

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”)



RESULTS ANNOUNCEMENT: AUDITED CONSOLIDATED FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2023 AND PROSPECTS FOR THE YEAR ENDING 30 SEPTEMBER 2024

Highlights

- Distributable income of 132.53 cents per A share for the 12 months ended 30 September 2023
- Distributable income of 41.29 cents per B share for the 12 months ended 30 September 2023
- Distributable income per B share for the year 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 4.4%
- Vacancies reduced to 4.5%
- LTV improved to 33.3%
- Tenant retention at 86.5%

Financial Indicators

Audited	30 September 2023	30 September 2022	% Increase/ (decrease)
Revenue (excl. straight-line rental income) (R'000)	1 920 938	1 584 901*	21.2%
Basic earnings per A share in issue (cents)	89.12	206.89*	(56.9%)
Basic earnings per B share in issue (cents)	2.80	191.84*	(98.5%)
Headline earnings per A share in issue (cents)	124.84	57.14*	118.5%
Headline earnings per B share in issue (cents)	38.52	42.09*	(8.5%)
Net asset value per A share (cents)	1 407.38	1 318.78	6.7%
Net asset value per B share (cents)	477.71	519.01	(8.0%)
Dividend per A share (cents) for the year ended	132.53	126.22	5.0%
Dividend per B share (cents) for the year ended	41.29	43.29	(4.6%)

* - 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 134 retail, office and industrial properties valued at R12.0 billion (held directly and through subsidiaries). The average value per direct property held as at 30 September 2023 was R89.6 million.

As at 30 September 2023, Fairvest held an 5.0% interest (2022: 5.1%) in Dipula Income Fund Limited (“Dipula”).

Declaration of dividend for the six months ended 30 September 2023

The Board has resolved to declare a final dividend (dividend number 17) of 67.93610 cents per A share and 20.32351 per B share, being 100% of the distributable income for the period (2023 interim:100%). The dividend will be paid to shareholders in accordance with the timetable set out below:

	2023
Last date to trade cum distribution	Tuesday, 19 December
Shares trade ex-distribution	Wednesday, 20 December
Record date	Friday, 22 December
Payment date	Wednesday, 27 December

Share certificates may not be dematerialised or rematerialised between Wednesday, 20 December 2023 and Friday, 22 December 2023, both days inclusive. Payment of the dividend will be made to shareholders on Wednesday, 27 December 2023. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (“**CSDP**”) accounts/broker accounts on Wednesday, 27 December 2023. Certificated shareholders’ dividend payments will be deposited on or about Wednesday, 27 December 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 54.34888 cents per A share. The net dividend amount due to non-resident shareholders in respect of the interim dividend per B share is 16.25881 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

Load shedding, dysfunctional local municipalities, and uncertainty in the build-up to the national elections are expected to continue to negatively impact economic growth. The challenging operating environment is expected to persist, with the current interest rates expected to remain higher for longer.

The Group's stated strategic objective remains to continue its move towards a retail focused fund, by disposing of non-core assets. Great strides were made during the year with close to R1 billion in disposals and the focus on disposing of non-core assets will remain for the 2024 financial year. We will start exploring acquisition opportunities in the non-metropolitan rural retail sector to reposition the portfolio.

We again expect net property income growth from all sectors, on a like-for-like basis, for the 2024 financial year. Despite the significant increases in interest rates during the year, given the expected net property income growth and synergies achieved through the merger, we expect growth in distributable earning per B share. For the 2024 financial year, distributable earnings per B share is expected to be between 41.50 cents and 42.50 cents per share (2023: 41.29 cents per 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 being 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 distributions for the current year.

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

The contents of this announcement are the responsibility of the board of directors of Fairvest. This announcement is only a summary of the information contained in Fairvest's group audited annual financial statements for the year ended 30 September 2023 ("**2023 AFS**") and does not include full or complete details.

Fairvest's 2023 AFS have been released on SENS and are available on the JSE website at: <https://senspdf.jse.co.za/documents/2023/jse/isse/FTAE/Sept2023.pdf> and on the Company website at <https://fairvest.co.za/cmsAdmin/uploads/annual-results/afs-2023.pdf>.

The 2023 AFS have audited by BDO South Africa, who expressed an unmodified opinion thereon. A copy of the auditor's report, together with the accompanying 2023 AFS are available on the Fairvest's website and available for inspection at Fairvest's registered office.

Copies of the 2023 AFS may be requested via email to fairvestir@fairvest.co.za or sponsor@javacapital.co.za. Any investment decision should be based on the 2023 AFS published on the Company's website.

Fairvest's summarised audited consolidated financial results for the year ended 30 September 2023, which includes directors' commentary, has been published on the Company's website at <https://fairvest.co.za/cmsAdmin/uploads/annual-results/annual-results-2023.pdf>.

Executive Directors

DM Wilder (CEO)
BJ Kriel (CFO)

Registered office

3rd Floor, Upper building, 1 Sturdee Avenue,
Rosebank, Johannesburg, 2196

Non-Executive Directors

N Mkhize (Chairman)*, LW Andrag*,
ML Buya*#, JF du Toit*, FC Futwa*#,
NN Shange*, KR Nkuna*, JD Wiese*

Transfer secretaries

JSE Investor Services Proprietary Limited

* Independent non-executive. # Appointed 1 October 2023
All directors are South African.

Sponsor

Java Capital Trustees and Sponsors
Proprietary Limited

Company secretary

Fluid Rock CoSec Proprietary Limited

29 November 2023

Sponsor

The logo for Java Capital, featuring the word "JAVACAPITAL" in a bold, sans-serif font. A blue swoosh underline is positioned beneath the letters "A" and "V".