

## 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

(Granted REIT status with the JSE)

(“Fairvest” or the “Company” or the “Group”)



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## RESULTS ANNOUNCEMENT: UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL 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 6 months ended 31 March 2024
- Distribution of 21.24 cents per B share for the 6 months ended 31 March 2024
- Distribution per B share for the full year expected at upper end of guidance of between 41.50 and 42.50 cents per share
- Pay-out ratio of 100% maintained
- Like-for-like net property income increased by 7.0%
- Vacancies at 5.3%
- LTV improved to 32.6%
- Tenant retention at 87.1%

### Financial Indicators

Unaudited	Six months to 31 March 2024	Six months to 31 March 2023	% Increase/ (decrease)
Revenue (excl.straight-line rental income) (R'000)	998 432	951 585	4.9%
Basic earnings per A share in issue (cents)	67.71	23.33	190.2%
Basic earnings/(loss) per B share in issue (cents)	20.07	(19.37)	203.6%
Headline earnings per A share in issue (cents)	68.13	64.71	5.3%
Headline earnings per B share in issue (cents)	20.49	22.01	(6.9%)
Net asset value per A share (cents)	1 555	1 371	13.4%
Net asset value per B share (cents)	470	477	(1.5%)
Dividend per A share (cents) for the period ended	67.83	64.60	5.0%
Dividend per B share (cents) for the period ended	21.24	20.97	1.3%

### 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 131 retail, office and industrial properties valued at R11.8 billion (held directly and through subsidiaries). The average value per direct 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**”).

#### **Declaration of dividend for the six months 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:

	<b>2024</b>
Last date to trade cum distribution	Tuesday, 18 June
Shares trade ex-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.

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 54.26064 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 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: 1 498 961 764

Fairvest’s income tax reference number: 9068/723/17/1

## **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.

## Results announcement

This results announcement is the responsibility of the board of directors of the Company. This results announcement is only a summary of the unaudited condensed consolidated interim financial results for the 6 six months ended 31 March 2024 (“**interim results**”) released on SENS, published on Fairvest's website: <https://fairvest.co.za/cmsAdmin/uploads/interim-results/interims-2024.pdf> and on the JSE website: <https://senspdf.jse.co.za/documents/2024/jse/isse/FTAE/Mar2024.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 interim results.

### 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

FluidRock CoSec Proprietary Limited

3 June 2024

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Sponsor

 JAVACAPITAL