Fairvest Limited
(Incorporated in the Republic of South Africa)
JSE share code: FTA ISIN: ZAE000304788
JSE share code: FTB ISIN: ZAE000304796
LEI: 378900E93AFC4D1CAD45
(Granted REIT status with the JSE)
("**Fairvest**" or the "**Company**" or the "**Group**")

SHORT-FORM ANNOUNCEMENT: UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

Highlights

- Distributable income of 64.60 cents per A share for the 6 months ended 31 March 2023
- Distributable income of 20.97 cents per B share for the 6 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%
- LTV of 38.4%
- Tenant retention improved to 90.7%

Financial Indicators

R'000 Unaudited	31 March 2023	31 March 2022	% Increase/ (decrease)
Revenue (excl.straight-line rental income)	**951 585**	**633 719**	**50%**
Basic earnings per A share in issue (cents)	**23.33**	**159.99***	**(85%)**
Basic (loss)/earnings per B share in issue (cents)	**(19.37)**	**182.58***	**(111%)**
Headline earnings/(loss) per A share in issue (cents)	**64.71**	**(14.79)***	**538%**
Headline earnings per B share in issue (cents)	**22.01**	**7.80***	**182%**
Net asset value per A share at reporting date (cents)	**1 371**	**1 490**	**(8%)**
Net asset value per B share at reporting date (cents)	**477**	**491**	**(3%)**
Dividend per A share (cents) for the period ended	**64.60**	**61.52**	**5%**
Dividend per B share (cents) for the period ended	**20.97**	**21.33**	**(2%)**

* - restated

Nature of business

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 direct 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 an 5.1% interest (2022: 5.1%) in Dipula Income Fund Limited ("**Dipula**") at 31 March 2023.

Declaration of dividend for the six months 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 cum distribution	Tuesday, 20 June
Shares trade ex-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 Depositary Participant ("**CSDP**") accounts/broker accounts on Monday, 26 June 2023. Certificated shareholders' dividend payments will be deposited on or about Monday, 26 June 2023 to certificated shareholders' bank accounts.

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

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

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

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

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

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

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

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

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

A-shares in issue at the date of declaration of the dividend: 62 718 658
B-shares in issue at the date of declaration of the dividend: 1 495 747 091
Fairvest's income tax reference number: 9068/723/17/1

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 focussed 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, 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. Additionally, as per the Group's memorandum of incorporation, the distribution per A share will increase by the lesser of 5% or the most recent Consumer Price Index.

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.

Short form announcement

This short-form announcement is the responsibility of the board of directors of the Company. This short-form announcement is only a summary of the full announcement released on SENS, published on Fairvest's website: (www.fairvest.co.za) https://fairvest.co.za/cmsAdmin/uploads/interim-results/interims-2023.pdf and on the JSE website at https://senspdf.jse.co.za/documents/2023/jse/isse/FTAE/Mar2023.pdf and does not contain the complete or full announcement details. Any investment decision by investors and shareholders should be based on consideration of the full announcement. Copies of the full announcement may be requested via email to khanyisile@fairvest.co.za or sponsor@javacapital.co.za.

31 May 2023

Sponsor

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