024

R'000	Stated capital	Reserves	Retained income	Non-controlling interest	Total
Balance at 30 September 2022	5 269 499	14 564	3 125 101	984 874	9 394 038
Loss/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
Profit/total comprehensive income for the period	–	–	364 184	395 624	759 808
Acquisition of non-controlling interest	–	–	(494)	(10 774)	(11 268)
Disposal of interest in Indluplace	–	(3 058)	–	(797 815)	(800 873)
Employee share schemes and related costs	(59)	8 777	–	–	8 718
Dividends paid	–	–	(343 444)	(9 509)	(352 953)
Balance at 30 September 2023	5 169 939	22 882	2 520 653	32 828	7 746 302
Profit/total comprehensive income for the period	–	–	329 854	1 707	331 561
Employee share schemes – value of employee services	–	9 577	–	–	9 577
Employee share schemes – shares vested during the period	6 332	(6 384)	(8 693)	–	(8 745)
Dividends paid	–	–	(333 225)	(4 877)	(338 102)
Balance at 31 March 2024	5 176 271	26 075	2 508 589	29 658	7 740 593

Condensed consolidated statement of cash flows

for the period ended 31 March 2024

R'000	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
Cash flows from operating activities	11 263	14 279	53 207
Cash generated from operations	532 157	552 498	1 033 564
Cash generated from operations – discontinued operations	–	46 954	161 379
Finance charges	(210 976)	(228 000)	(451 126)
Finance income	11 711	13 136	17 743
Dividends received	11 586	14 127	25 901
Tax received	3	6	6
Dividends paid	(333 218)	(384 442)	(734 260)
Cash flows from investing activities	130 799	21 191	675 239
Acquisition of property, plant and equipment	(157)	–	(282)
Acquisition of and improvements to investment property	(111 892)	(102 172)	(190 265)
Proceeds from disposal of investment property (including held for sale)	240 230	119 300	334 370
Disposal of Indluplace	–	–	537 561
Advances paid to loans receivable	–	–	(1 286)
Proceeds from repayments of loans receivable	2 618	5 891	9 050
Amounts owing by non-controlling interests raised	–	(1 115)	(508)
Net cash outflow from investing activities – discontinued operations	–	(713)	(13 401)
Cash flows from financing activities	(132 063)	19 254	(756 252)
Acquisition of additional interest in subsidiary	–	(15 903)	(23 311)
Cost incurred in buy back of share capital	–	(100 008)	(100 008)
Net cash inflow/(outflow) from financing activities – discontinued operations	–	3 902	(10 486)
Proceeds from borrowings	819 147	718 846	3 625 770
Repayment of borrowings	(945 535)	(537 750)	(4 196 217)
Amounts owing to non-controlling interests raised	–	–	417
Amounts owing to non-controlling interests repaid	(4 990)	(6 307)	(11 575)
Repayment on lease liabilities	(685)	(43 526)	(40 842)
Total cash movement for the period	9 999	54 724	(27 806)
Cash and cash equivalents at the beginning of the period	106 763	134 569	134 569
Cash and cash equivalents at the end of the period	116 762	189 293	106 763
Split between – Continuing operations	116 762	138 490	106 763
– Discontinued operations	–	50 803	–

Summarised consolidated segmental analysis

for the period ended 31 March 2024

Geographical

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% of revenue 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.

R'000	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
31 March 2024											
Revenue	357 728	199 451	109 243	100 820	66 857	14 080	65 296	41 738	40 956	2 263	998 432
Straightline rental income	(4 225)	3	927	(210)	(882)	(11)	244	1 305	312	-	(2 537)
Sundry income	1 937	378	2 011	104	2	-	-	1 203	12	(6)	5 641
Operating costs and administrative costs	(182 868)	(72 247)	(42 128)	(38 789)	(20 948)	(5 522)	(22 812)	(18 311)	(15 636)	(55 060)	(474 321)
Profit/(loss) from operations	172 572	127 585	70 053	61 925	45 029	8 547	42 728	25 935	25 644	(52 803)	527 215
Finance income	1 637	503	650	189	328	7	217	45	53	9 636	13 265
Finance charges	(94)	(8)	(72)	(1)	(160)	(3)	-	-	(8)	(213 727)	(214 073)
Dividends received	-	-	-	-	-	-	-	-	-	11 586	11 586
Changes in fair values	(6 198)	-	-	-	-	-	-	-	-	(234)	(6 432)
Capital expenses	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) before taxation	167 917	128 080	70 631	62 113	45 197	8 551	42 945	25 980	25 689	(245 542)	331 561
Taxation	-	-	-	-	-	-	-	-	-	-	-
Profit/total comprehensive income/(loss)	167 917	128 080	70 631	62 113	45 197	8 551	42 945	25 980	25 689	(245 542)	331 561
Reportable segment assets	3 925 502	2 689 140	1 348 802	1 275 449	874 413	170 886	764 855	462 891	527 324	448 108	12 487 370
Reportable segment liabilities	(224 618)	(65 642)	(48 257)	(31 885)	(22 366)	(7 766)	(56 083)	(15 407)	(10 358)	(4 264 395)	(4 746 777)
	3 700 884	2 623 498	1 300 545	1 243 564	852 047	163 120	708 772	447 484	516 966	(3 816 287)	7 740 593

Summarised consolidated segmental analysis CONTINUED

for the period ended 31 March 2024

Sectoral

R'000	Office	Industrial	Retail	Residential	Overheads	Total
31 March 2024						
Revenue	212 957	114 217	668 084	911	2 263	998 432
Straightline rental income	(3 689)	(371)	1 522	1	–	(2 537)
Sundry income	1	2 807	2 839	–	(6)	5 641
Operating costs and administrative costs	(114 081)	(49 764)	(255 064)	(352)	(55 060)	(474 321)
Profit/(loss) from operations	95 188	66 889	417 381	560	(52 803)	527 215
Finance income	1 140	427	2 062	–	9 636	13 265
Finance charges	(81)	(67)	(198)	–	(213 727)	(214 073)
Dividends received	–	–	–	–	11 586	11 586
Changes in fair values	2 961	2 016	(11 175)	–	(234)	(6 432)
Capital expenses	–	–	–	–	–	–
Profit/(loss) before taxation	99 208	69 265	408 070	560	(245 542)	331 561
Taxation	–	–	–	–	–	–
Profit/total comprehensive income/(loss)	99 208	69 265	408 070	560	(245 542)	331 561
Reportable segment assets	2 172 535	1 390 932	8 470 776	5 019	448 108	12 487 370
Reportable segment liabilities	(142 950)	(57 442)	(280 883)	(1 107)	(4 264 395)	(4 746 777)
	2 029 585	1 333 490	8 189 893	3 912	(3 816 287)	7 740 593

Geographical

R'000	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
30 September 2023											
Revenue	712 082	360 468	220 641	194 413	123 453	26 013	120 892	80 027	78 881	4 068	1 920 938
Straight-line rental income	(1 873)	(3 068)	(2 882)	372	(2 133)	404	558	(1 171)	(1 263)	-	(11 056)
Sundry income	1 834	1 172	155	4	15	10	-	703	135	914	4 942
Operating costs and administrative costs	(360 545)	(125 495)	(88 778)	(70 685)	(34 859)	(10 082)	(39 395)	(32 783)	(29 333)	(112 716)	(904 671)
Profit/(loss) from operations	351 498	233 077	129 136	124 104	86 476	16 345	82 055	46 776	48 420	(107 734)	1 010 153
Finance income	1 339	319	1 021	139	230	5	148	62	52	21 015	24 330
Finance charges	(14)	(14)	(80)	(14)	1	(1)	(5)	-	-	(456 569)	(456 696)
Dividends received	-	-	-	-	-	-	-	-	-	25 901	25 901
Changes in fair values	(97 938)	39 505	31 640	(179)	30 527	6 322	18 084	17 539	11 848	6 629	63 977
Capital expenses	-	-	-	-	-	-	-	-	-	(411)	(411)
Profit/(loss) before taxation	254 885	272 887	161 717	124 050	117 234	22 671	100 282	64 377	60 320	(511 169)	667 254
Taxation	-	-	-	-	-	-	-	-	-	-	-
Income from continuing operations	254 885	272 887	161 717	124 050	117 234	22 671	100 282	64 377	60 320	(511 169)	667 254
(loss)/income from discontinued operations	336 230	-	-	-	-	-	-	-	-	(875 692)	(539 462)
Profit/total comprehensive income/(loss)	591 115	272 887	161 717	124 050	117 234	22 671	100 282	64 377	60 320	(1 386 861)	127 792
Reportable segment assets	4 149 165	2 671 530	1 334 815	1 247 635	870 140	168 263	760 535	462 161	527 585	442 657	12 634 486
Reportable segment liabilities	(281 144)	(126 613)	(154 336)	(58 969)	(51 896)	(17 139)	(50 971)	(46 278)	(49 467)	(4 051 371)	(4 888 184)
	3 868 021	2 544 917	1 180 479	1 188 666	818 244	151 124	709 564	415 883	478 118	(3 608 714)	7 746 302

Summarised consolidated segmental analysis CONTINUED

for the period ended 31 March 2024

Sectoral

R'000	Office	Industrial	Retail	Residential	Overheads	Total
30 September 2023						
Revenue	443 897	223 296	1 248 401	1 276	4 068	1 920 938
Straight-line rental income	(1 463)	(2 458)	(7 136)	1	–	(11 056)
Sundry income	15	–	4 013	–	914	4 942
Operating costs and administrative costs	(221 137)	(98 090)	(471 852)	(876)	(112 716)	(904 671)
Profit/(loss) from operations	221 312	122 748	773 426	401	(107 734)	1 010 153
Finance income	561	188	2 566	–	21 015	24 330
Finance charges	(3)	(52)	(72)	–	(456 569)	(456 696)
Dividends received	–	–	–	–	25 901	25 901
Changes in fair values	(166 228)	24 747	199 421	(592)	6 629	63 977
Capital expenses	–	–	–	–	(411)	(411)
Profit/(loss) before taxation	55 642	147 631	975 341	(191)	(511 169)	667 254
Taxation	–	–	–	–	–	–
Income from continuing operations	55 642	147 631	975 341	(191)	(511 169)	667 254
Loss from discontinued operations	–	–	–	(539 462)	–	(539 462)
Profit/total comprehensive income/(loss)	55 642	147 631	975 341	(539 653)	(511 169)	127 792
Reportable segment assets	2 488 816	1 323 254	8 379 690	69	442 657	12 634 486
Reportable segment liabilities	(149 741)	(55 745)	(630 690)	(637)	(4 051 371)	(4 888 184)
	2 339 075	1 267 509	7 749 000	(568)	(3 608 714)	7 746 302

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
Finance income	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)
Dividends received	-	-	-	-	-	-	-	-	-	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 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)/income from discontinued operations	(777 137)	-	(3 051)	-	-	(56 295)	-	-	(5 900)	(106 181)	(948 564)
Profit/total comprehensive income/(loss)	(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

Summarised consolidated segmental analysis CONTINUED

for the period ended 31 March 2024

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)
Net operating income before interest	120 123	61 008	392 668	281	(53 064)	521 016
Finance income	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 from continuing operations	120 146	61 258	386 014	281	(251 151)	316 548
Loss from discontinued operations	–	–	–	(842 383)	(106 181)	(948 564)
Profit/total comprehensive income/(loss)	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

Notes to the condensed consolidated financial statements

Basis of preparation

These unaudited condensed consolidated interim results for the period ended 31 March 2024 have not been reviewed or reported on by the Group's auditors, Mazars.

These unaudited condensed consolidated interim results for the period ended 31 March 2024 ("**consolidated results**") have been prepared in accordance with the requirements of IFRS® Accounting Standards ("**IFRS Accounting Standards**"), IAS 34: *Interim Financial Reporting*, Financial Reporting 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 Accounting Standards 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 2023 have been considered. The accounting policies applied in these summarised results are the same as those applied in the Group's consolidated financial statements for the year ended 30 September 2023.

Notes to the condensed consolidated financial statements

CONTINUED

Reconciliation of earnings to headline earnings

	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
From continuing operations:			
Profit for the year attributable to Fairvest shareholders	329 854	310 214	654 822
<i>Adjusted for:</i>			
Change in fair value of investment property	6 198	8 277	(57 350)
Change in fair value of investment property – non-controlling interest	–	(20)	5 162
Loss on sale of investment property	–	142	–
Headline profit attributable to shareholders	336 052	318 613	602 634
From discontinued operations:			
Loss for the year attributable to Fairvest shareholders	–	(578 091)	(558 515)
<i>Adjusted for:</i>			
Loss on sale of Indluplace	–	1 019 819	590 485
Fair value adjustment – non-controlling interest	–	(398 776)	–
Headline profit attributable to shareholders	–	42 952	31 970
In total:			
Profit/(loss) for the year attributable to Fairvest shareholders	329 854	(267 877)	96 307
<i>Adjusted for:</i>			
Change in fair value of investment property	6 198	8 277	(57 350)
Change in fair value of investment property – non-controlling interest	–	(20)	5 162
Loss on sale of investment property	–	142	–
Loss on sale of Indluplace	–	–	590 485
Fair value adjustment	–	1 019 819	–
Fair value adjustment – non-controlling interest	–	(398 776)	–
Headline profit attributable to shareholders	336 052	361 565	634 604

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 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
From continuing operations:			
Basic and diluted earnings for the period attributable to equity holders			
Dividends paid to A shareholders	42 609	36 538	75 224
Remaining basic earnings/(loss) to be split pari passu per A and B share	(141)	(627)	160
Total A share basic and diluted earnings	42 468	35 911	75 384
Dividends paid to B shareholders	290 616	288 879	575 743
Remaining basic earnings/(loss) to be split pari passu per A and B share	(3 230)	(14 576)	3 695
Total B share basic earnings	287 386	274 303	579 438
Total A and B share basic and diluted earnings	329 854	310 214	654 822

Notes to the condensed consolidated financial statements

CONTINUED

	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	42 609	36 538	75 224
Remaining headline earnings/(loss) to be split pari passu per A and B share	119	(281)	(2 012)
Total A share headline and diluted headline earnings	42 728	36 257	73 212
Dividends paid to B shareholders	290 616	288 879	575 743
Remaining headline earnings/(loss) to be split pari passu per A and B share	2 708	(6 523)	(46 321)
Total B share headline and diluted headline earnings	293 324	282 356	529 422
Total A and B share headline and diluted headline earnings	336 052	318 613	602 634
From discontinuing operations:			
Basic and diluted loss for the period attributable to equity holders			
Dividends paid to A shareholders	–	4 042	5 872
Remaining basic loss to be split pari passu per A and B share	–	(25 320)	(25 362)
Total A share basic and diluted loss	–	(21 278)	(19 490)
Dividends paid to B shareholders	–	31 956	44 946
Remaining basic loss to be split pari passu per A and B share	–	(588 769)	(583 971)
Total B share basic loss	–	(556 813)	(539 025)
Total A and B share basic and diluted loss	–	(578 091)	(558 515)
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	–	4 042	5 872
Remaining headline earnings/(loss) to be split pari passu per A and B share	–	287	(784)
Total A share headline and diluted headline earnings	–	4 329	5 088
Dividends paid to B shareholders	–	31 956	44 946
Remaining headline earnings/(loss) to be split pari passu per A and B share	–	6 667	(18 064)
Total B share basic earnings	–	38 623	26 882
Total A and B share headline and diluted headline earnings	–	42 952	31 970

	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
In total:			
Basic and diluted earnings for the period attributable to equity holders			
Dividends paid to A shareholders	42 609	40 580	81 096
Remaining basic earnings/(loss) to be split pari passu per A and B share	(141)	(25 946)	(25 201)
Total A share basic and diluted earnings	42 468	14 634	55 895
Dividends paid to B shareholders	290 616	320 835	620 688
Remaining basic loss to be split pari passu per A and B share	(3 230)	(603 346)	(580 276)
Total B share basic earnings/(loss)	287 386	(282 511)	40 412
Total A and B share basic and diluted earnings	329 854	(267 877)	96 307
Headline and diluted headline earnings for the period attributable to equity holders			
Dividends paid to A shareholders	42 609	40 580	81 096
Remaining headline earnings/(loss) to be split pari passu per A and B share	119	6	(2 796)
Total A share headline and diluted headline earnings	42 728	40 586	78 300
Dividends paid to B shareholders	290 616	320 835	620 688
Remaining headline earnings/(loss) to be split pari passu per A and B share	2 708	144	(64 384)
Total B share basic earnings	293 324	320 979	556 304
Total A and B share headline and diluted headline earnings	336 052	361 565	634 604

Notes to the condensed consolidated financial statements

CONTINUED

Basic earnings, diluted earnings, headline earnings and diluted headline earnings per share

R'000	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
From continuing operations:			
Basic earnings per A share in issue (cents)	67.71	57.26	120.19
Diluted earnings per A share in issue (cents)	67.71	57.26	120.19
Headline earnings per A share in issue (cents)	68.13	57.81	116.73
Headline diluted earnings per A share in issue (cents)	68.13	57.81	116.73
Basic earnings per B share in issue (cents)	20.07	18.81	40.12
Diluted earnings per B share in issue (cents)	19.72	18.56	39.49
Headline earnings per B share in issue (cents)	20.49	19.36	36.66
Headline diluted earnings per B share in issue (cents)	20.13	19.10	36.08
From discontinued operations:			
Basic loss per A share in issue (cents)	–	(33.93)	(31.07)
Diluted loss per A share in issue (cents)	–	(33.93)	(31.07)
Headline earnings per A share in issue (cents)	–	6.90	8.11
Headline diluted earnings per A share in issue (cents)	–	6.90	8.11
Basic loss per B share in issue (cents)	–	(38.18)	(37.33)
Diluted loss per B share in issue (cents)	–	(37.67)	(37.33)
Headline earnings per B share in issue (cents)	–	2.65	1.86
Headline diluted earnings per B share in issue (cents)	–	2.61	1.83
In total:			
Basic earnings per A share in issue (cents)	67.71	23.33	89.12
Diluted earnings per A share in issue (cents)	67.71	23.33	89.12
Headline earnings per A share in issue (cents)	68.13	64.71	124.84
Headline diluted earnings per A share in issue (cents)	68.13	64.71	124.84
Basic earnings/(loss) per B share in issue (cents)	20.07	(19.37)	2.80
Diluted earnings/(loss) per B share in issue (cents)	19.72	(19.11)	2.75
Headline earnings per B share in issue (cents)	20.49	22.01	38.52
Headline diluted earnings per B share in issue (cents)	20.13	21.71	37.92

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 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
Number of A shares in issue	62 718 658	62 718 658	62 718 658
Number of B shares in issue	1 433 130 896	1 429 916 223	1 429 916 223
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	1 431 585 042	1 458 429 966	1 444 140 704
Weighted average number of B shares in issue after dilutive impact of Conditional Share Plan	1 457 307 775	1 478 085 781	1 467 180 520

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 unobservable 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 Inyosi Solutions (Pty) Ltd 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.

Notes to the condensed consolidated financial statements

CONTINUED

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

- Expected net operating income;
- Discount rate (13.3% – 16.3%; September 2023: 13.3% – 16.3%);
- Exit capitalisation rate (8.8% – 12.0%; September 2023: 8.8% – 12.0%);
- Growth rate (0% – 7.0%; September 2023: 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 following inputs were used in the Dividend Growth Model:

- Dividend yield of 11.3% (September 2023: 12.7%)
- Growth in annual dividend of 4.0% – 9.5% (September 2023: 4.0% – 9.5%)
- Discount rate of 7.0% (September 2023: 7.0%)

Sensitivity analysis on profit/total comprehensive income if key inputs change as follows:

R'000	Up 2%	Down 2%
Dividend yield	(10 885)	15 366
Growth rate	5 477	(5 251)
Discount rate	(5 160)	5 587

Reconciliation of loans to participants of Group share purchase option schemes

R'000	Unaudited for the six months ended 31 March 2024	Unaudited for the six months ended 31 March 2023	Audited for the 12 months ended 30 September 2023
Opening balance	62 409	105 642	105 642
Assets in disposal group removed	–	(44 403)	–
Fair value adjustments	9 361	(1 755)	(43 233)
Closing balance	71 770	59 484	62 409

R'000	Fair value	Level 1	Level 2	Level 3
31 March 2024 – Unaudited				
Investment property (including non-current assets held for sale)	11 849 219	–	–	11 849 219
	283 740	189 162	22 808	71 770
Listed securities	189 162	189 162	–	–
Derivatives	18 364	–	18 364	–
Financial assets	4 444	–	4 444	–
Loans to participants of Group share option scheme	71 770	–	–	71 770
Total assets	12 132 959	189 162	22 808	11 920 989
	479	–	479	–
Derivatives	479	–	479	–
Total liabilities	479	–	479	–
30 September 2023 – Audited				
Investment property (including non-current assets held for sale)	12 004 066	–	–	12 004 066
	283 495	181 413	39 673	62 409
Listed securities	181 413	181 413	–	–
Derivatives	35 222	–	35 222	–
Financial assets	4 451	–	4 451	–
Loans to participants of Group share option scheme	62 409	–	–	62 409
Total assets	12 287 561	181 413	39 673	12 066 475
31 March 2023 – Unaudited				
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 option scheme	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	–

SA REIT best practice disclosures (non-IFRS Accounting Standards disclosure)

SA REIT Funds from operations (SA REIT FFO) per share

R'000	Six-month period ended 31 March 2024	Six-month period ended 31 March 2023	12-month period ended 30 September 2023
Profit per IFRS Accounting Standards Statement of Comprehensive Income (SOI) – from continuing operations	331 561	316 548	667 254
Adjusted for:			
Accounting/specific adjustments:	(8 753)	207	(39 244)
Fair value adjustments to:	(10 906)	5 881	(48 177)
– Investment property	6 198	7 317	(57 350)
– Gain on revaluation of listed securities	(9 361)	(3 191)	(2 279)
– Fair value (gain)/loss on loans to participants of Group share purchase option schemes	(7 743)	1 755	(1 170)
– Sundry adjustments	–	–	12 622
Straight-lining operating lease adjustment	2 537	(3 607)	11 056
Transaction costs expensed in accounting for a business combination and other capital expenses	–	279	411
Adjustments to dividends from equity interests held	(384)	(2 346)	(2 534)
Adjustments arising from investing activities:	–	142	–
Gains or losses on disposal of Investment property and property, plant and equipment	–	142	–
Foreign exchange and hedging items:	17 337	(2 571)	(15 800)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	17 337	(2 571)	(15 800)
Other adjustments:	–	20 060	48 209
Distributable income arising from discontinued operations (Incluplace)	–	21 737	51 475
Non-controlling interests	(1 707)	(1 677)	(3 266)
SA REIT FFO	338 438	334 386	660 419

R'000	Six-month period ended 31 March 2024	Six-month period ended 31 March 2023	12-month period ended 30 September 2023
Allocated to the A shares	42 539	40 514	83 122
Thus balance allocated to the B shares	295 899	293 872	577 297
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	1 433 130 896	1 429 916 223	1 429 916 223
SA REIT FFO per share – A shares (cents)	67.83	64.60	132.53
SA REIT FFO per share – B shares (cents)	20.65	20.55	40.37
Company-specific adjustments	8 476	5 911	13 095
Impact of IFRS 16: <i>Leases</i>	(1 106)	(717)	(1 149)
Share-based payment expense	9 582	6 628	14 244
Equals total dividend	346 914	340 297	673 514
Allocated to the A shares:	42 539	40 514	83 122
Thus balance allocated to the B shares	304 375	299 783	590 392
Dividend per share – A shares (cents)	67.83	64.60	132.53
Dividend per share – B shares (cents)	21.24	20.97	41.29

SA REIT best practice disclosures (non-IFRS Accounting Standards disclosure) CONTINUED

SA REIT net asset value (SA REIT NAV)

R'000		At 31 March 2024	At 31 March 2023	At 30 September 2023
Reported NAV attributable to the parent		7 710 935	7 687 568	7 713 474
Adjustments:				
Dividend to be declared		(346 914)	(340 297)	(319 338)
Dividend to be received from Dipula		11 202	11 781	11 586
Fair value of certain derivative financial instruments		(17 885)	(21 336)	(35 222)
Deferred tax		3 915	3 915	3 915
SA REIT NAV	A	7 361 253	7 341 631	7 374 415
Allocated to the A shares		975 384	859 911	882 692
Thus balance allocated to the B shares		6 385 869	6 481 720	6 491 723
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		1 433 130 896	1 429 916 223	1 429 916 223
Effect of dilutive instruments		25 722 733	19 655 815	23 039 816
Dilutive number of shares in issue	B	1 458 853 629	1 449 572 038	1 452 956 039
SA REIT NAV per A share	(A/B)	15.55	13.71	14.07
SA REIT NAV per B share	(A/B)	4.38	4.47	4.47

SA REIT cost-to-income ratio

R'000		At 31 March 2024	At 31 March 2023	At 30 September 2023
Expenses				
Operating expenses per IFRS Accounting Standards income statement (includes municipal expenses)		420 082	386 545	789 878
Administrative expenses per IFRS Accounting Standards income statement		54 239	50 414	114 793
<i>Exclude:</i>				
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets		(453)	(500)	(1 338)
Operating costs	A	473 868	436 459	903 333
Rental income				
Contractual rental income per IFRS Accounting Standards income statement (excluding straight-lining)		686 819	684 301	1 362 359
Utility and operating recoveries per IFRS Accounting Standards income statement		311 613	267 284	558 579
Gross rental income	B	998 432	951 585	1 920 938
SA REIT cost-to-income ratio	(A/B)	47.5%	45.9%	47.0%

SA REIT administrative cost-to-income ratio

R'000		At 31 March 2024	At 31 March 2023	At 30 September 2023
Expenses				
Administrative expenses as per IFRS Accounting Standards income statement		54 239	50 414	114 793
Administrative costs	A	54 239	50 414	114 793
Rental income				
Contractual rental income per IFRS Accounting Standards income statement (excluding straight-lining)		686 819	684 301	1 362 359
Utility and operating recoveries per IFRS Accounting Standards income statement		311 613	267 284	558 579
Gross rental income	B	998 432	951 585	1 920 938
SA REIT administrative cost-to-income ratio	(A/B)	5.4%	5.3%	6.0%

SA REIT best practice disclosures (non-IFRS Accounting Standards disclosure) CONTINUED

SA REIT GLA vacancy rate

		At 31 March 2024	At 31 March 2023	At 30 September 2023
Gross lettable area of vacant space	A	55 187	67 201	51 081
Gross lettable area of total property portfolio	B	1 050 003	1 127 134	1 126 191
SA REIT GLA vacancy rate	(A/B)	5.26%	5.96%	4.54%

Cost of debt

		At 31 March 2024	At 31 March 2023	At 30 September 2023
<i>Variable interest-rate borrowings</i>				
Floating reference rate plus weighted average margin	A	10.14%	9.90%	10.16%
<i>Adjustments:</i>				
Impact of interest rate derivatives	B	(0.64%)	(0.70%)	(0.59%)
Amortised transaction costs imputed into the effective interest rate	C	0.13%	0.10%	0.17%
All-in weighted average cost of debt:	(A+B+C)	9.63%	9.30%	9.74%

SA REIT loan-to-value

		At 31 March 2024	At 31 March 2023	At 30 September 2023
R'000				
Gross debt		4 103 569	6 211 645	4 244 573
Less: Cash and cash equivalents		(116 762)	(189 293)	(106 763)
Less: Cash and cash equivalents linked to tenant deposits		–	25 454	–
Add/less: Derivative financial instruments		(17 885)	(32 084)	(35 222)
Net debt	A	3 968 922	6 015 722	4 102 588
Total assets – per Statement of Financial Position		12 487 370	15 122 072	12 634 486
Less: Cash and cash equivalents		(116 762)	(189 293)	(106 763)
Derivative financial assets		(18 364)	(33 158)	(35 222)
IFRS 5 impairment relating to disposal group		–	1 019 819	–
Trade and other receivables (excluding current portion of straight-line rental income accrual)		(184 585)	(239 582)	(185 579)
Carrying amount of property-related assets	B	12 167 659	15 679 858	12 306 922
SA REIT loan-to-value ("SA REIT LTV")	(A/B)	32.6%	38.4%	33.3%

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")

Directors

LW Andrag*

ML Buya**

JF du Toit*

FC Futwa**

BJ Kriel (CFO)

N Mkhize (Chairman)*

KR Nkuna*

NN Shange*

JD Wiese*

DM Wilder (CEO)

* *Independent non-executive*

Appointed 1 October 2023

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