

## 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: AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 AND PROSPECTS FOR THE YEAR ENDING 30 SEPTEMBER 2025

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### Highlights

- Robust performance in a challenging environment with a 5.0% growth in distributable income
- Distributable income of 138.34 cents per A share for the 12 months ended 30 September 2024
- Distributable income of 43.29 cents per B share for the 12 months ended 30 September 2024
- Distributable income per B share exceeding guidance by 1.9%
- Pay-out ratio of 100% maintained
- Like-for-like net property income increased by 7.2%
- Vacancies reduced to 4.3%
- LTV maintained at 33.3%
- Tenant retention at 85.7%

### Financial Indicators

Audited	30 September 2024	30 September 2023	% Increase
Revenue (excl. straight-line rental income) (R'000)	2 034 340	1 920 938	5.9%
Basic earnings per A share in issue (cents)	152.23	89.12	70.8%
Basic earnings per B share in issue (cents)	58.00	2.80	> 100%
Headline earnings per A share in issue (cents)	137.13	124.84	9.8%
Headline earnings per B share in issue (cents)	42.91	38.52	11.4%
Net asset value per A share (cents)	1 611.62	1 407.38	14.5%
Net asset value per B share (cents)	485.69	477.71	1.7%
Dividend per A share (cents) for the year	138.34	132.53	4.4%
Dividend per B share (cents) for the year*	43.29	41.29	4.8%

\* Exceeded upper end of guidance by 1.9%

### 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 128 retail, office and industrial properties valued at R12.3 billion (held directly and through subsidiaries). The average value per direct property held as at 30 September 2024 was R96.1 million.

As at 30 September 2024, Fairvest held a 5.0% interest (September 2023: 5.0%) in Dipula Income Fund Limited (“**Dipula**”). After year end, on 18 November 2024, Fairvest increased its shareholding to 26.3%.

### **Declaration of dividend for the six months ended 30 September 2024**

The Board has resolved to declare a final dividend (dividend number 19) of 70.51767 cents per A share, and 22.05167 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	Friday, 20 December
Shares trade ex-distribution	Monday, 23 December
Record date	Friday, 27 December
Payment date	Monday, 30 December

Share certificates may not be dematerialised or rematerialised between Monday, 23 December 2024 and Friday, 27 December 2024, both days inclusive. Payment of the dividend will be made to shareholders on Monday, 30 December 2024. In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant (“**CSDP**”) accounts/broker accounts on Monday, 30 December 2024. Certificated shareholders’ dividend payments will be deposited on or about Monday, 30 December 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 final dividend per A share is 56.41414 cents per A share. The net dividend amount due to non-resident shareholders in respect of the final dividend per B share is 17.64134 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: 1 702 695 282

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

## **Prospects**

The current operating environment remains challenging; however, we are starting to see green shoots. The establishment of the Government of National Unity has improved sentiment and with inflation seemingly under control, interest rates are expected to reduce further.

We again expect net property income growth from all sectors on a like-for-like basis for the 2025 financial year. The Group remains committed to its strategic objective of transitioning towards a retail focused fund, by disposing of non-core assets and investing in retail assets.

Substantial progress has been made towards implementing our stated strategy and optimising the portfolio over the past few years. The portfolio is operationally strong and positioned for growth. Distributable earnings per B share is expected to be between 45.00 cents and 46.00 cents per share, an increase of between 4.0% and 6.3%, for the 2025 financial year (September 2024: 43.29 cents per share). 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 there is no material deterioration in the current macroeconomic environment, 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**

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 2024 ("**2024 AFS**") and does not include full or complete details.

Fairvest's 2024 AFS have been released on SENS and are available on the JSE website at: <https://senspdf.jse.co.za/documents/2024/jse/isse/FTAE/Sept2024.pdf> and on the Company website at <https://fairvest.co.za/cmsAdmin/uploads/annual-results/afs-2024.pdf>.

The 2024 AFS have audited by Forvis Mazars, who expressed an unmodified opinion thereon. A copy of the auditor's report, together with the accompanying 2024 AFS are available on the Fairvest's website and available for inspection at Fairvest's registered office.

Copies of the 2024 AFS may be requested via email to [fairvestir@fairvest.co.za](mailto:fairvestir@fairvest.co.za) or [sponsor@javacapital.co.za](mailto:sponsor@javacapital.co.za). Any investment decision should be based on the 2024 AFS published on the Company's website.

Fairvest's summarised audited consolidated financial results for the year ended 30 September 2024, which includes directors' commentary, has been published on the Company's website at <https://fairvest.co.za/cmsAdmin/uploads/annual-results/annual-results-2024.pdf>.

29 November 2024

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Sponsor

The logo for JavaCapital, featuring the word "JAVA" in a large, bold, blue font, followed by "CAPITAL" in a smaller, grey font. A blue swoosh underline is positioned beneath the "A" in "JAVA".