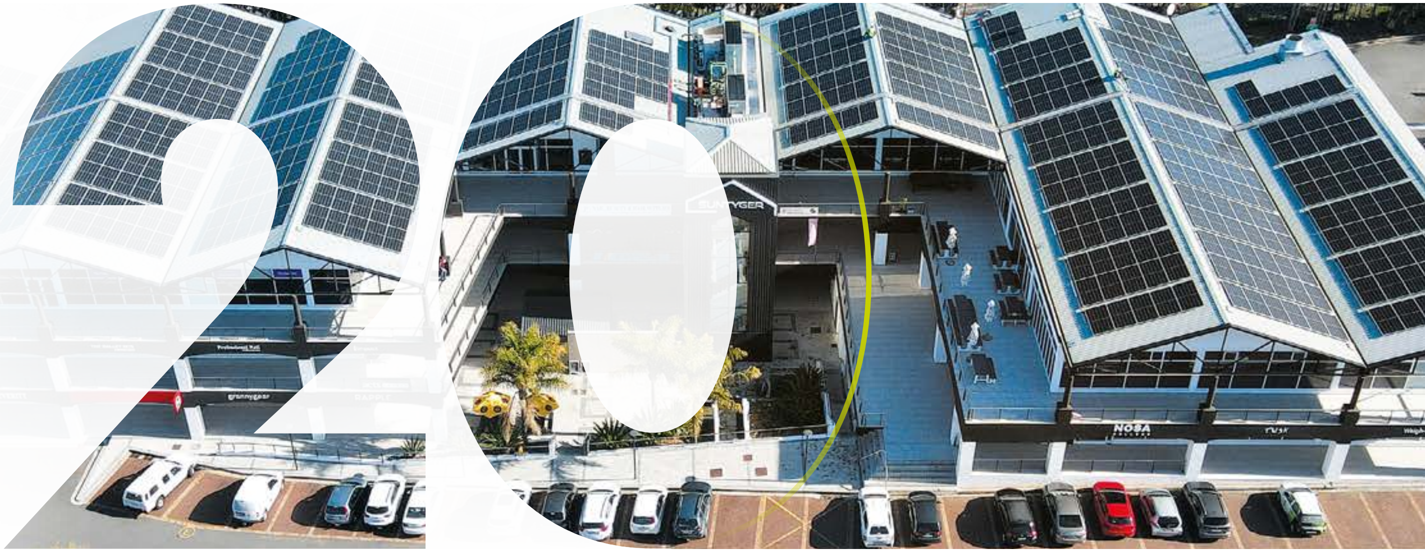
FAIRVEST
LIMITED

Integrated Annual Report

for the year ended 30 September 2023



CONTENTS

NAVIGATING OUR REPORT

Fairvest is committed to applying environmental, social and governance principles to create value for stakeholders. This year, we have furthered our ESG journey and have included the United Nations Sustainable Development Goals that we believe are relevant to Fairvest.

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5 GENDER EQUALITY
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ABOUT THIS REPORT

Fairvest's full suite of reports can be accessed from www.fairvest.co.za.

Integrated Annual Report 2023

Notice of Annual General Meeting

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Our Integrated Annual Report is published annually and presents an overview of the present and future direction and prospects of Fairvest Limited ("Fairvest") that are most important to value creation.

To view our earlier Integrated Annual Reports please visit our website at www.fairvest.co.za/annual-reports.php.

Readers of this Integrated Annual Report are reminded that the merger between Arrowhead Properties Limited ("Arrowhead") and Fairvest Property Holdings Limited ("Old Fairvest") was implemented during the previous reporting period, and the integration between the two teams has been successfully completed. As a result, only two years of historical data is provided.

INTEGRATED THINKING

Integrated thinking assists organisations to actively consider the relationships between its operational units as well as its capitals. By embedding integrated thinking in our business processes, we are able to understand how these elements interact with one another. This positions Fairvest to create and preserve value for all our stakeholders over the short, medium and long term.

MATERIALITY

The information contained in this report has been selected based on our continuous assessment of what is most material to our stakeholders and what could have a substantial effect on our ability to create stakeholder value in the short, medium and long term. Our material matters were assessed based on a combination of engagements with our stakeholders, internally identified risks and opportunities within our operating context and information gathered from our continued measurement and monitoring of operational performance.

SCOPE AND BOUNDARY

This report aims to provide a concise account of the integrated performance of the operations of Fairvest and its subsidiaries for the financial year ended 30 September 2023, as well as those factors that could materially affect our ability to create value in the short, medium and long term.

REPORTING FRAMEWORK

This Integrated Report was prepared in accordance with IFRS, the requirements of the Companies Act, the JSE Listings Requirements, the principles of King IV™, the International Integrated Reporting Framework of the International Integrated Reporting Council and the SA REIT Association's best-practice recommendations.

To guide and inform Fairvest's decisions during the preparation of this report, we applied the principles and requirements contained within various regulations, codes and standards as set out in the table below.

	Integrated Annual Report	Annual Financial Statements
IIRC's International <IR> Framework	✓	✓
JSE Listings Requirements	✓	✓
Companies Act	✓	✓
IFRS	✓	✓
SA REIT Association	–	✓
King IV™	✓	✓
UN SDGs	✓	–
JSE Sustainability Disclosure Guidance June 2022	✓	–

ESG SUSTAINABILITY DISCLOSURE

Fairvest, in seeking alignment with recent developments in global reporting standards, has this year taken into consideration the recommendations of the JSE Sustainability and Climate Change Disclosure Guidance as well as certain of the GRI Standards. We conducted a gap analysis on the 2022 Integrated Annual Report and are satisfied that this report details our most significant ESG impacts, as well as the initiatives we are undertaking to improve our sustainability reporting. We do, however, commit to continue improving our ESG disclosure as existing global standards coalesce and evolve, and as South Africa's corporates, including those operating in our sector, continue to embrace and enhance ESG reporting. As part of this journey, we have included an inaugural ESG Summary Table, and have enhanced the information contained in the ESG Sustainability Report commencing on page 59, which forms part of the 2023 Integrated Annual Report.

The IFRS Foundation formally announced the creation of the International Sustainability Standards Board ("ISSB") at the end of 2022, which will sit parallel to the International Accounting Standards Board under the IFRS Foundation. This is the most significant development in ESG sustainability reporting for some time and

ABOUT THIS REPORT CONTINUED

South View Shopping Centre

is a major step towards convergence of the currently fragmented reporting landscape. The IFRS Foundation had already indicated that it would build on the work of the Task Force on Climate Related Disclosures ("TCFD") when developing its first climate standard. The IFRS ESG Reporting Standard is expected to be effective for the 2025 financial year.

OUTLOOK

According to the IIRC's Framework, an Integrated Annual Report should answer the following questions concerning outlook: *What are the challenges and uncertainties the organisation is likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance.*

Outlook information can be found throughout this report with specific reference to the following sections of our report:

- Message from the Chairman (page 22)
- Message from the CEO (page 24)
- Business overview (page 28)
- Annual Financial Statements with specific reference to our Directors' Report (page 99)

FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute forward-looking statements which represent the Board's judgements and future expectations that involve risk and uncertainty. The Directors, therefore, advise readers to use caution regarding interpreting any forward-looking statements in this report. While these statements represent our judgements and future expectations at the time of preparing this report, emerging risks, uncertainties, and other factors could have a material impact on our business and future financial performance.

ASSURANCE AND BOARD RESPONSIBILITY STATEMENT

The Fairvest Board and its Committees have reviewed and applied their collective mind to the preparation and presentation of the information contained in this report. The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report and has satisfied itself that the information contained in this report is accurate, addresses all material matters and is a balanced and fair representation of the integrated performance and strategy of Fairvest. No external assurance was sought for aspects of our reporting other than from our independent auditors, BDO South Africa Incorporated, for the financial statements.

This report was approved by the Board of Fairvest on 22 January 2024.

Ndabezinhle Mkhize
Chairman

Darren Wilder
Chief Executive Officer

01

FAIRVEST IN A SNAPSHOT

Access Park

GROUP AT A GLANCE

Fairvest is a REIT that owns a diversified portfolio of 134 properties. The portfolio mitigates risk by being invested in a large number of quality assets with a wide range of retail, office and industrial tenants located throughout South Africa which delivers sustainable and growing income through the various economic cycles.

We are an empowered team that drives performance through innovative thinking, focused on building mutually beneficial relationships and creating sustainable stakeholder value by our dual passions for real estate and people.

OUR PURPOSE

We are a dynamic, retail focused REIT, driven by an experienced professional team, investing in quality assets with sustainable income streams focusing on maximising shareholder value.

OUR VALUES

AUTONOMY | TEAM DRIVEN | RELATIONSHIPS | INNOVATION | PERFORMANCE

WHAT IS IMPORTANT TO US – "ATRIP"

A

Our highly skilled, professional team is empowered and entrusted to work autonomously towards shared outcomes and strategic objectives. Knowledge "Know your game", is our mantra, understanding our market and clients enables sound decision making.

T

With a positive "can do" attitude, our team is committed to service excellence. Driven by a strong work ethic, operating with integrity and honesty they move towards excellence. Accountability, taking responsibility and driving self and skills development, keeps us ahead of the curve.

R

We build strong relationships by being honest and fair in our dealings, respectful in our engagements and collaborative in our approach.

I

We have a creative, proactive solution-orientated approach in all our dealings.

P

We are a high performance team who are valued for our individual and team contribution. We commit to excellence, embrace diversity and a free thinking environment that contributes to the success of the organisation.

OUR BUSINESS

PROPERTY TRANSACTIONS

- Specialised retail focused REIT and will recycle out of office and industrial assets
- Disposals of non-core assets in the office and industrial sectors and recycle capital into retail assets
- Continue to extract value from our assets and with strong focus on tenant retention

PORTFOLIO MANAGEMENT

- Differentiate ourselves through strong operational performance
- Invest in quality retail assets with sustainable income streams
- Portfolio provides unique access to the underdeveloped, high growth and lower-LSM consumer market
- Oversee the management of the portfolio through internal reporting processes, key performance indicators ("KPIs") and strategies

TREASURY MANAGEMENT

- Disciplined and conservative approach to financial management and capital allocation
- Maintain key performance metrics such as loan-to-value ratio, staggered debt maturity, percentage of fixed debt and cost of funding to ensure long-term sustainability of financial capital

ASSET MANAGEMENT

- Create a strong platform for sustainable growth
- Strong drive from the leasing team to reduce vacancies
- Strategic objectives applied per property through a bottom-up approach
- Collaboration with property managers for the operational management of properties

PROPERTY MANAGEMENT

- Experienced outsourced property management
- Robust procedures set out in the Fairvest standard procedures document

PROPERTY MAINTENANCE

- Capital expenditure to keep assets well maintained and relevant
- Yield enhancing capital projects
- Rolling three and five year capital expenditure cycle on properties

Clubview Corner

Refer to page 10 of this report for Fairvest's business model.

KEY PERFORMANCE METRICS FOR 2023

FINANCIAL

132.53 cents per share
distribution per A share
(30 September 2022: 126.22 cents per share)

41.29 cents per share
distribution per B share
(30 September 2022: 43.29 cents per share)

100% pay-out ratio
(30 September 2022: 100%)

Like-for-like net property income increased by **4.4%**

Loan-to-value of **33.3%**
(30 September 2022: 38.1%)

NAV per share
Per A share **R14.07** (30 September 2022: R13.19)
Per B share **R4.78** (30 September 2022: R5.19)

Capex spend of **R190.3 million**
(30 September 2022: R149.7 million)

NON-FINANCIAL

Solar investment produced **10.1%** of the portfolio's electricity cost
(30 September 2023: 8.1%)

Investment into solar projects of **R26.2 million** in the current year

86.5% overall tenant retention
(30 September 2022: 87.4%)

CSI spend of **R2.2 million** on education and other initiatives

B-BBEE Level 2

Governance Refresh Project

Diversity Policy
52% female staff

Disposals of **7 assets** transferred at value of **R338.0 million** (30 September 2022: Disposals of 6 assets and 1 Erf transferred at value of R96.5 million)

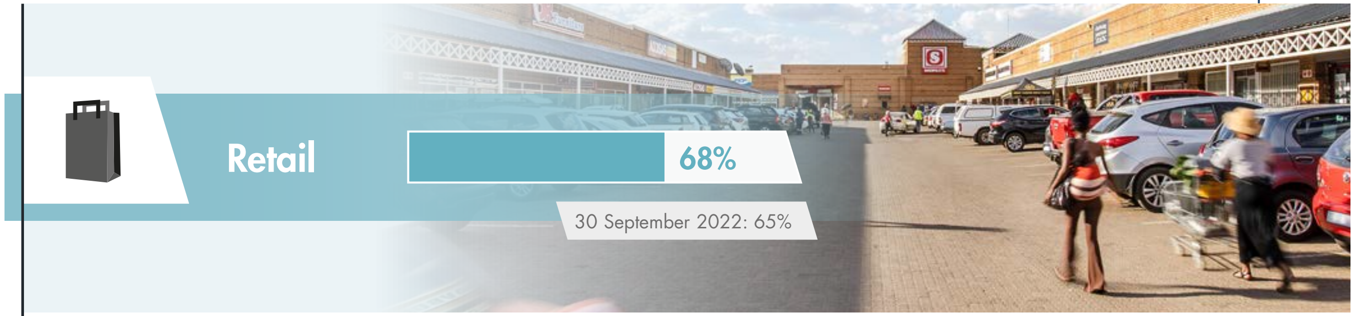

South View Shopping Centre

PORTFOLIO HIGHLIGHTS

Diverse portfolio of **R12.0 billion**
(30 September 2022: R12.1 billion)

Average value per property **R89.6 million**
(30 September 2022: R85.8 million)

SECTORAL SPLIT BY REVENUE



Retail 68%
30 September 2022: 65%

Office 21%
30 September 2022: 24%

Industrial 11%
30 September 2022: 11%

134 assets
(30 September 2022: 141)

1 126 191m² of GLA
(30 September 2022: 1 150 862m²)

Vacancies decreased to **4.5%**
(30 September 2022: 5.9%)

Average gross rental per m² **R118.27**
(30 September 2022: R113.09)

Weighted average built-in escalation **6.6%**
(30 September 2022: 6.4%)

WALE **29.0 months**
(30 September 2022: 28.6 months)

WHY INVEST IN FAIRVEST?

Fairvest is a well-established and profitable business with a strong track record of success. It has a conservative gearing ratio and strong cash flow to fund operations. The recent merger has been successfully bedded down and integrated, and the new combined strategy is embedded with clearly defined strategic objectives. The Board has resolved to maintain the current dividend pay-out ratio of 100% of distributable earnings as a dividend, which provides investors with the potential for strong and sustainable returns.

KEY INVESTMENT HIGHLIGHTS INCLUDE:

- Strong and sustainable returns for investors;
- Conservative gearing ratio;
- Strong cash flow to fund operations;
- Successful merger and integration;
- New combined strategy with clearly defined strategic objectives; and
- Track record of success.

Although there are investment risks such as general economic risks, industry specific risks, competitive risks and execution risks, Fairvest remains well-managed with a strong track record and a bright future. The investment case is compelling, and the management team believes that risks can be monitored and managed.

NOTABLE FEATURES:

Diverse portfolio of **R12.0 billion**

Market capitalisation **R5.7 billion**

1 126 191m² of GLA

Sectoral split by revenue

Sectoral split by GLA

68.2%	Retail	48.6%
20.7%	Office	25.9%
11.1%	Industrial	25.5%

Investments **5.0%** in Dipula

Gearing level **33.3%**

Fairvest is a responsible corporate citizen and follows best practice corporate governance principles, guided by various local and international codes of conduct. It is respectful of the environment in which it operates and engages in a number of corporate social investment and support functions (details of which are included in this Integrated Annual Report).

OUR HISTORY

YEAR	'13	'14 – '18	'19	'20	'21
ARROWHEAD HISTORY	REIT status approved for Arrowhead on 10 July 2013	Various equity raises and property acquisitions	Merger between Arrowhead and Gemgrow completed Portfolio value: R10.8 billion Number of properties:188 Market cap: R3.9 billion	Portfolio value: R9.7 billion Number of properties: 143 Market cap: R1.8 billion	Portfolio value: R8.3 billion Number of properties: 106 Market cap: R4.8 billion
OLD FAIRVEST HISTORY	REIT status approved for Fairvest on 1 July 2013	Various equity raises and property acquisitions	Portfolio value: R3.2 billion Number of properties: 42 Market cap: R2.0 billion	Portfolio value: R3.5 billion Number of properties: 44 Market cap: R1.5 billion	Portfolio value: R3.4 billion Number of properties: 43 Market cap: R1.9 billion

FAIRVEST LIMITED

'22

Merger between Arrowhead and Old Fairvest was concluded on 26 January 2022

Added to the SAPY Index and listed on A2X

Portfolio value: R12.1 billion

Number of properties: 141

Market cap: R5.5 billion

'23

Merger successfully bedded down

New strategy implemented

Investment in Indluplace was disposed of for R651.4 million effective 31 July 2023

Fairvest today

Portfolio value: **R12.0 billion**

Number of properties: **134**

Market cap: **R5.7 billion**

OUR BUSINESS MODEL

Our business activities allow us to create sustainable value for all our stakeholders through a multi-capital approach.

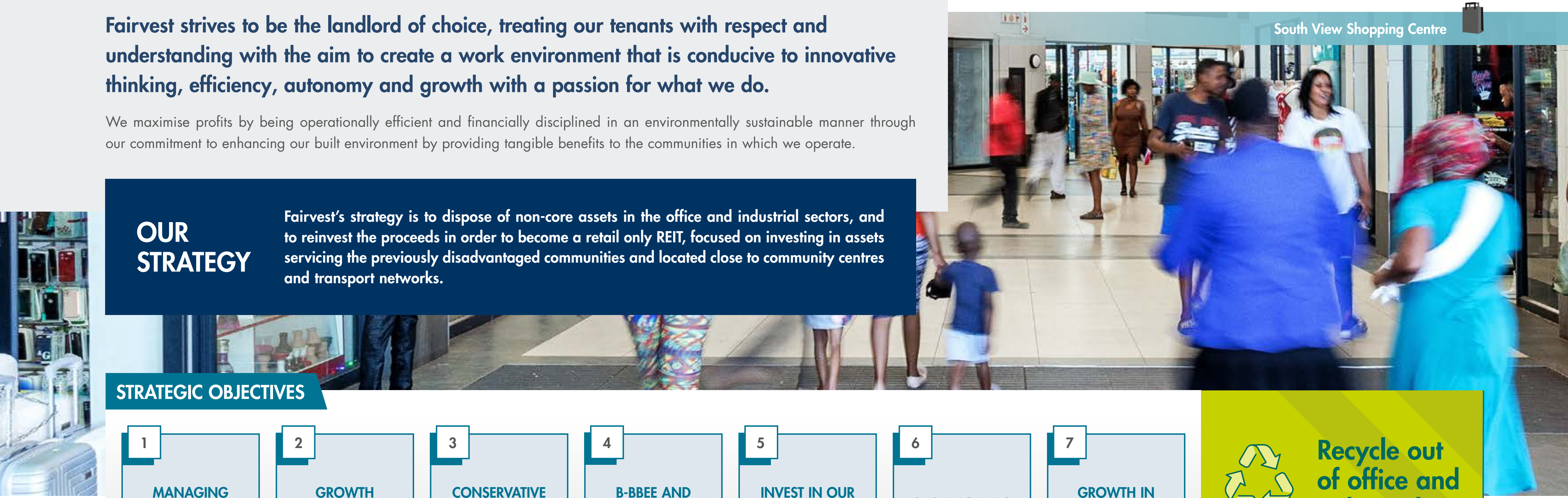
4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES

INPUTS	BUSINESS ACTIVITIES (refer to page 5)	STRATEGIC OBJECTIVES (refer to page 11)	OUTPUTS	OUTCOMES	UN SDGs
F **FINANCIAL CAPITAL** ▪ Favourable debt and equity funding mix ▪ Effective capital expenditure management ▪ Diversified debt providers ▪ Strong debt maturity profile ▪ Sustainable dividend payouts	PROPERTY TRANSACTIONS	1 3	▪ Favourable funding rates ▪ 33.3% LTV ratio ▪ Distributable income of 132.53 cents per A share ▪ Distributable income of 41.29 cents per B share in line with guidance ▪ 100% dividend payout ratio ▪ Interest cover rate at 2.5 times ▪ Investment income from Dipula was R23.4 million	▪ Growth in net property income ▪ Favourable funding rates ▪ Conservative gearing ratio ▪ Sustainable income ▪ Strong cash flow to fund operations	8 9
H **HUMAN CAPITAL** ▪ Established skill set amongst the team ▪ Collaborative approach ▪ Wealth of experience ▪ Competent executive management ▪ Experienced, diverse and skilled Board ▪ Staff development programmes ▪ Strategies developed for departments	PORTFOLIO MANAGEMENT	4 5	▪ 46 employees ▪ Integrated the Johannesburg and Cape Town teams ▪ Continued development through training and education ▪ Retention of staff ▪ Compliance with Companies Act, King IV™ and JSE Listings Requirements	▪ Ongoing investment in our people ▪ Increase in staff incentives ▪ New strategies for departments after merger ▪ New Diversity Policy implemented	4 5 8 10
I **INTELLECTUAL CAPITAL** ▪ Active asset management ▪ Robust corporate culture ▪ Skilled team ▪ Secure operating systems	TREASURY MANAGEMENT	2	▪ Positive returns for investors ▪ Ownership of assets with long-term investment returns ▪ Direct property portfolio stable ▪ Improved IT management systems led to an increase in efficiency and safeguarding of information	▪ Effective controls and process supporting the departments ▪ Integrated IT systems and infrastructure	9
M **MANUFACTURED CAPITAL** ▪ Planned property upgrades ▪ High-quality portfolio management team ▪ Strategic property decisions and portfolio growth ▪ Strategic nodes	ASSET MANAGEMENT	1 7	▪ Growth in direct core portfolio ▪ Net arrears are R51.9 million ▪ Vacancies reduced to 4.5% ▪ Effectively managed portfolio ▪ Effective controls and processes supporting transparency ▪ Integrated IT systems and infrastructure	▪ Strong and sustainable returns for investors ▪ Internally focused capex projects ▪ Like-for-like increase in portfolio value	8 9
SR **SOCIAL AND RELATIONSHIP CAPITAL** ▪ Strategic partnerships with experienced property developers ▪ Strong community relationships ▪ Accessible group of brokers ▪ Developing communities	PROPERTY MANAGEMENT	2 4 6 7	▪ Tenant retention 86.5% ▪ Enhanced brand and reputation ▪ Fairvest for change initiatives around our assets ▪ Active stakeholder engagement ▪ Well regarded in industry ▪ Stakeholder framework ▪ Continuous engagement with tenants	▪ Support communities where we operate ▪ Increase in reputation and brand recognition	4 5 10
N **NATURAL CAPITAL** ▪ Optimised through use of natural resources ▪ Use of renewable energy ▪ Water projects	PROPERTY MAINTENANCE	2	▪ Total solar investment produced 10.1% of the portfolio's electricity costs ▪ 16.4 megawatt installed ▪ Green funding worth R125 million secured ▪ 18 ground water harvesting plants in operation ▪ Solar systems on 38 properties ▪ Roof upgrades in preparation of rooftop solar system ▪ R31.8 million worth of clean energy produced from October 2022 to September 2023 ▪ Smart monitoring equipment installed on 17 properties	▪ Sustainable business practices due to installation of photovoltaic rooftop solar systems, water harvesting plants and smart meter monitoring equipment installed at properties	6 7

OUR STRATEGY AND STRATEGIC OBJECTIVES

Fairvest strives to be the landlord of choice, treating our tenants with respect and understanding with the aim to create a work environment that is conducive to innovative thinking, efficiency, autonomy and growth with a passion for what we do.

We maximise profits by being operationally efficient and financially disciplined in an environmentally sustainable manner through our commitment to enhancing our built environment by providing tangible benefits to the communities in which we operate.



OUR STRATEGY

Fairvest's strategy is to dispose of non-core assets in the office and industrial sectors, and to reinvest the proceeds in order to become a retail only REIT, focused on investing in assets servicing the previously disadvantaged communities and located close to community centres and transport networks.

STRATEGIC OBJECTIVES

1. MANAGING RISKS
2. GROWTH STRATEGY
3. CONSERVATIVE BALANCE SHEET
4. B-BBEE AND TRANSFORMATION
5. INVEST IN OUR PEOPLE
6. SHAREHOLDERS
7. GROWTH IN DISTRIBUTIONS

Recycle out of office and industrial

RESOURCE ALLOCATION

- Integration and alignment of the asset management strategies that ensure objectives are achieved
- Pursue further accretive corporate transactions
- Investment in systems to improve operational efficiency and safeguard information
- Greater brand awareness leads to improved stakeholder relationships
- Ability to access cost savings and gain critical mass through sharing of resources
- Energy management assessments and maintenance
- Enhance employees' skills and competences to create a skilled and energised workforce
- Maintaining relationships with debt funding providers
- Embed B-BBEE strategy into corporate culture

OUR STRATEGY AND STRATEGIC OBJECTIVES CONTINUED

HOW WE ACHIEVE OUR STRATEGIC OBJECTIVES

1 MANAGING RISKS

STRATEGIC OBJECTIVES

- Monitor identified business risks on an ongoing basis
- Consider the impact of the changing environment on business risks continuously
- Remain proactive to mitigate identified risks where possible
- Regularly report on risk related matters

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

H	Additional member appointed to Audit and Risk Committee
I	Business risks monitored and reported by management committees
	Quarterly risk reporting to Audit and Risk Committee

2 GROWTH STRATEGY

STRATEGIC OBJECTIVES

- The growth strategy is clear in that we continue to reduce vacancies and focus on the letting of vacant space and retaining tenants
- Increase rent per square meter and higher built in escalations

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

H	Staff composition increased to 46 people
M	Value of diverse portfolio stable at R12.0 billion
	Weighted average built in escalations 6.6% (September 2022: 6.4%)
	Vacancy improved to 4.5% (September 2022: 5.9%)
	Tenant retention at 86.5% (September 2022: 87.4%)
	Reversions positive at 2.8% (September 2022: negative 6.4%)
	Average gross rental per m² of R118.27 (September 2022: R113.09)

Bara Precinct

3

CONSERVATIVE BALANCE SHEET

STRATEGIC OBJECTIVES

Our strategic focus is to gain access to capital to refinance expiring debt facilities and have funding available for acquisitions and developments, while maintaining our LTV ratio below 40% and fixing debt within our targeted levels.

- Reduce LTV
- Continue to target a fixed debt component above 70% while considering hedging costs
- Dispose of non-core assets
- Reduce administration and operational costs
- To maintain collectable arrears below 2% of gross income

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

M

Disposed of 7 non-core assets

F

Reduced LTV to 33.3%

Collectable arrears at 2.3% of gross income

Debt consolidation process completed and all near-term maturities refinanced at improved rates

4

B-BBEE AND TRANSFORMATION

STRATEGIC OBJECTIVES

- Ensure B-BBEE is embedded in all aspects of the business
- Assisting and giving back to previously disadvantaged communities around our assets with Fairvest for Change
- A diverse Board which will create diverse opinions and views

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

SR

Spent R2.2 million on Fairvest for Change

Working with local communities and employing individuals from the community

H

Employing candidates based on Employment Equity plans

A diverse Board

B-BBEE rating improved from level 4 to level 2

5

INVEST IN OUR PEOPLE

STRATEGIC OBJECTIVES

- We aim to create a work environment that is conducive to innovative thinking, efficiency, and growth. Our staff training and development programme introduces new skills and competencies to all our employees and enables each person to operate in a more resourceful manner
- Resource allocation and managing capital trade-offs
- By enhancing our employees' skills, capabilities and competencies we create a skilled and energised workforce with the ability to improve our property performance. Investing in the right team training and development material and monitoring its effectiveness in the workplace is therefore important, along with providing safe and effective workspaces in which to operate
- Employees' training requirements are different and need to be individualised
- Individual coaching was available for staff to discuss their roles to establish the best fit in the organisation
- Departmental teams received coaching to ensure efficiency within two offices

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

H

Increased team competencies in communication and personal development which enhanced their ability to manage and collaborate

Increased capability across teams by integrating and aligning strategies

Introducing the teams and understanding their contribution and role within the organisation

OUR STRATEGY AND STRATEGIC OBJECTIVES CONTINUED

6 SHAREHOLDERS

STRATEGIC OBJECTIVES

Through our investment philosophy, the strength of the balance sheet and the quality of our team, we maximise value for all our shareholders. Achieving portfolio optimisation through operational efficiencies is essential to reach this objective. We aim to broaden and diversify the mix of shareholders, asset managers, hedge funds, and boutique funds to increase the liquidity of the shares.

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

SR	Increased our shareholder base and broader mix of shareholders
	Engaged with new and potential shareholders
M	R190.3 million invested in capital expenditure across retail, office and industrial assets
	Reduce vacancies to 4.5%
F	Market cap increased to R5.7 billion
	Diverse portfolio worth R12.0 billion
	Included in the SAPY index
	LTV reduced to 33.3%
I	Largest SA focused diverse REIT


36 Homestead Rivonia


The Ridge

7 GROWTH IN DISTRIBUTIONS

STRATEGIC OBJECTIVES

In line with the Group's MOI, the distribution per A share will increase by the lesser of 5% or the most recent CPI with a focus towards achieving growth in distribution per B share.

OUTCOME IN TERMS OF THE EFFECT ON OUR CAPITALS

F

The Board resolved to declare a final dividend equal to 100% of the distributable income (2022: 100%)

- 132.53 cents per A share; and
- 41.29 cents per B share

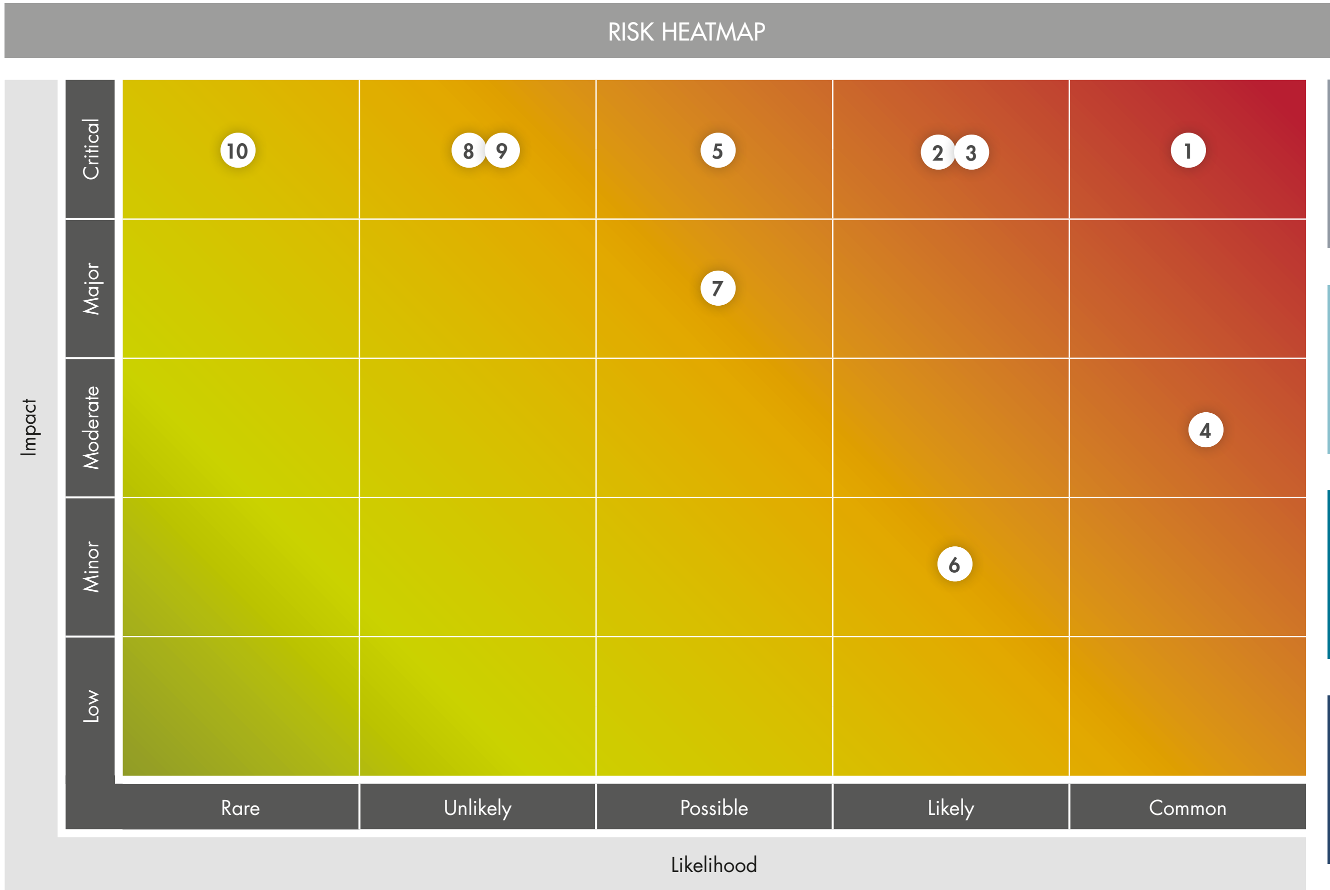
For the 2024 financial year, distributable earnings per B share is expected to be between 41.50 cents and 42.50 cents per share

OUR RISKS AND OPPORTUNITIES

We are committed to proactive risk management. Our Board, the Audit and Risk Committee and management are ultimately responsible for the risk management of the Group.

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our management team is responsible for establishing, monitoring, and communicating the appropriate risk and control policies. Risk management is regarded as a key business process which ensures that we are protected against uncertain events which could prevent the Group from achieving its strategic objectives. We are committed to developing, implementing, and maintaining strategies to minimise risk and to ensure the growth of the Group for the benefit of all our stakeholders.



RISK HEATMAP

Impact	Rare	Unlikely	Possible	Likely	Common
Critical	10	8 9	5	2 3	1
Major			7		
Moderate					4
Minor				6	
Low					

Likelihood

Identify the risks and opportunities

Assess the likelihood and impact of the risk on the Group

Formulate a mitigating response to the risk

Review and revise identified risks on an ongoing basis

OUR RISKS AND OPPORTUNITIES CONTINUED

METHODOLOGY

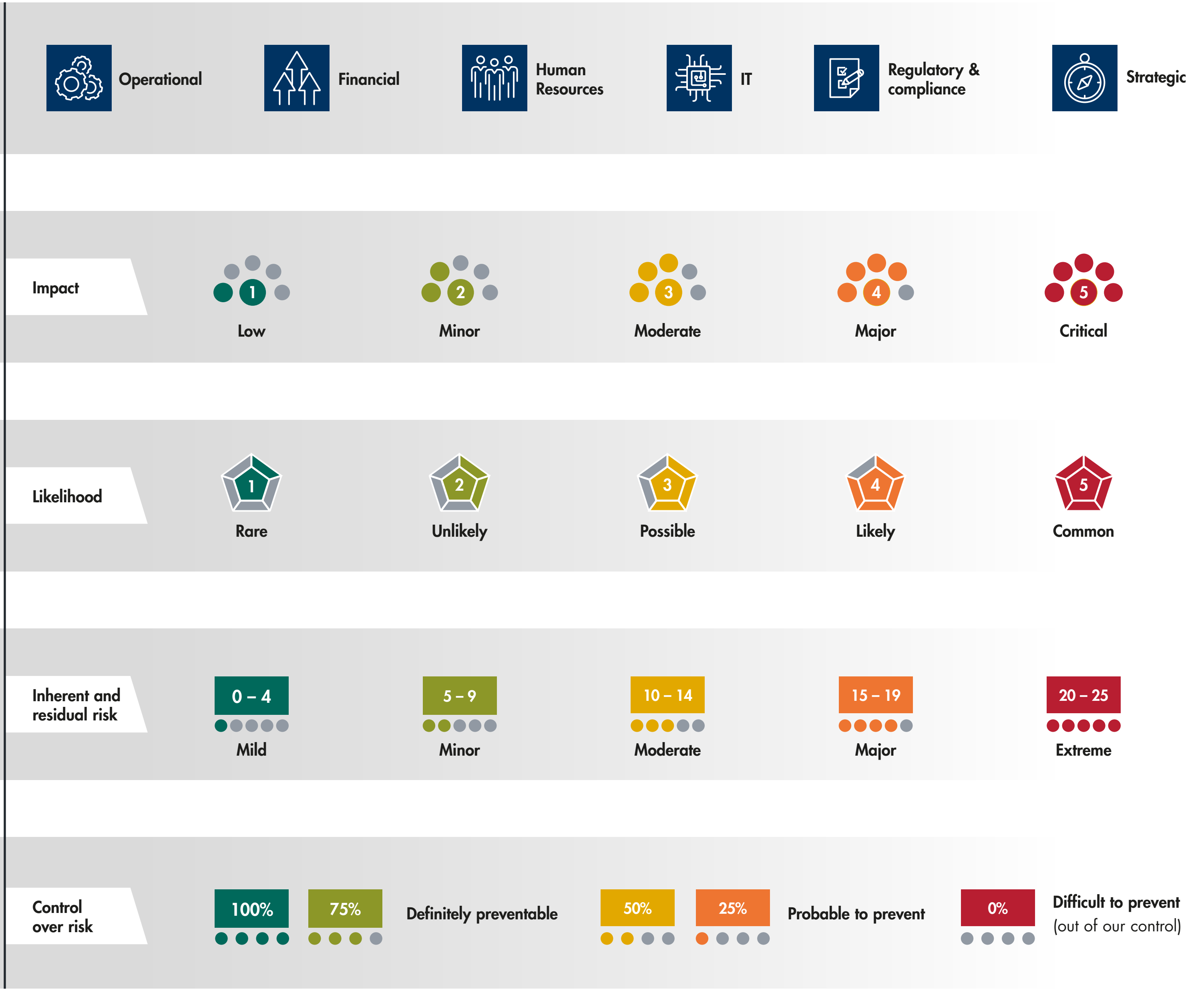
Various risks have been identified which were grouped into six major categories being Financial, Human Resources, IT, Operational, Regulatory and Compliance as well as Strategic.

These were then classified as either “external” or “internal” risks. External risks are those that arise from outside the Group and internal risks are those that come from within the Group.

Each risk was then assigned an “Impact” rating of between 1 to 5. Level one having a low impact and level five having a high or critical impact. A “Likelihood” rating was then also assigned to each risk with a rating scale of 1 to 5 with one having a low likelihood of occurring and 5 having a very high likelihood of occurring.

The “Inherent risk” for each risk is a result of the “Impact” multiplied by the “Likelihood” and works on a scale from 1 to 25. A level 25 inherent risk is thus an extremely high risk and a level 1 risk being a very low or mild risk.

The controls, if any, for each risk are then documented. Further, an evaluation is done on these controls to determine to what extent they mitigate the inherent risk. 100% implies the controls ensure that the risk is definitely preventable and a 0% implies that risk is completely out of the Group’s control. The “Residual risk not mitigated by controls” is then the remaining risk after taking any controls into account and is effectively the portion of the risk that is out of the Group’s control (inherent risk minus control percentage).



OUR RISKS

LEVEL	RISK IDENTIFIED	INTERNAL/ EXTERNAL	Impact	Likelihood	Inherent risk	% control over risk	CONTROLS AND PROCESSES IN PLACE TO MITIGATE RISK IDENTIFIED	Residual risk not mitigated by controls
1	Eskom and load shedding – load shedding could result in business interruptions as well as disruption to tenants.	External	5	5	25 ●●●●●	10% ○○○○	▪ Solar plants and generators installed at certain buildings ▪ Challenge is that with the number of assets in our portfolio the capital outlay is too material to ensure that every building has a generator ▪ A staggered approach is therefore being implemented across the portfolio to mitigate this risk	22.50 ●●●●●
2	Political instability with rioting and civil unrest. The risk of unrest flaring up again remains a possibility.	External	5	4	20 ●●●●●	5% ○○○○	▪ Continued monitoring of economic and political landscapes ▪ Increased security measures ▪ Insurance policy reviews ▪ Improved stakeholder relationships with communities, government, and law enforcement	19.00 ●●●●○
3	Macroeconomic outlook – continued difficult economic conditions and the lasting effect of the COVID-19 lockdown, riots and low GDP growth affecting lease negotiations and tenant retention negatively, resulting in increased arrears and vacancies.	External	5	4	20 ●●●●●	10% ○○○○	▪ Engage financially sound national tenants with strong balance sheets and proven business models (focus on A-grade tenants) ▪ Strong collections and arrears process ▪ Strong and effective lease department, limiting losses through vacancies and rental rates ▪ Focusing on tenant retention ▪ Include vacancy provision in budgets and forecasts ▪ Monthly performance reporting ▪ Daily collection reporting ▪ Sell non-core office buildings ▪ Look at repurposing or redeveloping office buildings (cost vs benefit)	18.00 ●●●●○
4	Rising cost of occupancy for tenants from increased rates, taxes and utilities. Worsening service delivery from municipalities.	External	3	5	15 ●●●●○	25% ●○○○	▪ Energy saving initiatives through solar projects ▪ Borehole installations ▪ Monitoring of utilities per building including common areas ▪ Municipal valuation objections to rates adjustments ▪ Energy Management Assessments ▪ Internalised annual review of increases in utilities ▪ External service providers used to provide accurate readings for utility recoveries and to determine the accuracy of utility charges from the municipality	11.25 ●●●○○

OUR RISKS AND OPPORTUNITIES CONTINUED

LEVEL	RISK IDENTIFIED	INTERNAL/ EXTERNAL	Impact	Likelihood	Inherent risk	% control over risk	CONTROLS AND PROCESSES IN PLACE TO MITIGATE RISK IDENTIFIED	Residual risk not mitigated by controls
5	Funding – increased cost of funding and failure to renew bank facilities.	External	5	3	15 ●●●●○	50% ●●○○	▪ Diversified funding base and staggered maturity of debt to manage refinancing concentration risk ▪ Regular interaction with debt providers ▪ Proactive refinancing of debt and swap agreements ▪ Reporting on treasury management to the Board ▪ Implementation of new consolidated debt structure	7.50 ●●○○○
6	Climate change – increased heat and drought are linked to climate change resulting in increased wildfires. Declining water supplies may impact health due to heat. Flooding and erosion in coastal areas are additional concerns.	External	2	4	8 ●●○○○	10% ○○○○	▪ ESG oversight delegated by the Board to the Social and Ethics Committee which will report to the Board ▪ Increased training of staff members to improve processes to reduce the Group's carbon footprint and impact on the environment ▪ ESG considerations to inform strategic decisions	7.20 ●●○○○
7	Loss of executives/key staff members.	Internal	4	3	12 ●●●○○	50% ●●○○	▪ Remuneration packages are competitive, and bonuses and incentives are paid, subject to certain criteria being met ▪ Long-term incentives are issued to all staff to ensure that staff are retained in the long term	6.00 ●●○○○
8	Bank covenant risk – LTV and ICR.	Internal	5	2	10 ●●●○○	50% ●●○○	▪ Regular cash forecasts are prepared and monitored ▪ Maturity of loans is managed ▪ LTV and ICR ratios are being monitored and reported on monthly	5.00 ●●○○○
9	High loan to value ratio – balance sheet and liquidity risks.	Internal	5	2	10 ●●●○○	50% ●●○○	▪ Regular cash forecasts are prepared and monitored ▪ Maturity of loans is managed ▪ LTV ratio is being monitored and reported on monthly ▪ Risks in respect of share covered loans and property valuations undermine our ability to fully control this risk	5.00 ●●○○○

LEVEL	RISK IDENTIFIED	INTERNAL/ EXTERNAL	Impact	Likelihood	Inherent risk	% control over risk	CONTROLS AND PROCESSES IN PLACE TO MITIGATE RISK IDENTIFIED	Residual risk not mitigated by controls
10	Complete or partial electricity grid failure with knock on effects including but not limited to: widespread disruptions to services including telecommunications, water and sanitation, heightened risk of riots and looting, food scarcity and other. These all could lead to property damage and other financial distress to the Group.	External	5	1	5	15%	▪ Plans are being investigated to allow the Group's properties to be able to run "off the grid" using a combination of solar power and generators for power and boreholes for water. As this is an expensive exercise the Group is focusing on the highest income producing assets as a priority. ▪ The Group is further continuously engaging with our security providers on contingency plans to protect our assets should riots or civil unrests flair up – lessons have been learned from the July 2021 riots. ▪ Unfortunately all South African insurance providers have advised that no policy will cover any loss, damage/s, cost or expense directly or indirectly caused by a "Electricity Grid Failure" event.	4.25

Clubview Corner

OUR RISKS AND OPPORTUNITIES CONTINUED

OUR OPPORTUNITIES

- Foster good tenant relationships.
- Increase A-grade tenants.
- Successful "retailing" of space by implementing flexible office solutions, storage solutions as well as create "FairSpec", a "ready-to-move-in" concept opportunity.
- Introduction of specific retail into traditional office environments to create a mixed-use environment.
- Exploring yield enhancing opportunities.
- Continue to improve tenant retention.
- Simplify the business.
- Acquisitions at the right price.
- Differentiate ourselves by performance not size.
- Recycle out of industrial and office assets into retail.
- Repurposing or redeveloping of office buildings.
- Strategic capital allocation.
- Improve backup power supply across the portfolio. Exploration of battery backup on a smaller/tenant level scale.
- Currently, approximately 41% of our portfolio by GLA has renewable energy capacity. We have a further 12 approved plants in various stages of implementation which will add 7.5MWp capacity.
- Increasing our utility independence on electricity and water across the country.
- Exploration of converting 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.


Sebokeng Plaza

02

OUR PERFORMANCE

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MESSAGE FROM THE CHAIRMAN

> **Despite facing formidable challenges during the 2023 financial year, Fairvest delivered a strong performance, testimony of the robust strategy of the Company.**
>
> **Ndabezinhle Mkhize** | *Chairman*

Fairvest is a well-run, South African-focused REIT with a clear intent to transform into a quality non-metropolitan retail-only business over the medium term. The organisation is led by an experienced and well-aligned management team under the supervision of a seasoned and ethical Board of Directors. The Group has an excellent track record of driving financial performance within an acceptable level of risk, even as we improve in areas of social and environmental impact. Our defensive portfolios remain conservatively valued, with low vacancies and predominantly exposed to A-grade national and large anchor tenants.

We believe that these attributes make it easy for investors to know what they are allocating money to. This is evidenced by Fairvest's very strong price to net asset value rating among its peers. These same qualities also put Fairvest in a prime position to capitalise on opportunities to consolidate other assets that need to be managed by an experienced team.

In the past year, the South African property sector has faced formidable challenges. Low economic growth has affected tenants' ability to thrive and pay for space. The Reserve Bank's efforts to curb inflation through precipitous hikes in interest rates have come with punitive challenges. This is notwithstanding any interest rate hedging initiatives the property sector may have in place.

Against this background, the Board is exceptionally proud of Fairvest's strong performance, especially in those aspects within the business' control. Vacancy rates have been reduced to some of the lowest on the market. The Group's financial position has been strengthened with a conservative loan-to-value ratio and robust funding structures in place. We have made significant strides in renewable electricity generation, now accounting more than 10% of our energy usage. Considerable momentum has also been achieved on related ESG issues, including strengthening our governance, improving Fairvest's transformation credentials, and setting up an education-focused fund, "Fairvest for Change".

In addition to the other successful disposals, I must commend management for a transaction well done on Indluplace. It was a rewarding transaction for both parties, which allowed Fairvest to focus on our strategy towards building a retail-focused fund without giving away undue value. Most importantly for shareholders, perhaps, Fairvest has set a solid foundation for growth and was again able to deliver distributable income in line with our guidance.

A COMPELLING STRATEGY AND VISION FOR THE FUTURE

The Board is satisfied that our strategy to return to non-metropolitan retail and rural shopping nodes in underserved markets is well-considered, and we remain fully committed to its execution. The strategy takes into account property and demographic trends, Fairvest's strengths, and social imperatives in rural South Africa. It is a sector in which we have a track record of outperformance. It also has long-term benefits driven by demographics and supply-and-demand dynamics in that market. Competition from e-commerce retail has not inordinately influenced rural markets, mainly due to high delivery costs to outlying areas. Bricks-and-mortar remain the preferred method of shopping while also providing much-needed broader community infrastructure and sustainable impact.

It is pertinent to note that this is a long-term strategy. Value will be maximised through the judicious disposal of identified non-core assets at the right time and price. Until those assets are sold, the management team will continue to focus on maximising the performance of the individual properties and their contribution to the portfolio. Now that the balance sheet has been fortified, disposals will occur when we acquire or invest in other retail assets. We believe that as interest rate pressure dissipates, more transactions will become possible, and the opportunity will be propitious for us to do a transaction.

RESILIENT FINANCIAL RESULTS

Fairvest declared a dividend of 132.53 cents per A share and 41.29 cents per B share for the year. The Company has maintained an attractive payout ratio of 100% of distributable income, which we expect to maintain in the foreseeable future. Our NAV per share was R4.78 per B share and R14.07 per A share.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS ELEVATED

ADVANCING GOVERNANCE AND TRANSFORMATION

The Board strives for an appropriate balance of gender, race, culture, age, skills, and experience among its members. This is in the firm belief that broad diversity among directors promotes robust debate and diverse thinking. In the current year, we have continued to strengthen the mix of experience, skill diversity, and inclusion on our Board. I am pleased to report that, as of the date of this report, 30% of our Board members are female and 50% are Black. This makes it one of the more representative boards in the property industry. It has already had a positive impact on our shareholder base, with increased interest from shareholders who value these matters.

For further information on the Board changes during the year, refer to the Governance Report.

The management team transformation has also progressed well, with two of the four Executive Committee members being Black. We welcome the appointments of Riaz Kader as Group Chief Operating Officer and Mfana Khanyile as Head of Legal. We don't yet have a female executive and are looking to do more in that space.

We are very proud of improving our B-BBEE level from Level 4 to Level 2 in the current year. Fairvest has implemented a range of actions this year which contributed to the improved rating. Efforts have been expended across all aspects of the scorecard to address procurement processes, management control, enterprise development, and corporate social spending. All of those facets have contributed positively towards the improved rating. Some R2.2 million has been spent through the "Fairvest for Change" programme. The programme focuses on education and helping schools, not only with infrastructure but also in increasing children's fluency in the language of instruction. This is aimed at opening doors for them to understand many other subjects, specifically science, technology, and engineering.

For further information on our ESG initiatives, refer to the ESG Sustainability Report.

OUTLOOK

We are hopeful of interest rates stabilising and coming down next year, depending on prevailing conditions. We remain concerned about geopolitical tensions in Russia and Ukraine, and most recently, between Israel and Hamas. These tensions have the potential to engulf a wider region with serious consequences, especially for oil and therefore, global inflation.

We are looking forward to improvements to South Africa's power grid stability and port efficiency. Both of these aspects are essential to improving South Africa's economic growth prospects.

Fairvest is in a strong position financially and operationally. We remain vigilant to maintain this advantage and capitalise on any opportunities to refine our focus back into rural and township retail.

ACKNOWLEDGEMENTS

I would like to acknowledge the CEO and the CFO for the successful execution of the transactions and the debt restructuring that was led by the CFO. It would also be amiss not to thank the management team and staff for the strong operational results achieved in this financial year. I want to thank my Board and the different committees that were exceptionally busy with much overtime required due to the extent of activity that required Board review and approval this year. The accomplishments highlighted above are a testament to effective collaboration between management and the Board. With management's leadership, the support of the Board, and the dedication of our staff, I am confident of our Group's continued success in 2024.

Ndabezinhle Mkhize
Chairman


158 Jan Smuts Offices

MESSAGE FROM THE CEO

> Another successful year in which we created an enduring platform for growth.
>
> **Darren Wilder** | *Chief Executive Officer*

STRONG PROGRESS IN RESHAPING THE PORTFOLIO AND DE-RISKING OUR BALANCE SHEET

We are pleased to report on the results for the year ended 30 September 2023. Our portfolios have each produced strong performances and generated positive letting activity with increased occupancy rates and higher step-up rentals on renewals. This, notwithstanding the weak economy and sustained load shedding.

We have successfully disposed of close to R1 billion in non-core assets at above market value, which proceeds were applied towards structuring a more defensive balance sheet. We have significantly reduced our loan-to-value ratio from 38.1% to 33.3%, thereby protecting our distributable income against high interest rates and creating ample capacity to start looking at retail acquisitions. We have also streamlined the Group's borrowing structure with an enlarged consolidated debt pool. We have succeeded in continuing our consistent track record of delivering on our distribution guidance. We are encouraged and motivated that, in most criteria, we outperform the sector. In a very tough economic environment, Fairvest has delivered on our forecast distribution by declaring a dividend of 41.29 cents per B share and 132.53 cents per A share for the year.

A CLEAR VISION OF THE FAIRVEST OF THE FUTURE

Fairvest's philosophy is to keep its business simple – a traditional property business reinforced by a conservative investment strategy, balance sheet, and valuation methodology. We let space and collect rentals, with a firm focus on doing well in both areas. We are determined that distributions will only be paid from sustainable income.

The Group's communicated strategy remains to recycle non-core assets over time and redeploy capital into retail assets that serve previously disadvantaged communities in South Africa. We won't deviate from our long-term strategy. Retail already represents almost 70% of the total portfolio by revenue and 50% by GLA. We also intend to maintain our stake in Dipula due to its similar assets and strong management. While driving towards our end goal, we continue to reinforce our platform for growth, extract value from our existing asset base, lease vacant space, and drive renewals and a longer WALE.

In line with our conservative nature, we will pursue portfolio transformation while protecting our earnings base and focusing on value maximisation opportunities along the way. We are now entering a phase where we are ready to consider acquisitions. These will, however, only be done at the right price and within the context of maintaining our LTV below 35% and a 100% payout ratio for shareholders.

Fairvest is financially strong and well-positioned to participate in marketplace opportunities. The Group's current LTV is among the lowest in our peer group and is expected to reduce further through the assets held for sale. Combined with R1 billion in undrawn facilities and available cash, it provides the Group with considerable headroom to pursue attractive transactions.

THE DISPOSAL OF NON-CORE ASSETS HAS STRENGTHENED THE BALANCE SHEET

We finalised seven disposals valued at R338.0 million during the year. These were done at an average yield of 10.5% and a 3.2% premium to book value, validating our conservative valuations. A further six properties valued at R307.3 million are currently held for sale, pending registration and transfer.

Fairvest also sold its Indluplace shareholding to SA Corporate Real Estate for R651.4 million. The disposal of the entire residential portfolio marked a step change in our strategic realignment to a retail-focused fund.

ESG IS INTEGRAL TO OUR VISION FOR THE FUTURE FAIRVEST

ESG initiatives are essential for reducing our carbon footprint, maintaining a healthy control environment and ensuring that Fairvest contributes to a better future for South Africa. They are also of great strategic importance to the business itself. As a result of our investments in energy and water infrastructure, we de-risk our portfolio by providing a degree of energy and water independence as well as lowering the cost of electricity for our Company.

The Group has made considerable progress with our integrated backup power strategy this year. Our energy capacity has been bolstered by 58 Fairvest-owned generators with 14.2MVA capacity and 38 solar plants with 16.4MWp of installed capacity. A further 12 approved plants are in various stages of implementation, which will add another 7.5MWp of power to our portfolio.

We have primarily used traditional rooftop solar systems in our renewable energy portfolio. However, our first ground-mounted solar farm of 1MWp at Cleary Park Shopping Centre was switched on in January 2023, followed by two more rooftop solar installations at the Eersterust Shopping Centre and Midrand IBG. In some out-of-the-box thinking, Metalbox, an 18-storey office property, will also host an unconventional wall-mounted solar plant, currently under construction and targeted to be switched on by February 2024.

Water scarcity has become a reality, especially in smaller, outlying towns. Fairvest has proactively initiated several water management projects, with 18 groundwater harvesting plants already in operation and two plants currently in the construction phase.

Solar produced more than 10% of the combined portfolio's electricity requirement this year.

45% of the portfolio GLA now has access to partial or full backup power.

DRIVING OPERATIONAL EXCELLENCE

Being operationally strong has always been one of Fairvest's key differentiators. The simplicity of our business enables a keen focus on property fundamentals and an agility in rapidly changing environments.

We have long regarded letting space and collecting rentals as the two most critical aspects of a successful property business. We are particularly pleased to report that the determined focus on leasing in the 2023 financial year has culminated in a very successful outcome. Our operational teams have significantly reduced vacancies to 4.5% while achieving positive rental reversions. We firmly believe that a business of this size with the majority of its income in retail can achieve a rolling vacancy of approximately 5%, and that is what we are driving towards.

We signed new leases with a GLA of 102 145m² this year, up more than 33% from the prior year and potentially the most the business has ever let.

Our strategy has been to close the vacancies and negotiate for a higher escalation rate and a longer lease length, and this was successfully executed. While the average gross rental for new deals was slightly down at R99.17 (due mainly to office rentals), we achieved a modest increase in weighted average escalations and a WALE that vaulted from 26.4 months to 32.3 months year-on-year.

Strong renewals remain of paramount importance, as replacing tenants is expensive. We are therefore pleased to have maintained an 86% tenant retention rate this year. A total GLA of 171 184m² was renewed, at an average gross rental of R110.75/m². This translated into a positive 2.6% rental reversion, relative to a negative 6.4% in the prior year, which is a significant swing. A weighted average escalation of 6.8% was achieved, with a WALE of 30.5 months. In all, a very successful outcome, with the slightly shorter WALE perhaps the only disappointment. We continue to drive our weighted average lease length towards 36 months, albeit this may take some time.

Tenant retention is the most cost-effective way of maintaining core portfolio growth.

Cape Town Westgate Mall Shops

MESSAGE FROM THE CEO CONTINUED

Operating costs have been exceptionally well contained at 1% growth, despite most expense items increasing in line with inflation. In portfolios where our focus has been on leasing vacant space and retaining our tenant base at competitive rentals, it has been challenging to drive recoveries of additional expenses such as diesel for the generators. Arrears at 2.3% were slightly above our target and we will continue to drive these to below 2% of billings.

When compared to our peer group, it is evident that we maintain a prominent position across all three portfolios measured in terms of our positive reversions and low vacancy rates, while our escalations are well-aligned with peers with similar types of assets.

RETAIL – A SUCCESSFUL TURNAROUND

The turnaround of the Retail portfolio is gaining traction. Trading densities have increased by 4.1% and the average rental rate per square metre grew by 7.6% to R158.41/m². This rental rate is considered to be sustainable. Our focus this year has been on value extraction from our retail portfolio, particularly from the optimisation of the tenant mix. This has resulted in the replacement of certain tenants and a subsequent increase in rental rates. The leasing teams were particularly successful in renewing leases, achieving a positive reversion rate of 3.3%, compared to a negative rate of 2.6% the previous year. Tenant retention remained stable at 88.1% and the WALE reached almost 34 months. The small regional assets that were lagging have recovered. It should be noted that while vacancies were reduced to 3.7%, true retail vacancies (excluding upper-level office space) were at a low of 2.2%. We believe this is a strong result in the current environment.

OFFICE – VACANCIES NOW BELOW 10% IN A SECTOR MARKED BY OVERSUPPLY

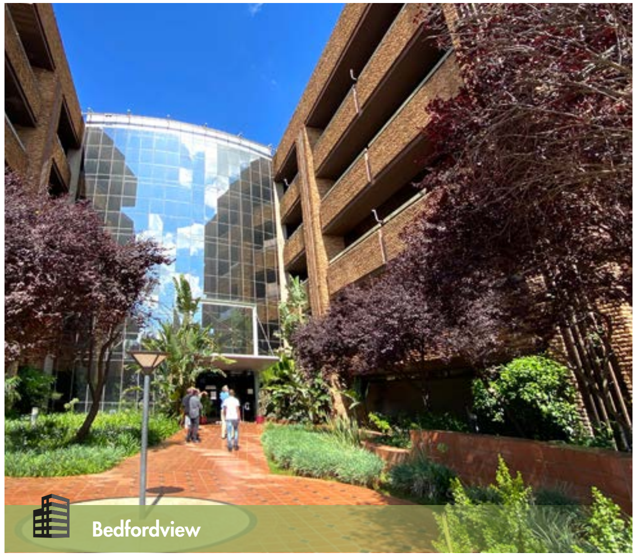
The Office sector is a tough environment, dogged by oversupply, weak economic conditions, and load shedding. We are pleased that the positive impact of our strategy for this portfolio is starting to manifest itself, with vacancies of less than 10%. The trade-off for achieving improved vacancies is that these had to be done at market-related rentals against competitors offering aggressive incentives.

A noticeable positive trend is that new tenants are taking up more space and committing to longer leases. The WALE on new deals has increased from 18.8 months to 36.5 months, indicating increased sustainability.

We are thrilled with an average reversion rate of almost zero in a sector where our peers report double-digit negative reversions. We believe that this is the result of significant focus, investment and asset repositioning. It also speaks to the sustainability of income streams going forward. If the current base is secure, we can focus on growing the NOI and looking for new deals.

We continue to invest in this portfolio to maintain the quality of our assets. We capitalise on current income streams and value extraction to ultimately dispose of these assets at maximum value for shareholders. Several new leases in this portfolio are for either storage and flexible office space or post-refurbished assets. This points to the need to continuously reinvent your offering to make it attractive to tenants.

Our flexible office storage partnership has very profitably unlocked secondary office space with close to 100% occupancy rate on completed installations. We are currently building storage momentum on a few new sites. We are also introducing storage facilities and retail and convenience components to our office assets, including car washes, coffee shops, restaurants, and fast food. This is to create an attractive working environment and increase the value of our office assets.


Bedfordview

CREATING OUTPERFORMANCE THROUGH INNOVATION

Thinking about challenges differently is often a catalyst to value creation.

One invention in our Office portfolio that has delivered exceptional results is a model called Fairspec – it's a ready to move in and plug in space of 500m² and below. It includes a reception area, boardrooms, good quality flooring and LED lights. It has proven to be an extremely popular concept. All the tenant needs is to install their IT infrastructure and move in. Despite higher rentals to recover our investment, we have attracted better quality tenants and lower arrears in these properties.

Another example of thinking differently is a small, underutilised ground floor office asset known as The Arches in King William's Town. Our retail team is currently converting it into retail space, with a considerable number of tenants wanting the space which is in close vicinity to a top trading area.

INDUSTRIAL – POWERFUL PERFORMANCE WITH NOI GROWTH IN DOUBLE DIGITS

The strong industrial demand has continued in the current financial year, culminating in a vacancy of less than 1% and a waiting list of potential tenants. Approximately 50% of revenue in this portfolio is derived from multi-let parks, where tenants are shorter-term by nature. Rising demand has increased our average gross rental on new leases concluded by 26% to R49.88/m², average escalations from 7.0% to 7.6% and our WALE from 15.0 months to 27.7 months. Renewals have shown similar positive trends in reversion rates, escalations, and WALE. The portfolio continues to deliver exceptional performance.

With a 0.95% vacancy, we are now focusing on non-core value to maximise yields. Investigations are underway to extract value in and around the asset through initiatives such as antennas, cell phone masts, advertising, parking, and solar farms.

KEY FOCUS FOR 2024

Fairvest will focus on a few key drivers to succeed in the coming year:

- Continue disposals of non-core assets
- Extract further synergies from the merger
- Drive towards a 7% weighted average built-in escalations
- Continue to reduce vacancies and increase WALE
- Maintain LTV at below 35%
- Continue to focus on cost reduction and efficiencies
- Maintain tenant retention ratio above 85% and increase the national tenant component

OUTLOOK

Fairvest is very well positioned in what we believe remains a bear market. The Group has made excellent progress in reshaping the portfolio. We will now again begin to differentiate ourselves by performance and not necessarily continue to build size. We will continue to recycle non-core assets and simplify the business to become a retail-focused group. We have some exciting prospects in this regard. Fairvest will maintain a 100% payout ratio and we anticipate growth in distributions of between 1% and 3%, or 41.50 to 42.50 cents per B share for the 2024 financial year.

ACKNOWLEDGEMENTS

Thank you to the executives, as well as the asset management, finance, operational and leasing teams, who have done outstanding work in terms of the transactions and the operational performance of the portfolios this year. We salute your hard work. I also extend my thanks to the Board for their ongoing support and guidance and to our shareholders and funders for their trust and backing. We have built a strong base and are excited about what the 2024 financial year will bring.

Darren Wilder
Chief Executive Officer

Sebokeng Plaza

BUSINESS OVERVIEW

Fairvest, as at 30 September 2023, held a portfolio of 134 (2022: 141) retail, office and industrial properties valued at R12.0 billion (2022: R12.1 billion) (held directly and through subsidiaries). The average value per property held as at 30 September 2023 was R89.6 million (2022: R85.8 million). As at 30 September 2023, Fairvest held a 5.0% interest (2022: 5.1%) in Dipula Income Fund Limited ("Dipula").

On 14 March 2023, Fairvest provided an irrevocable undertaking to SA Corporate Real Estate Limited ("SA Corporate") in terms of which Fairvest undertook to vote in favour of a scheme of arrangement in terms of which SA Corporate will make an offer to acquire the entire issued share capital of Indluplace for a cash consideration of R3.40 per Indluplace share. Fairvest, through a wholly owned subsidiary, was the majority shareholder of Indluplace and held 191 581 362 Indluplace shares, or circa 60.9% at that time.

The scheme was concluded on 31 July 2023 with the Group's investment in Indluplace being disposed of at this effective date.

Fairvest declared a final dividend equal to 100% of the distributable income (2022: 100%), dividend number 17, of 67.93610 cents per A share and 20.32351 per B share for the 6 months ended 30 September 2023 (31 March 2023: 64.59600 cents per A share and 20.96506 per B share). This dividend was paid on 27 December 2023.

As at 30 September 2023, the direct property portfolio comprised by revenue, 68.2% retail, office 20.7% and industrial 11.1%, (2022: 64.5% retail, office 24.1% and industrial 11.4%). Total core net operating income (excluding Indluplace and Dipula) increased by 4.4% (2022: stable year-on-year).

The weighted average lease escalation for the Group was 6.6% (2022: 6.4%), with retail at 6.5%, office at 6.9% and industrial at 7.0% (2022: retail 6.4%, office 6.3% and industrial 6.8%, respectively). The weighted average lease length was 4.6 years (2022: 4.2 years). In this financial year GLA of 237 596m² (2022: 246 797m²) came up for renewal, of which 205 428m² (2022: 215 632m²) was re-let and renewed. Rental step-up escalation on expiry was 2.8% for the Group, with retail 3.3%, office -0.4% and industrial 5.8% (2022: -6.4%, -2.6%, -16.6% and +0.4%, respectively).

The average gross rental per square meter per sector was R158.41 for retail, R106.89 for office and R49.93 for industrial (2022: R147.17, R112.50 and R49.16, respectively). The gross rental includes parking, fixed cost recoveries and rate recoveries.

The Group reduced its vacancy to 4.5% from 5.9%, retail vacancy at 3.7%, office at 9.7% and industrial at 1.0%. (2022 1.5%, 5.9%, 4.3%, 13.6% and 1.0%, respectively). This was due to the strategic drive from the leasing team to reduce the office vacancy.

The LTV ratio is currently healthy at 33.3%, with Group loans at R4.2 billion (2022: 38.1% and R6.1 billion, respectively). Additional funds were deposited into access facilities to reduce the Group's interest charges. Fairvest is well within the Group and portfolio LTV covenants 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 30 September 2023, the Group had cash on hand and undrawn debt facilities of approximately R1.0 billion to apply towards growth. The Group has entered into interest rate swaps to hedge its exposure to interest rate fluctuations on its debt. The interest rate swaps of R2.7 billion equate to 64.8% of debt being hedged. The interest rate swaps have a 20 months weighted average maturity.

Access Park

Fairvest successfully disposed of seven (7) buildings during the 2023 financial year, at a premium to book value 3.2% with an average yield of 10.5% (2022: six buildings and one erf – 1.4% and 10.1%, respectively).

The Group incurred capital expenditure of R190.3 million, of which R26.2 million relates to investment in solar projects (2022: R149.7 million and R20.2 million, respectively).

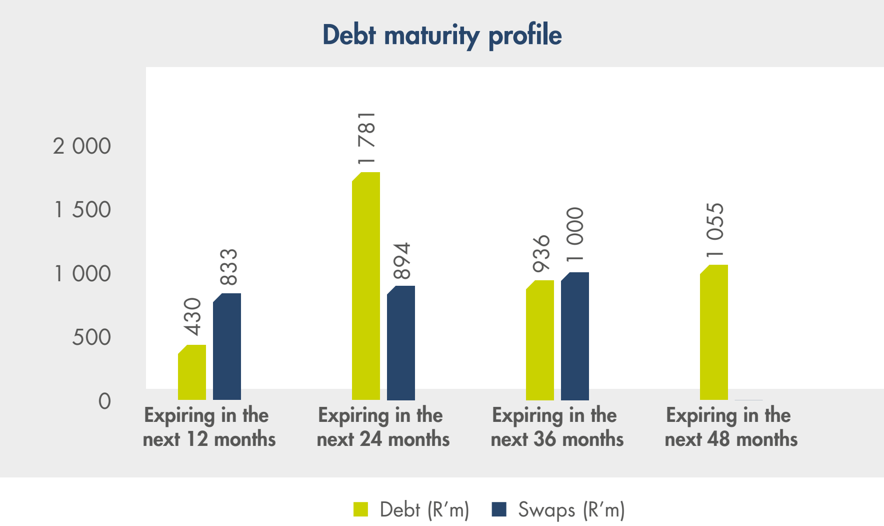
ANALYSIS OF DISTRIBUTABLE INCOME

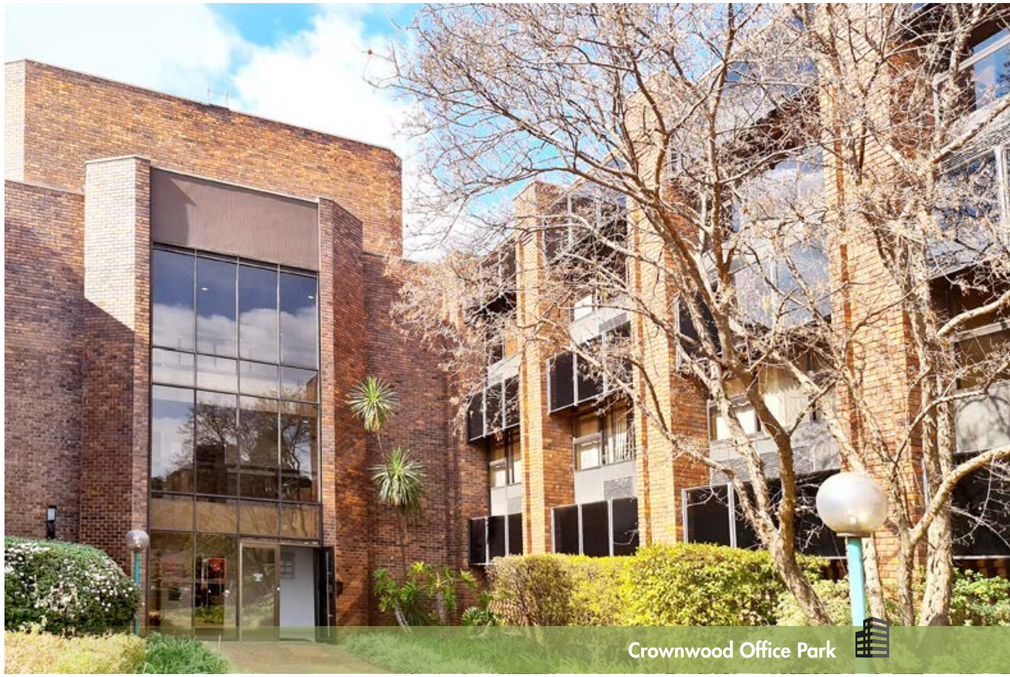
Cents per share – Unaudited	**Year ended 30 September 2023**	Year ended 30 September 2022*
Total distributable income		
Fairvest's operations – core portfolio	**78.31**	73.43
Fairvest's operations – income attributable to sold and assets under development	**0.94**	3.57
Net finance cost	**(29.97)**	(25.34)
Head Office and administration costs	**(7.02)**	(7.13)
Income from operations attributable to minority interests	**(0.23)**	(2.29)
Net income from operations before listed investments	**42.03**	42.24
Income from Dipula	**1.63**	2.28
Income from Indluplace	**3.44**	4.19
Total distributable income	**47.1**	48.71
Minus distributable income to A shares	**(5.81)**	(5.42)
Total distributable income to B shares	**41.29**	43.29

* *The prior year figures have been restated to show income from disposed properties separately in order to compare the core operations on a like-for-like basis.*

KEY DEBT METRICS

R'000		**30 September 2023**	30 September 2022
Loan to value (SA REIT Best Practice)	%	**33.3**	38.1
% of debt fixed	%	**64.8**	65.6
Weighted average cost of funding	%	**9.7**	9.0
Interest cover	Times	**2.5**	2.5
Weighted average maturity of debt	Months	**26**	18
Weighted average maturity of swaps	Months	**20**	13
Total debt	R'm	**4 210.7**	4 764.6
Total facilities	R'm	**5 127.8**	5 141.5
Undrawn facilities	R'm	**917.1**	377.3
Available cash plus undrawn facilities	R'm	**1 023.8**	438.4


Debt maturity profile


Crownwood Office Park

BUSINESS OVERVIEW CONTINUED

for the period ended 30 September 2023

PORTFOLIO VALUATION

	Value (R'm)	2023 Discount rates	2023 Exit cap rate	Like-for-like increase	Rate per m² (R/m²)
Office	2 403	14.7%	10.5%	(3.1%)	8 253
Retail	8 312	14.1%	9.9%	3.5%	15 177
Industrial	1 289	14.5%	10.3%	2.8%	4 487
Total	**12 004**	**14.3%**	**10.1%**	**2.0%**	**10 659**

138 Kelvin Drive

DISPOSALS

There were seven asset sales during the year and one sale after year end on 19 October 2023. A further five properties at a value of R275.8 million (2022: R500.9 million) are currently classified as held-for-sale pending registration and transfer.

Asset	Class	Date transferred	Sales value (R'm)	Book value (R'm)	(Discount)/ premium to book value	Average yield	GLA (m²)
Before 30 September 2023							
SARS Durban	Office	12 Jan 23	230.0	220.0	4.5%	11.5%	23 105
79 Hans van Rensburg	Office	08 Mar 23	4.0	3.9	1.7%	16.3%	875
71 Biccard	Retail	22 Mar 23	5.2	3.8	37.3%	(17.6%)	877
Philippi Court	Office	31 Mar 23	13.3	14.2	(6.6%)	10.8%	1 357
54 Schoeman	Office	09 May 23	12.5	12.5	0.0%	3.1%	2 001
Parc du Bel	Office	16 May 23	13.0	13.0	0.0%	11.3%	2 299
425 West Street	Retail	18 May 23	60.0	60.0	0.0%	10.0%	8 620
After 30 September 2023							
Urban Brew	Office	19 Oct 23	31.5	31.5	0.0%	(6.5%)	8 248
			369.5	**358.9**	**2.9%**	**9.0%**	**47 382**

03

PROPERTY PORTFOLIO

Clubview Corner

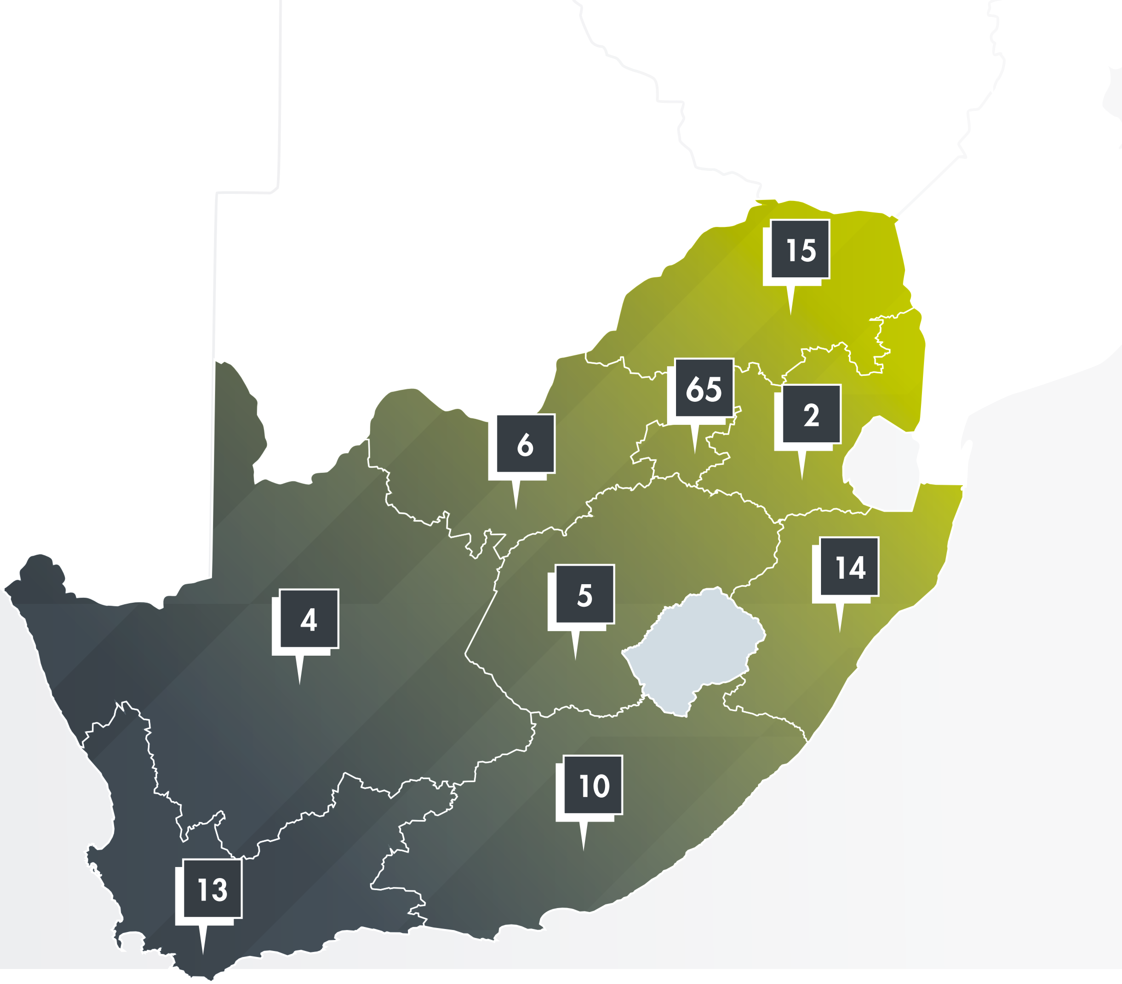
32 Group Portfolio
40 Retail Portfolio
46 Office Portfolio
52 Industrial Portfolio

GROUP PORTFOLIO

Fairvest holds a portfolio of 134 (2022: 141) retail, office and industrial properties valued at R12.0 billion (2022: R12.1 billion) held directly and through subsidiaries. The average value per property held as at 30 September 2023 was R89.6 million (2022: R85.8 million).

GLA breakdown based on sector (m²)

Retail	49%	547 682m²
Office	26%	291 146m²
Industrial	25%	287 363m²



Solar on properties
38
(September 2022: 35)

Water projects

17 properties – smart monitoring (September 2022: 8 properties – smart monitoring)

18 ground water harvesting plants (September 2022: 13 ground water harvesting plants)

Total gross lettable area
1 126 191m²
(September 2022: 1 150 862m²)

Present in
9 provinces
(September 2022: 9)

Value
R12.0 billion
(September 2022: R12.1 billion)

Vacancy
4.5%
(September 2022: 5.9%)

Number of properties
134
(September 2022: 141)

PORTFOLIO OVERVIEW

Vacancies decreased from 5.9% or 68 211m² to 4.5% or 51 081m² at year end. The weighted average contractual escalation for the portfolio increased from 6.4% to 6.6%. Gross rentals across the portfolio trended upwards, with a 4.6% increase in the weighted average rental to R118.27/m² at 30 September 2023 compared to R113.09/m² at 30 September 2022. During the year under review, 426 new leases were concluded with a total GLA of 102 145m². Fairvest successfully renewed or relet 205 428m² of leases with a positive step-up escalation on expiry of 2.8% being achieved on these renewals. Tenant retention for the year was 86.5%. The weighted average lease term increased from 50.7 months to 55.1 months. Average annualised property yield was 9.8%.

		September 2023	September 2022
Number of properties		**134**	141
Valuation	R'm	**12 004.1**	12 100.9
Average value per property	R'm	**89.6**	85.8
Gross lettable area	m²	**1 126 191**	1 150 862
Average value per GLA	R/m²	**10 659.00**	10 514.66
Retail by revenue	%	**68.2**	64.5
Office by revenue	%	**20.7**	24.1
Industrial by revenue	%	**11.1**	11.4
Vacancy	m²	**51 081**	68 211
Vacancy as percentage of GLA	%	**4.5**	5.9
Arrears (% of revenue)	%	**2.3**	2.0
Weighted average rental escalation	%	**6.6**	6.4
– Retail	%	**6.5**	6.4
– Office	%	**6.9**	6.3
– Industrial	%	**7.0**	6.8
Weighted average gross rental	R/m²	**118.27**	113.09
– Retail	R/m²	**158.41**	147.17
– Office	R/m²	**106.89**	112.50
– Industrial	R/m²	**49.93**	49.16
Weighted average lease term	months	**55.1**	50.7

Sebokeng Plaza

GROUP PORTFOLIO CONTINUED

PORTFOLIO COMPOSITION

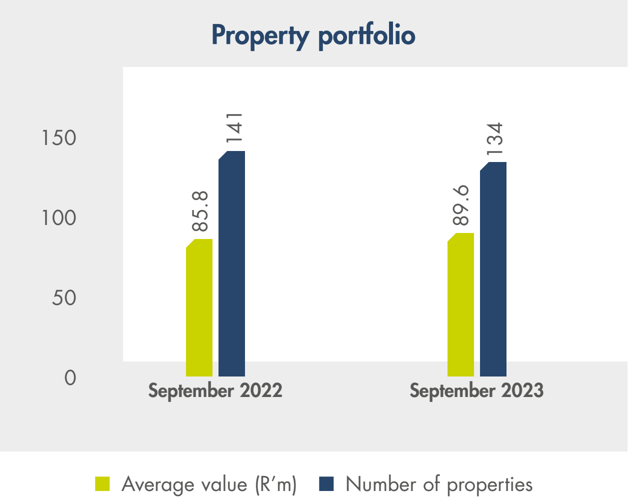
	Retail				Office				Industrial				
Vacancy band	#	Average property value (R'm)	Value (R'm)	% of total	#	Average property value (R'm)	Value (R'm)	% of total	#	Average property value (R'm)	Value (R'm)	% of total	**Total value (R'm)**
0% – 4%	54	126	6 799	**82%**	20	52	1 050	**44%**	25	51	1 283	**100%**	**9 132**
4% – 8%	6	124	742	**9%**	2	89	177	**7%**	–	–	–	**0%**	**919**
8% – 12%	7	77	539	**6%**	3	191	572	**24%**	–	–	–	**0%**	**1 111**
12% – 16%	2	20	39	**1%**	3	116	349	**15%**	–	–	–	**0%**	**388**
16% – 30%	5	39	193	**2%**	3	50	150	**6%**	1	6	6	**0%**	**349**
+30%	–	–	–	**0%**	3	35	105	**4%**	–	–	–	**0%**	**105**
Total	74	112	8 312	**100%**	34	71	2 403	**100%**	26	50	1 289	**100%**	12 004

4.9% of the total portfolio vacancy GLA arises from 1 office property valued at R4.7 million with a focus on conversion to retail

Elevated vacancies in 16 properties are a focus for potential capex in support of re-letting

100 low value properties are valued at R6.0 billion or 50.0% of the portfolio with average value of R60.0 million and a weighted average vacancy of 2.0%

17 high value properties are valued at R5.2 billion or 43.7% of the portfolio with average value of R308.5 million and a weighted average vacancy of 2.9%




Sandton Sunninghill Place

PROPERTY DISPOSALS

Asset	Sector	Date transferred	Sales value (R'm)	Book value (R'm)	(Discount)/ premium to book value (%)	Average yield (%)	GLA (m^2)
SARS Durban	Office	12 January 2023	**230.0**	220.0	4.5	11.5	**23 105**
79 Hans van Rensburg	Office	08 March 2023	**4.0**	3.9	1.7	16.3	**875**
71 Biccard	Retail	22 March 2023	**5.2**	3.8	37.3	(17.6)	**877**
Philippi Court	Office	31 March 2023	**13.3**	14.2	(6.6)	10.8	**1 357**
54 Schoeman	Office	09 May 2023	**12.5**	12.5	–	3.1	**2 001**
Parc du Bel	Office	16 May 2023	**13.0**	13.0	–	11.3	**2 299**
425 West Street	Retail	18 May 2023	**60.0**	60.0	–	10.0	**8 620**

TOP 10 PROPERTIES BY VALUE

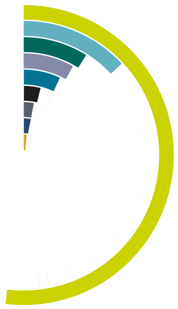
Property name	Sector	Province	Vacancies (m^2)	Vacant (%)	GLA (m^2)
Access Park	Retail	Western Cape	**75**	0.4	**20 479**
Cleary Park	Retail	Eastern Cape	**596**	1.6	**36 567**
Cape Town Westgate Mall	Retail	Western Cape	**623**	2.2	**28 729**
Bara Precinct	Retail	Gauteng	**238**	1.0	**23 507**
Middestad Centre	Retail	Free State	**551**	2.9	**18 817**
Cape Town Bellville Tijger Park	Office	Western Cape	**2 193**	10.4	**21 046**
Shoprite Empangeni	Retail	KwaZulu-Natal	**42**	0.3	**13 660**
Midtown Mall	Retail	North West	**949**	5.8	**16 425**
Transforum Centre	Retail	North West	**–**	–	**4 777**
Nonkqubela	Retail	Western Cape	**214**	2.0	**10 774**
			5 481	2.8	194 781

12-MONTH GLA RECONCILIATION

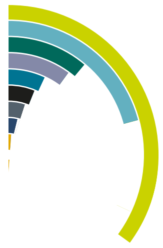
	Total (m^2)	Let (m^2)	Vacant (m^2)	Let (%)	Vacant (%)
At the beginning of the period (1 October 2022)	1 150 862	1 082 651	68 211	94.1	5.9
Disposals and adjustments	(24 671)	(24 611)	(60)	99.8	0.2
Adjusted totals	1 126 191	1 058 040	68 151	93.9	6.1
Net gain/(loss)	–	17 070	(17 070)	–	–
At the end of the period (30 September 2023)	**1 126 191**	**1 075 110**	**51 081**	**95.5**	**4.5**

GROUP PORTFOLIO CONTINUED

Geographical profile by GLA



Geographical profile by gross revenue



52.0%	Gauteng	35.1%
12.9%	Western Cape	20.7%
8.8%	KwaZulu-Natal	11.1%
8.0%	Eastern Cape	10.3%
7.0%	Limpopo	7.3%
4.4%	North West	5.9%
3.0%	Free State	4.5%
2.9%	Northern Cape	3.9%
1.0%	Mpumalanga	1.2%

Sectoral profile by GLA

Sectoral profile by gross revenue

48.6%	Retail	68.2%
25.9%	Office	20.7%
25.5%	Industrial	11.1%

Tenant grading by GLA

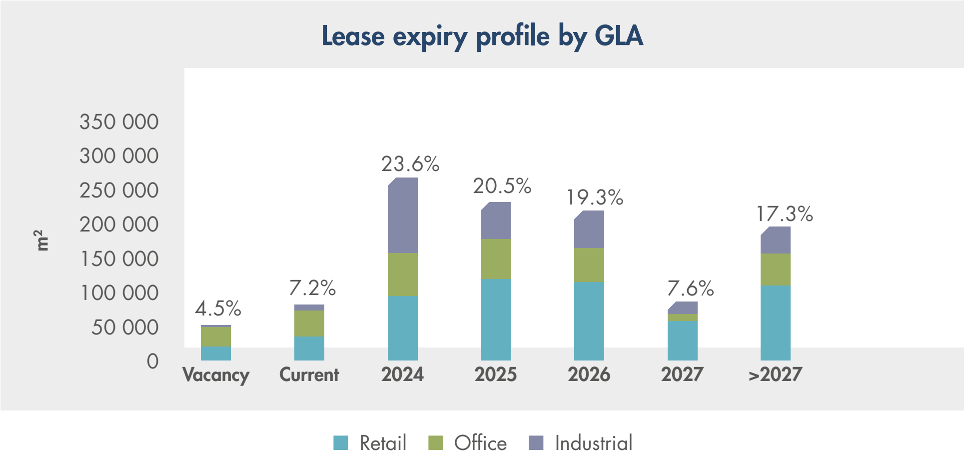
Tenant grading by revenue

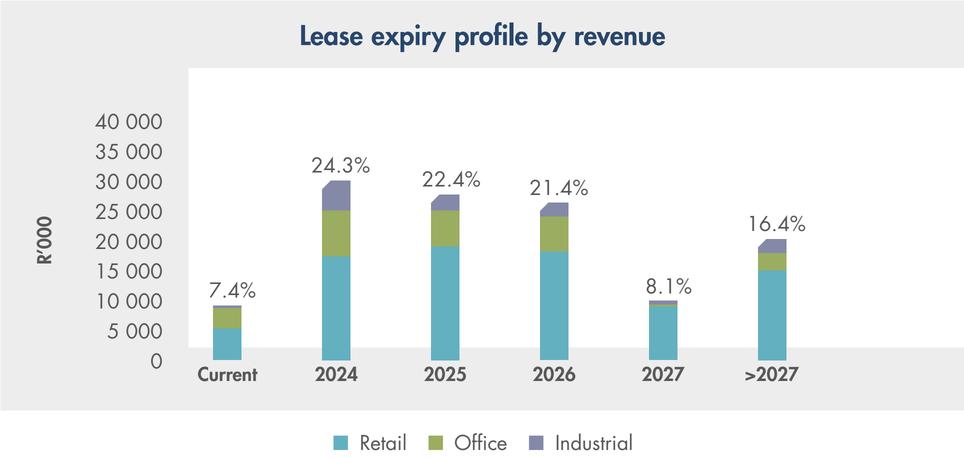
49.3%	A-grade	56.0%
9.9%	B-grade	10.1%
40.8%	C-grade	33.9%

A-grade: Large national tenants, large listed tenants, government and major franchisees.

B-grade: National tenants, listed tenants, franchisees, medium to large professional firms.

C-grade: Small and medium-sized tenants (SMEs), start-up companies and individuals, tenants who do not fall within the above categories (A and B). These comprise 1 645 out of 2 857 tenants.





NEW DEALS CONCLUDED

	GLA (m²)	WA escalation (%)	WALE (months)	Average gross rental per m² (R)	Number of deals
Retail	33 320	6.5	36.9	152.90	252
Office	37 003	7.2	36.5	93.18	108
Industrial	31 822	7.6	27.7	49.88	66
Total	102 145	7.1	32.3	99.17	426

RENEWALS

Type	GLA (m²)	Average renewal rent per m² (R)	Average expiry rent per m² (R)	Step up escalations/ (reversion) (%)	Budget to actual (%)	WA escalation (%)	WALE (months)	Number of renewals
Retail	75 150	156.61	151.65	3.3	3.8	6.8	38.8	331
Office	41 544	101.12	101.56	(0.4)	(3.9)	6.8	22.7	86
Industrial	54 490	54.83	51.82	5.8	7.8	7.1	31.0	77
	171 184	110.75	107.72	2.8	2.6	6.8	30.5	494

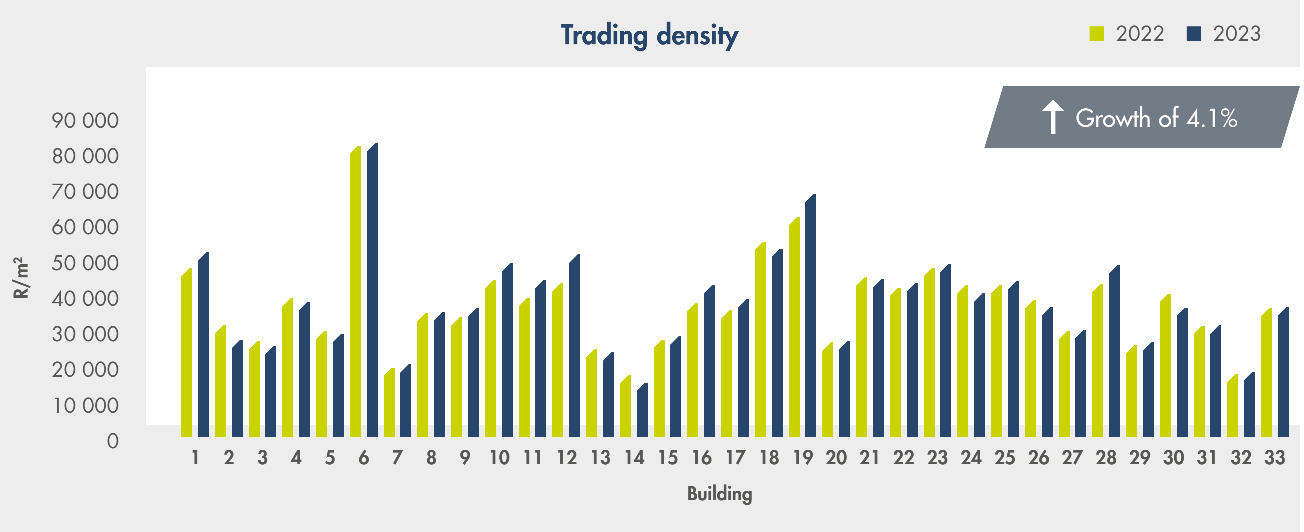

Germiston Route 24

GROUP PORTFOLIO CONTINUED

Masingita Shopping Centre

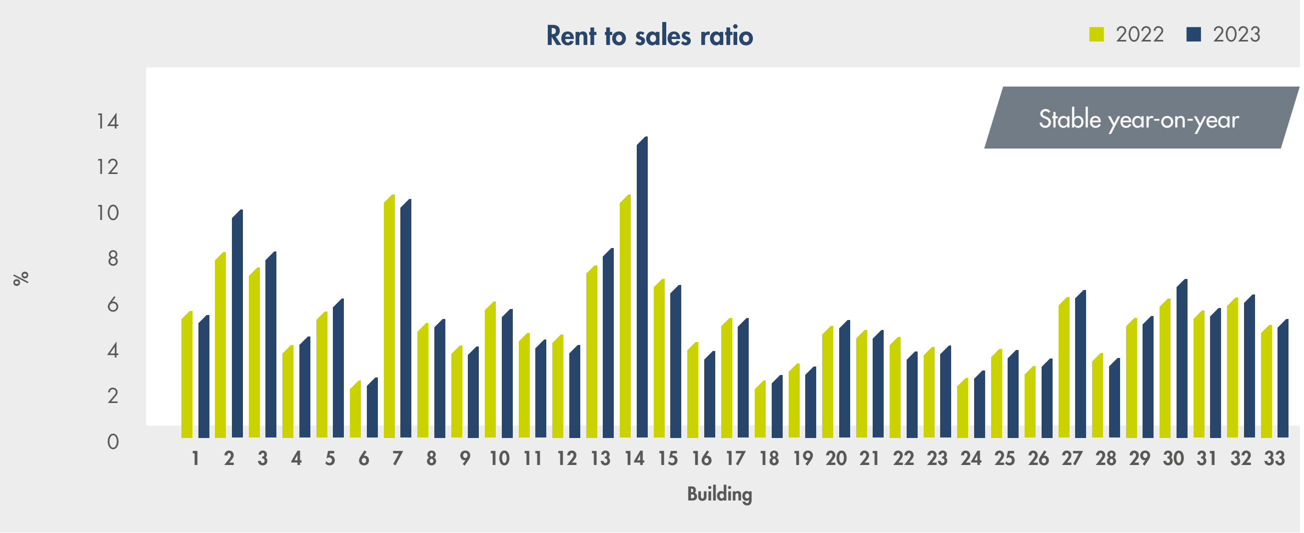
TENANT TRADING DENSITY INFORMATION

Maintaining a database of tenant turnover information not only provides important information during lease negotiations, but also equips us with knowledge and understanding of trading performance at our properties and the effectiveness of our marketing initiatives.



Trading density

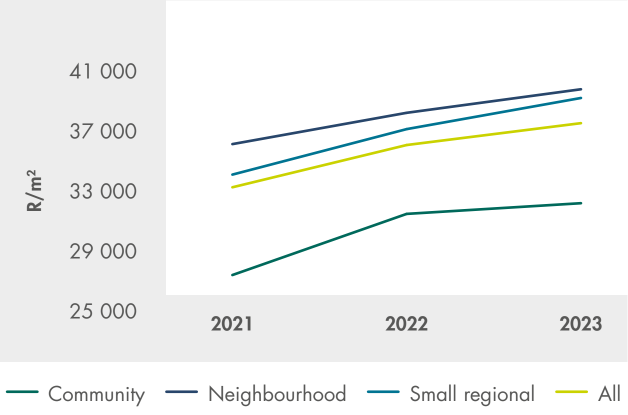
Growth of 4.1%



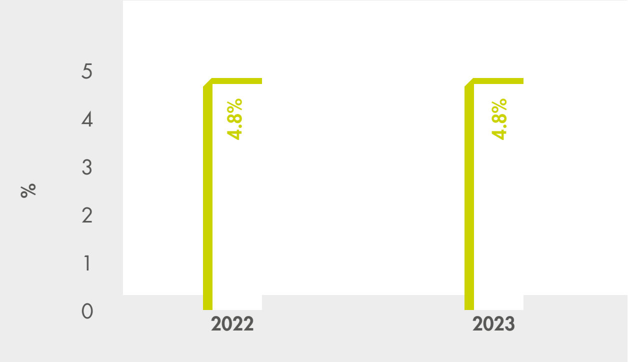
Rent to sales ratio

Stable year-on-year

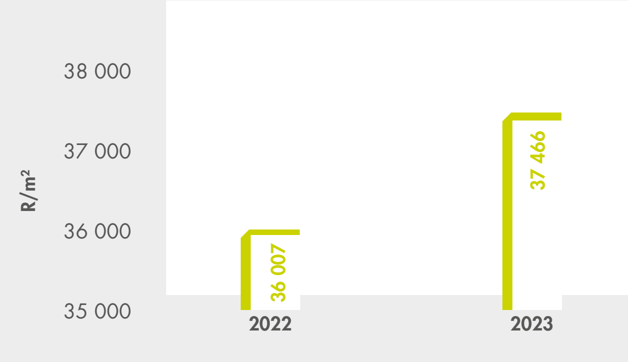
Trading density per segment



Combined rent to sales ratio



Combined trading density

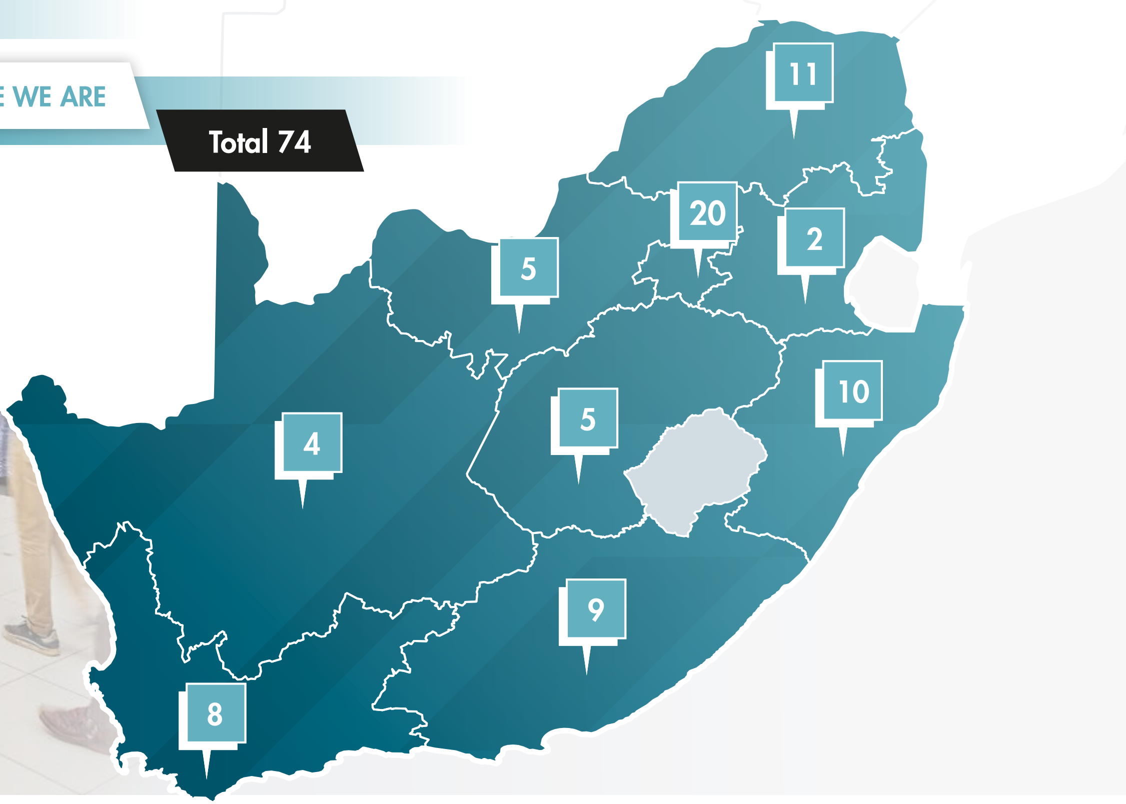


RETAIL PORTFOLIO


South View Shopping Centre

WHERE WE ARE

Total 74



Solar on **30 properties**

Value **R8.3 billion**

Vacancy **3.7%**

Total gross lettable area
547 682m²

Present in
9 provinces

PROPERTY SCHEDULE

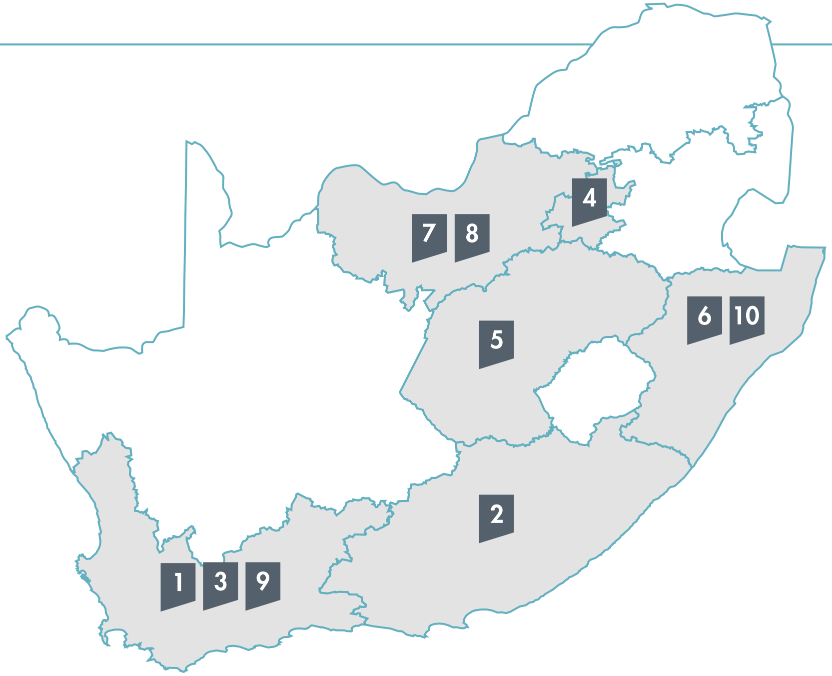
Property name	Location	GLA (m²)	Vacancies (m²)	Vacant (%)	Rental R/m²	Date of acquisition
Cleary Park	Eastern Cape	**36 567**	596	**1.6**	162.55	01 Dec 15
King Williams Town Market Sq	Eastern Cape	**13 264**	–	**0.0**	134.08	04 Aug 14
Boxer Centre, Elliotdale	Eastern Cape	**7 360**	–	**0.0**	127.82	09 May 16
Sterkspruit	Eastern Cape	**6 385**	172	**2.7**	134.00	13 Sep 12
Qumbu Plaza	Eastern Cape	**5 481**	111	**2.0**	132.43	01 Dec 19
Libode Shopping Centre	Eastern Cape	**4 991**	–	**0.0**	142.29	18 Oct 03
Boxer Centre, Mqanduli	Eastern Cape	**4 689**	169	**3.6**	131.40	15 Jul 16
Boxer Centre, Tabankulu	Eastern Cape	**4 117**	–	**0.0**	121.82	07 Jul 16
Tsolo	Eastern Cape	**4 096**	–	**0.0**	118.72	01 Apr 16
Middestad Centre	Free State	**18 817**	551	**2.9**	191.06	16 Aug 15
Mega Park	Free State	**6 744**	6	**0.1**	152.81	16 Aug 15
Odendaalsrus Shopping Centre	Free State	**3 683**	–	**0.0**	129.14	01 Apr 16
Bradlows	Free State	**2 563**	–	**0.0**	57.34	19 Nov 01
Zamdela	Free State	**2 247**	8	**0.4**	135.54	20 Feb 13
Bara Precinct	Gauteng	**23 507**	238	**1.0**	166.12	18 Dec 17
Mall@TheJunction	Gauteng	**14 289**	1 275	**8.9**	77.78	04 Aug 14
Clearwater Crossing	Gauteng	**10 092**	–	**0.0**	80.64	04 Aug 14
Wonderboom Carvenience Centre	Gauteng	**8 670**	740	**8.5**	115.10	20 Nov 17
South View Shopping Centre	Gauteng	**7 644**	162	**2.1**	155.15	18 Jul 18
Shoprite Brakpan	Gauteng	**6 256**	282	**4.5**	70.88	18 Dec 17
Pta Eersterust Shopping Centre	Gauteng	**6 950**	85	**1.2**	105.72	04 Aug 14
Lyndhurst Square	Gauteng	**6 352**	1 293	**20.4**	124.22	17 Feb 14
Clubview Corner	Gauteng	**6 074**	116	**1.9**	164.58	17 Jan 13
Sebokeng Plaza	Gauteng	**5 700**	71	**1.2**	284.14	26 Apr 13
Alberton Voortrekker Rd	Gauteng	**5 158**	1 207	**23.4**	68.51	05 Dec 17
The Ridge	Gauteng	**4 675**	430	**9.2**	189.59	12 Mar 13
Town Centre Boksburg	Gauteng	**4 611**	429	**4.1**	95.64	01 Apr 16
Boxer Boksburg	Gauteng	**3 410**	65	**2.0**	139.88	15 Dec 17
Vereeniging Voortrekker Str	Gauteng	**2 727**	–	**0.0**	68.47	21 Dec 17
Orange Farm	Gauteng	**2 685**	–	**0.0**	100.80	15 Jan 13
Vereeniging	Gauteng	**2 626**	–	**0.0**	105.34	10 Apr 13
Jan Niemand	Gauteng	**2 139**	–	**0.0**	#	19 Feb 15
Stretford	Gauteng	**1 508**	8	**0.5**	#	19 Feb 13
Sharpeville	Gauteng	**1 130**	–	**0.0**	#	19 Feb 13
Shoprite Empangeni	KwaZulu-Natal	**13 660**	42	**0.3**	199.09	18 Jul 17
Montclair Mall	KwaZulu-Natal	**12 602**	653	**5.2**	150.54	04 Aug 14
Mkuze Plaza	KwaZulu-Natal	**8 023**	498	**6.2**	106.90	01 Dec 11
Richmond Shopping Centre	KwaZulu-Natal	**7 427**	33	**0.4**	125.86	21 May 15
Westville Junction	KwaZulu-Natal	**6 265**	99	**1.6**	235.03	19 Jan 01
Qualbert Centre	KwaZulu-Natal	**4 684**	–	**0.0**	200.05	30 Jan 14
Mkuze Corner	KwaZulu-Natal	**3 388**	50	**1.5**	108.77	13 Dec 12
Coronation Walk	KwaZulu-Natal	**3 047**	65	**2.1**	199.18	19 Nov 01
212 Church Street	KwaZulu-Natal	**1 980**	–	**0.0**	#	14 Dec 12
210 Church Street	KwaZulu-Natal	**1 897**	–	**0.0**	#	18 Dec 12
The Avenue	Limpopo	**9 481**	843	**8.9**	165.79	20 Nov 17
Game Centre	Limpopo	**7 934**	–	**0.0**	193.86	01 Nov 18
The Grove	Limpopo	**7 894**	279	**3.5**	166.38	20 Nov 17
The Lane	Limpopo	**6 839**	1 698	**24.8**	128.86	20 Nov 17
Mala Plaza	Limpopo	**6 207**	–	**0.0**	180.15	27 Jan 14
Masingita Shopping Centre	Limpopo	**5 363**	190	**3.5**	157.71	27 Jan 14
18 Thabo Mbeki	Limpopo	**3 931**	1 061	**27.0**	114.52	01 Nov 18
Thompsons Building	Limpopo	**3 727**	592	**15.9**	42.81	01 Nov 18
68 Hans van Rensburg	Limpopo	**2 697**	–	**0.0**	121.09	01 Nov 18
FNB Building	Limpopo	**2 089**	261	**12.5**	189.81	01 Nov 18
Ellerines Thohoyandou	Limpopo	**829**	–	**0.0**	#	01 Apr 16
Matsulu Shopping Centre	Mpumalanga	**6 087**	514	**8.4**	131.03	12 Aug 15
Cosmos Centre	Mpumalanga	**4 697**	133	**2.8**	164.40	05 Mar 15
Midtown Mall	North West	**16 425**	949	**5.8**	160.95	01 Sep 12
Terminus Shopping Centre	North West	**11 401**	181	**1.6**	90.95	01 Jul 12
OK Klerksdorp	North West	**7 931**	1 297	**16.4**	26.52	01 Apr 16
Transforum Centre	North West	**4 777**	–	**0.0**	400.54	01 Mar 13
Impala Centre	North West	**3 604**	–	**0.0**	246.90	21 Jun 13
Taung Forum	Northern Cape	**10 285**	537	**5.2**	122.98	01 Dec 11
Kim Park Shopping Centre	Northern Cape	**9 118**	171	**1.9**	154.06	08 Jan 14
Sibilo Shopping Centre	Northern Cape	**8 476**	169	**2.0**	186.82	24 Aug 15
Kathu Shopping Centre	Northern Cape	**5 088**	284	**5.6**	132.56	01 Dec 11
Cape Town Westgate Mall Shops	Western Cape	**28 729**	623	**2.2**	152.32	04 Aug 14
Access Park	Western Cape	**20 479**	75	**0.4**	389.82	04 Aug 14
Paddagat	Western Cape	**11 007**	–	**0.0**	126.17	13 Dec 12
Nonkqubela	Western Cape	**10 774**	214	**2.0**	211.90	23 Aug 19
Nyanga Junction	Western Cape	**10 683**	83	**0.8**	188.56	16 May 13
Macassar Shopping Centre	Western Cape	**5 516**	41	**0.7**	177.77	12 Sep 16
Oudehuis Centre	Western Cape	**4 193**	367	**8.8**	137.83	01 Apr 16
Nyanga KTC	Western Cape	**1 242**	–	**0.0**	35.44	24 May 13

 # Single tenanted properties. The weighted average rent per m² for all single tenanted properties is R150.37 at 30 September 2023.

RETAIL PORTFOLIO CONTINUED

TOP 10 RETAIL PROPERTIES BY VALUE

	Property name	Location	GLA (m^2)	Vacancies (m^2)	Vacant (%)
1	Access Park	Western Cape	20 479	75	0.4
2	Cleary Park	Eastern Cape	36 567	596	1.6
3	Cape Town Westgate Mall Shops	Western Cape	28 729	623	2.2
4	Bara Precinct	Gauteng	23 507	238	1.0
5	Middestad Centre	Free State	18 817	551	2.9
6	Shoprite Empangeni	KwaZulu-Natal	13 660	42	0.3
7	Midtown Mall	North West	16 425	949	5.8
8	Transforum Centre	North West	4 777	–	–
9	Nonkqubela	Western Cape	10 774	214	2.0
10	Montclair Mall	KwaZulu-Natal	12 602	653	5.2



TOP 10 RETAIL TENANTS BY REVENUE

SHOPRITE & Checkers	69 087
Pick n Pay BOXER	54 856
PEPKOR	43 452
TFG	18 682
SPAR	18 107
mr price	14 296
TRUWORTHS	9 652
Lewis Group Ltd	7 044
CJ VICTORY LAB	5 632
CLICKS	4 669

GLA (m^2)

Geographical profile by GLA

Geographical profile by revenue

23.0%	Gauteng	18.3%
16.9%	Western Cape	23.1%
11.5%	KwaZulu-Natal	12.5%
15.9%	Eastern Cape	15.0%
10.4%	Limpopo	9.4%
8.1%	North West	7.5%
6.2%	Free State	6.6%
6.0%	Northern Cape	5.8%
2.0%	Mpumalanga	1.8%

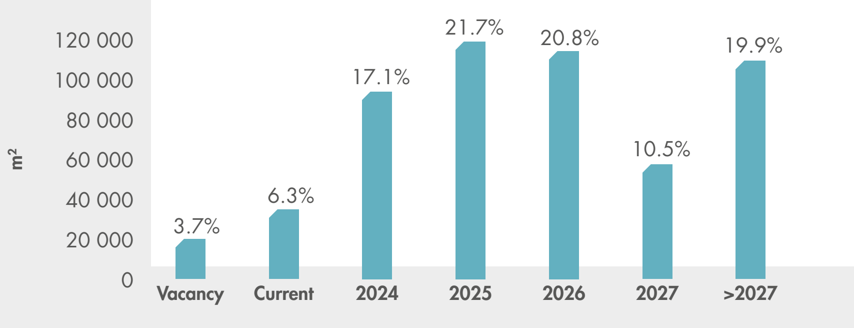
Tenant grading by GLA

A-grade	67.5%
B-grade	10.5%
C-grade	22.0%

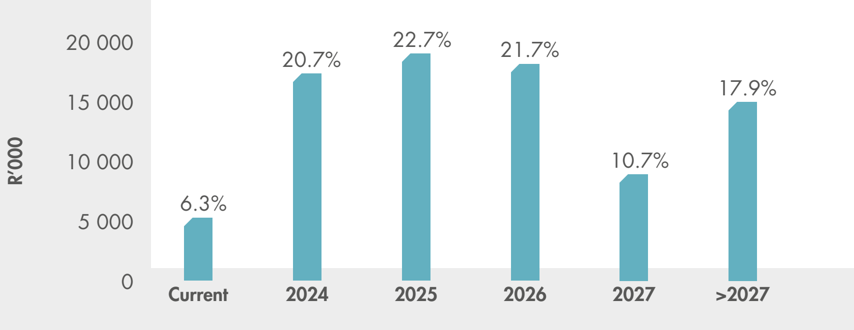
Sebokeng Plaza

RETAIL PORTFOLIO CONTINUED

Lease expiry profile by GLA



Lease expiry profile by revenue



Bara Precinct

RENEWALS

GLA (m^2)	75 150
Average new rent per m^2 (R)	156.61
Average old rent per m^2 (R)	151.65
Step up escalations	3.3%
Budget to actual	3.8%
WA escalation	6.8%
WALE (months)	38.8
Number of renewals	331

TOP 10 RENEWALS

		GLA (m^2)			GLA (m^2)
WOOLWORTHS	Westgate Mall	3 950	SHOPRITE Checkers	Sebokeng Plaza	2 414
KIA	Wonderboom Convenience Centre	3 653	TRUWORTHS	Middestad Centre	2 276
SHOPRITE Checkers	Sibilo Shopping Centre	2 764	Pick n Pay	Pta Eersterust Shopping Centre	2 258
BOXER	Boxer Centre, Elliotdale	2 576	BOXER	Sterkspruit	1 876
TFG	King Williams Town Market Square	2 532	TFG	Cleary Park	1 550

NEW DEALS

GLA (m^2)	33 320
WA escalation	6.5%
WALE (months)	36.9
Average gross rental per m^2 (R)	152.90
Number of deals	252

TOP 10 NEW DEALS

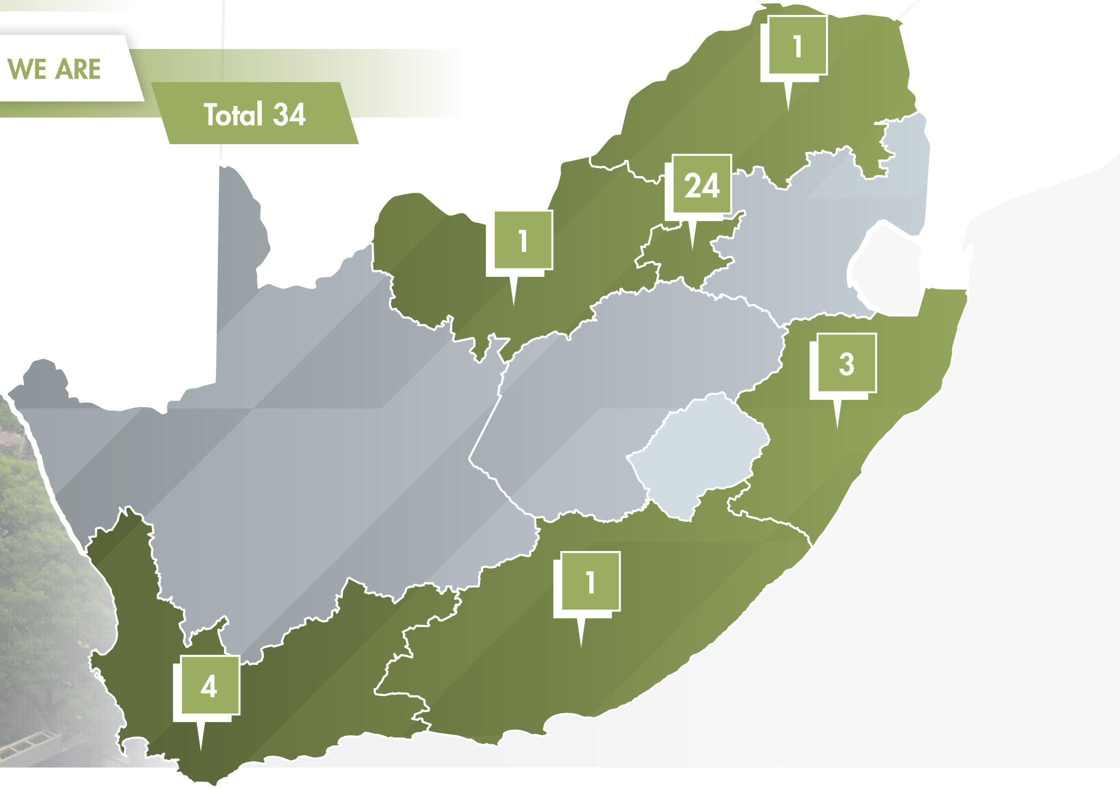
		GLA (m^2)			GLA (m^2)
SHOPRITE	Bara Precinct	3 095	BETFRED	Bara Precinct	540
WANNA BUILD	Orange Farm	1 170	Supa Bingo	Bara Precinct	510
EVERY NATION	Oudehuis Centre	683	mr price	Nyanga Junction	468
Bedzone	Alberton Voortrekker Rd	620	Dis-Chem	Westville Junction	427
WALTLOO MEAT & CHICKEN	Bara Precinct	551	studio 88	Shoprite Empangeni	425

OFFICE PORTFOLIO

1 Sturdee

WHERE WE ARE

Total 34



Solar on **4 properties**

Value **R2.4 billion**

Vacancy **9.7%**

Total gross lettable area **291 146m²**

Present in **6 provinces**

PROPERTY SCHEDULE

Property name	Location	GLA (m²)	Vacancies (m²)	Vacant (%)	Rental R/m²	Date of acquisition
Lakeview Terrace	KwaZulu-Natal	**13 056**	5 261	**40.3**	114.54	01 Dec 11
CHEP Building	KwaZulu-Natal	**3 260**	–	**0.0**	#	01 Dec 12
Absa Cash Centre	KwaZulu-Natal	**2 359**	–	**0.0**	#	20 Aug 12
Cape Town Bellville Tijger Park	Western Cape	**21 046**	2 193	**10.4**	175.68	01 Dec 16
RCS	Western Cape	**7 143**	–	**0.0**	#	10 Jul 14
Cape Town Bellville Suntyger	Western Cape	**6 372**	27	**0.4**	156.94	01 Dec 16
Omniplace	Western Cape	**2 627**	29	**1.1**	137.06	13 Dec 12
Isle of Houghton	Gauteng	**28 554**	–	**0.0**	64.42	01 Dec 16
Jhb Rosebank 158 Offices	Gauteng	**19 978**	3 098	**15.5**	107.48	04 Aug 14
Selby Building	Gauteng	**16 346**	489	**3.0**	44.71	04 Oct 12
MetalBox	Gauteng	**15 056**	2 308	**15.3**	110.58	04 Aug 14
1 Sturdee	Gauteng	**13 350**	1 524	**11.4**	147.46	01 Feb 14
Crownwood Office Park	Gauteng	**13 249**	76	**0.6**	101.08	01 Mar 13
Bridge On Bond	Gauteng	**12 243**	1 806	**14.8**	77.45	30 Nov 12
2Twenty Madiba	Gauteng	**12 093**	–	**0.0**	143.97	01 Dec 16
St Andrews Office Park	Gauteng	**10 221**	1 835	**18.0**	88.76	01 Dec 16
Sandton Sunninghill Place	Gauteng	**8 774**	1 015	**11.6**	122.68	01 Dec 16
Midrand Gate	Gauteng	**8 515**	228	**2.7**	120.94	01 Dec 16
Bedfordview	Gauteng	**9 243**	2 445	**26.4**	120.63	01 Apr 16
Sanlynn	Gauteng	**8 687**	612	**7.1**	173.57	01 Dec 16
Urban Brew	Gauteng	**8 248**	–	**0.0**	43.24	14 Jan 14
Sunwood Park	Gauteng	**6 342**	379	**6.0**	127.84	01 Dec 16
353 Festival Street	Gauteng	**5 388**	210	**3.9**	128.59	01 Dec 16
The Main Change	Gauteng	**5 268**	–	**0.0**	101.52	01 Apr 16
Aviary	Gauteng	**5 037**	–	**0.0**	99.33	28 Oct 13
The District	Gauteng	**3 888**	1 694	**43.6**	244.38	10 Dec 12
Excel Park	Gauteng	**3 336**	–	**0.0**	84.77	01 Dec 16
The Palms	Gauteng	**2 597**	540	**20.8**	75.89	02 Mar 07
Endemol – Kent	Gauteng	**2 526**	–	**0.0**	#	01 Apr 16
Media Shop	Gauteng	**2 522**	–	**0.0**	#	01 Apr 16
Sandton Rivonia 36 Homestead	Gauteng	**2 459**	–	**0.0**	#	01 Dec 16
Mae West Building	Limpopo	**2 922**	–	**0.0**	#	01 Dec 11
The Arches	Eastern Cape	**2 707**	2 501	**92.4**	181.24	01 Apr 16
127 Bethlehem Street	North West	**5 736**	60	**1.0**	166.49	01 Dec 11

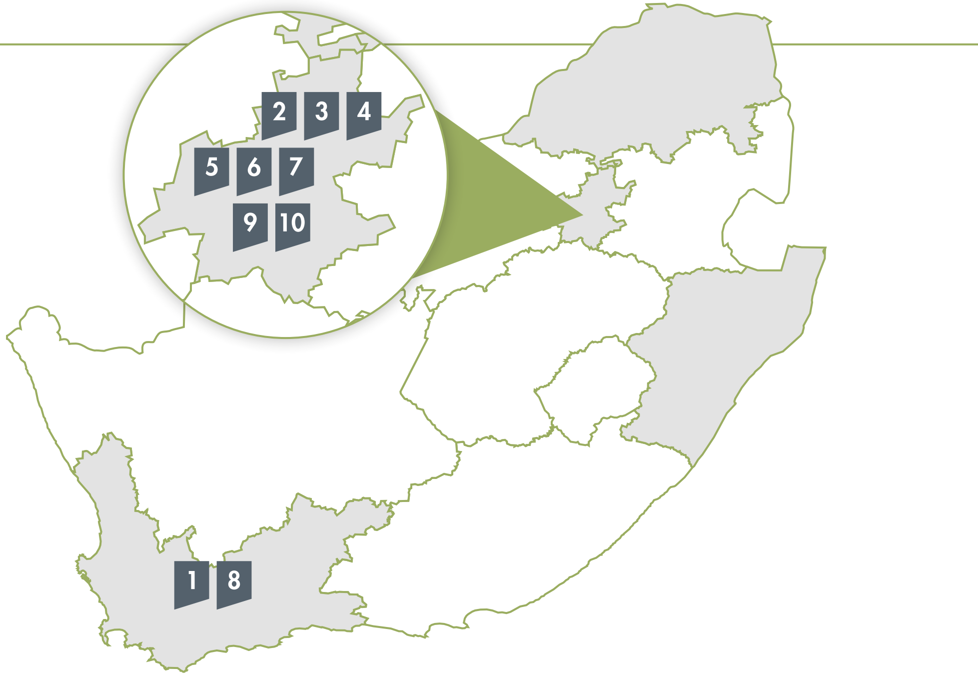
 # Single tenanted properties. The weighted average rent per m² for all single tenanted properties is R126.94 at 30 September 2023.

2Twenty Madiba

OFFICE PORTFOLIO (CONTINUED)

TOP 10 OFFICE PROPERTIES BY VALUE

	Property name	Location	GLA (m^2)	Vacancies (m^2)	Vacant (%)
1	Cape Town Bellville Tijger Park	Western Cape	21 046	2 193	10.4
2	1 Sturdee	Gauteng	13 350	1 524	11.4
3	Isle of Houghton	Gauteng	28 554	–	0.0
4	Jhb Rosebank 158 Offices	Gauteng	19 978	3 098	15.5
5	Sanlynn	Gauteng	8 687	612	7.1
6	MetalBox	Gauteng	15 056	2 308	15.3
7	Crownwood Office Park	Gauteng	13 249	76	0.6
8	Cape Town Bellville Suntyger	Western Cape	6 372	27	0.4
9	Midrand Gate	Gauteng	8 515	228	2.7
10	Sandton Sunninghill Place	Gauteng	8 774	1 015	11.6

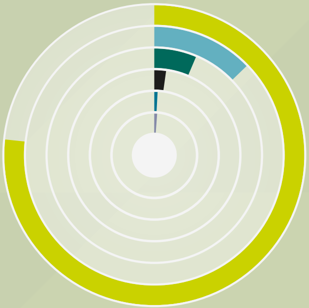


TOP 10 OFFICE TENANTS BY REVENUE

Private tenant 1	Private tenant 2	Government tenant	Private tenant 3	Private tenant 4	Private tenant 5	Private tenant 6	Private tenant 7	Private tenant 8	Private tenant 9
RCS	Tijger Park	Crownwood Office Park	Tijger Park	Sanlynn	CHEP	Sandton Sunninghill Place	Midrand Gate	1 Sturdee	Mae West Building
7 143	4 297	5 830	3 198	3 618	3 260	4 845	4 506	2 620	2 922

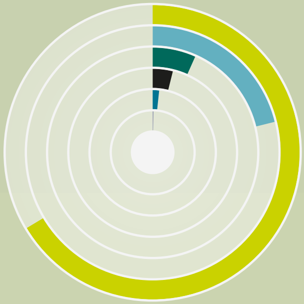
GLA (m^2)

Geographical profile by GLA



76.9%	Gauteng	66.5%
12.8%	Western Cape	21.1%
6.4%	KwaZulu-Natal	6.8%
2.0%	North West	3.8%
1.0%	Limpopo	1.7%
0.9%	Eastern Cape	0.1%

Geographical profile by gross revenue



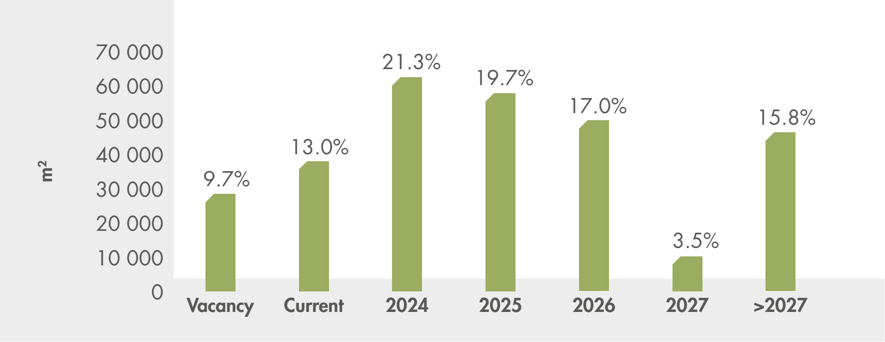
Tenant grading by GLA

A-grade	39.3%
B-grade	10.3%
C-grade	50.4%

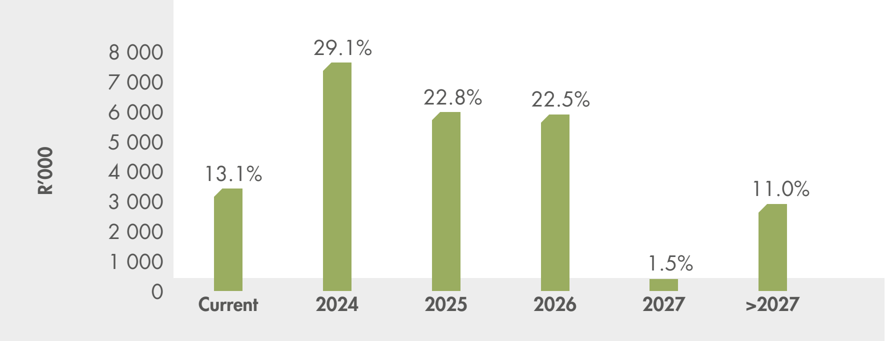
Sanlynn

OFFICE PORTFOLIO (CONTINUED)

Lease expiry profile by GLA



Lease expiry profile by revenue



Bedfordview

RENEWALS

GLA (m²)	41 544
Average new rent per m² (R)	101.12
Average old rent per m² (R)	101.56
Reversion	(0.4%)
Budget to actual	(3.9%)
WA escalation	6.8%
WALE (months)	22.7
Number of renewals	86

TOP 10 RENEWALS

	GLA (m²)		GLA (m²)
Urban Brew	5 670	Bridge On Bond	1 420
Sandton Sunninghill Place	4 845	127 Bethlehem St.	1 261
Sanlynn	3 432	The District	1 167
Urban Brew	2 578	St Andrews Office Park	1 099
Sandton Sunninghill Place	1 923	1 Sturdee	1 093

NEW DEALS

GLA (m²)	37 003
WA escalation	7.2%
WALE (months)	36.5
Average gross rental per m² (R)	93.18
Number of deals	108

TOP 10 NEW DEALS

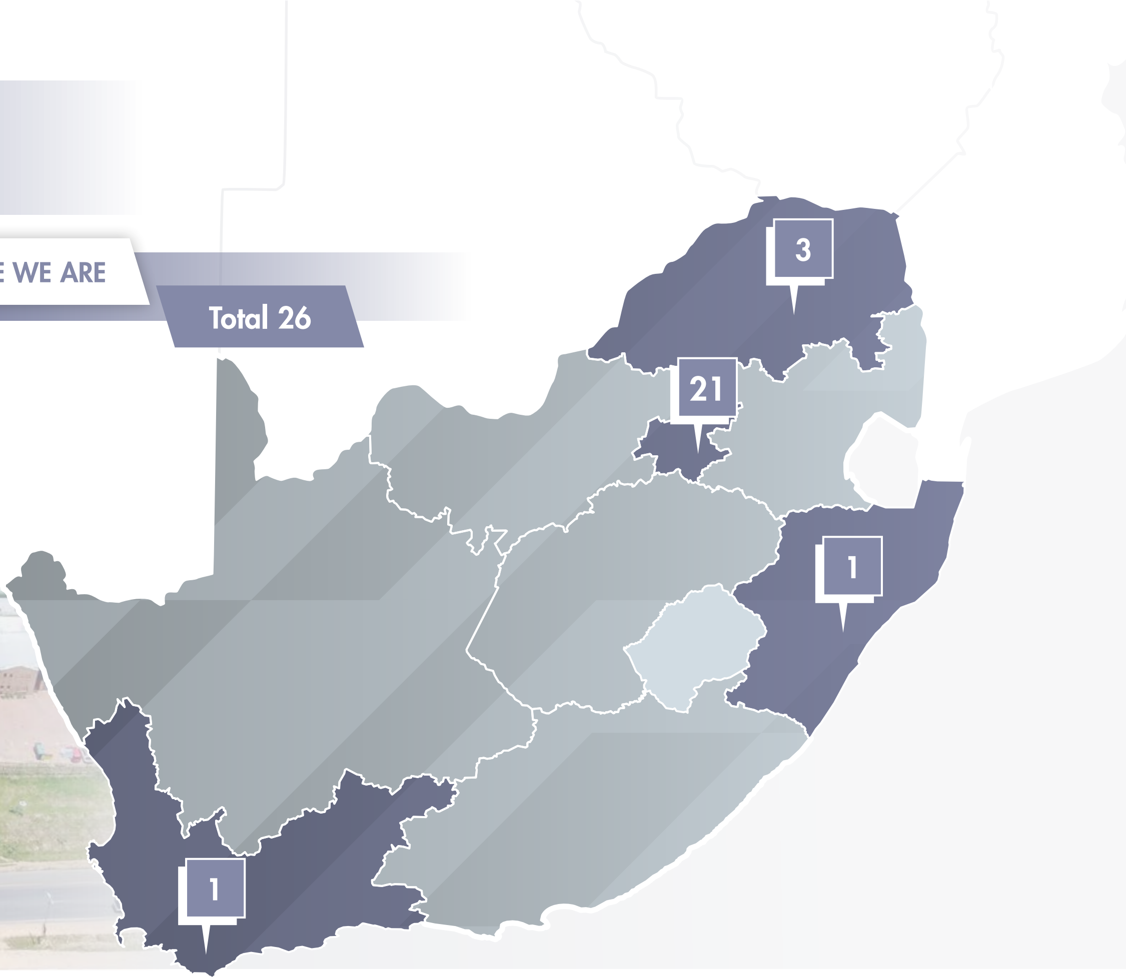
	GLA (m²)		GLA (m²)
Isle of Houghton	5 724	The District	1 534
2Twenty Madiba	2 806	Bridge On Bond	1 061
Media Shop	2 522	Bridge On Bond	1 043
Jhb Rosebank 158 Offices	1 954	Sandton Sunninghill Place	891
Lakeview Terrace	1 677	Tijger Park	871

INDUSTRIAL PORTFOLIO

Randburg Trevallyn

WHERE WE ARE

Total 26



Solar on **4 properties**

Value **R1.3 billion**

Vacancy **0.95%**

Total gross lettable area
287 363m²

Present in
4 provinces

PROPERTY SCHEDULE

Property name	Location	GLA (m²)	Vacancies (m²)	Vacant (%)	Rental R/m²	Date of acquisition
Germiston Route 24	Gauteng	**35 016**	1 051	**3.0**	59.24	01 Dec 16
Randburg Trevallyn	Gauteng	**31 993**	900	**2.8**	54.18	01 Dec 16
Roodepoort Robertville Industrial Park	Gauteng	**28 225**	–	**0.0**	41.82	01 Dec 16
Access City	Gauteng	**25 124**	–	**0.0**	41.64	01 Jun 14
Beka Candela	Gauteng	**21 476**	–	**0.0**	71.21	04 Aug 14
MCG	Gauteng	**13 998**	–	**0.0**	#	28 Jan 14
Kolbenco	Gauteng	**12 050**	–	**0.0**	31.95	01 Apr 16
Spark Schools	Gauteng	**9 439**	–	**0.0**	44.62	01 Jun 14
Simgold	Gauteng	**7 460**	–	**0.0**	32.60	01 Apr 16
Creston	Gauteng	**6 848**	–	**0.0**	50.77	01 Apr 16
Urban Park	Gauteng	**6 598**	–	**0.0**	43.25	01 Apr 16
Waterworld	Gauteng	**6 524**	–	**0.0**	57.46	01 Jun 13
Pretoria Silverton 294 Battery	Gauteng	**5 787**	–	**0.0**	#	01 Dec 16
Pretoria Silverton 34 Bearing	Gauteng	**5 000**	–	**0.0**	69.96	01 Dec 16
46 Steel Road	Gauteng	**3 790**	–	**0.0**	#	01 Apr 16
Pretoria Silverton 301 Battery	Gauteng	**3 784**	–	**0.0**	64.94	01 Dec 16
Pretoria Silverton 309 Battery	Gauteng	**3 770**	–	**0.0**	#	01 Dec 16
Lea Glen	Gauteng	**3 411**	–	**0.0**	#	01 Apr 16
New Pioneer Park	Gauteng	**3 154**	–	**0.0**	#	01 Apr 16
Pretoria Silverton 22 Axle Street	Gauteng	**1 817**	–	**0.0**	#	01 Dec 16
Pretoria Silverton 330 Alwyn	Gauteng	**1 185**	–	**0.0**	#	01 Dec 16
Pinetown Westmead Kyalami Park	KwaZulu-Natal	**16 914**	359	**2.1**	81.93	01 Dec 16
Trador	Limpopo	**14 965**	–	**0.0**	40.70	01 Nov 18
5 Sapphire	Limpopo	**1 840**	424	**23.0**	44.01	01 Nov 18
41 Emerald	Limpopo	**1 620**	–	**0.0**	#	01 Nov 18
1 Range Road	Western Cape	**15 575**	–	**0.0**	45.86	04 Oct 12

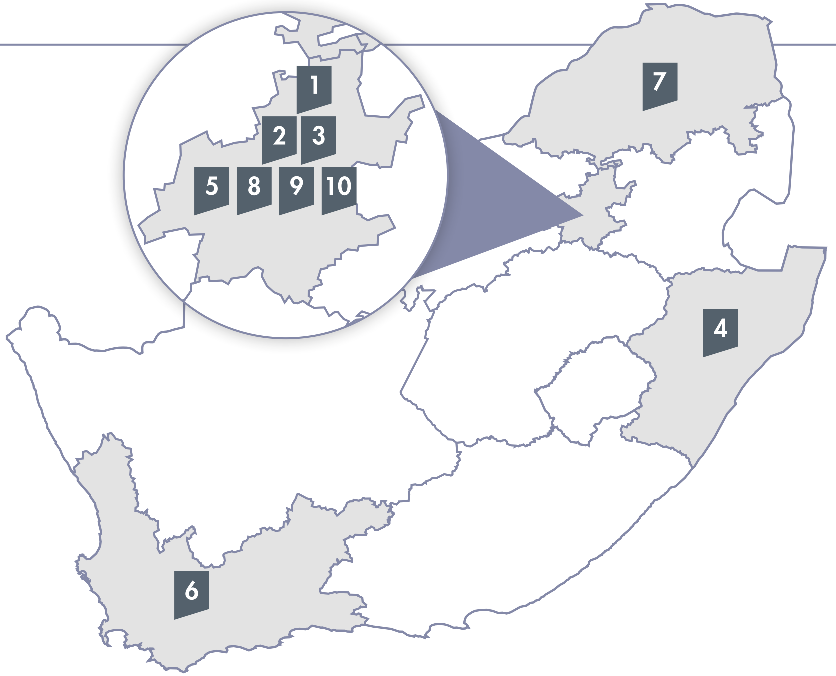
 # Single tenanted properties. The weighted average rent per m² for all single tenanted properties is R42.41 at 30 September 2023.

Robertville Industrial Park

INDUSTRIAL PORTFOLIO CONTINUED

TOP 10 INDUSTRIAL PROPERTIES BY VALUE

	Property name	Location	GLA (m²)	Vacancies (m²)	Vacant (%)
1	Germiston Route 24	Gauteng	35 016	1 051	3.0
2	Randburg Trevallyn	Gauteng	31 993	900	2.8
3	Beka Candela	Gauteng	21 476	–	0.0
4	Pinetown Westmead Kyalami Park	KwaZulu-Natal	16 914	359	2.1
5	Roodepoort Robertville Industrial Park	Gauteng	28 225	–	0.0
6	1 Range Road	Western Cape	15 575	–	0.0
7	Trador	Limpopo	14 965	–	0.0
8	MCG	Gauteng	13 998	–	0.0
9	Pretoria Silverton 294 Battery	Gauteng	5 000	–	0.0
10	Creston	Gauteng	6 848	–	0.0

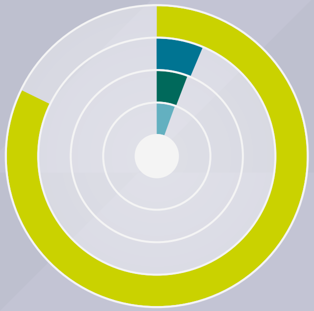


TOP 10 INDUSTRIAL TENANTS BY REVENUE

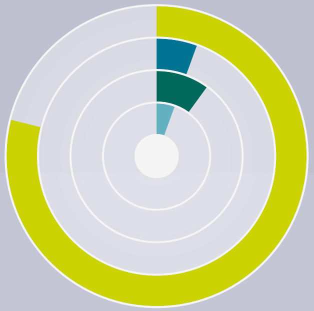
	Private tenant 1	Private tenant 2	Private tenant 3	Private tenant 4	Private tenant 5	Private tenant 6	Private tenant 7	Private tenant 8	Private tenant 9	Private tenant 10
	Beka Candela	MCG	Access City	Spark Schools	1 Range Road	Waterworld	Pretoria Silverton 309 Battery	Pretoria Silverton 34 Bearing	Germiston Route 24	1 Range Road
GLA (m²)	16 860	13 998	12 028	7 439	7 056	5 409	3 770	3 800	5 681	4 280

Geographical profile by GLA

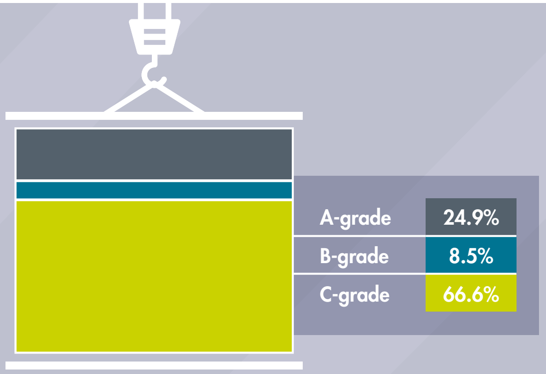
Geographical profile by gross revenue



GLA		Gross revenue
82.3%	Gauteng	79.0%
6.4%	Limpopo	5.6%
5.9%	KwaZulu-Natal	10.1%
5.4%	Western Cape	5.3%



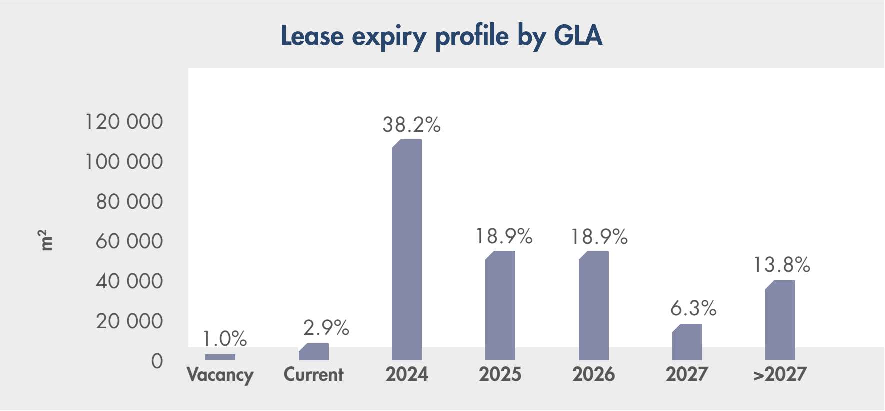
Tenant grading by GLA

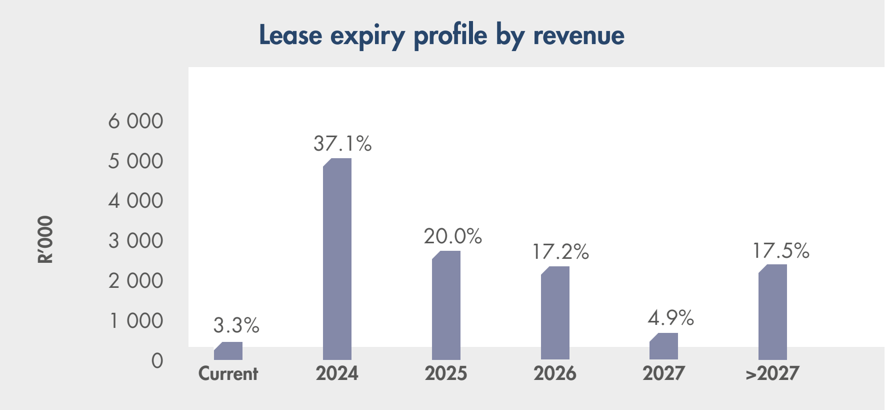


A-grade	24.9%
B-grade	8.5%
C-grade	66.6%

Beka Candela

INDUSTRIAL PORTFOLIO CONTINUED





Germiston Route 24

RENEWALS

GLA (m²)	54 490
Average new rent per m² (R)	54.83
Average old rent per m² (R)	51.82
Step up escalations	5.8%
Budget to actual	7.8%
WA escalation	7.1%
WALE (months)	31.0
Number of renewals	77

TOP 10 RENEWALS

	GLA (m²)		GLA (m²)
1 Range Road	6 745	Pretoria Silverton 301 Battery	1 794
Pretoria Silverton 34 Bearing	3 800	Germiston Route 24	1 752
Pretoria Silverton 309 Battery	3 770	Randburg Trevallyn	1 610
Randburg Trevallyn	1 864	Simgold	1 500
Pretoria Silverton 22 Axle Street	1 817	1 Range Road	1 334

NEW DEALS

GLA (m²)	31 822
WA escalation	7.6%
WALE (months)	27.7
Average gross rental per m² (R)	49.88
Number of deals	66

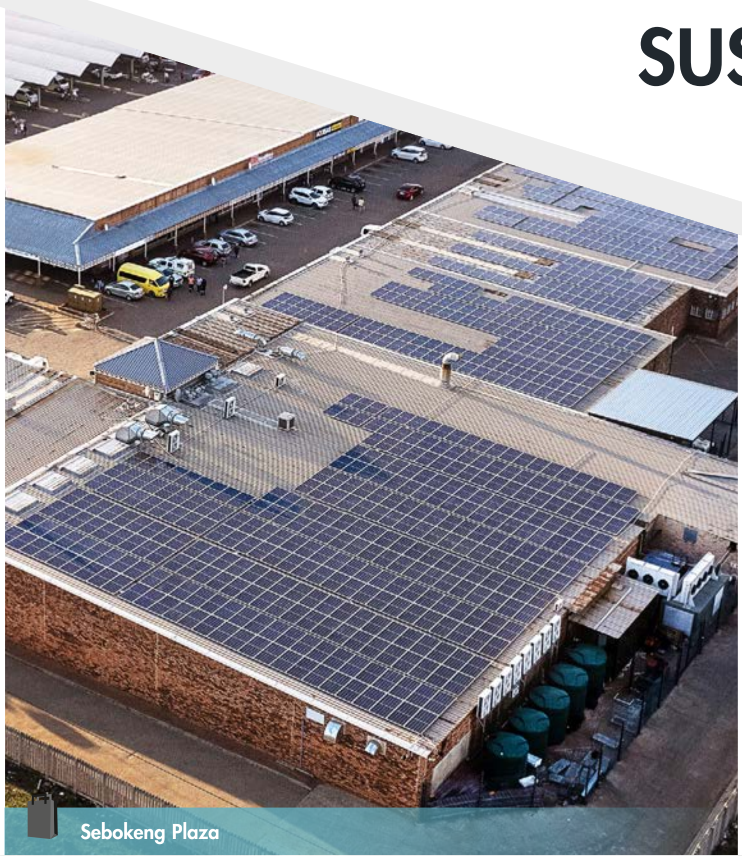
TOP 10 NEW DEALS

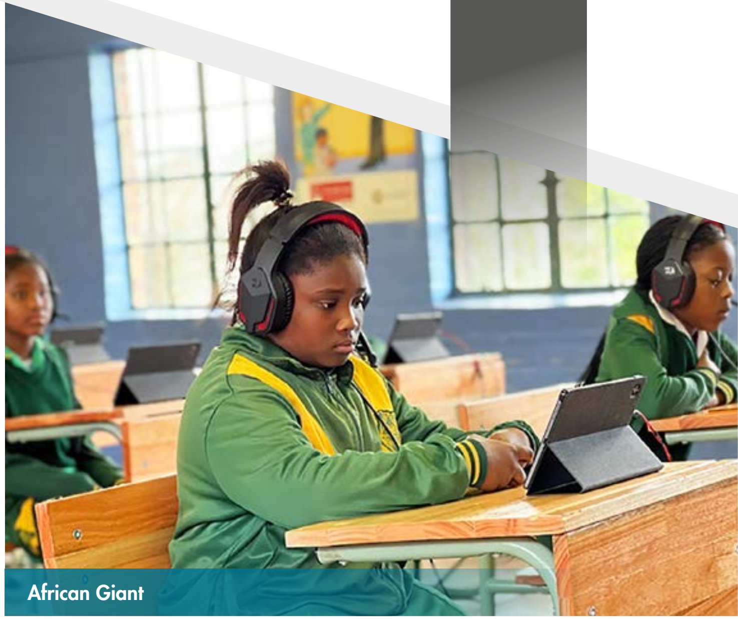
	GLA (m²)		GLA (m²)
1 Range Road	2 250	Pretoria Silverton 330 Alwyn Street	1 185
Spark Schools	2 000	Creston	1 142
41 Emerald	1 620	Waterworld	1 115
41 Emerald	1 362	Creston	1 100
Trador	1 227	Creston	1 100

ESG SUSTAINABILITY REPORT

04


South View Shopping Centre


Sebokeng Plaza


African Giant

SOCIAL AND ETHICS COMMITTEE REPORT

MESSAGE FROM THE SOCIAL AND ETHICS COMMITTEE CHAIR

Dear shareholders

I have pleasure in presenting to you the 2023 Social and Ethics Committee Report. This Committee was established in terms of Section 72 of the Companies Act and is a sub-committee of the Board. It fulfils its functions on behalf of the Group in relation to social and economic development, governance, ethics, safety and health, environmental sustainability and employment matters.

South Africa continues to deal with widely reported ethics and socio-economic challenges in terms of governance, fraud, corruption and environmental sustainability. The Committee has thus sustained its efforts to ensure that the Fairvest culture, value and belief system subscribe to the Six Capitals model (Financial, Manufactured, Human, Social and Relationships, Natural and Intellectual Capitals), which forms the basis of our approach to responsible and accountable governance and sustained socio-economic investment.

This year, we assessed our potential impact in terms of the 17 UN SDGs and have narrowed our focus in terms of only including those UN SDGs that we believe are relevant to the Group. References to the Six Capitals and to the relevant UN SDGs are used throughout the Integrated Annual Report for ease of reference.

The Committee is satisfied that it has fulfilled its responsibilities as detailed in its Mandate and Terms of Reference for the 2023 financial year.

I would like to thank the members of the Committee for their hard work, commitment and contribution towards achieving our objectives as mandated by the Board.

Louis Andrag
Chairman

22 January 2024

COMPOSITION

- Louis Andrag (Chairman) – Independent Non-Executive Director
- Riaz Kader – COO
- Nadene Smith – Financial Manager
- Fikile Futwa – Independent Non-Executive Director

The Social and Ethics Committee assists the Board in monitoring and oversight of matters that include the social, ethics, employment, health and safety, environmental, corporate citizenship, stakeholder relationships and sustainable development of the Group.

CONSTITUTION AND MANDATE

In compliance with the respective legislation and regulations, Fairvest has an established Social and Ethics Committee with the appropriate membership.

The Committee operates independently of management and is free of any organisational impairment. The Committee is governed by formal terms of reference that include the Committee's responsibilities in terms of the Companies Act, the JSE Listings Requirements, King IV™ and its duties as delegated by the Board.

MANDATE

The responsibilities of the Committee include monitoring the Group's activities with regard to matters relating to:

- Social and economic development, including Fairvest's standing in terms of the goals and purposes of the UN Global Compact Principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, and the B-BBEE Act.
- Good corporate citizenship, including Fairvest's efforts in the promotion of equality, prevention of unfair discrimination and reduction of corruption.
- The contribution to the development of communities in which its activities are predominantly conducted as well as recording sponsorships, donations, and other charitable giving.
- The environment, health, and public safety, including the impacts of Fairvest's activities.
- Consumer relationships, including advertising, public relations, and compliance with consumer protection laws.
- Labour and unemployment, including the Group's standing relative to the International Labour Organisation protocol on decent work and working conditions.
- The Company's employment relationship and its contribution toward the educational development of its employees.
- Corporate governance.

The Committee evaluates the matters within its mandate and recommends matters to the Board for consideration and approval. Fairvest is committed to incorporating social and environmental considerations in its decision making at both company and property level.

SOCIAL AND ETHICS COMMITTEE REPORT CONTINUED

ACTIVITIES DURING 2023

For the year under review, the total CSI-spend was approximately R2.2 million. The main programmes and projects that Fairvest contributed to include:

- the Student Bursary Programme amounting to R717 000;
- several educational focused programmes totalling R1.0 million; and
- upgrades and renovations at various schools, within a 5km radius of one of Fairvest's properties, amounting to R488 000.

The Committee ensured that all such programmes and projects met the "Fairvest for Change" approved criteria.

In relation to the **Student Bursary Programme**:

- the Tomorrow Trust facilitates the process by identifying potential students who want to further their property-related studies via a postgraduate degree.
- The Committee reviews and adopts changes to the selection criteria with regards to future student candidates. The criteria includes:
  - (i) ensuring that the student candidates are selected from either the University of the Witwatersrand, the University of Cape Town or the University of Stellenbosch; and
  - (ii) an appropriate postgraduate property qualification is followed by the student.
- The Committee also recommends that bursary students be considered for an intern programme at Fairvest.

Other Committee activities during the year included:

- **Employment Equity**
  - The Committee considered the amendment to the Employment Equity Act which had been published for public comment. Sectoral targets would only be determined once the amendments to the Employment Equity Act had been promulgated and gazetted.
  - The Company is currently classified as a non-designated employer since it employs less than 50 employees.
- **FraudCracker/Whistleblower line**
  - The Company continues to utilise an independent anonymous whistleblowing and anti-fraud programme.
  - The programme allows staff members, or any external party, to anonymously report fraud or any other wrongdoing within the Company.
  - No material matters were reported during the current financial year.
- **Training policy**
  - The Committee identified the need for a formalised training policy within the Company.
  - A policy was proposed and approved by the Committee and the Board.
  - This provided a framework to consider and address all training requirements and needs within the Group.
- **B-BBEE**
  - A full review of the Company's current B-BBEE position was conducted on the merged entity by independent advisors, BBBEEwise, to: (1) establish what B-BBEE rating was achievable for the current financial year; and (2) what steps needed to be taken to improve on our B-BBEE rating.
  - An in-depth analysis was conducted, and this formed the basis for a B-BBEE roadmap and strategy for the financial year.
  - This B-BBEE roadmap was approved by the Committee and the Board.
  - A Level 2 B-BBEE rating was achieved during the financial year and significant improvement from the Level 4 achieved in the previous year.
- **ESG matters**
  - Monitoring the initiatives undertaken relating to ESG-related matters. Specific focus had been placed on environmental matters such as solar installations, and electricity as well as water metering which had been implemented at certain properties in our portfolio.
  - The greater business has many carbon impact variables. An independent third party, GCX (Pty) Ltd ("GCX"), was appointed to assess the carbon positive (renewable energy initiatives) and negative activities (fossil fuel energy) across the business.
  - GCX produced an integrated carbon footprint assessment to enable the Committee and the Board to have a better understanding of how our day-to-day operations impact the environment.
  - This will allow Fairvest to report to any regulatory bodies requiring such data and ensuring we adhere to the various environment standard and protocols and identify areas for improvement.

PLANNED ACTIVITIES – 2024

The planned areas of focus for the 2024 financial year:

- "Fairvest for Change" initiative – to implement approved projects and spend according to the "Fairvest for Change" criteria.
- B-BBEE – to maintain and improve Fairvest's current B-BBEE status and level.
- Employment Equity – to remain compliant with all applicable laws and regulations.
- ESG matters – to ensure continued compliance and adherence, where possible and applicable.
- Continue to manage stakeholder relationships.

CONCLUSION

The Committee believes that Fairvest is addressing the key matters required to be monitored in terms of the Companies Act and King IV™. Appropriate policies and programmes have been adopted to maintain high standards of corporate citizenship among internal and external stakeholders.

ESG SUMMARY TABLE

GOVERNANCE

Description	Unit of measure	2023	2022
Board Members	number	**10**	9
Independent Non-Executive Directors	number	**8**	7
Percentage of Non-Executive Directors	%	**80**	78
Executive Directors	number	**2**	2
HDSA[1] Board Members	number	**5**	3
Percentage of HDSA Board Members	%	**50**	33
Female Board Members	number	**3**	2
Percentage of female Board Members	%	**30**	22
Average age of Directors	number	**47**	51
Length of current auditor's service	years	**10**	9
Independence of Board Chairman	Y/N	**Yes**	Yes
Shareholders' vote (non-binding) on executive remuneration	Y/N	**No**	No
Internal and external grievance mechanisms (including whistle-blowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity	Y/N	**Yes**	Yes

1. HDSA – Historically Disadvantaged South Africans.

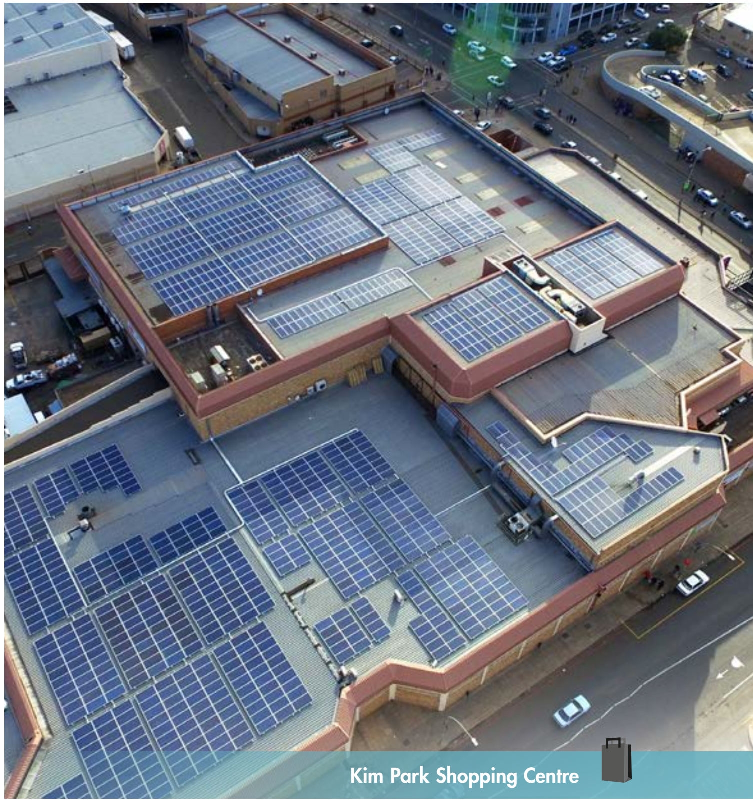
SOCIAL

Description	Unit of measure	2023	2022
Human Capital			
Number of employees – permanent	number	**46**	44
Percentage of employees and contractors operating in South Africa	%	**100**	100
Percentage of employees who are deemed HDSA[1]	%	**46**	43
Percentage of employees who are women	%	**52**	48
Percentage of HDSA[1] employees in skilled and supervisory positions	%	**35**	31
Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to employees	Incidents	**None**	None
B-BBEE level	Level	**2**	4
CSI/SED expenditure			
Corporate social investments (CSI)/socio-economic development (SED) expenditures	R'm	**2.2**	1.5

1. HDSA – Historically Disadvantaged South Africans.

ENVIRONMENT

Description	Unit of measure	2023	2022
Electricity			
Solar capacity	MWh	**16.4**	14.9
Clean energy produced	Rm	**31.8**	28.3
Environmental efficiency investments			
Total Rand value of investments in projects to improve environmental efficiencies	Rm	**26.2**	20.2


Kim Park Shopping Centre


Kathu Shopping Centre

OUR PEOPLE

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Our corporate culture, learnings and knowledge ensure a hands-on strategic approach to managing our distinctive portfolio. Our corporate culture embraces a creative, proactive, solutions-orientated approach in all our dealings. "Know your game" is our mantra – researching and understanding our market and clients enables us to deliver a quality service.

The competencies and capabilities of our employees drive the performance of our property portfolio. We employ a small, experienced team of property and finance professionals of 46 individuals (directly employed by Fairvest). Our well-qualified team is passionate, committed to service excellence and maintains a strong focus on honesty, accountability, and responsibility.

OUR PEOPLE PURPOSE

We aim to create an autonomous work environment that is conducive to self-management, innovative thinking, efficiency and growth. This means that:

WE BELIEVE IN LOOKING AFTER OUR PEOPLE

- We want happy and passionate people who are innovative, solutions-driven, empowered and knowledgeable
- We invest in our team to ensure they experience personal growth

OUR RESPONSIBILITY TO OUR EMPLOYEES

As a responsible corporate citizen, we:

- Subscribe to the principles of the International Labour Organisation and comply with all relevant labour laws
- Respect the right of employees to work in an environment that is free from any form of unlawful discrimination or harassment, including sexual harassment and bullying
- Subscribe to the principle of transformation and equal opportunities
- Maintain a healthy and productive work environment and comply with all applicable health and safety policies
- Developed a new staff training policy, approved by the Board

OUR COMMITMENT TO CONTINUED DEVELOPMENT

Our Training and Development Programme creates a platform from which we can introduce new learnings and enhance our team's ability to operate more effectively within their environment. Individual and team coaching opportunities have been implemented during the 2023 financial year. These opportunities have increased team competencies in communication and personal development, which enhances the ability to manage and collaborate. The ongoing addition of new skills and competencies will enable each person to operate with a greater level of autonomy.

OUR COMMITMENT TO INTEGRATING PEOPLE

We are committed to implement workable solutions to integrate team members from the Cape Town and Johannesburg teams. We have combined Group strategy meetings, regular operational meetings and 360° communication.

OUR COMMITMENT TO B-BBEE

B-BBEE roadmap was approved and implemented during the year. B-BBEE rating improved from a Level 4 to Level 2. We are committed to maintain our current B-BBEE rating.

▲ 46% Black, Indian and Coloured employees
2022: 43%

▲ 52% Women employees
2022: 47%

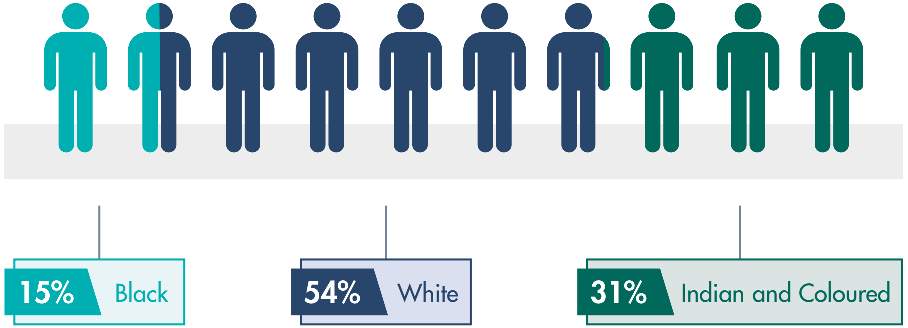
▲ 35% Black, Indian and Coloured employees in professionally qualified or middle management roles
2022: 31%

◀▶ 15% Black employees
2022: 15%

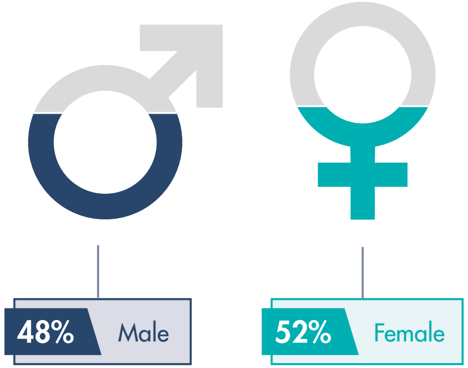
◀▶ 9% Black women employees
2022: 9%

Black as defined by Employment Equity consists of African persons, excluding Coloured and Indian persons.

Fairvest employees by race



Fairvest employees by gender



CORPORATE GOVERNANCE

OUR BOARD

INDEPENDENT NON-EXECUTIVE DIRECTORS

NDABEZINHLE MKHIZE (45)

🟩 🟧 ⬜

CHAIRMAN
BSc Actuarial Science, CAIA, CFA
Date appointed: 31 January 2022

Ndabe is the Managing Partner of Mavovo Capital, which is part of the Capitalworks family, and which invests in private equity and real assets. He is the former Chief Investment Officer of South Africa's second largest pension fund, Eskom Pension and Provident Fund, and is the former chairman of the Assets Owners Forum South Africa. He is chairman of IG Markets South Africa and an independent non-executive director of the Equites Property Fund Limited. Previous positions include co-portfolio manager at Coronation Fund Managers and STANLIB Asset Management and equity analyst at Prudential Investment Managers. Ndabe holds a BSc (Actuarial Science) degree from the University of Cape Town and the designations of Chartered Financial Analyst and Chartered Alternative Investment Analyst. He completed the Property Development Programme at the UCT Graduate School of Business.

NOZIPHO SHANGE (46)

🟦

CA(SA), BCom Accounting, Post-graduate Diploma: Accounting (Hons)
Date appointed: 1 November 2019

Nozipho qualified as a chartered accountant in 2003. She completed her articles at KPMG and gained both local and UK audit experience. She has extensive experience in the real estate sector and has a strong finance, investment and operations background. Nozipho is currently the Chief Financial Officer for ALT Capital Partners which manages a social impact retail property fund. Previously she held the role of Chief Financial Officer and Acting Chief Executive Officer for STANLIB Fahari I-REIT, a REIT listed on the Nairobi Securities Exchange. Nozipho has also previously served in various roles within the Liberty Group Limited, including Portfolio and Business Manager – Rest of Africa. From 2005 to 2010, Nozipho was the Finance and Operations Manager at the Public Investment Corporation where she helped manage a R26 billion property fund and spearheaded the establishment of an in-house property management function.

KHEGU NKUNA (36)

🟦

CA(SA)
Date appointed: 31 January 2022

Khegu qualified as a chartered accountant after completing her articles with Deloitte in 2013. She is currently the Group Financial Director of the Masingita Group. Masingita specialises in retail property development in similar LSM categories as Fairvest, resulting in Khegu being a valuable board member with retail property specific knowledge. Khegu has experience in both private and public companies spanning across diverse industries. She has professional experience in auditing, strategic financial management, strategy development, financial risk analysis and corporate governance.

LOUIS ANDRAG (50)

🟧 ⬜ ⬛

BEng (Industrial Mechanical), MBA
Date appointed: 31 January 2022

Louis is a qualified engineer with a BEngineering (Industrial Mechanical) degree and he also obtained his Honours and MBA degrees from the University of Stellenbosch. On qualifying Louis worked in the US and Germany as an engineer and on returning to South Africa he joined Stellenbosch Farmers' Winery as site engineer. In 2001 Louis was appointed as General Manager of the leading Agricultural Machinery supplier in South Africa. In 2009 Louis founded Leggato Investments specialising in property investment and residential development in South Africa and Germany. He serves as chairman and director on the boards of a number of private companies.

ADVOCATE JACOB WIESE (42)

🟦

BA, LLB, Masters in International Economics and Management
Date appointed: 31 January 2022

Jacob holds a BA (Value and Policy studies) and an LLB degree. He completed his Master's degree in International Economics and Management from Universita Commerciale Luigi Bocconi in Italy. In 2009 Jacob completed his pupillage at the Cape Bar and was subsequently admitted as an Advocate of the High Court. Jacob is a non-executive director of Invicta Holdings. He is involved with the management of Lourensford Wine Estate, one of South Africa's most prestigious wine farms.

JACQUES DU TOIT (52)

🟩 🟧 ⬜

CFA
Date appointed: 31 January 2022

Jacques is a chartered financial analyst and has been involved in the financial services industry since joining HSBC Simpson McKie as a stockbroker in 1998. He joined the portfolio management side at HSBC in 2003 and headed up the investment process until 2005 when he joined Investec Securities Limited as senior portfolio manager. In August 2008 he jointly set up a financial services company, Cohesive Capital. He serves as a director on the board of a number of private companies.

EXECUTIVE DIRECTORS

FIKILE FUTWA (47)

⬛ 🟦

CA(SA)
Date appointed: 1 October 2023

Fikile founded and manages an accounting firm, Your Financial Partner, which is registered with SAICA. She has corporate experience in external audit, accounting, payroll, financial management, corporate finance, corporate governance, taxation and B-BBEE regulations.

Fikile started her accounting articles at Andersen Incorporated and completed them with KPMG Incorporated. Post articles, she worked in corporate finance for Eskom and Anglo-American Corporation Limited. She later joined Discovery Limited, where she headed up the Discovery CA(SA) training program and Group Accounting department. She was also involved in the implementation of Enterprise Development funding transactions. Whilst at Discovery, Fikile worked with small and medium businesses that were applying for Enterprise Development funding. Fikile currently serves on the board of Mix Telematics Limited, which is dual listed on the JSE and the NYSE, where she chairs the Audit and Risk Committee and serves on the Social and Ethics Committee. She is also a trustee on the Fatlhosang Development Trust, a bursary fund which is a spinoff from Fluor – with the mandate to raise money to fund engineering students.

DARREN WILDER (55)

🟩

CEO
Date appointed: 31 January 2022

Darren Wilder is the CEO of Fairvest Limited, and prior to that of Fairvest Property Holdings Limited, a position he held since 2012.

Darren joined Fairvest Property Holdings Limited as an Executive Director in 2011 and prior to that held several positions, including being appointed to the board of Capital Alliance Properties, which was a JSE listed company in 1997. He was a member of the executive team that founded the Spearhead Property Group, a JSE listed company and was appointed to the COO position in 1999. Darren's experience includes being a director of Madison Asset Management and a consultancy role to the CEO of the V&A Waterfront. His early career between 1991 and 1997 included various property-related positions in the Seeff Property Group.

MTHEZA BUYA (51)

🟩

BJuris, LLB
Date appointed: 1 October 2023

Mtheza is an Advocate of the High Court. He has held various leadership roles at the Heath Special Investigating Unit, the KPMG Forensic and Investigative Accounting Group, and EOH Consulting.

Mtheza is the founder and Managing Director of Sthathu Investment Holdings with investments in a wide range of sectors which includes commercial and residential property developments, mining, information technology, printing, and sports betting. He serves as Chairman and Director on multiple Boards overseeing his investments.

JACQUES KRIEL (44)

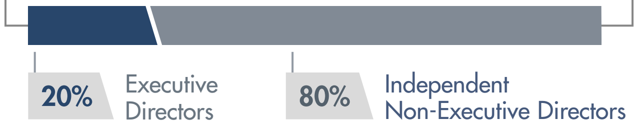
🟩

CFO
CA(SA)
Date appointed: 31 January 2022

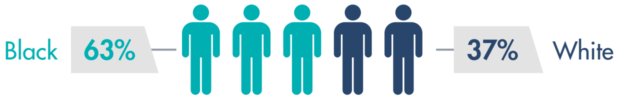
Jacques is a qualified chartered accountant with 20 years' experience in audit, finance and operational management, 13 of which have been in the listed property sector. Jacques completed his articles at LDP Inc in South Africa and thereafter spent four years in the United Kingdom working at Ernst & Young and The Bank of England. Jacques joined Fairvest Property Holdings Limited in 2010.

Current Board composition

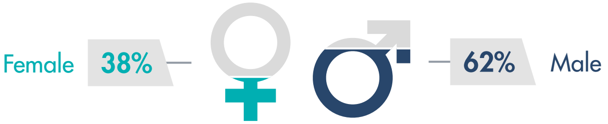
Directors



Demographics (Non-Executive Directors)



Gender (Non-Executive Directors)



Non-Executive Director tenures

Experience of the Board

10 Directorship	2 Legal
6 Finance	1 Engineering

CORPORATE GOVERNANCE CONTINUED

CORPORATE GOVERNANCE REPORT

BACKGROUND

The Group's Governance Refresh project commenced during the financial year. This involves, amongst other things, the review of the Board and Committee corporate governance documents, policies and procedures for alignment to the latest regulatory changes, governance best practices and the organisation's vision. Once the project has been concluded, these documents, policies and procedures will form the foundation on which the Fairvest Board and the Committees build the organisation, based on the principles of ethical and good corporate governance in view of ensuring a sustainable business for all stakeholders.

BOARD PRINCIPLES

Fairvest fully subscribes to the principles of good corporate governance and regards these as fundamentally important to the success and long-term sustainability of the Group and contributes to value creation for stakeholders.

The Board is responsible for the overall strategic direction and leadership of Fairvest towards the achievement of an ethical culture, good performance, effective control, and legitimacy. Fairvest is committed to the promotion of good corporate governance and to following the principles of fairness, accountability, responsibility, and transparency as advocated in King IV™. The Board recognises the need to conduct the business of the Group with integrity and in accordance with generally accepted good corporate governance practices.

At the date of this report, the Board of Directors of Fairvest consists of 10 members as set out below.

Name and surname	Board	Audit and Risk	Social and Ethics	Remuneration	Investment	Nomination
Ndabezinhle Mkhize	Chairman and Director			Member	Chairman	Chairman
Nozipho Shange	Director	Chairman				
Khegu Nkuna	Director	Member				
Jacob Wiese	Director	Member				
Louis Andrag	Director		Chairman	Chairman		Member
Jacques du Toit	Director			Member	Member	Member
Fikile Futwa	Director	Member	Member			
Mtheza Buya	Director				Member	
Darren Wilder (CEO)	Director	Standing invitee		Standing invitee	Member	Standing invitee
Jacques Kriel (CFO)	Director	Standing invitee		Standing invitee	Member	Standing invitee
Other members:						
Riaz Kader (COO)	Standing invitee	Standing invitee	Member		Standing invitee	
Mfana Khanyile (Head of Legal)			Standing invitee			
Nadene Smith (Financial Manager)			Member			

APPLICATION OF KING IV™

The Board fully subscribes to the principles of good corporate governance, set out in the King IV™ Report as it is applicable to the organisation and regards these as fundamentally important to business success and sustainability of Fairvest.

The Directors confirm that the Fairvest Group has in all material respects applied the philosophy of ethical and effective leadership as set out in King IV™. As part of the Governance Refresh project, the application of the King IV™ principles and recommended practices was evaluated in a fit-for-purpose manner, considered by the Board through the Social and Ethics Committee, and any shortcomings were addressed on a fit-for-purpose basis. No concerns have been raised regarding the application of the principles of King IV™ during the 2023 financial year. FluidRock Governance Advisory (Pty) Ltd has been tasked with executing the Governance Refresh project in order to strengthen the Board's effectiveness as well as continually enhancing the corporate governance processes and structures.

ETHICS

The Board strives to ensure effective and ethical leadership and it has set the tone as the collective conscious mind of Fairvest through the set of values known as "ATRIP" (refer to page 4 of this report). These values will ultimately guide the behaviour of every person at Fairvest and are an integral part of the approved company strategy. This will ensure that Fairvest's business relationships reflect its integrity, respect for human dignity and the rights of others, relationships, honesty and a commitment to do what is right, fair, reasonable, lawful and just.

The Board has an approved Whistle-Blowing Policy in place, managed by an external service provider – Fraud Cracker – that hosts our fraud prevention programme and online portal. All whistle-blowers are guaranteed anonymity and protection.

The link can be found on our website, www.fairvest.co.za.

FRAUD CRACKER
Expose fraud & corruption safely

Prevent Fraud – Fairvest Limited has a fraud prevention programme that gives employees and stakeholders the opportunity to anonymously report perceived cases of unethical practice.

LEADERSHIP

The Board has a Charter that sets out the practices and processes it follows to discharge its responsibilities. The Charter specifically details a description of the roles, functions, responsibilities and powers of the Board. Each of the Board Committees has adopted Terms of Reference which sets out the membership requirements and key responsibilities of each Committee. The Committees' Terms of Reference were reviewed to ensure that all regulatory changes and best practices are incorporated and to ensure that the Board fulfils its obligations, and is sufficiently strategically focused. The review of the Board Charter was still in progress at the time of the report.

COMPLIANCE

The Board is comfortable that in all material aspects the Company is in compliance with the provisions of the Companies Act or relevant laws, as may be applicable, and that the Company has operated in conformity to its MOI and/or relevant constitutional documents.

GROUP GOVERNANCE FRAMEWORK

Fairvest has a Group structure that includes large operating entities. It is therefore imperative that the Board exercises effective control through a Group governance framework. The Governance Refresh project includes the adoption of a Group governance framework for the Fairvest Group which is currently in the process of being drafted.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is elected by shareholders and the Directors are accountable to shareholders for the governance of the Group. The Board is led by an Independent Non-Executive Chairman, Ndabe Mkhize. The Board Charter requires a clear division of responsibilities between the Chairman and the CEO to ensure a balance of power and authority so that no one individual has unfettered powers of decision-making. The Board Charter sets out that a Lead Independent Director would be appointed from the Independent Non-Executive Directors, if and when necessary. As the Chairman is still regarded as Independent, no Lead Independent Director is required.

The Company's Executive Directors, Darren Wilder (CEO) and Jacques Kriel (CFO) are involved in the day-to-day operations of the business. They assess strategy, performance, risks and opportunities and key performance areas and report to the Board at least quarterly.

The Company's Independent Non-Executive Directors are appointed to provide an independent perspective with the relevant industry experience and to complement the skills and experience of the Executive Directors, assessing strategy, performance, risk, key performance areas and conduct. The Independent Non-Executive Directors are fully independent of management and are free to make their own unfettered decisions. They are free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner.

The independence of Directors is assessed from time to time through a formal independence assessment process. The last assessment was conducted in December 2022.

TRADING IN THE COMPANY'S SECURITIES

All Directors, prescribed officers and the Company Secretary are required to obtain clearance prior to trading in the Company's securities. Clearance must be obtained from the CEO and the parties are required to inform their portfolio/investment managers not to trade in the securities of the Company unless they have specific written instructions from that Director to do so. Such parties may not trade in company shares during closed periods and such parties are further prohibited from dealing in their shares at any time when they are in possession of unpublished price sensitive information in relation to those securities, or otherwise where clearance to deal is not given. The Trading in Securities Policy regulating trading in the Company's securities was reviewed and approved by the Board as part of the Governance Refresh project.

CONFLICTS OF INTEREST

As legally required, members of the Board must make full and timely disclosures of their other business interests, particularly those that conflict or might conflict with those of the Group. Potential conflicts of interest are appropriately managed in that Directors confirm these disclosures annually to the Company Secretary and the Board and, in addition, individual declarations are made at every meeting. The Management and Declaration of Interest Policy was approved by the Board during the financial year and sets out the responsibilities and provides guidance to the Directors in terms of their declarations.

STRUCTURE AND PERFORMANCE

The Board comprise a balance of Executive (two Directors) and Independent Non-Executive Directors (eight Directors), being a majority of Non-Executive Directors. On 1 October 2023, one Independent Non-Executive Director resigned and a further two were appointed.

In terms of the Board Charter, the Board should consider whether or not its size, diversity and skills mix make it effective. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their experience, knowledge, skill and abilities to deliberations of the Board.

CORPORATE GOVERNANCE CONTINUED

ROTATION OF DIRECTORS

In line with the provisions of the Memorandum of Incorporation, one-third of all Directors are required to retire annually at the Company's Annual General Meeting ("AGM") and if eligible, may be re-elected.

K Nkuna, J Wiese and J Kriel will retire by rotation and these Directors, being eligible, will offer themselves for re-election at the AGM. Brief professional profiles of these Directors appear on pages 64 and 65.

BOARD PERFORMANCE AND INDEPENDENCE

The Board will assess its performance and that of its individual Directors, as well as their independence, on an ongoing basis. The outcomes of evaluations will be considered by the Board as a whole and actions will be identified to enhance the effectiveness of the Board and its Committees, including Directors' development needs.

An assessment of the Board's performance had been completed in the 2023 financial year by an external, independent service provider, Kilgetty Statutory Services (Pty) Ltd. The outcome of the assessment confirmed that the Board members were independent and operating effectively. The Board discharged its duties in accordance with the Board mandate for the year under review. Factors which could impact the independence of Directors are considered, including those contained in King IV™ and the JSE Listings Requirements.

ACCESS TO PROFESSIONAL ADVICE

The Directors are entitled to seek independent professional advice at the Group's expense concerning Group affairs and have unrestricted access to Group information that they may require in discharging their duties as Directors subject to the relevant Terms of Reference and/or Board Charter in place.

BROAD BOARD DIVERSITY

As part of the Governance Refresh project, the key policies of the Board were reviewed during the year under review, including the Diversity Policy. It was to ensure that the Diversity Policy is in line with the broad Board diversity elements such as gender, race, culture, age, field of knowledge, skills and experience. The Broad Diversity Policy was approved by the Board during the year and the Nomination Committee deliberated the voluntary diversity targets and made a recommendation to the Board, which has also been approved.

APPOINTMENTS TO THE BOARD

Appointments to the Board have to be formal and transparent and are a matter for the Board as a whole, through recommendations from the Nomination Committee. The Board promotes transformation at a Board level and will consider the promotion of diversity attributes as will be contained in the Broad Diversity Policy for any new Board appointments to create a more diverse Board. Broad diversity of Directors on the Fairvest Board enables robust debate and ensures that the Board considers the interests of its diverse stakeholders. Input from material stakeholders and external references, combined with experience levels, qualifications and skill sets are considered given the Board's requirements at the time before a candidate is submitted for nomination and appointment.

All new appointees to the Board are required to undergo the induction programme managed by the Company Secretary. Directors are provided with all the necessary information and documentation to familiarise themselves with the Company and issues typically facing the Board. Ongoing training and development include sponsor updates on the JSE Listings Requirements and attendance at investor presentations, workshops, formal training and reading material circulated by the Company Secretary.

THE COMPANY SECRETARY

The Board appointed FluidRock Co Sec (Pty) Ltd ("FluidRock") as the permanent Company Secretary on 30 November 2022.

The Board is of the opinion that the Company Secretary is suitably qualified and experienced to carry out its duties as stipulated under Section 84 of the Companies Act. The Company Secretary will provide Board members with guidance in respect of their statutory duties and will support the Board to enable the Board to remain up to date on all relevant statutory requirements. The Directors have unfettered access to management and management information, to the advice and services of the Company Secretary and in appropriate circumstances they may seek independent professional advice about the affairs of the Group at the Company's expense subject to the relevant Terms of Reference and/or Board Charter. The Board is satisfied that an arm's length relationship exists with the Company Secretary.

BOARD AND COMMITTEE FOCUS AREAS

BOARD

Board meeting attendance:

Director	Attendance	Appointed
Ndabezinhle Mkhize*	6/6	January 2022
Nozipho Shange*	6/6	November 2019
Khegu Nkuna*	3/6	January 2022
Jacob Wiese*	4/6	January 2022
Louis Andrag*	6/6	January 2022
Jacques du Toit*	5/6	January 2022
Arnold Basserabie	6/6	Retired 30 September 2023
Fikile Futwa*	–	October 2023
Mtheza Buya*	–	October 2023
Darren Wilder (CEO)*	6/6	January 2022
Jacques Kriel (CFO)*	6/6	January 2022

* *Current*

Attendance at Board scheduled meetings was 88.9% for the financial year ended 30 September 2023.

The key areas of focus during the reporting year for the Board included:

- Ensure that the approved strategy is being implemented.
- Approved the budgets for the 2024 financial year and the projected growth.
- Approved detailed KPIs for the business and management that are aligned to the Group strategy.
- Approved the Remuneration Policy, after wide consultation sessions were held with various stakeholders, to ensure the policy is transparent, fair and fit-for-purpose.
- Interrogation and approval of the Audited Annual Financial Statements for the 2023 financial year.
- Specific oversight over the solvency and liquidity and cash management of the business in light of the disruptive external environment.
- Approved the documents tabled as part of the Governance Refresh project.

The future focus areas include:

- Continued deliberation on the potential disposal of assets that are not core to the strategy of Fairvest.
- Ensure that the risks are mitigated, and opportunities maximised.
- Set the annual budget for the 2025 financial year including setting detailed KPIs for the business and the Executives that are aligned to the strategy.
- Oversee and monitor the Group's financial and non-financial performance throughout the 2024 financial year.
- Continue to review and assess the sustainability of the natural resources and how Fairvest deploys the financial capital over the short, medium and long term.
- Monitor and review organic growth and performance against budget and KPIs.
- Monitor gearing and review the fixed portion of debt.
- Approval of the documents tabled as part of the Governance Refresh project.
- The proposed fees for the Chairman and members of the Board for the next period are included on page 82.

BOARD COMMITTEES

The Board is assisted in the performance of its duties by five committees, the Audit and Risk Committee, Investment Committee, Nomination Committee, Remuneration Committee and the Social and Ethics Committee.

The Board is conscious of the fact that delegation of duties is not an abdication of the Board members' responsibilities. The various Committees' Terms of Reference were reviewed as part of the Governance Refresh project. Each of the Board Committees' Terms of Reference that are in place regulates membership and key responsibilities of the respective committees.

All the Board Committees were satisfied that they executed their mandate effectively and efficiently during the reporting period.

The proposed fees for the Chairman and members of the Committee for the next period are included in the Notice of AGM https://fairvest.co.za/notice-of-agm.php.

AUDIT AND RISK COMMITTEE

COMPOSITION

Members:

- Nozipho Shange (Chairman)
- Khegu Nkuna
- Jacob Wiese
- Fikile Futwa

Committee meeting attendance:

Director	Attendance	Appointed
Nozipho Shange*	4/4	November 2019
Khegu Nkuna*	4/4	January 2022
Jacob Wiese*	4/4	January 2022
Fikile Futwa*	–	October 2023

* *Current*

Attendance at Audit and Risk Committee scheduled meetings was 100% for the financial year ended 30 September 2023.

Attendance as invitee:

Jacques Kriel (CFO)	4/4
Darren Wilder (CEO)	4/4
Riaz Kader (COO: Retail)	4/4
Alon Kirkel (COO: Office and Industrial)	4/4

The Audit and Risk Committee currently comprises four Independent Non-Executive Directors, and the members are annually recommended to the Board by the Nomination Committee and then nominated by the Board and elected by shareholders at the AGM. All members satisfied the requirements of Section 94(4) of the Companies Act and have the appropriate financial and related qualifications, skills, financial expertise, and experience required to discharge their responsibilities.

Invitees:

The external auditor and executive management attend the meetings by invitation.

The Committee is required to meet at least four times a year and it may meet more often should the Committee deem it necessary.

Mandate:

The Committee's mandate includes:

- Assist the Board by providing an objective and independent view on the organisation's finance, accounting and control mechanisms and reporting procedures.
- Provide additional assurance regarding the efficiency and reliability of the financial information used by the Directors in the discharge of their duties.

CORPORATE GOVERNANCE CONTINUED

The role and responsibilities of the Committee, in addition to the duties as set out in the Audit and Risk Committee Report on page 96, include:

Audit responsibilities

- Ensures the integrity of financial reporting, and that adequate systems, controls and financial risk management policies, procedures and standards are in place for the Group.
- Has access to all financial information of Fairvest allowing for effective preparation and reporting of the financial statements.
- Oversees the qualification, independence and effectiveness of the external auditors.
- Investigates any activity within the scope of its Terms of Reference.
- Obtains independent professional advice to ensure effective governance.

Risk responsibilities

- Risk management is regarded as a key driver for the Company to achieve its strategic objectives and the Committee monitors the significant risks to the business and strategy.
- Overview of the enhancement of risk management processes, policies and procedures.

Technology and information governance responsibilities

- IT and information governance fall within the scope of the Committee.
- Oversee the risks regarding the security, backup, conversion and update of the information technology systems are continually assessed and addressed.
- Disaster recovery plans are regularly reviewed to limit the impact that disruptions will have on critical management information and continuing operations.

Refer to pages 15 to 19 for further details on risk management and pages 96 and 97 for the Audit and Risk Committee Report.

The key areas of focus during the reporting year for the Committee included:

- The Committee satisfied itself that the CFO, Jacques Kriel, and the finance function have the requisite qualifications, expertise, and experience to carry out the duties as required by the Companies Act and the JSE Listings Requirements.
- The Committee reviewed the Audited 2023 Annual Financial Statements and the Integrated Annual Report for recommendation to the Board.
- BDO, as external auditors, had been consulted on the process and any findings from the audit.
- The Audited Annual Financial Statements for the year ended 30 September 2023 had been approved by the Committee and recommended for Board approval and presentation to shareholders at the AGM.
- The Board approved the proposed appointment of Mazars as the external auditor of the Company, with Susan Truter as the designated audit partner, for the financial year ending 30 September 2024. Mazars, as the external auditor, will be recommended to shareholders to be appointed for the external audit in the upcoming year.
- The Committee considered and reviewed the significant risks faced by the Company and any movement in the risks as indicated on the risk register.

The future focus areas for the Committee include:

- Review of the property valuations as recommended by the Investment Committee.
- Confirmation that the Company remains solvent and liquid and recommend the approval of dividends.
- Ensure the integrity and effectiveness of reporting in the 2024 Integrated Annual Report.
- Consider the expertise and experience of the CFO and the finance function.
- Receive and deliberate the IT governance report.
- Be informed about the JSE proactive monitoring.

INVESTMENT COMMITTEE

COMPOSITION

Members:

Subsequent to year end, the Investment Committee consists of three Non-Executive Directors, Ndabezinhle Mkhize as Chairman, Jacques du Toit and Mtheza Buya, and the CEO and CFO of the Company.

Committee meeting attendance:

Director	Attendance	Appointed
Ndabezinhle Mkhize*	4/4	January 2022
Jacques du Toit*	3/4	January 2022
Mtheza Buya*	–	October 2023
Darren Wilder (CEO)*	4/4	January 2022
Jacques Kriel (CFO)*	3/4	January 2022
Nozipho Shange	2/3	Resigned from Committee
Khegu Nkuna	2/3	Resigned from Committee
Jacob Wiese	3/3	Resigned from Committee
Louis Andrag	3/3	Resigned from Committee
Arnold Basserabie	3/3	Resigned from Committee

* *Current*

Attendance at Investment Committee scheduled meetings was 87.1% for the financial year ended 30 September 2023.

Attendance as invitee:

Riaz Kader (COO: Retail)	4/4
Alon Kirkel (COO: Office and Industrial)	4/4

The Committee meets when decisions are required to acquire, dispose of or significantly redevelop property assets.

Mandate:

The Committee reviews the strategic direction of Fairvest and deliberate on any acquisitions or disposals that are tabled by the Executives for discussion and approval.

Focus areas

The key areas of focus during the reporting year for the Committee included:

- Disposal of non-core assets in line with the strategic objectives of the Company as communicated with the shareholders.
- Approval of the capital expenditure relating to the solar project at various properties.

The future focus areas for the Committee include:

- Assessing acquisition and disposals in line with its retail focused approach and strategy.
- Reviewing the property valuations from a commercial perspective.

NOMINATION COMMITTEE

COMPOSITION

Members:

- Ndabezinhle Mkhize (Chairman and Chair of the Board)
- Louis Andrag
- Jacques du Toit

Committee meeting attendance:

Director	Attendance	Appointed
Ndabezinhle Mkhize (Chairman)*	4/4	January 2022
Louis Andrag*	4/4	January 2022
Jacques du Toit*	4/4	January 2022

Attendance at Nomination Committee scheduled meetings was 100% for the financial year ended 30 September 2023.

Attendance as invitee:

Darren Wilder (CEO)	4/4
Jacques Kriel (CFO)	4/4

* *Current*

Ndabezinhle Mkhize chairs the Committee with Louis Andrag and Jacques du Toit, both Independent Non-Executive Directors, as members of the Committee.

Invitees:

The Executive Directors attend meetings by invitation.

The Committee is required to meet at least once a year and it may meet more often should the Committee deem it necessary.

Mandate:

The Committee:

- Reviews, monitors, advises on and makes recommendations regarding the nomination of Directors for consideration and final approval by the Board and election by shareholders.
- Evaluates the performance of Directors and Committees and considers the composition of the Board.
- Ensures succession planning is in place.
- Monitors and maintains Director and officer insurance.

Focus areas

The key areas of focus during the reporting year for the Committee included:

- The Broad Diversity Policy has been reviewed and updated as part of the Governance Refresh project.
- The composition of the Investment Committee was reviewed and the members serving on this Committee were reduced during the year.
- The Committee conducts an internal analysis of the skills, knowledge and experience of the Directors of the Board, from time to time, in comparison with those required in order to ensure the effective oversight, monitoring and support in the execution of the organisation's strategy. The Committee, based on its findings during the year under review, recommended the appointment of two new Independent Non-Executive Directors effective 1 October 2023.
- FluidRock Advisory (Pty) Ltd conducted a formal independence assessment of each of the Non-Executive Directors for consideration by the Committee and the Board. The Committee was comfortable that all Independent Non-Executive Directors remain classified as independent.

The future focus areas for the Committee include:

- Reviewing the skills analysis and Non-Executive Director recruitment process when necessary.
- The evaluation of the performance of the Board, Committees, Chairman of the Board and the Board's individual members was completed by an independent external service provider. The Board is committed to continuous improvement with a focus on performance and effectiveness and has identified areas of enhancement to further strengthen the Board.
- Establishing a succession plan for the key roles in the business including the CEO and CFO.

REMUNERATION COMMITTEE

COMPOSITION

Members:

- Louis Andrag (Chairman)
- Ndabezinhle Mkhize
- Jacques du Toit

Committee meeting attendance:

Director	Attendance	Appointed
Louis Andrag (Chairman)*	3/3	January 2022
Ndabezinhle Mkhize*	3/3	January 2022
Jacques du Toit*	3/3	January 2022

* *Current*

Attendance at Remuneration Committee scheduled meetings was 100% for the financial year ended 30 September 2023.

Attendance as invitee:

Darren Wilder (CEO)	2/3
Jacques Kriel (CFO)	3/3

Louis Andrag, an Independent Non-Executive Director chairs the Committee, with Jacques du Toit an Independent Non-Executive Director and Ndabe Mkhize, the Chairman of the Board and an Independent Non-Executive Director as members.

CORPORATE GOVERNANCE CONTINUED

Invitees:
The Executive Directors attend meetings by invitation.

The Committee is required to meet at least twice a year and it may meet more often should the Committee deem it necessary.

Mandate:
The Committee's mandate includes:

- Recommends and determines remuneration policy and oversees implementation of the policy.
- Ensures the Group remunerates employees fairly, responsibly and transparently.
- Implements and monitors competitive and fair reward practices to achieve strategic objectives. The ultimate aim with the remuneration structure in the Company is to remunerate so as to encourage growth and sustainability of the business in the interest of all stakeholders.
- The remuneration approach of the Company is to remunerate fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

For further details of the Non-Executive Directors' fees, refer to the Remuneration Report on page 82.

Focus areas
The key areas of focus during the reporting year for the Committee included:

- The Committee considered and updated the Remuneration Policy to provide for fair, responsible and transparent remuneration in the short, medium and long term.
- The Company engaged with various stakeholders and independent, external remuneration consultants to conduct a benchmarking exercise that informed the new Remuneration Policy.
- Employment contracts for the Executive Management team (CEO, CFO and COO) had been formalised and were implemented in May 2023.
- The 2023 financial year Short Term and Long-Term Incentive Schemes, together with the scorecards, policies and rules, which form part of the Remuneration Policy were refined and adjusted according to the Company's requirements.
- A process for the approval of the KPIs of the CEO and CFO was formalised.
- Finalised the 2023 financial year STIs and LTIs, received the results and approved the awards.
- Set the 2024 financial year STIs and LTIs targets.
- Monitored the results of the 2023 financial year, Company Scorecard and set the KPIs of the CEO and CFO for 2024 financial year.
- Made recommendations to the Board regarding proposed salary increase percentages for the organisation and the Non-Executive Directors' fees.
- Recommended the Remuneration Report and the Implementation Report for the inclusion in the Integrated Annual Report to the Board.
- Reviewed the Terms of Reference and the Remuneration Committee policies.

The future focus areas for the Committee include:

- Finalise the 2024 financial year STIs and LTIs, receive the results and approve the awards.
- Set the 2025 financial year STIs and LTIs targets.
- Monitor the results of the 2024 financial year Company Scorecard and set the KPIs of the CEO and CFO for 2025 financial year.
- Make recommendations to the Board regarding proposed salary increase percentages for the organisation and the Non-Executive Directors' fees.
- Recommend the Remuneration Report and the Implementation Report for the inclusion in the 2024 Integrated Annual Report to the Board.

SOCIAL AND ETHICS COMMITTEE

COMPOSITION

Members:

- Louis Andrag (Chairman)
- Riaz Kader (COO: Retail)
- Nadene Smith (Financial Manager)
- Fikile Futwa

Committee meeting attendance:

Director	Attendance	Appointed
Louis Andrag (Chairman)*	3/3	January 2022
Riaz Kader (COO: Retail)*	3/3	January 2022
Nadene Smith* (Finance Manager)	3/3	January 2022
Fikile Futwa*	–	October 2023

* *Current*

Attendance at Social and Ethics Committee scheduled meetings was 100% for the financial year ended 30 September 2023.

Attendance as invitee:

Alon Kirkel (COO: Office and Industrial)	3/3

Louis Andrag chairs the Committee with Riaz Kader, Nadene Smith and Fikile Futwa as members of the committee.

The Committee is required to meet at least twice a year and it may meet more often should the Committee deem it necessary.

Mandate:
The role and responsibilities of the Committee, in addition to the duties as set out in the Social and Ethics Committee Report on page 59.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KING IV™ APPLICATION ANALYSIS

PRINCIPLE 1

The Board should lead ethically and effectively.

Explanation

Integrity, trust, respect, dignity, competency, responsibility, fairness, transparency and accountability are all relevant words and concepts within the Group. The Board ensures that an ethical culture is imbued in the culture, strategy, plans and performance of the Group. The Board leads by example and adopted a revised Code of Ethics and Conduct in November 2023, to which all Directors and employees are expected to subscribe. The Code of Ethics and Conduct commits all Directors and employees in writing to the Group's philosophy including zero tolerance for corruption, integrity in business dealings, fair and ethical competition in the marketplace and the process of transformation. The monitoring of the ethics within the Group has been delegated to the Social and Ethics Committee for reporting to the Board.

PRINCIPLE 2

The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Explanation

The Board assumes responsibility for the governance of ethics by setting the direction for how ethics should be approached and addressed by the organisation. The Board's Code of Conduct and Ethics will clearly set out the business practices which the Group will follow as well as the standards of behaviour for all persons within the Group. The Board has delegated to management the responsibility for the implementation and execution of the Code of Conduct and Ethics policies. Management will ensure that the Code of Conduct and Ethics is well communicated and understood.

Adherence to corporate governance is entrenched in the Group's day-to-day operations. The Code of Conduct and Ethics is being finalised and will be placed on the Company's website once approved by the Board. The application of the Company's ethics is monitored regularly by management which reports back to the Board. No adverse outcomes were found pursuant to the monitoring as aforesaid.

In addition, Fairvest has a formal Whistle-Blowing Policy in place, managed by an external service provider – Fraud Cracker – which monitors our fraud programme and hosts the online portal. All whistle-blowers are guaranteed anonymity and protection. The link can be found on our website, www.fairvest.co.za.

The focus areas for the year under review and the ensuing financial year is highlighted under the Social and Ethics Committee Report on page 60.

PRINCIPLE 3

The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.

Explanation

Corporate citizenship refers to a company's responsibilities toward society, the intention being to produce higher standards of living and quality of life for the communities that surround them whilst maintaining profitability for stakeholders. The Board assumes responsibility for corporate citizenship by directing how it should be approached and addressed by the Company. The Board ensures that the Company complies with the Constitution of South Africa as well as its own Code of Ethics and Conduct. The Board has taken cognisance of the approach contained in both the Companies Act and King IV™ that the Company has a role to play in society and has an obligation to conduct itself as a responsible corporate citizen. The Board assumes responsibility for setting the tone and direction for the Company with regards to compliance with the Constitution of the country, the law and adherence to its own codes of conduct, ethics and policies.

The focus areas for the year under review and the ensuing financial year is highlighted under the Social and Ethics Committee Report on page 60.

Moreover, we have incorporated an inaugural ESG Summary Table in our Integrated Annual Report this year and have bolstered the information relating to our approach towards the environment, our social initiatives and governance by way of an enhanced ESG Sustainability Report, which forms part of the 2023 Integrated Annual Report.

PRINCIPLE 4

The Board should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Explanation

The Board recognises that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. The Board assumes responsibility for Fairvest's strategy. The Board has delegated to management the formulation and development of the Group's strategy and the ultimate implementation thereof following approval by the Board. The Board as a whole monitors the progress made with regards to the implementation of the strategy at its quarterly Board meetings and will continue to do so for the 2024 financial year. See Principle 5 below in respect of disclosure on strategy and performance.

CORPORATE GOVERNANCE CONTINUED

PRINCIPLE 5

The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

Explanation

The Board ensures that reports issued by the Group enable stakeholders to make informed assessments of the Group's performance, and its short, medium and long-term prospects, subject to statutory and regulatory requirements. All SENS announcements, circulars, financial results, presentations, Integrated Annual Reports and Notices of Annual General Meeting are placed on the Company's website www.fairvest.co.za.

PRINCIPLE 6

The Board should serve as the focal point and custodian of corporate governance in the organisation.

Explanation

The Board exercises its leadership by setting strategic direction, delegating authority to give effect to strategy to management and provide oversight. The Board serves as the focal point and custodian of corporate governance. The Board is in the process of adopting a revised Board Charter and a Code of Ethics and Conduct. Certain functions have been delegated to Board Committees namely the Audit and Risk Committee, Investment Committee, Remuneration Committee, Nomination Committee, and the Social and Ethics Committee, each of which have adopted Terms of Reference.

All the members of the Committees attend the meetings whether in person or by electronic participation. Details of meetings held during the financial year under review may be found on pages 68 to 72 of this Integrated Annual Report.

The Chairman of each Committee provides quarterly feedback to the Board on matters considered and decisions made by the Committee during the reporting period in question. The Board is satisfied that it has fulfilled its responsibilities in accordance with its Board Charter for the reporting period.

PRINCIPLE 7

The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Explanation

The Board is committed to the principle of broad board diversity. All new appointments to the Board will be considered in the context of achieving voluntary diversity targets while keeping the operational requirements of the Group in mind. All new directors are inducted, and their appointment formalised in letters of appointment. The Board provides signed declarations to the Company Secretary on an annual basis detailing all financial, economic and other interests held by the respective members, directly and indirectly. The Board is chaired by an Independent Non-Executive Director. Meetings are commenced with the Chairman requesting disclosure of any conflicts of interest in general and pertaining to the agenda matters which are minuted. The CEO does not have other professional commitments. The succession planning for the CEO and CFO will be discussed by the Nomination Committee in the upcoming year. The Board is satisfied that the composition of the Board for the 2023 financial year reflects the appropriate mix of knowledge, skills, experience, diversity and independence. The categorisation of Non-Executive Directors has been confirmed, post the independence assessment conducted in December 2022. A Lead Independent Director is therefore not required.

Board member biographies can be found on pages 64 and 65.

PRINCIPLE 8

The Board should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

Explanation

The Board has established an Audit and Risk Committee, Investment Committee, Nomination Committee, Remuneration Committee, and a Social and Ethics Committee which have certain roles and responsibilities contained in Terms of Reference adopted by the various Committees. As part of the Governance Refresh project the delegation of authority matrix in place will be reviewed to ensure it remains fit-for-purpose. The Board retains overarching oversight. The Board is satisfied that the delegation of authority matrix contributes to role clarity and effective exercise of authority and responsibilities. The Board is satisfied that each Committee's composition reflects the appropriate mix of knowledge, skills, experience, diversity, and independence. Each of the abovementioned Committees meet once every three months or more as may be required from time to time and as set out in their respective Terms of References. All Committee members attend meetings whether in person or by electronic participation. Further details on the meetings held and the attendance at meetings may be found on pages 68 to 72.

The Audit and Risk Committee of the Board is satisfied that its incumbent external auditor, BDO South Africa Inc., is independent of the organisation. See the Audit and Risk Committee Report on page 96.

PRINCIPLE 9

The Board should ensure that the evaluation of its own performance and that of its individual members support continued improvement in its performance and effectiveness.

Explanation

The Board assumes responsibility for the evaluation of its performance and those of its Committees, its Chairman and individual Directors by determining how such evaluation should be approached and conducted. The evaluation of the performance of the Board, Committees, Chairman of the Board and the Board's individual members will be managed through the Nomination Committee. The performance evaluation of the Committees, its Chairman and individual Directors had been performed by an independent service provider, Kilgetty, during the financial year. The Board is committed to continuous improvement with a focus on performance and effectiveness and has identified areas of enhancement to further strengthen the Board.

PRINCIPLE 10

The Board should ensure that the appointment of and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.

Explanation

The CEO is responsible for the implementation and execution of the approved strategy and policy, operational planning and acquisitions and disposals and he in turn delegates these responsibilities to the executive team without abdicating accountability. The CFO is responsible for finance and risk. The CEO is in regular contact with the Chairman of the Board, and he is accountable to the Board. The CEO is not a member of the Remuneration Committee, Nomination Committee nor of the Audit and Risk Committee but attends meetings by invitation. The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities, however this will be reviewed in the upcoming financial year.

PRINCIPLE 11

The Board should govern risk in a way that supports the organisation in setting and achieving strategic objectives.

Explanation

The Board governs risk in a manner that supports the Group in setting and achieving strategic objectives as well as being a responsible corporate citizen.

In this regard:

- Opportunities and associated risks are continuously considered by the Board in determining the strategy including risks and opportunities emanating from the social, political, economic and environmental context within which the Group operates in South Africa.
- Obstacles to achieving organisational objectives were assessed and monitored throughout the year. The risk register on pages 17 to 19 was updated on an ongoing basis during the 2023 financial year as and when new risks were identified, and a process or policy put in place as required.

PRINCIPLE 12

The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

Explanation

The Board assumes responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed by the Group. The Board assumes responsibility for the governance of technology and information and has delegated to management the responsibility to implement and execute effective technology and information management.

PRINCIPLE 13

The Board should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation's being ethical and a good corporate citizen.

Explanation

The Board assumes responsibility for the governance of compliance with applicable laws, regulations, codes and standards. The Board has delegated to management the responsibility for implementation and execution of effective compliance management with oversight by the Social and Ethics Committee. Please also see relevant details as outline in Principles 1 and 2.

PRINCIPLE 14

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Explanation

The Remuneration Committee assumes responsibility for the governance of remuneration and ensures that the Group remunerates fairly, responsibly and transparently. The Remuneration Committee and the Board have spent a substantial amount of time to gain input from stakeholders, benchmark and to draft the Remuneration Policy that will be tabled to shareholders for a non-binding advisory vote at the AGM. Shareholders' input has been incorporated in the Remuneration Policy. The Implementation Report is the implementation of the Remuneration Policy. Refer to the Remuneration Report commencing on page 78 setting out the Remuneration Policy, and page 82 for the Remuneration Implementation Report.

PRINCIPLE 15

The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Explanation

The Board assumes responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The Board has delegated to the Audit and Risk Committee the responsibility for overseeing that those arrangements are effective in enabling an effective internal control environment, supporting the integrity of information used for internal decision-making and supporting the integrity of external reports. From time to time, as necessary, the Board utilises the services of external specialist advisors in various fields including remuneration, governance and risk management.

PRINCIPLE 16

In the execution of its governance role and responsibilities, the Board should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

Explanation

The Board assumes responsibility for the governance of stakeholder relationships and sets the direction for the way in which stakeholder relationships are approached and conducted by the Group. The responsibility for the implementation and execution of effective stakeholder relationship management resides with the management of the Group.

In the execution of its governance role and responsibilities, the Board adopts a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation. When engaging with stakeholders, the Board is guided by, among others, the JSE Listings Requirements and its Memorandum of Incorporation.

The Stakeholder Management Policy will be formalised as part of the Governance Refresh project.

PRINCIPLE 17

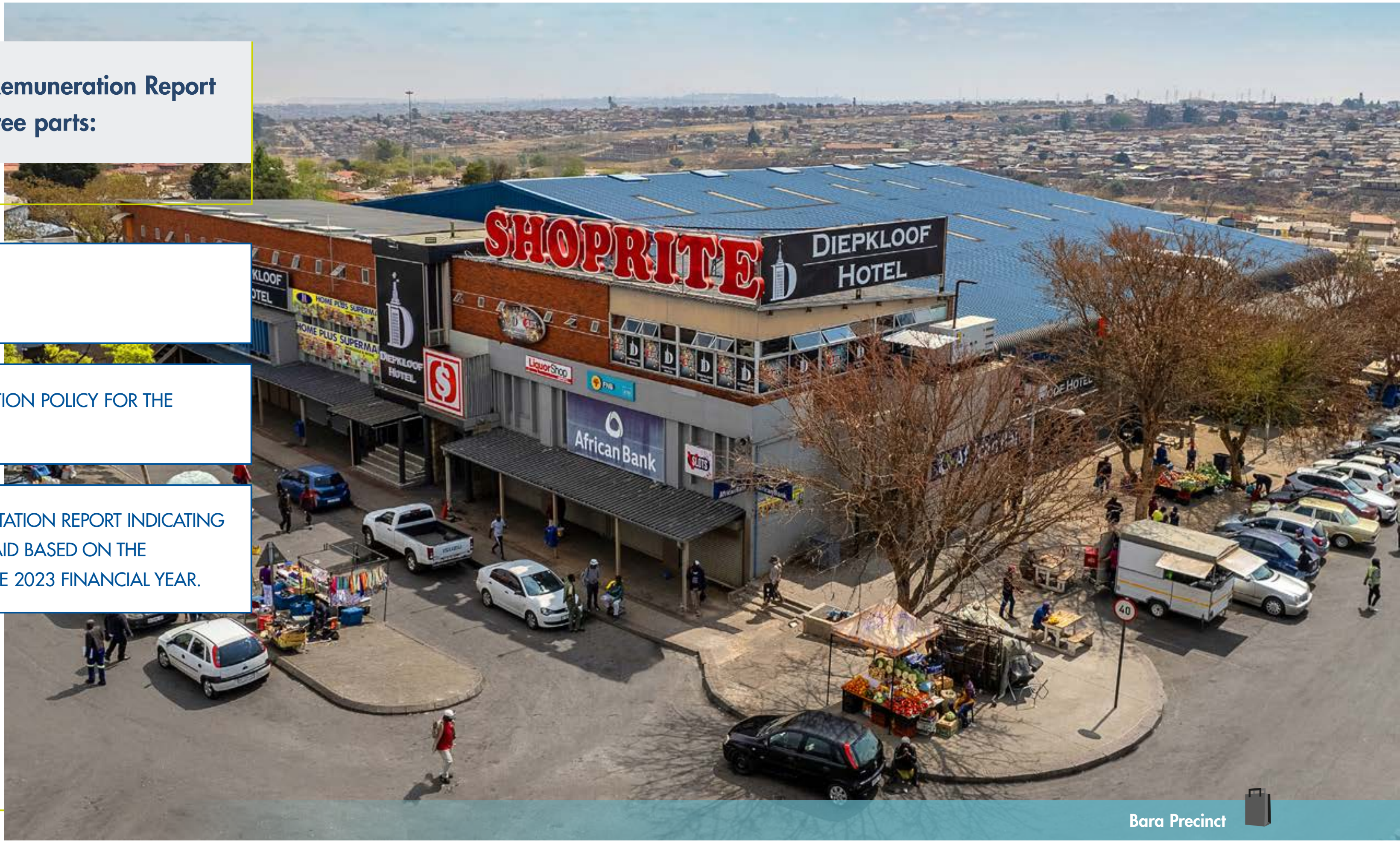
This principle is not applicable to the organisation.

REMUNERATION REPORT

We are pleased to present our Remuneration Report for 2023, which is divided in three parts:

PART I	BACKGROUND STATEMENT.
PART II	OVERVIEW OF THE REMUNERATION POLICY FOR THE 2024 FINANCIAL YEAR.
PART III	THE REMUNERATION IMPLEMENTATION REPORT INDICATING THE ACTUAL REMUNERATION PAID BASED ON THE REMUNERATION POLICY FOR THE 2023 FINANCIAL YEAR.

Parts II and III will be put to a non-binding advisory shareholder vote at the upcoming Annual General Meeting of the Company to be held on 5 March 2024 ("AGM").



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PART I BACKGROUND STATEMENT

1.1 REMUNERATION PHILOSOPHY

The Group understands the importance of remuneration in its ability to attract, secure and retain key talent that supports its performance. The key objectives are:

- to ensure that all staff are fairly and equitably rewarded, according to a systematic set of principles,
- to ensure that all staff understand the way in which salaries are determined,
- to ensure that Fairvest is able to attract and retain skilled resources,
- to ensure that remuneration packages are competitive compared to the market and similar organisations, and that overall market trends and practices are considered and reviewed on a regular basis in line with the organisational strategy and risk profile,
- to recognise and reward individual contribution in overall organisational success, and
- to ensure remuneration and all factors related to remuneration are affordable for the organisation as a whole.

It is also aware of the importance of aligning the Remuneration Policy with the prevailing market and the economic environment. The Remuneration Committee believes that these objectives will support the overall organisation and align with the changed market environment.

1.2 REMUNERATION COMMITTEE

The Committee comprises three independent Non-Executive Directors. Louis Andrag is the Chairman of the Committee. The CEO and CFO attend the meetings by invitation. The members of the Committee are:

- Louis Andrag (Chairman)
- Ndabezinhle Mkhize
- Jacques du Toit

1.2.1 RESPONSIBILITIES

The summary of responsibilities of the Remuneration Committee include to:

- determine, agree, develop, and monitor the Group's general policy on remuneration,
- have due regard to the principles of sound governance and codes of best practice,
- liaise with the Board in relation to the preparation of the Remuneration Committee report to shareholders,
- determine executive remuneration packages, performance criteria and the granting of incentives in line with the short and long-term incentive structures defined in the policy, and
- ensure that Executive Directors are fairly and responsibly rewarded for their contributions and performance in a manner that is market aligned.

1.3 SHAREHOLDER FEEDBACK AND ENGAGEMENT

At the AGM held on 28 February 2023, both the Remuneration Policy and Remuneration Implementation Report were presented for non-binding advisory votes. Votes were received as follows:

- Remuneration Policy – 71.2% (28.8% against)
- Implementation Report – 75.4% (24.5% against)

In response to the advisory vote, shareholder engagement was undertaken telephonically, by way of email and in-person meetings. The SENS announcement released on 28 February 2023 to report the results of the AGM furthermore extended an invitation to Fairvest shareholders to address their concerns on the Remuneration Policy and Remuneration Implementation Report to the Chairman of the Remuneration Committee. Given the minimal feedback received, objections raised by shareholders were addressed, to the extent possible, in the 2024 Remuneration Policy.

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CORPORATE GOVERNANCE CONTINUED

PART II OVERVIEW OF THE REMUNERATION POLICY

Other than as presented in this report, there were no significant amendments to the Remuneration Policy as presented to shareholders in the 2022 Integrated Annual Report in the 2023 financial year.

2.1 KEY 2023 REMUNERATION DECISIONS

2.1.1 ANNUAL SALARY INCREASE

Based on market conditions, affordability, and CPI the annual salary increase for the 2024 financial year of 6.6% was approved by the Remuneration Committee and the Board. This increase would apply to all staff members, including Executive Directors.

2.1.2 CHANGES TO 2023 BUSINESS SCORECARD

The 2023 Business Scorecard was amended after the Indluplace disposal to consolidate the distribution per share and loan to value metrics which were previously measured separately for our investment in Indluplace consolidated and as a separate investment.

Refer below to the amended Business Scorecard for 2023.

	Budget (3)	Target (4)	Stretch (5)	Previous weighting	New weighting
Distributable income – cents per B share	40.01	40.51	41.99	10.0%	37.5%
Distributable income – cents per B share – Fairvest operations only, excluding Dipula and Indluplace	34.00	34.50	35.98	27.5%	N/A
Loan to value (Company with Indluplace at market value)	36.6%	36.0%	35.0%	5.0%	N/A
Loan to value (Group with Indluplace consolidated)	38.1%	37.7%	36.9%	2.5%	7.5%
Vacancy	8.4%	7.2%	5.9%	37.5%	37.5%
ESG (% of solar generation)	8.1%	8.5%	8.9%	2.5%	2.5%
ESG (water – implementation of water projects)	4	5	6	2.5%	2.5%
ESG (Fairvest for Change – develop plan for funding by March 2023 and disburse by 30 September 2023)		1	2	1.25%	1.25%
ESG (Fairvest for Change) – based on actual spend		1 000 000	1 500 000	1.25%	1.25%
ESG (B-BBEE – develop BEE strategy plan)		1	2	2.5%	2.5%
ESG (B-BBEE level accreditation)	4	3	2	7.5%	7.5%
				100%	100%

2.1.3 EXECUTIVE RETENTION SHARES

In line with the Remuneration Policy of the Group to retain key employees and as agreed at the time of the merger, retention shares were awarded to the Executive Directors during the current financial year. These shares are subject to employment conditions being met, being approximately three years' employment from the date of the merger and the Conditional Share Plan rules.

2.2 REMUNERATION POLICY FOR 2024 FINANCIAL YEAR

The Remuneration Committee undertook a fundamental review of the Remuneration Policy, in line with shareholder feedback, which was implemented in the 2023 financial year. The policy is largely unchanged and is presented below.

2.2.1 COMPONENTS OF REMUNERATION AND REMUNERATION POLICY POSITION

The elements of remuneration that are applicable to the executive are defined as follows:

Detail	**Policy position**
Remuneration mix	
This defines the contributions of the different components of remuneration towards the total remuneration package of executives.	The approved remuneration mix is: ▪ Total guaranteed package will constitute 35% ▪ Short-term incentive for on target performance will constitute 25% ▪ Long-term incentive for on target performance will constitute 40%
Total guaranteed package ("TGP")	
A total guaranteed package is paid which comprises an annual salary. There are no additional benefits or allowances payable.	TGP is set around the median (50th percentile) of the market. Broad-based salary bands, informed by market-related data, are developed per job grade to guide the TGP paid. Annual increases are applied consistently across employees and are informed by market, affordability and CPI. They are not guaranteed.
Short-term incentive ("STI")	
The STI is payable annually in cash and is linked to the achievement of strategically important company-wide performance measures. STI calculations are expressed as a percentage of TGP.	All staff participate in the STI. The extent of participation is dependent on the classification of staff and their ability to influence the outcome of the business as a whole. The STI has three different classification groups. These are: ▪ Executives: these are positions that are on the executive leadership team, ▪ Senior management: these are positions that are responsible for interpretive decisions in the business, and ▪ Staff: all other positions in the business **Executive STI structure** The Executive STI is calculated on a 70% weighting of the business score and a 30% weighting of the personal score. Business indicators, weightings and targets are set annually by the Board in line with the strategic objectives of the business ("Business Scorecard").

Detail	**Policy position**
Short-term incentive ("STI") CONTINUED	
	Personal Key Performance Indicators, weightings and targets are developed by the Remuneration Committee and recommended to the Board for approval. The business performance is measured in terms of budget, target and stretch targets. Each indicator is weighted in terms of importance and the total weightings must add up to 100%. The business performance is measured as follows: ▪ A 3 rating is for achieving performance at a "budget" level and is regarded as good and competent ▪ A 4 rating is for achieving performance at a "target" level and is regarded as excellent ▪ A 5 rating for achieving performance at a "stretch" level and is regarded as outstanding An overall business performance rating is determined through calculating the weighted contribution of each indicator to the overall business performance rating. This final business performance rating contributes 70% towards the total performance rating. The personal performance is rated using the following rating scale: ▪ Poor (1) is performance that has consistently failed to meet the standards and targets required in all areas ▪ Moderate (2) is performance that has failed to meet the standards and targets required in some areas ▪ Good and competent (3) is performance that meets the standards and targets required in all areas ▪ Excellent (4) is performance that has been above the targets set and standards required in some areas ▪ Outstanding (5) is performance that has consistently been substantially above the targets set and the standards required The personal performance rating is also calculated based on the weighted contribution of each performance indicator. The personal performance rating contributes 30% towards the total executive performance rating.

CORPORATE GOVERNANCE CONTINUED

Detail	**Policy position**
Short-term incentive ("STI") CONTINUED	
	Achievement of a personal performance rating below a good and competent level (3) excludes the executive from participating in the entire STI. A sliding scale is used to determine the STI. This is applied as follows: ▪ Performance at a good and competent level (3 or budget) allows for 20% of TGP to be awarded as an STI ▪ Performance at an excellent level (4 or target) allows for 70% of TGP to be awarded as an STI ▪ Performance at an outstanding level (5 or stretch) allows for 120% of TGP to be awarded as an STI **Senior management STI structure** The STI structure for senior managers is as follows: ▪ An STI allocation is made by the Remuneration Committee based on the overall performance of the business. ▪ This STI allocation for senior managers is capped at a maximum of 100% of the respective senior managers' TGP. ▪ The weightings of the business and personal performance are equal (at 50% each). ▪ Achievement of a performance rating of at least a good and competent (3) is required for participating in the STI. ▪ The distribution of the STI to the participating members of the senior management team will be informed by individual performance ratings which are provided by the respective line managers. ▪ STIs are not guaranteed and are awarded at the discretion of the Remuneration Committee and the CEO. **Staff STI structure** The staff STI policy is as follows: ▪ An STI allocation is made by Remuneration Committee based on the overall performance of the business. ▪ This STI allocation for staff is capped at a maximum of 50% of the respective staff member's TGP. ▪ The weightings of the business and personal performance are 30% and 70% respectively. ▪ Achievement of a performance rating of at least a good and competent (3) is required for participating in the STI. ▪ The distribution of the STI to the participating members of staff will be informed by individual performance ratings which are done by the respective line managers. ▪ STIs are not guaranteed and are awarded at the discretion of the Remuneration Committee and the CEO.

Detail	**Policy position**
Conditional share plan ("CSP") or long-term incentive ("LTI")	
A CSP was introduced in the 2020 financial year. The CSP is aligned with best practice and good governance principles and is aligned to the Company's principle of "pay-for-performance". Annual awards of conditional shares, appropriately aligned to market levels, will be made in terms of the CSP.	LTI indicators are developed in line with the strategic plan of the business. All staff are eligible for participation in the CSP. The focus of participation, however, is on the senior leadership. The CSP provides for the annual award of performance shares to participants which vest after three years subject to: ▪ Specific performance conditions being met; and ▪ The participant remaining employed by the Group for the duration of the vesting period Staff who leave Fairvest prior to the vesting of LTI awards due to retirement, retrenchment, or termination due to ill health or similar will be classified as good leavers and will be eligible to receive LTI awards on a pro rata basis in line with their service during the vesting period, subject to the specific performance conditions. Staff who are dismissed, resigned, or opt for early retirement will be deemed bad leavers and will forfeit their entire award. Good leaver principles will be applied in the event of a change of control. The total limit of shares that are allocated as part of the CSP is 20 252 105 Fairvest B shares. The calculation of the number of shares awarded is a function of a percentage of TGP. The percentage of TGP is determined at the time of allocation. The value of shares as a percentage of TGP at vesting date could be different from the percentage on award as a result of changes in the share price. There are three levels of allocation: ▪ Executives may earn a maximum of 115% of their TGP in shares if they achieve target. They can earn up to a maximum of 165% of their TGP in shares if they achieve stretch targets. Contribution above target is calculated on a proportional rate linked to the extent to which the target has been exceeded. ▪ Senior management may earn a maximum of 60% of their TGP in shares if they achieve target. They can earn up to a maximum of 90% of their TGP in shares if they achieve stretch targets. Contribution above target is calculated on a proportional rate linked to the extent to which the target has been exceeded. ▪ Other staff may earn a maximum of 50% of their TGP in shares if they achieve target. They can earn a maximum of 75% of their TGP in shares if they achieve stretch targets. Contribution above target is calculated on a proportional rate linked to the extent to which the target has been exceeded. The specific factors that detail the allocation of shares are defined in the CSP rules. The performance conditions that must be met are determined annually.

2.2.2 2024 SHORT-TERM INCENTIVE

The business and personal scorecards approved for the calculation of STIs for the 2024 financial year are detailed below:

2.2.2.1 BUSINESS SCORECARD

The approved business performance indicators for the 2024 financial year are:

	Budget (3)	**Target (4)**	**Stretch (5)**	**Weighting**
Distributable income – cents per B share	41.77	42.27	43.00	37.5%
Loan to value	35.0%	34.0%	33.0%	7.5%
Vacancy	7.0%	6.0%	5.0%	37.5%
ESG (% of solar generation)	10.00%	10.25%	10.50%	2.5%
ESG (water – implementation of new water projects)	5	6	7	2.5%
ESG (Fairvest for Change) – based on actual spend	n/a	2 000 000	2 500 000	2.5%
ESG (B-BBEE level accreditation)	n/a	3	2	10.0%
				100%

2.2.2.2 PERSONAL SCORECARDS

Personal scorecards agreed for the CEO and CFO. They are as follows:

CEO: Darren Wilder

Key performance area	Key performance indicators	**Weighting**
Strategic Leadership	Implementation of operational strategy executed by September 2024	20.0%
Stakeholder Management	Strong stakeholder relationships developed and maintained	20.0%
Organisational Leadership	Effective integration of the organisation post-merger	15.0%
	Development of organisation to support approved strategy implemented	15.0%
Governance	Information provided to Board to support effective decision-making	15.0%
Leadership	Employee engagement and productivity achieved	15.0%

CFO: Jacques Kriel

Key performance area	Key performance indicators	**Weighting**
Finance Strategy	Approved financial strategy implemented	12.5%
Finance Operations Management	Finance operational targets achieved	12.5%
Treasury Management	Funding structures and rates optimised	20.0%
Risk and Compliance Management	Approved risk management strategy implemented	10.0%
	Approved compliance framework implemented	10.0%
Reporting	Accurate financial reports prepared and submitted by agreed deadlines	10.0%
Stakeholder Management	Strong stakeholder relationships developed and maintained	10.0%
Leadership	Employee engagement and productivity achieved	15.0%

2.2.3 LONG-TERM INCENTIVE

The Remuneration Committee is currently in the process of performing a market benchmarking exercise in order to determine more appropriate performance conditions linked to the LTI shares awarded. This exercise is expected to be complete by March 2024 and will be communicated to shareholders at the time the LTIs are awarded.

These 2024 LTI awards would be measured against performance conditions for the period from 1 October 2023 to 30 September 2026.


Sebokeng Plaza

CORPORATE GOVERNANCE CONTINUED

2.2.4 NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive Directors receive a fixed monthly fee as member of the Board with additional fixed monthly fee for serving on the various Board Committees.

The proposed fee increase for the 2024 financial year is 6.6% which is in line with annual salary increase for all Fairvest employees.

	2023 (R)	**Proposed 2024 (R)**
Chairman of the Board	700 000	**746 200**
Non-Executive Director	350 000	**373 100**
Chairman – Audit and Risk Committee	210 600	**224 500**
Audit and Risk Committee member	132 600	**141 352**
Chairman – Remuneration Committee	210 600	**224 500**
Remuneration Committee member	132 600	**141 352**
Chairman – Investment Committee	162 000	**172 692**
Investment Committee member	102 000	**108 732**
Chairman – Social and Ethics Committee	129 600	**138 154**
Social and Ethics Committee member	81 600	**86 986**
Chairman – Nomination Committee	129 600	**138 154**
Nomination Committee member	81 600	**86 986**

South View Shopping Centre

PART III IMPLEMENTATION OF THE POLICY IN THE 2023 FINANCIAL YEAR

The Remuneration Policy as presented to shareholders approved by the Remuneration Committee and the Board was implemented in the 2023 financial year.

3.1 EXECUTIVE REMUNERATION

The application of the 2023 Remuneration Policy is detailed below.

3.1.1 EXECUTIVE DIRECTORS' TGP

At the time of the merger, the Remuneration Committee employed independent experts, Deloitte Consulting, to perform a sector specific market benchmark to determine the TGP for the CEO and CFO. The midpoint of the market was used effective 1 February 2022.

No increases to TGP were awarded to the CEO and CFO for the 2023 financial year.

3.1.2 EXECUTIVE DIRECTORS' STIs

The STIs for the CEO and CFO were determined in terms of the 2023 Remuneration Policy contained in the 2022 Integrated Annual Report with certain amendments as communicated in this Remuneration Report.

The policy provisions for the 2023 financial year for Executive Directors' STIs are measured as follows:

- Business score is weighted at 70%
- Personal score is weighted at 30%

Business performance is calculated as follows:

- If budget has not been achieved, no contribution is given,
- If budget is achieved a 3 rating will be given,
- If the target is achieved a 4 rating will be given,
- If the stretch target is achieved a 5 rating will be given, and
- If an actual score is achieved between the budget and the target or between the target and the stretch target, the contribution will be prorated based on the actual performance.

Personal performance is calculated as follows:

- A rating of 2 and below will result in no rating,
- A 3 rating is regarded as good and competent,
- A 4 rating is regarded as excellent, and
- A 5 rating is regarded as outstanding.

3.1.2.1 *BUSINESS SCORE*

The business performance measures that were used to determine the business score were as follows:

	Budget (3)	Target (4)	Stretch (5)	Actual achieved	Weighting	Rating achieved	Weighted rating
Distributable income per B share	40.01	40.51	41.99	41.29	37.5%	4.53	1.70
Distributable income per B share – Fairvest operations only, excluding Dipula and Indluplace	34.00	34.50	35.98	N/A	N/A	*	
Loan to value (Company with Indluplace at market value)	36.6%	36.0%	35.0%	N/A	N/A	*	
Loan to value (Group with Indluplace consolidated)	38.1%	37.7%	36.9%	33.3%	7.5%	5.00	0.38
Vacancy	8.4%	7.2%	5.9%	4.5%	37.5%	5.00	1.88
ESG (% of solar generation)	8.1%	8.5%	8.9%	10.1%	2.5%	5.00	0.13
ESG (water-implement water projects)	4	5	6	10	2.5%	5.00	0.13
ESG (Fairvest for Change – develop plan for funding by March 2023 and disburse by 30 September 2023)	N/A	1	2	2	1.25%	5.00	0.06
ESG (Fairvest for Change based on actual spend)	N/A	1 000 000	1 500 000	2 210 242	1.25%	5.00	1.06
ESG (B-BBEE – develop BEE strategy)		1	2	2	2.5%	5.00	0.13
ESG (B-BBEE level accreditation)	4	3	2	2	7.5%	5.00	0.38
Total					100%		4.82

* *The 2023 Business Scorecard was amended after the Indluplace disposal to consolidate the distribution per share and loan to value metrics, refer to 2.1.2 of this Remuneration report.*

3.1.2.2 *PERSONAL SCORE*

The personal score is calculated based on a performance assessment rating received by the executive. Personal ratings were reviewed and finalised by the Remuneration Committee and the Board against the key performance measures and indicators detailed below. A minimum performance assessment rating of 3 is required for participate in the STI.

CEO: Darren Wilder

Key performance area	Weighting	Key performance indicators	Rating achieved	Weighted rating
Strategic Leadership	20%	Implementation of operational strategy executed by September 2023	5	1.00
Stakeholder Management	20%	Strong stakeholder relationships developed and maintained	5	1.00
Organisational Leadership	15%	Effective integration of the organisation post-merger	5	0.75
	15%	Development of organisation to support approved strategy implemented	4.5	0.68
Governance	15%	Information provided to Board to support effective decision-making	4.5	0.68
Leadership	15%	Employee engagement and productivity achieved	5	0.75
Total	100%			4.85

CORPORATE GOVERNANCE CONTINUED

CFO: Jacques Kriel

Key performance area	**Weighting**	Key performance indicators	Rating achieved	**Weighted rating**
Finance Strategy	**12.5%**	Approved financial strategy implemented	4	**0.60**
Finance Operations Management	**12.5%**	Finance operational targets achieved	4.5	**0.68**
Treasury Management	**20.0%**	Funding structures and rates optimised	5	**1.00**
Risk and Compliance Management	**10.0%**	Approved risk management strategy implemented	4.5	**0.23**
	10.0%	Approved compliance framework implemented	4.5	**0.23**
Reporting	**10.0%**	Accurate financial reports prepared and submitted by agreed deadlines	5	**0.75**
Stakeholder Management	**10.0%**	Strong stakeholder relationships developed and maintained	4	**0.40**
Leadership	**15.0%**	Employee engagement and productivity achieved	4	**0.60**
Total	**100.0%**			**4.48**

3.1.2.3 *STI AWARDED*

The weighted average of the business (70%) and personal (30%) ratings resulted in the following total STI being awarded to the CEO and CFO.

The STI awarded below was measured on the 2023 financial year's performance, but was only agreed, approved, and paid after the release of the 2023 results on 29 November 2023.

Name	Title	Company rating (70%)	Personal rating (30%)	Total weighted rating	Percentage of TGP awarded	**STI**
Darren Wilder	CEO	4.82	4.85	4.83	110%	**R5 775 000**
Jacques Kriel	CFO	4.82	4.48	4.72	105%	**R3 570 000**
Total						**R9 375 000**

3.1.3 LTI AWARDS IN 2023

LTIs awarded in 2023 will be measured against the performance for the period from 1 October 2022 to 30 September 2025 and will be measured in December 2025. This will be measured against the performance of the following two long-term indicators:

Performance measure	Definition	**Weighting**	Target	Stretch
Capital return	Measures the capital return of the Fairvest B share price from 1 October 2022 to 30 September 2025 compared to the SAPY capital return over the same period	**65%**	Capital return in line with SAPY	15% outperformance against SAPY
Vacancy	For the Group	**35%**	Less than 7%	Less than 6%

The total LTIs awarded for the CEO and CFO during the 2023 financial year which will be measured for vesting in 2025 is as follows:

Executive	**Number of B shares**
Darren Wilder	**2 019 231**
Jacques Kriel	**1 307 692**

No shares vested to the Executive Directors during the 2023 financial year.

3.1.4 RETENTION SHARES AWARDED

The total retention shares awarded to the CEO and CFO during the 2023 financial year which will vest on 1 December 2024 is as follows:

Executive	**Number of B shares**
Darren Wilder	**2 295 142**
Jacques Kriel	**1 486 377**

3.2 NON-EXECUTIVE REMUNERATION

The fees paid to Non-Executive Directors for the 2023 financial year were paid on the basis approved by shareholders at the AGM held on 28 February 2023 as follows:

Non-Executive	**Total (R'000)**
N Mkhize	**1 124**
LW Andrag	**874**
JF du Toit	**666**
NN Shange	**663**
JD Wiese	**585**
KR Nkuna	**585**
A Basserabie	**452**
	4 949

3.3 STATEMENT REGARDING COMPLIANCE WITH, AND ANY DEVIATIONS FROM, THE REMUNERATION POLICY

The Committee is satisfied that there was compliance with the Remuneration Policy during the year and that there were no other deviations from the Policy during the year.

3.4 VOTING ON THE REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

Fairvest will once again put the Remuneration Policy and Remuneration Implementation Report to two separate, non-binding votes at the AGM to be held on 5 March 2024. In the event that 25% or more of the shareholders vote against either or both the Remuneration Policy and/or Remuneration Implementation Report, Fairvest will invite dissenting shareholders to engage with them on their reasons for voting against either or both of these resolutions. The precise method of shareholder engagement will be decided by the Committee, but these will include correspondence via email and investor roadshows (where deemed appropriate).

The outcome of the shareholder engagement, and the Committee's response to shareholder concerns, will thereafter be published in Part I of the Remuneration Report at the end of the following financial year.

SOCIAL INVOLVEMENT

OUR STAKEHOLDERS

As a responsible corporate citizen, we are reliant on our communities to ensure our ongoing growth and success. Our stakeholders provide a platform to inform our decision-making to move closer to our strategic objectives.

Our Stakeholder Management Policy allows us to effectively respond to the needs, interests, and expectations of all our stakeholders, as well as the changing conditions that arise from the South African economy, society, and the natural environment in which we operate.

The policy aims to further improve and promote the management of stakeholder relationships to ensure inclusivity. Stakeholder inclusivity is a process in which the Board considers the legitimate needs, interests, and expectations of key stakeholders in the daily operations of the business that serve the best interest of the Company over the short, medium and long term. Instead of prioritising only the interests of shareholders, the Board considers all sources of value creation, including social and relationship capital as embodied by our stakeholders.

The policy further ensures we are committed to nurturing strong stakeholder relationships by:

1. Creating value for Fairvest through our ability to create value for others
2. Becoming attuned to the opportunities and challenges posed by the triple context in which we operate by having regard to the needs, interests, and expectations of all our stakeholders
3. Giving parity to the interests of all our stakeholders in decision-making processes
4. Balancing the interests of all our stakeholders over time by way of prioritising and, in some instances, trade off interests on a case-by-case basis as the circumstances require that are in the best interest of the Company over the longer term

OUR KEY STAKEHOLDERS

We have identified our key stakeholders as those groups that are most likely to have a material impact on our ability to create value in the short-, medium- and long-term.

- SHAREHOLDERS
- FUNDERS
- TENANTS
- PROPERTY BROKERS
- LOCAL COMMUNITIES
- SUPPLIERS
- PROPERTY PARTNERS

HOW WE ENGAGE WITH OUR STAKEHOLDERS

4 QUALITY EDUCATION | 5 GENDER EQUALITY | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES

Shareholders

Institutional and private investors, fund managers and analysts

Capital: F | SR

UN SDG: 8

Expectations	Interests	Needs
Return on their investment	Fairvest corporate governance	Transparency or additional information, clear and consistent communication

Quality of relationship: Strong, we support each other's success ✓

Form of engagement
- One-on-one meetings
- Annual General Meeting
- Investor roadshows
- Result presentations
- Press releases
- Website

Concerns
- Growth of property income in the current macroeconomic environment
- Industry concern with growing property valuations in a time of slow economic growth
- Liquidity of trading
- Industry concern with inflated growth based on once-off earnings and not core property income growth
- Independence of our appointed auditor and valuers based on the tenure of the service providers
- Health of our properties and the need for trading information

Response
- Distributable income for the 2023 period, In line with guidance
- 2.0% increase in like-for-like property valuation
- Broader shareholder base
- Like-for-like net property operating income Increased by 4.4%
- 21.2% increase in revenue

Funders

South African corporate and investment banks: Investec | Nedbank | RMB Standard Bank | Absa

Capital: M | F | SR

UN SDG: 8

Expectations	Interests	Needs
Strong debt covenants	Fairvest corporate governance	Regular interaction and additional information

Quality of relationship: Good ✓

Form of engagement
- One-on-one meetings
- Results presentations

Concerns
- Low level of hedging of interest rates
- Maintaining interest cover ratios and LTV
- Risk of debt repayment
- Debt covenants

Response
- 33.3% LTV ratio
- 2.5 times interest cover ratio
- 64.8% of borrowings hedged
- 2.3% of revenue for arrears

SOCIAL INVOLVEMENT CONTINUED

Tenants

National retailers, franchises, small businesses and professionals

Capital F SR

UN SDG 9

Expectations	Interests	Needs
Prosperity	Cost of occupancy, marketing initiatives and centre upgrades to attract customers and improve trade	Clean and secure space to operate from

Quality of relationship

Strong relationship with national retailers, good relationship with most tenants, always room for improvement ✓

Form of engagement

- Regular property site visits
- One-on-one meetings

Concerns

- Impact on tenant trade of competing centres
- Unrest at properties and in the communities affecting trading conditions
- Security at properties

Response

- Proactive relationship managers engaging with tenants
- 86.5% tenant retention
- 4.1% growth in like-for-like trading density
- Increased security presence in high risk areas

Property brokers

Specialist broker network

Capital H SR F M

UN SDG 8

Expectations	Interests	Needs
Prefer sole mandate	Fairvest commission policy	Support

Quality of relationship

Strong, we support each other's success ✓

Form of engagement

- Fairvest Broker Liaison
- Broker functions

Concerns

- Delays in paying commission to brokers due to strict payment controls
- Clawback provision on commission due to tenant failures

Response

- Increased face-to-face time with brokers through broker functions
- Open lines of communication with brokers and leasing team

Local communities

The communities surrounding our shopping centres

Capital SR N

UN SDG 4 8 9

Expectations	Interests	Needs
Local employment opportunities from our shopping centres; connections with the surrounding community	Community involvement and inclusion	A safe shopping environment that meets their basic shopping needs, is affordable and has access to public transport

Quality of relationship

Strong, we support each other's success ✓

Form of engagement

- Social media, feedback from our building managers and tenants

Concerns

- Security at shopping centres
- Initiatives supporting the communities (CSI) not benefiting the intended parties
- Political instability with rioting and unrest

Response

- Increased promotional activities and marketing initiatives aimed at creating a pleasant shopping experience
- Increased security presence in high-risk areas
- Implementation of CSI at centres across our portfolio

Suppliers

Managing agents, meter reading companies, contractors, professionals, municipalities and service providers

Capital	F	SR	M	N

UN SDG 9

Quality of relationship: Good ✓

Form of engagement

- Management meetings
- Day-to-day communication

Expectations	Interests	Needs
Compensation to match quality of service	Fairvest supplier procurement and payment policy	Clear communication

Concerns

- Broken lines of communication between suppliers, the property manager and Fairvest

Response

- Reviewing and refining the Fairvest Standard Procedures in collaboration with the property manager to ensure sound procurement policies

Property partners

Experienced property investors and developers

Capital	SR	F

UN SDG 9

Quality of relationship: Strong, we support each other's success ✓

Form of engagement

- Project meetings
- Management meetings

Expectations	Interests	Needs
Mutually beneficial relationship	Fairvest Standard Procedures	Administrative support

Concerns

- Processes on procedures onerous compared to private landlords

Response

- Maintain relationships with property partners
- Provide administrative support and training on the MDA system as well as Fairvest Standard Procedures

Cosmos Centre

SOCIAL INVOLVEMENT CONTINUED

CORPORATE SOCIAL INITIATIVES

4 QUALITY EDUCATION

The Group has continued its focus on Corporate Social Initiatives which is embedded in the Group's culture. The "Fairvest for Change" initiatives are identified, as per the approved criteria set by the Social and Ethics Committee. Strict compliance controls are part of the process to verify that the governance, protocols and, where applicable, registration as non-profit organisations of the beneficiaries prior to the disbursement of funds. Every effort was made to disburse the funds such that the communities, within which the Group operates, would benefit from the projects in a sustainable manner.

During the year under review, Fairvest spent R2.2 million on CSI initiatives. The main initiatives that Fairvest contributed to, include:

- the Student Bursary Programme amounting to R717 000;
- several educational focused programmes totalling R1.0 million; and
- upgrades and renovations at various schools, within a 5km radius of one of Fairvest's properties, amounting to R488 000.

FOCUS ON CSI CLOSE TO THE PORTFOLIO

- Support of communities around our assets.
- Focus on education and school upliftment.
- Support of community needs with a particular focus amongst the youth.
- Hands-on involvement of employees, property managers and partners on all projects.
- Focus on mathematics at intermediate level.
- Focus on healthcare initiatives.
- Imbue a philanthropic culture in the Group.
- Bursaries.

The Tomorrow Trust

The Tomorrow Trust awards bursaries to honours degree students from previously disadvantaged backgrounds, specifically with a focus on Property Science, Construction Science and Quantity Surveying degrees.

The following statistics provide the impact that the bursaries have had since its implementation in 2018:

Assisted
15 students

93%
14 are in full-time employment

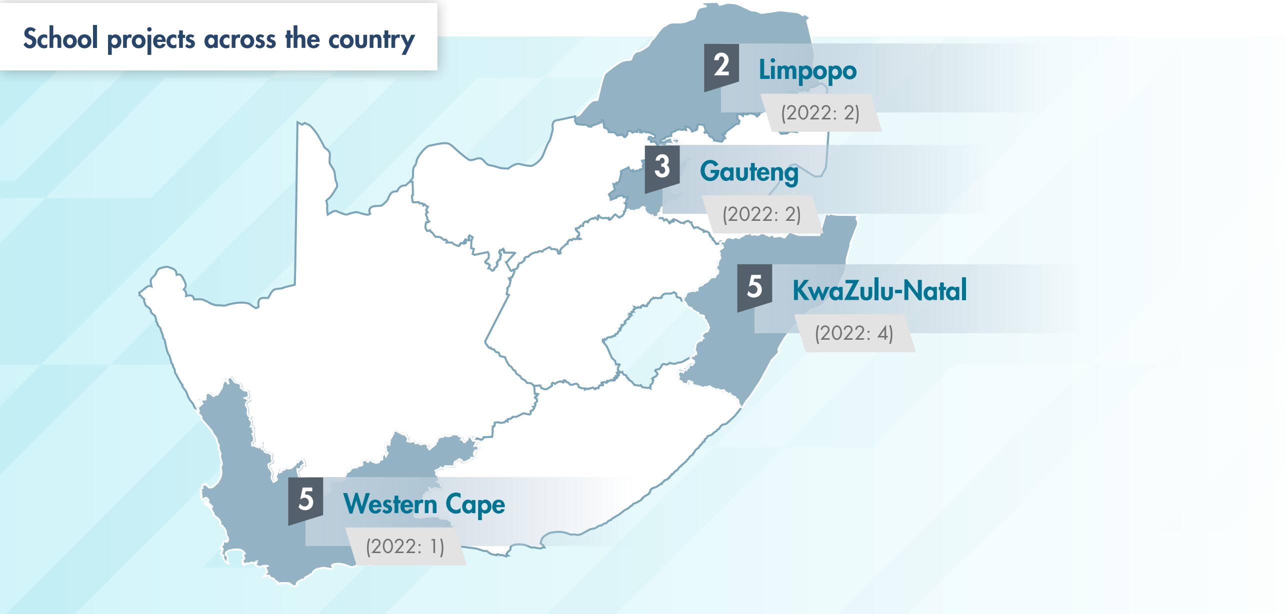
40%
of the 15, 6 are currently working within the property industry

7%
1 is studying further

IMPLEMENTATION OF CSI FOR 2023

- School renovation projects – these projects focus on child healthcare, hygiene and overall safety at the premises. Four projects were completed at schools in Gauteng, Limpopo and the Western Cape. Inspections were carried out periodically, post implementation, to ensure the sustainability of these projects.
- Assisted a primary school in Gauteng in close proximity to one of our shopping centres with the installation of fire fighting equipment.
- Water sustainability project – we assisted a school in KwaZulu-Natal with the installation of a new borehole system to ensure constant water supply, thus improving hygiene standards for the learners.
- KwaZulu-Natal flood damage – identified three schools in close proximity to one of our shopping centres and assisted with structural repairs to ensure students could return to school.
- Youth feeding scheme – identified a children's shelter that needed assistance with cooking infrastructure in a Johannesburg township. Continued assistance is being provided from time-to-time.
- Student bursary programme – Three post graduate property students were awarded bursaries for their honours degrees.
- Holiday and weekend school programme – focused on education, collaboration, and digital and technology exposure in three Western Cape townships.
- English literacy programme – identified a primary school in the Western Cape and supported an English literacy programme which included exposure to working with computers and technology.
- Reading programme – sponsored a training event in the Western Cape for 250 parents over two weeks with a specific focus on the required skills to communicate with special needs children to improve their education requirements.

School projects across the country




African Giant


Tomorrow Trust

ENVIRONMENTAL IMPACT AND INITIATIVES

Fairvest is committed to treating the environment with care and sensitivity and takes this responsibility seriously.

To this end, we have a number of solar and water projects in place to both limit our impact on the environment and to ensure ongoing organisational sustainability.


South View Shopping Centre

SOLAR PROJECTS

Load shedding continues to hamper economic growth and development in South Africa, with 2023 being a record year for the number of days of power cuts. In order to increase our energy resilience, Fairvest has implemented solar PV installations across our portfolio where feasible and practical. We will continue to expand our solar and backup power capabilities in a balanced manner.

Investing in renewable energy is also in line with our commitment to UN SGD 7: Affordable and Clean Energy.

7 AFFORDABLE AND CLEAN ENERGY

At the end of September 2023, the following solar plants were installed in the portfolio:

38 solar plants fully operational – 16MWp installed capacity

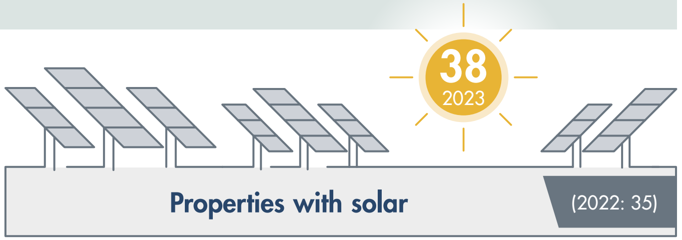
Solar plants produced 10.1% of the combined portfolio's electricity cost for the 12 months

R31.8 million of clean energy produced from October 2022 – September 2023

Combined value – **R288.1 million**

Our first ground mount solar farm of 1MWp at Cleary Park Shopping Centre was switched on in January 2023. Rooftop solar installations at Eersterust Shopping Centre of 402kWp was switched on in February 2023 and the 134kWp plant at Midrand IBG was switched on in March 2023

We have a further **12 approved plants in various stages of implementation** which will add 7.5MWp capacity



BACKUP POWER

The Group has developed a backup power strategy following the severe load shedding currently being experienced. Embedded in this strategy is the exploration of converting 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.

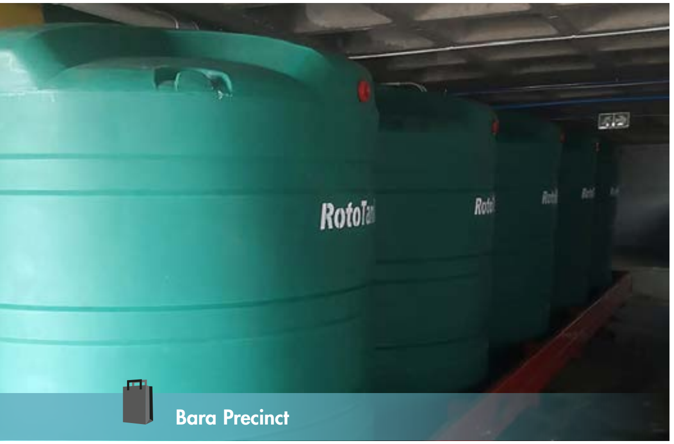
We commissioned three solar-generator integration projects at Midrand Gate, Access Park and Nyanga Junction and are currently exploring this integration at three more properties (Bedfordview, Mall@TheJunction and Cosmos).

We are exploring the feasibility of full backup battery-solar integration at two properties (1 Sturdee, Middestad). Part of the backup power strategy is the exploration of battery backup on a smaller/tenant level scale. We have 58 installed generators that is owned and operated by the Group, being 14.2MVA of installed capacity. This equates to 45% of the portfolio GLA having access to partial or full backup power. Another three generators are on order and a further nine in design phase through a consulting engineer. We have spent R15.5 million on diesel during the year of which 86.6% has been recovered from tenants. There are 146 tenant installed generators.

Access Park

ENVIRONMENTAL IMPACT AND INITIATIVES CONTINUED

WATER PROJECTS


Bara Precinct


Randburg Trevallyn

The Group is committed to responsible water stewardship in line with the UN SDG 6: Clean Water and Sanitation, with the assured security of water supply being of increasing importance as South Africa is acknowledged as being water scarce.

6 CLEAN WATER AND SANITATION

Security of water supply is under greater pressure given the lack of maintenance of key infrastructure by government, worsened by the impact of load shedding. This makes it essential for Fairvest to ensure that water is conserved wherever possible, used as efficiently as possible, and that water supply is assured to the extent possible. Both management and employees are becoming more aware of the importance of saving water, driven by real life examples such as Gauteng's current water situation, and increasing curtailment of water supply caused by load shedding and decaying infrastructure. Awareness has also been driven by the increased costs associate with water usage.

As at end September 2023 the Group completed the following water projects:

Strategic installation of smart monitoring equipment completed at **17 properties to enable early leak detection**

18 ground water harvesting plants are in operation, with a further two ground water harvesting projects currently in construction phase

We completed four water saving toilet projects in this financial period with one new water saving project currently in feasibility phase

Benchmarking on water usage across the portfolio is being implemented to identify high users and implement strategic savings

05

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS


Bara Precinct

NON-IFRS DISCLOSURE

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee ("the Committee") takes pleasure in presenting its report for the period ended 30 September 2023.

The Committee is an independent statutory committee and, in addition to having specific statutory responsibilities to the shareholders in terms of the Companies Act, also assists the Board through advising and making recommendations on financial reporting, risk management and internal financial controls, the external and internal audit functions as well as the statutory and regulatory compliance of the Group.

Responsibilities of the Committee include:

- Reviewing the effectiveness of the Group's system of internal financial controls.
- Reviewing and recommending the Integrated Report and Annual Financial Statements and any other financial information presented to shareholders and ensuring compliance with International Financial Reporting Standards, the JSE Listings Requirements (including consideration given to the JSE's "Reporting back on proactive monitoring of financial statements") and the requirements of the Companies Act.
- Monitoring the risk management framework adopted by the Group.
- Reviewing management's assessment of the Group's ability to continue as a going concern, which includes a cash flow and liquidity review.

The Committee has adopted formal terms of reference of its scope and responsibilities, delegated to it by the Board. The Committee follows an annual work plan to ensure all of its duties and responsibilities as set out in its terms of reference are dealt with. The Committee confirms that it has discharged its functions and complied with its terms of reference for the period ended 30 September 2023.

The Committee comprises four Independent Non-Executive Directors and is chaired by Ms NN Shange. The appointment of members of the Committee requires the approval of the shareholders at the Annual General Meeting ("AGM") each year. The Company Secretary acts as secretary to the Committee. The Executive Directors and the external auditors attended Audit Committee meetings by invitation.

The terms of reference require an annual evaluation of the performance of the Committee and its members, as well as confirmation of the members' independence in terms of King IV™ and the Companies Act. A formal evaluation of the Committee was performed during the year and the outcomes were satisfactory. Certain areas for improvements were identified and these will be incorporated during the next financial year. All members of the Committee are independent.

EXTERNAL AUDIT

The Company's incumbent external auditor, BDO South Africa Inc. have continued to serve as the Company's external auditor in respect of the current financial year ended 30 September 2023.

BDO South Africa Inc. have been the auditors of the Group since 15 March 2015. The current audit partner, Mr S Vittone, has been the engagement partner for five reporting periods, including the 2023 reporting period.

The Committee has assessed the independence, expertise and objectivity of BDO South Africa Inc. as the external auditor, as well as approved the fees paid to BDO South Africa Inc. The Committee has received confirmation from the external auditor that the partners and staff responsible for the audit comply with all legal and professional requirements with regard to independence. The Committee assessed the key audit matters as presented by BDO South Africa Inc. and agree that these items are the most significant for the audit.

The Committee has reviewed the information detailed in paragraph 22.15(h) of the JSE Listings Requirements and concluded that the external auditor and the engagement audit partner are suitable and have the requisite competence, expertise and experience to discharge their responsibilities.

BDO South Africa Inc.'s fee for the 2023 external audit amounts to R4 150 000.

The Audit and Risk Committee has recommended, and the Board has endorsed, the proposed appointment of Mazars as the external auditor of the Company, with Ms S Truter as the designated audit partner, for the financial year ending 30 September 2024. The change is due to the Company's decision to implement audit firm rotation on a voluntary basis, in spite of the recent ruling against mandatory audit firm rotation as proposed by the Independent Regulatory Board for Auditors.

Shareholders will be requested to approve the above appointment at the Company's next Annual General Meeting, which appointment, if approved by shareholders, will be effective from the date of the 2024 AGM.

NON-AUDIT SERVICES

The Group has a policy on non-audit services which can be provided by the appointed auditing firm, BDO South Africa Inc., and may only be appointed for non-audit services with the approval of the Committee. During the period under review R13 745 of non-audit services were provided by BDO South Africa Inc.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

INTERNAL AUDIT

The Committee continues to assess the requirement for an independent internal audit function as the Group grows. At this point in time, the Committee is satisfied that the size and complexity of the Group does not warrant an independent internal audit function.

INTERNAL CONTROL

The Committee is satisfied that an adequate system of internal control is in place to reduce significant financial risks faced by the Group to an acceptable level and that these controls have been effective throughout the period under review.

EVALUATION OF THE CHIEF FINANCIAL OFFICER

The Committee satisfied itself as to the appropriateness of the expertise and experience of the Group's Chief Financial Officer, Mr BJ Kriel. This is based on the qualifications, levels of experience, continuing professional development, education and the Board's assessment of the financial knowledge of the Chief Financial Officer.

The Committee is satisfied that the Board has performed a solvency and liquidity test on the Group and has concluded that the Group will satisfy the test after payment of the final distribution. The Committee can also confirm that the test was performed for the interim distribution.

The Committee will again evaluate the integrity of the Integrated Annual Report for 2023 and ensure that it is prepared using the appropriate reporting standards, which meet the requirements of King IV™ and the JSE Listings Requirements in order to recommend it to the Board for approval.

The Committee has evaluated the consolidated and separate financial statements of Fairvest Limited for the period ended 30 September 2023 and, based on the information provided to the Committee, considers that the Group has appropriate financial reporting procedures and that those procedures are operating and comply, in all material respects, with the requirements of the Companies Act, and International Financial Reporting Standards.

On behalf of the Audit and Risk Committee

NN Shange
Audit and Risk Committee Chairman

29 November 2023

CERTIFICATION BY THE COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I declare on behalf of FluidRock Co Sec Proprietary Limited that, since our appointment as Company Secretary on 14 October 2022 and to the best of our knowledge, the Company has filed all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices appear to be true, correct and up to date.

FluidRock Co Sec Proprietary Limited

29 November 2023

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and Companies Act. The external auditors are engaged to express an independent opinion on the financial statements.

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints. The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 30 September 2024 and, in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the Group's external auditors and their report is presented on pages 101 to 103.

The consolidated and separate financial statements set out on pages 104 to 160, which have been prepared on the going concern basis, were approved by the Board of Directors on 29 November 2023 and were signed on their behalf by:

N Mkhize
Chairman

DM Wilder
Chief Executive Officer

CEO AND CFO RESPONSIBILITY STATEMENT

Each Director, whose names are stated below, hereby confirms that:

- the consolidated and separate financial statements set out on pages 104 to 160, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and separate financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the consolidated and separate financial statements of the issuer; and
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and separate financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls; and
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving Directors.

DM Wilder
Chief Executive Officer

BJ Kriel
Chief Financial Officer

29 November 2023

DIRECTORS' REPORT

The Directors have pleasure in submitting their report on the consolidated and separate financial statements of Fairvest Limited and its subsidiaries for the year ended 30 September 2023.

1. NATURE OF BUSINESS

Fairvest Limited ("Fairvest") is a diversified South African Real Estate Investment Trust ("REIT") focused on creating long-term shareholder value.

Merger

The merger between Arrowhead Properties Limited ("Arrowhead") and Fairvest Property Holdings Limited ("Old Fairvest") was implemented during the prior reporting period (the "merger"). Arrowhead, the legal acquiring entity, was renamed Fairvest Limited.

The acquisition date in terms of the International Financial Reporting Standards ("IFRS") was 26 January 2022 as this was the date the accounting acquirer, Old Fairvest, obtained control of the accounting acquiree, Arrowhead. The merger is accounted for as a reverse acquisition in terms of IFRS 3. The comparative prior period results were therefore a continuation of Old Fairvest and represent the reporting period from 1 July 2021 to 30 September 2022, being a period of 15 months. Arrowhead was consolidated into the comparative prior period results from the IFRS acquisition date of 26 January 2022.

The Company results presented in these financial statements are those of Fairvest Limited.

Disposal of Indluplace

On 14 March 2023, Fairvest Limited provided an irrevocable undertaking to SA Corporate Real Estate Limited ("SA Corporate") in terms of which Fairvest Limited undertook to vote in favour of a scheme of arrangement in terms of which SA Corporate will make an offer to acquire the entire issued share capital of Indluplace for a cash consideration of R3.40 per Indluplace share. Fairvest, through a wholly owned subsidiary, was the majority shareholder of Indluplace and held 191 581 362 Indluplace shares, or circa 60.9% at that time.

The scheme was concluded on 31 July 2023 with the Group's investment in Indluplace being disposed of at this effective date.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate financial statements have been prepared in accordance with IFRS and the requirements of the Companies Act, No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Group are set out in these consolidated and separate financial statements.

3. SHARE CAPITAL

The Company's authorised share capital comprises 1 000 000 000 (2022: 1 000 000 000) A ordinary shares and 2 000 000 000 (2022: 2 000 000 000) B ordinary Fairvest shares of no par value. The Company's ordinary shares trade on the JSE and A2X.

As at 30 September 2023, there were 62 718 658 (2022: 62 718 658) A shares in issue and 1 495 747 091 (2022: 1 494 142 831) B shares in issue.

During the year under review 1 604 260 new Fairvest B shares were issued on 29 December 2022 pursuant the Conditional Share Plan.

4. DIVIDENDS

On 29 November 2022 the Board had resolved to declare a final dividend of 64.70 cents per A share and 21.96 cents per B share. The total final dividend of R361.4 million was paid on 28 December 2022.

On 31 May 2023 the Board had resolved to declare an interim dividend of 64.60 cents per A share and 20.97 cents per B share. The total interim dividend of R340.4 million was paid on 26 June 2023.

On 28 November 2023 the Board has resolved to declare a final dividend of 67.94 cents per A share and 20.32 cents per B share. The total final dividend of R319.3 million will be paid after year end.

5. DIRECTORATE

The Directors in office at the date of this report are as follows:

Name and title	Executive/Non-Executive	Changes
LW Andrag	Independent Non-Executive	
AI Basserabie	Independent Non-Executive	Resigned 30 September 2023
ML Buya	Independent Non-Executive	Appointed 01 October 2023
FC Futwa	Independent Non-Executive	Appointed 01 October 2023
BJ Kriel (Chief Financial Officer)	Executive	
N Mkhize (Chairman)	Independent Non-Executive	
KR Nkuna	Independent Non-Executive	
NN Shange	Independent Non-Executive	
JF du Toit	Independent Non-Executive	
Adv JD Wiese	Independent Non-Executive	
DM Wilder (Chief Executive Officer)	Executive	

DIRECTORS' REPORT CONTINUED

6. DIRECTORS' INTERESTS IN SHARES

As at 30 September 2023, the Directors of the Company held direct and indirect beneficial interests in its issued ordinary shares, as set out below.

Interests in shares

		2023 Direct	2022 Direct	**2023 Indirect**	2022 Indirect
Executive Directors					
DM Wilder	B shares	**–**	–	**8 289 424**	7 619 424
BJ Kriel	B shares	**–**	–	**12 820 389**	12 820 389
Non-Executive Directors					
AI Basserabie	A shares	**170 000**	215 000	**–**	–
AI Basserabie	B shares	**2 243**	2 243	**–**	–
NN Shange	B shares	**22 239**	22 239	**–**	–
		194 482	239 482	**21 109 813**	20 439 813

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

7. DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, no contracts were entered into which Directors or officers of the Group had an interest and which significantly affected the business of the Group.

8. GOING CONCERN

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate financial statements have been prepared on a going concern basis. The Directors are satisfied that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The Directors are not aware of any new material changes that may adversely impact the Group. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

At face value the current liabilities are higher than the current assets. However, all debt facilities expiring for the 2024 financial year are expected to be refinanced or outright settled given the Group's strong undrawn unrestricted debt facilities on hand of R917.1 million at 30 September 2023. Furthermore the Group has concluded property sales agreements in excess of R307.3 million of which one to the value of R31.5 million has already transferred subsequent to year end with the balance expected to transfer in the next 12 months.

9. AUDITORS

BDO South Africa Incorporated continued in office as auditors for the Company and its subsidiaries for 2023.

The Audit and Risk Committee has recommended, and the Board has endorsed, the proposed appointment of Mazars as the external auditor of the Company, with Susan Truter as the designated audit partner, for the financial year ending 30 September 2024. The change is due to the Company's decision to implement audit firm rotation on a voluntary basis in spite of the recent ruling against mandatory audit firm rotation as proposed by the Independent Regulatory Board for Auditors.

10. SECRETARY

FluidRock Co Sec Proprietary Limited was appointed as the Company Secretary on 14 October 2022.

Business address:

Unit 5, Berkley Office Park
8 Bauhinia Street
Highveld Technopark, Centurion
0169

11. GROUP STRUCTURE

The Company's major direct and indirect subsidiaries are listed in the table below:

Name of subsidiary	**Ownership %**
Arrowgem Limited	**100.0**
Cumulative Properties Limited	**100.0**
Fairvest Property Holdings Limited	**100.0**
Vividend Income Fund Limited	**100.0**

The investment in Indluplace Properties Limited was disposed of in the current financial year.

DIRECTORS' REPORT CONTINUED

12. LIQUIDITY AND SOLVENCY

The Directors have performed the required liquidity and solvency tests required by the Companies Act, No. 71 of 2008, and have satisfied themselves with the following:

- the Company is liquid, that is, able to cover its short-term obligations as they fall due over the next 12 months; and
- solvent, that is, the assets of the Company, as fairly valued, exceed the liabilities of the Company, as fairly valued.

13. SPECIAL RESOLUTIONS

The following special resolutions were passed at the Annual General Meeting of Fairvest shareholders held on 28 February 2023:

- Share repurchases by Fairvest and its subsidiaries
- Financial assistance in terms of section 45 of the Companies Act
- Approval of fees payable to Non-Executive Directors
- Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related Company.

Refer 2022 Notice of Annual General Meeting for further details of these resolutions.

14. EVENTS AFTER THE REPORTING PERIOD

Dividends

On 28 November 2023 the Board has resolved to declare a final dividend of 67.94 cents per A share and 20.32 cents per B share. The total final dividend of R319.3 million will be paid after year end.

The Directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fairvest Limited and its subsidiaries

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Fairvest Limited and its subsidiaries (the group and company) set out on pages 104 to 160, which comprise the consolidated and separate statements of financial position as at 30 September 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Fairvest Limited and its subsidiaries as at 30 September 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key audit matter	**How our audit addressed the key audit matter**
Valuation of Investment Property (Group and Company) – Note 4 Investment property is the group's and company's most significant asset and is fair valued on an annual basis. Valuations are prepared by either management or independent valuators, using the discounted cash flow methodology. These valuations are reviewed by the respective directors of the group. Forecasting future cash flows, or net operating income and applying an appropriate discount inherently involves a high degree of estimation uncertainty and judgement. Due to the significance of the balance to the financial statements, combined with judgement and estimates associated with calculating the fair value, this has been determined to be a matter of most significance in our audit of the consolidated and separate financial statements of the current year.	Our audit procedures performed included, among others, the following: ▪ We identified key controls implemented over the investment property valuations and assessed the design and implementation of these controls; ▪ We assessed the competence, capabilities, and objectivity of the independent valuators through discussions, inspection of their qualifications, as well as through obtaining signed declarations confirming their objectivity ; ▪ We assessed the competence and capabilities of management and the respective directors who perform and/or review the internal valuations with reference to their qualifications and experience in property valuation; ▪ We selected a sample of property valuations and, with the support of our internal and external valuation expertise: – Evaluated the significant inputs and assumptions applied by the external valuators and management, in particular those relating to the discount and growth rates, by comparing to historical information, independent market data and our knowledge of the client and industry; – Evaluated the reasonability of the forecast financial information used for the various properties by comparing the forecast 2024 net income to actual net income achieved in 2023; – Assessed vacancy assumptions against current and historical vacancies levels of the property; – Assessed forecast rental escalations against published industry information obtained from the latest South African Property Owners Association ("SAPOA") reports as well as escalation clauses per current lease agreements; and – Made enquiries on all significant differences with management and noted valid reasons for significant differences for which corroborative evidence was obtained; ▪ We assessed the adequacy of the disclosures in the financial statements in relation to the requirements of International Financial Reporting Standards.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Fairvest Limited and its subsidiaries Consolidated and Separate Financial Statements for the year ended 30 September 2023", which includes the Directors' Report, the Audit and Risk Committee's Report and the Certification by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the "Integrated Annual Report 2023", which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT CONTINUED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Fairvest Limited and its subsidiaries for 10 years.

BDO South Africa Incorporated
Registered Auditors

Sergio Vittone
Director
Registered Auditor

29 November 2023

Wanderers Office Park
52 Corlett Drive
Illovo
2196

STATEMENT OF FINANCIAL POSITION

as at 30 September 2023

		Group		Company	
Figures in Rand thousand	Note(s)	2023	2022	2023	2022
Assets					
Non-current assets					
Investment property		11 654 335	14 872 881	2 043 718	2 095 881
Investment property – Fair value of property portfolio	4	11 517 452	14 679 221	2 033 211	2 078 824
Investment property – Straight-line rental income accrual	5	136 883	193 660	10 507	17 057
Right-of-use assets	6	1 897	2 740	–	–
Deferred tax	7	–	2 568	–	–
Property, plant and equipment	9	705	4 446	403	308
Loans to participants of group share purchase option schemes	10	62 409	105 642	23 918	23 470
Financial assets	11	199 054	196 816	4 599	4 599
Investments in subsidiaries	12	–	–	6 150 482	6 799 523
Derivative financial instruments	13	23 477	36 102	19 636	5 015
Loans receivable	14	12 784	13 780	–	–
		11 954 661	15 234 975	8 242 756	8 928 796
Current assets					
Loans to group companies	12	–	–	2 292 070	1 317 234
Trade and other receivables	16	228 060	218 252	36 661	32 177
Derivative financial instruments	13	11 745	–	–	–
Current tax receivable		3	9	–	9
Loans receivable	14	26 004	118 677	–	–
Amounts owing by non-controlling interests	15	–	24 186	–	–
Cash and cash equivalents	17	106 763	134 569	25 713	15 414
		372 575	495 693	2 354 444	1 364 834
Non-current assets held for sale	8	307 250	584 074	227 000	168 000
Total assets		12 634 486	16 314 742	10 824 200	10 461 630

		Group		Company	
Figures in Rand thousand	Note(s)	2023	2022	2023	2022
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Share capital	18	5 169 939	5 269 499	6 572 900	6 572 393
Share-based payments reserves	19	22 882	14 564	22 882	11 506
Retained income		2 520 653	3 125 101	1 036 180	1 747 273
		7 713 474	8 409 164	7 631 962	8 331 172
Non-controlling interest	48	32 828	984 874	–	–
		7 746 302	9 394 038	7 631 962	8 331 172
Liabilities					
Non-current liabilities					
Deferred tax	7	3 915	3 915	–	–
Interest-bearing borrowings	20	3 771 559	3 549 738	2 379 054	517 006
Lease liabilities	21	40 465	71 649	–	31 672
Derivative financial instruments	13	–	884	–	–
Deposits received	22	82 000	64 052	23 490	17 245
Amounts owing to non-controlling interests	23	25 374	22 807	–	–
		3 923 313	3 713 045	2 402 544	565 923
Current liabilities					
Loans from group companies	12	–	–	671 586	869 491
Interest-bearing borrowings	20	430 262	2 570 313	–	570 281
Derivative financial instruments	13	–	3 385	–	–
Lease liabilities	21	2 287	11 063	–	8 449
Trade and other payables	24	502 269	596 879	118 108	116 314
Amounts owing to non-controlling interests	23	30 053	26 019	–	–
		964 871	3 207 659	789 694	1 564 535
Total liabilities		4 888 184	6 920 704	3 192 238	2 130 458
Total equity and liabilities		12 634 486	16 314 742	10 824 200	10 461 630

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 September 2023

		Group		Company	
Figures in Rand thousand		**12 months ended 30 September 2023**	Restated 15 months ended 30 September 2022#	**12 months ended 30 September 2023**	12 months ended 30 September 2022
Continuing operations					
Revenue	25	**1 920 938**	1 584 901	**351 170**	345 929
Straight-line rental income accrual	5	**(11 056)**	(19 578)	**(652)**	(18 090)
Sundry income		**4 942**	19 329	**–**	–
Property income		**1 914 824**	1 584 652	**350 518**	327 839
Operating costs		**(789 878)**	(653 639)	**(137 280)**	(139 384)
Administration costs		**(114 793)**	(95 371)	**(105 116)**	(79 650)
Contract cancellation fees	26	**–**	(133 873)	**–**	–
Profit from operations	27	**1 010 153**	701 769	**108 122**	108 805
Finance income	28	**24 330**	38 549	**4 448**	4 474
Finance charges	28	**(456 696)**	(332 556)	**(147 420)**	(85 639)
Dividends received	29&30	**25 901**	24 167	**724 500**	710 217
Changes in fair values and impairments	31	**63 977**	425 327	**(677 495)**	166 584
Gain on bargain purchase	38	**–**	1 406 658	**–**	–
Capital expenses	32	**(411)**	(74 556)	**(411)**	(51 656)
Profit/(loss) before taxation		**667 254**	2 189 358	**11 744**	852 785
Income tax expense	33	**–**	1 445	**–**	(22 848)
Profit from continuing operations		**667 254**	2 190 803	**11 744**	829 937
Discontinued operations					
Loss from discontinued operations	34	**(539 462)**	(27 563)	**–**	–
Profit for the year		**127 792**	2 163 240	**11 744**	829 937
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income/(loss) for the year		**127 792**	2 163 240	**11 744**	829 937
Profit attributable to:					
Equity shareholders of Fairvest Limited		**115 360**	2 109 617	**11 744**	829 937
Non-controlling interest	48	**12 432**	53 623	**–**	–
		127 792	2 163 240	**11 744**	829 937

		Group		Company	
Figures in Rand thousand		**12 months ended 30 September 2023**	Restated 15 months ended 30 September 2022#	**12 months ended 30 September 2023**	12 months ended 30 September 2022
Total comprehensive income attributable to:					
Equity shareholders of Fairvest Limited		**96 307**	2 120 367	**11 744**	829 937
Non-controlling interest	48	**31 485**	42 873	**–**	–
		127 792	2 163 240	**11 744**	829 937
From continuing operations:					
Basic earnings per A share in issue*	35	**120.19**	206.28		
Basic earnings per B share in issue*	35	**40.12**	193.49		
Diluted earnings per A share in issue*	35	**120.19**	206.28		
Diluted earnings per B share in issue*	35	**39.49**	191.16		
From discontinued operations:					
Basic (loss) earnings per A share in issue*	35	**(31.07)**	0.61		
Basic loss per B share in issue*	35	**(37.33)**	(1.66)		
Diluted (loss) earnings per A share in issue*	35	**(31.07)**	0.61		
Diluted loss per B share in issue*	35	**(37.33)**	(1.66)		
In total:					
Basic earnings per A share in issue*	35	**89.12**	206.89		
Basic earnings per B share in issue*	35	**2.80**	191.84		
Diluted earnings per A share in issue*	35	**89.12**	206.89		
Diluted earnings per B share in issue*	35	**2.75**	189.52		

* *Refer to note 35: Restatement of earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share for details of the restatement.*

\# *The Group comparative reporting period has been restated pursuant to the disposal of the Group's investment in Indluplace Properties Limited which has been reclassified as a discontinued operation. This restatement also applies to the notes, as applicable.*

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 September 2023

	Group					
Figures in Rand thousand	Share capital	Share-based payments reserve	Retained income	Total attributable to equity holders of the Group/Company	Non-controlling interest	Total equity
Balance at 1 July 2021	750 474	–	1 524 458	2 274 932	166 592	2 441 524
Profit for the year	–	–	2 120 367	2 120 367	42 873	2 163 240
Other comprehensive income	–	–	–	–	–	–
Shares issued	41 782	–	–	41 782	–	41 782
Issue of shares as a result of reverse acquisition of Arrowhead	4 477 243	–	–	4 477 243	–	4 477 243
Reserves acquired as a result of the reverse acquisition of Arrowhead	–	9 250	–	9 250	845 971	855 221
Acquisition of non-controlling interest	–	–	–	–	(30 124)	(30 124)
Employee share schemes – value of employee services	–	5 314	–	5 314	915	6 229
Dividends paid	–	–	(519 724)	(519 724)	(41 353)	(561 077)
Total contributions by and distributions to owners of Company recognised directly in equity	4 519 025	14 564	(519 724)	4 013 865	775 409	4 789 274
Balance at 30 September 2022	5 269 499	14 564	3 125 101	8 409 164	984 874	9 394 038
Profit for the year	**–**	**–**	**96 307**	**96 307**	**31 485**	**127 792**
Other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
Share buy-backs	**(100 067)**	**–**	**–**	**(100 067)**	**–**	**(100 067)**
Employee share schemes – value of employee services (net of leavers)	**–**	**14 246**	**–**	**14 246**	**–**	**14 246**
Employee share schemes – shares vested	**507**	**(2 870)**	**–**	**(2 363)**	**–**	**(2 363)**
Acquisition of non-controlling interest	**–**	**–**	**1 878**	**1 878**	**(126 636)**	**(124 758)**
Dilution of shareholding in subsidiary	**–**	**–**	**(907)**	**(907)**	**2 037**	**1 130**
Disposal of interest in Indluplace (note 34)	**–**	**(3 058)**	**–**	**(3 058)**	**(797 815)**	**(800 873)**
Dividends paid	**–**	**–**	**(701 726)**	**(701 726)**	**(61 117)**	**(762 843)**
Total contributions by and distributions to owners of Company recognised directly in equity	**(99 560)**	**8 318**	**(700 755)**	**(791 997)**	**(983 531)**	**(1 775 528)**
Balance at 30 September 2023	**5 169 939**	**22 882**	**2 520 653**	**7 713 474**	**32 828**	**7 746 302**
Note(s)	18	19			48	

STATEMENT OF CHANGES IN EQUITY CONTINUED

for the period ended 30 September 2023

	Company			
Figures in Rand thousand	Share capital	Share-based payments reserve	Retained income	Total equity
Balance at 1 October 2021	4 570 278	8 572	1 804 055	6 382 905
Profit for the year	–	–	829 937	829 937
Other comprehensive income	–	–	–	–
Shares issued	2 002 115	–	–	2 002 115
Employee share schemes – value of employee services	–	2 934	–	2 934
Dividends paid	–	–	(886 719)	(886 719)
Total contributions by and distributions to owners of Company recognised directly in equity	2 002 115	2 934	(886 719)	1 118 330
Balance at 1 October 2022	6 572 393	11 506	1 747 273	8 331 172
Profit for the year	**–**	**–**	**11 744**	**11 744**
Other comprehensive income	**–**	**–**	**–**	**–**
Employee share schemes – value of employee services	**–**	**14 246**	**–**	**14 246**
Employee share scheme – shares vested during the period	**507**	**(2 870)**	**–**	**(2 363)**
Dividends paid	**–**	**–**	**(722 837)**	**(722 837)**
Total contributions by and distributions to owners of Company recognised directly in equity	**507**	**11 376**	**(722 837)**	**(710 954)**
Balance at 30 September 2023	**6 572 900**	**22 882**	**1 036 180**	**7 631 962**
Note(s)	18	19		

STATEMENT OF CASH FLOWS

for the period ended 30 September 2023

		Group		Company	
Figures in Rand thousand	Note(s)	12 months ended 30 September 2023	Restated 15 months ended 30 September 2022#	12 months ended 30 September 2023	12 months ended 30 September 2022
Cash flows from operating activities					
Cash generated from operations	36	1 033 564	714 241	115 551	54 274
Cash generated from operations – discontinued operations	34	161 379	99 217	–	–
Finance charges		(451 126)	(325 169)	(139 579)	(83 232)
Finance income received		17 743	5 550	2 003	2 833
Dividends received		25 901	24 167	–	–
Tax received	37	6	604	9	623
Dividends paid – non-controlling interest		(32 534)	(16 126)	–	–
Dividends paid		(701 726)	(519 724)	(722 837)	(886 719)
Net cash from/(used in) operating activities		53 207	(17 240)	(744 853)	(912 221)
Cash flows from investing activities					
Acquisition of property, plant and equipment	9	(282)	(782)	(267)	(284)
Acquisition of and improvements to investment property	4	(190 265)	(92 334)	(45 902)	(35 216)
Proceeds from disposal of investment property (including held for sale)	4&8	334 370	65 546	–	(1 010)
Disposal of Indluplace	34	537 561	–	–	–
Business combinations	38	–	133 109	–	–
Loans to group companies repaid		–	–	1 552 834	608 675
Loans advanced to group companies		–	–	(1 892 170)	–
Advances paid to loans receivable		(1 286)	(30 433)	–	–
Proceeds from repayments of loans receivable		9 050	164 087	–	–
Amounts owing by non-controlling interests raised		(508)	(16 192)	–	–
Repayment of amounts owing by non-controlling interests		–	1 742	–	–
Net cash outflow from investing activities – discontinued operations	34	(13 401)	(16 221)	–	–
Net cash from/(used in) investing activities		675 239	208 522	(385 505)	572 165

		Group		Company	
Figures in Rand thousand	Note(s)	12 months ended 30 September 2023	Restated 15 months ended 30 September 2022#	12 months ended 30 September 2023	12 months ended 30 September 2022
Cash flows from financing activities					
Buy back of share capital		(100 008)	–	–	–
Proceeds from loans from group companies	39	–	–	476 572	233 997
Repayment of loans from group companies	39	–	–	(585 476)	–
Proceeds from borrowings	39	3 625 770	2 479 646	2 903 461	788 589
Repayment of borrowings	39	(4 196 217)	(2 387 203)	(1 613 779)	(738 697)
Amounts owing to non-controlling interests raised	39	417	402	–	–
Amounts owing to non-controlling interests repaid	39	(11 575)	(59 207)	–	–
Payment on lease liabilities	39	(40 842)	(6 133)	(40 121)	–
Proceeds from other borrowings	39	–	–	–	25 884
Repayment of other borrowings	39	–	–	–	(6 953)
Net cash outflow from financing activities – discontinued operations	34	(10 486)	(71 767)	–	–
Acquisition of additional interest in subsidiary	40	(23 311)	(27 713)	–	–
Net cash (used in)/from financing activities		(756 252)	(71 975)	1 140 657	302 820
Total cash movement for the period		(27 806)	119 307	10 299	(37 236)
Cash at the beginning of the period		134 569	15 262	15 414	52 650
Total cash at the end of the period	17	106 763	134 569	25 713	15 414

The Group comparative reporting period has been restated pursuant to the disposal of the Group's investment in Indluplace Properties Limited which has been reclassified as a discontinued operation. This restatement also applies to the notes, as applicable.

ACCOUNTING POLICIES

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated and separate financial statements are prepared on the historical cost basis, except for investment properties, investment property held for sale and certain financial instruments which are carried at fair value, and incorporate the principal accounting policies, which conform with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC") and the requirements of the Companies Act, No. 71 of 2008 and the JSE Listings Requirements.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS, the JSE Listings Requirements, SA REIT Association Best Practice Recommendations and the requirements of the Companies Act, No. 71 of 2008.

These accounting policies are consistent with the previous period.

The merger between Arrowhead Properties Limited ("Arrowhead") and Fairvest Property Holdings Limited ("Old Fairvest") was implemented during the prior reporting period and has been accounted for as a reverse acquisition of Arrowhead by Old Fairvest. The prior period results are therefore a continuation of Old Fairvest and represent the reporting period from 1 July 2021 to 30 September 2022, being a period of 15 months. Arrowhead has been consolidated into the prior period results from the IFRS acquisition date of 26 January 2022.

1.2 CONSOLIDATION

Basis of consolidation

The Group financial statements include those of the holding company and enterprises controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an investee enterprise.

An investor controls an investee when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

(a) power over the investee;
(b) exposure or rights to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the Group and all entities controlled by the Group. Inter-company transactions, balances and unrealised profits or losses between group companies are eliminated on consolidation.

In the separate financial statements of the Company, investments in subsidiaries are accounted for at cost and adjusted for impairment if applicable.

Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies of the entities so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the Group and all entities controlled by the Group. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss from the date of acquisition or up to the date of disposal. Inter-company transactions, balances and unrealised profits or losses between group companies are eliminated on consolidation.

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Reverse acquisition accounting

In a business combination effected primarily by exchanging equity interests, the acquirer is usually the entity that issues its equity interests.

However, in some business combinations, commonly called "reverse acquisitions", the issuing entity is the acquiree.

Pertinent facts and circumstances that have been considered in identifying the acquirer in a business combination effected by exchanging equity interests, which included:

(a) the relative voting rights in the combined entity after the business combination
(b) the existence of a large minority voting interest in the combined entity if no other owner or organised group of owners has a significant voting interest
(c) the composition of the governing body of the combined entity
(d) the composition of the senior management of the combined entity
(e) the terms of the exchange of equity interests

The consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (accounting acquiree, Arrowhead) but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer, Old Fairvest), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquiree.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.2 CONSOLIDATION CONTINUED

The following judgemental factors were considered in identifying the acquirer:

- The acquirer is usually the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. Due to the commonality in shareholders across Arrowhead and Old Fairvest, there will be no change in the specific shareholders who will have the largest portion of voting rights in the Combined Group.
- After the implementation of the transaction, Old Fairvest's Chief Executive Officer and Chief Financial Officer continued in their respective roles in the Combined Group. Furthermore, five of the seven Non-Executive Directors from the Old Fairvest Board of Directors were appointed to the Fairvest Board.
- The transaction was initiated by Old Fairvest. Further the transaction was both led by Old Fairvest and controlled by Old Fairvest.

The following judgemental factors were considered in determining the acquisition date:

- In the Old Fairvest/Arrowhead transaction the effective date was contractually agreed to be 1 October 2021.
- The effective date from an accounting perspective would only be once the acquirer obtains control of the acquiree. In a listed environment, where shareholder approval is required for the implementation of the transaction, this effective date cannot be earlier than the shareholder approval date. Another factor considered was the date at which the acquirer obtains the ability to change the directors of the entity, which it would not have the power to do before the shareholder approval. In this case the effective date, considering these factors, was determined to be 25 January 2022, after shareholder approval was received, and the shares in the transaction were issued.

Disposal of Indluplace

On 14 March 2023, Fairvest Limited provided an irrevocable undertaking to SA Corporate Real Estate Limited ("SA Corporate") in terms of which Fairvest Limited undertook to vote in favour of a scheme of arrangement in terms of which SA Corporate will make an offer to acquire the entire issued share capital of Indluplace for a cash consideration of R3.40 per Indluplace share. Fairvest, through a wholly owned subsidiary, was the majority shareholder of Indluplace and held 191 581 362 Indluplace shares, or circa 60.9% at that time.

The scheme was concluded on 31 July 2023 with the Group's investment in Indluplace being disposed of at this effective date. This is considered the effective date of the transaction as it is the date the proceeds of the disposal were received, Fairvest's representative on the Indluplace board resigned and the date the Indluplace shares delisted from the JSE and transferred to SA Corporate.

Indluplace is considered a discontinued operation as it represents a separate major line of business, being the residential component of the Group.

1.3 FINANCIAL INSTRUMENTS

Financial instruments are recognised on the statement of financial position when the Group becomes party to the contractual provisions of the instrument. The Group initially recognises a financial instrument as a financial asset, a financial liability or as an equity instrument in accordance with the substance of the contractual arrangement.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are initially measured at fair value and in the case of those not measured at fair value through profit or loss, the transaction costs are capitalised. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

Trade and other receivables

Trade and other receivables are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are presented net of an allowance for expected credit losses ("ECL"). The Group has adopted the general approach for financial assets measured at amortised cost: a three-stage approach based on the deterioration in the credit risk of a financial asset. Movements in the allowance are recognised in profit or loss. Unrecoverable amounts are written off against the allowance account. Subsequent recoveries of previously written off amounts are credited to profit or loss.

The Group and Company applied the general approach on all receivables. The Group uses its historical experience, external indicators and forward-looking information to calculate the ECLs.

Using the general approach the ECL model separates the assessment for impairment requirements into three stages as follows:

(a) On origination of the financial instrument, or should credit risk not increase significantly, 12-month ECLs are recognised.
(b) If the credit risk increases significantly and resulting credit quality is not considered low risk, lifetime ECLs are recognised.
(c) If the credit risk increases and the asset is considered impaired, lifetime ECLs are recognised, as in stage 2.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.3 FINANCIAL INSTRUMENTS CONTINUED

Any expected credit losses recognised are presented in other operating expenses and income due to these losses not being material.

The Group considers the trade receivables in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Trade receivables with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are highly liquid, short-term investments that are readily convertible to known amounts of cash. These investments are subject to insignificant risk in change in value. Cash and cash equivalents are measured at amortised cost that approximates fair value.

Loans to participants of the Fairvest and Indluplace Unit Purchase and Option Scheme

Loans to participants of the Fairvest and Indluplace Share Purchase and Option Schemes consist of shares issued to the Directors and employees of Fairvest and Indluplace at market value.

The loans are measured at fair value through profit and loss in accordance with IFRS 9: *Financial Instruments.*

The loans bear interest either at the Company's effective rate of borrowings (in respect of earlier loans by Fairvest) or in respect of more recent loans by Fairvest and Indluplace at a rate equal to the dividends paid by the Company.

Loans to subsidiaries

Loans to subsidiaries are initially recognised at cost and are subsequently measured at amortised cost using the effective interest rate method.

Expected credit losses are determined using the general approach. A default event occurs when the specific subsidiaries are no longer able to fully settle their obligation with reference to their net asset position as well as cash flow and liquid asset position. A deterioration of these factors would indicate a significant increase in credit risk. An expected credit loss is then provided for to the extent that the subsidiary has a net liability or net liquid liability deficit taken together with relevant forward-looking factors which may improve or worsen this net deficit.

Default is defined as interest and/or principal repayments being past due.

Write-off is defined as interest and/or principal repayments being past due and there is no reasonable expectation of recovery.

Investments in listed and unlisted securities

Investments in listed and unlisted securities are initially measured at fair value. Investments in listed and unlisted securities are subsequently measured at fair value through profit and loss.

Amounts owing by non-controlling-interests

Amounts owing by non-controlling interests are subsequently measured at amortised cost using the effective interest method, adjusted for any loss allowance in the case of loans to non-controlling interests. The Group adopts the general approach to measuring expected credit losses.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Default is defined as interest and/or principal repayments being past due.

Write-off is defined as interest and/or principal repayments being past due and there is no reasonable expectation of recovery.

Loans receivable

Loans receivable are classified as financial assets subsequently measured at amortised cost using the effective interest method since the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and our business model is to collect the contractual cash flows on these loans. The Group applies the general approach to measuring ECL.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.3 FINANCIAL INSTRUMENTS CONTINUED

Default is defined as interest and/or principal repayments being past due.

Write-off is defined as interest and/or principal repayments being past due and there is no reasonable expectation of recovery.

Financial liabilities

Loans from subsidiaries

Loans from subsidiaries are initially recognised at cost and are subsequently measured at amortised cost using the effective interest rate method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised at amortised cost using the effective interest rate method. Any raising costs that are incurred on interest-bearing borrowings are offset against the debt balance and recognised as additional interest using the effective interest rate method over the term of the loan.

The finance cost is recognised in profit or loss in the period in which it accrues.

Amounts owing to non-controlling interests

Amounts owing to non-controlling interests are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, with gains or losses being recognised in profit or loss.

Where the carrying amounts of short-term financial instruments carried at amortised cost approximate their amortised cost values and the impact of discounting is not considered to be material, no discounting is applied.

Derivative instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from its financing activities. Derivative financial instruments are initially recognised at fair value. Derivative financial instruments are subsequently measured at fair value through profit and loss. The gain or loss on remeasurement to fair value is recognised in profit or loss. The Group holds interest rate swaps. The fair value of the interest rate swap is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counter parties.

1.4 INVESTMENT PROPERTY – FAIR VALUE OF PROPERTY PORTFOLIO

Investment property is initially recorded at cost and includes transaction costs on acquisition. Subsequent expenditure to add to or replace a part of the property is capitalised at cost.

Investment property is valued annually and adjusted to fair value as at statement of financial position date.

Independent valuations are obtained on a rotational basis, ensuring that every property is valued at least once every three years by an external independent valuer. The remaining properties are valued by the Directors as at reporting date on an open market basis.

The proposed net profit budget relating to each internally valued property for the following five years is used in conjunction with a discounted cash flow model to calculate the fair value adjustment of the investment property. The discount and capitalisation rate used in the discounted cash flow calculation reflects the risks anticipated in the geographical area.

Immediately prior to disposal of an investment property, the investment property is revalued to the fair value less cost of disposal and such revaluation is recognised in profit or loss during the period in which it occurs. Any gain or loss on disposal of investment property is recognised in profit or loss.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment.

Property, plant and equipment is depreciated on a straight-line basis over the current useful lives of the assets. The estimated useful lives of the assets are:

- Computer equipment – 3 years
- Furniture, fittings and equipment – 3 years
- Leasehold property – 5 years
- Motor vehicles – 5 years

The useful lives and residual values are reassessed at the end of each reporting period and adjusted if necessary.

Subsequent expenditure relating to an item of equipment is capitalised when it is probable that future economic benefits will flow to the entity and the cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Any gain or loss on disposal of office equipment is recognised in profit or loss.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.6 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

The entity is a real estate investment trust ("REIT") and current tax and deferred tax are accounted for accordingly. On this basis, dividends paid to shareholders are allowable as a tax deduction and no deferred tax is provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not a business combination.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not a business combination.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 LEASES

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance charges.

Right-of-use assets

Right-of-use assets are presented within investment property as well as separately on the Statement of Financial Position depending on the nature of the asset.

Right-of-use assets are measured at cost, which includes:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date (less any lease incentives received)
- Any initial direct costs incurred by the Group

Right-of-use assets are subsequently measured at fair value.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.7 LEASES CONTINUED

Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The various lease and non-lease components of contracts containing leases are accounted for separately. Utility recoveries are recognised over the period for which the services are rendered. The Group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.8 NON-CURRENT ASSETS HELD FOR SALE

Non-current assets that are expected to be recovered primarily through sale rather than continuing use, are classified as held for sale. Investment property classified as held for sale is measured in terms of IAS 40: *Investment Property* at fair value with gains and losses on subsequent measurement being recognised in profit or loss.

1.9 SHARE CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares or in connection with share buy-backs are shown as a deduction in equity from the proceeds.

1.10 SHARE-BASED PAYMENTS

Eligible employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black-Scholes-Merton Model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the years in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a year represents the movement in the cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the Group is obligated, in terms of tax legislation, to withhold an amount of employees' tax associated with an equity-settled share-based payment transaction (thus creating a net settlement feature), the full transaction is still accounted for as an equity-settled share-based payment transaction.

1.11 INCOME RECOGNITION

(a) Property portfolio income

Property portfolio revenue comprises operating lease income and operating cost recoveries from the letting of investment property. Operating lease income is recognised on a straight-line basis over the term of the lease. Operating cost recoveries are recognised two months in arrears from incurring the expense and accruals are provided at year end to account for a full 12 months worth of operating cost recoveries. Contingent rents (turnover rentals) are included in revenue when the amount can be reliably measured.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

(c) Dividend income from investments

Dividends are recognised as revenue, when the Company's right to receive payment has been established.

ACCOUNTING POLICIES CONTINUED

for the period ended 30 September 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

1.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. The recoverable amount is determined as the higher of fair value less costs to sell or value in use. Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses and the reversal of impairment losses are recognised in profit or loss. An impairment loss is only reversed if there is an indication that the impairment loss no longer exists and the recoverable amount increases as a result of a change in estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

1.13 EMPLOYEE SHORT-TERM BENEFITS

The cost of all short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

1.14 LETTING COSTS

Installations and lease commissions are carried at cost less accumulated amortisation.

Amortisation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

1.15 BORROWING COSTS

The capitalisation rate is arrived at by reference to the actual rate payable. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

1.16 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The operating results are reviewed regularly by executive management to make decisions about and to assess the performance of the segment.

On a primary basis the operations are organised into geographical major business segments. The operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker (executive management).

1.17 KEY ESTIMATES AND ASSUMPTIONS

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported with respect to the Group's assets, liabilities, income and expenses. Judgement in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates. Information on the key estimates and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statements:

- Accounting policies – notes 1.4 – Investment property, 1.12 – Impairment of non-financial assets
- Investment property valuation – note 4
- Insignificant portion of investment property owner occupied – note 4
- Recognition of deferred taxation assets – note 7
- Loans to participants of group share purchase option schemes – note 10
- Impairment of investment in subsidiaries – note 12
- Impairment of loans receivables – note 14
- Impairment of receivables – note 16

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the period ended 30 September 2023

2. NEW OR REVISED STANDARDS AND INTERPRETATIONS APPLICABLE TO THE COMPANY IN THE CURRENT YEAR

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Annual Improvements to IFRS: 2018-2020 Cycle

In May 2020, the IASB issued minor amendments to IFRS 1: *First-time Adoption of International Financial Reporting Standards*, IFRS 9: *Financial Instruments*, IAS 41: *Agriculture and the Illustrative Examples* accompanying IFRS 16: *Leases*. The effective date of the amendment is for years beginning on or after 1 January 2022 and has been adopted in the current financial year. The amendment did not have an impact on the Company's financial statements.

3. STANDARDS AND INTERPRETATIONS APPLICABLE TO THE COMPANY NOT YET EFFECTIVE

3.1 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 October 2023 or later periods:

IAS 1: *Presentation of Financial Statements* – Amendment – Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendment is effective for annual reporting periods beginning on or after 1 January 2024.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

IAS 1: *Presentation of Financial Statements* – Amendment – Non-current liabilities with covenants

The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendment is effective for annual reporting periods beginning on or after 1 January 2024.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

IAS 1: *Presentation of Financial Statements* – Amendment – Disclosure of accounting policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. The amendment is effective for annual reporting periods beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* – Amendment – Definition of accounting estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

IAS 12: *Income Taxes* – Amendment – Deferred tax related to assets and liabilities arising from a single transaction

The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. The amendment is effective for annual reporting periods beginning on or after 1 January 2023.

It is unlikely that the amendment will have a material impact on the Company's financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
4. INVESTMENT PROPERTY – FAIR VALUE OF PROPERTY PORTFOLIO				
Investment property – Fair value of property portfolio	**11 517 452**	14 679 221	**2 033 211**	2 078 824

Reconciliation of investment property – fair value of property portfolio – Group – 2023

	Opening balance	**Improvements to investment property***	**Additions resulting from right-of-use leases**	**Disposals**	**Transfer to non-current assets held for sale (note 8)**	**Transfer from non-current assets held for sale (note 8)**	**Tenant installations and lease commissions**	**Disposal of Indluplace Properties Limited (note 34)**	**Fair value adjustments**	**Total**
Investment property	**14 679 221**	**219 437**	**882**	**(88 870)**	**(124 000)**	**78 123**	**2 173**	**(3 300 864)**	**51 350**	**11 517 452**

Reconciliation of investment property – fair value of property portfolio – Group – 2022

	Opening balance	Additions as a result of reverse acquisition of Arrowhead (note 38)	Improvements to investment property*	Disposals	Transfer to non-current assets held for sale (note 8)	Tenant installations and lease commissions	Fair value adjustments	Total
Investment property	3 319 421	11 595 311	129 499	(2 170)	(559 860)	(2 040)	199 060	14 679 221

* *Please note the improvements to investment property include improvements relating to the discontinued operations, the portion relating to continued operations is R190 265 000 (2022: R92 334 000).*

Reconciliation of investment property – fair value of property portfolio – Company – 2023

	Opening balance	**Improvements to investment property**	**Transfer to non-current assets held for sale (note 8)**	**Tenant installations and lease commissions**	**Fair value adjustments**	**Total**
Investment property	**2 078 824**	**45 902**	**(53 000)**	**1 523**	**(40 038)**	**2 033 211**

Reconciliation of investment property – fair value of property portfolio – Company – 2022

	Opening balance	Improvements to investment property	Transfer to non-current assets held for sale (note 8)	Tenant installations and lease commissions	Fair value adjustments	Total
Investment property	2 198 126	35 216	(168 000)	682	12 800	2 078 824

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

4. INVESTMENT PROPERTY – FAIR VALUE OF PROPERTY PORTFOLIO CONTINUED

Full details of investment properties owned by the Group are contained in the register of investment properties which is open for inspection by shareholders at the registered office of the Company.

In terms of the accounting policy, the portfolio is valued annually. Each property is externally valued at least once in a three-year cycle by Real Insight, Yield Enhancement Solutions, DDP Valuation & Advisory Services, Broll Valuation and Advisory Services and De Leeuw Valuers, registered valuers in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000). The remaining properties were valued by the Directors. There have been no material changes in the information used and assumptions applied by the registered valuers.

The valuations were performed using the discounted cash flow methodology (and yield capitalisation method in the prior year for the residential component). These methods are based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate. Refer to note 46 for the fair value hierarchy.

Investment property has been encumbered as security for secured financial liabilities (note 20).

The Group occupies a portion of an office property for administrative purposes. This portion is considered insignificant to the total lettable area of this property and accordingly the property has been classified as investment property.

	Group	
Sector	**2023 high/low %**	2022 high/low %
Industrial		
Discount rate	**16.00/14.00**	16.00/14.00
Exit capitalisation rate	**12.00/10.00**	12.00/10.00
Vacancy assumption	**25.00/0.00**	20.00/0.00
Market rental growth	**6.00/4.52**	6.00/4.70
Office		
Discount rate	**16.25/14.00**	16.25/14.00
Exit capitalisation rate	**12.00/9.50**	12.00/9.50
Vacancy assumption	**50.00/0.00**	25.00/0.00
Market rental growth	**5.60/4.37**	6.00/4.30
Retail		
Discount rate	**16.00/13.25**	16.00/13.25
Exit capitalisation rate	**12.00/8.75**	12.00/8.50
Vacancy assumption	**20.00/0.00**	25.00/0.00
Market rental growth	**6.00/4.10**	6.50/3.30
Residential		
Exit capitalisation rate	**N/a**	13.78/9.25

	Group	
Sector	**2023 Average initial yield (%)**	2022 Average initial yield (%)
Industrial	**10.63**	10.17
Office	**9.56**	10.14
Retail	**9.67**	9.96

Average lease escalation is 6.63% (2022: 6.18%).

General assumptions

The fair values of the properties are calculated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When the actual rent differs materially from the estimated rent, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the buildings. The properties are revalued annually on 30 September.

The most significant inputs, all of which are unobservable, are the estimated discount rates and exit capitalisation rates. Other unobservable inputs used include vacancy assumption and market rental growth. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if the discount rate and/or exit capitalisation rate declines. The overall valuations are most sensitive to the discount rate and exit capitalisation. If the capitalisation rate increased or decreased by 0.25%, the value of investment property, measured using the discounted net cash flow method and income capitalisation rate method, would increase by R189 million and would decrease by R178 million in totality (2022: R274 million increase and R257 million decrease). If the discount rate increased or decreased by 0.25%, the value of investment property, measured using the discounted net cash flow method, would increase by R108 million and would decrease by R106 million in totality (2022: R109 million increase and R106 million decrease). The impact on valuations is illustrated below.

Sector	**Capitalisation rates decrease by 0.25%**	**Capitalisation rates increase by 0.25%**	**Discount rates decrease by 0.25%**	**Discount rates increase by 0.25%**
Industrial	19 632	(18 699)	11 561	(11 426)
Office	36 792	(34 978)	21 834	(21 537)
Retail	132 362	(125 126)	74 755	(73 350)
	188 786	(178 803)	108 150	(106 313)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

4. INVESTMENT PROPERTY – FAIR VALUE OF PROPERTY PORTFOLIO CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Reconciliation of fair value of Investment Property				
Investment property (including held for sale)	**11 824 702**	15 263 295	**2 260 211**	2 246 824
Straight-line rental income accrual	**179 364**	193 660	**16 405**	17 057
Market value of investment property portfolio	**12 004 066**	15 456 955	**2 276 616**	2 263 881

5. STRAIGHT-LINE RENTAL INCOME ACCRUAL

Non-current portion	**136 883**	193 660	**10 507**	17 057
Current portion included in trade and other receivables (note 16)*	**42 481**	–	**5 898**	–
	179 364	193 660	**16 405**	17 057
Balance at the beginning of the period	**193 660**	86 875	**17 057**	35 147
Acquisition of Arrowhead through reverse acquisition (note 38)	**–**	129 270	**–**	–
Disposal of investment property	**(2 101)**	(2 495)	**–**	–
Disposal of Indluplace (note 34)	**(1 139)**	–	**–**	–
Movement for the period	**(11 056)**	(19 578)	**(652)**	(18 090)
Movement for the period – discontinued operations	**–**	(412)	**–**	–
	179 364	193 660	**16 405**	17 057

* *The straight-line rental income accrual has been fully included in non-current assets for 2022.*

6. RIGHT-OF-USE ASSETS

Carrying amount at the beginning of the period	**2 740**	3 794	**–**	–
Depreciation	**(843)**	(1 054)	**–**	–
	1 897	2 740	**–**	–

The right-of-use asset relates to the Cape Town corporate office lease. Refer to note 21 for lease liability disclosure.

7. DEFERRED TAX

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Deferred tax asset/(liability)				
Investment property	**(12 735)**	(14 122)	**(8 820)**	(8 272)
Expected credit loss allowance	**3 598**	2 095	**3 598**	1 779
Income received in advance	**3 279**	6 146	**3 279**	3 715
Payroll accruals	**14 024**	16 446	**14 024**	11 720
Straight-line rental income accrual	**(4 429)**	(4 913)	**(4 429)**	(4 605)
Prepayments	**–**	(2 173)	**–**	–
Derivatives	**(5 302)**	(3 264)	**(5 302)**	87
Tax losses available for set off against future taxable income	**–**	1 245	**–**	–
Less deferred tax not recognised as no expectation of future taxable income*	**(2 350)**	(2 807)	**(2 350)**	(4 424)
Total deferred tax (liability)/asset	**(3 915)**	(1 347)	**–**	–
The deferred tax asset and the deferred tax liability are shown as follows in the statement of financial position:				
Deferred tax asset	**–**	2 568	**–**	–
Deferred tax liability	**(3 915)**	(3 915)	**–**	–
Total net deferred tax liability	**(3 915)**	(1 347)	**–**	–
Reconciliation of deferred tax asset/(liability)				
At the beginning of the year	**(1 347)**	(1 458)	**–**	22 848
Acquisition of Arrowhead through reverse acquisition	**–**	9 035	**–**	–
Disposal of Indluplace (note 34)	**(2 568)**	–	**–**	–
Temporary differences on prepayments	**–**	(198)	**–**	–
Increase in tax losses	**–**	44	**–**	–
Taxable/(deductible) temporary difference movement on tangible fixed assets	**(2 038)**	(8 979)	**(548)**	(5 083)
Taxable/(deductible) temporary difference on credit loss allowance	**6 737**	649	**1 819**	948
Taxable/(deductible) temporary difference on income received in advance	**(2 404)**	1 088	**(649)**	1 535
Taxable/(deductible) temporary difference on payroll accruals	**8 534**	14 081	**2 304**	(4 447)
Taxable temporary difference on straight-lining of leases	**652**	3 106	**176**	5 065
Deductible temporary difference on derivatives	**(19 958)**	(15 960)	**(5 389)**	(16 278)
Change in income tax rates	**–**	52	**–**	(164)
Deferred tax not recognised as no expectation of future taxable income*	**8 477**	(2 807)	**2 287**	(4 424)
	(3 915)	(1 347)	**–**	–

* *The current stated policy of certain entities in the Group is to distribute the full distributable income of the specific company. This will result in the Company not having any taxable income for the foreseeable future. As such no deferred taxation has been raised for these specific group companies.*

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

8. NON-CURRENT ASSETS HELD FOR SALE

This consists of investment property that is expected to be sold in the next financial year. In the current year, there were two properties that were classified as held for sale in 2022 and not sold in 2023. These have been transferred back to investment property.

Reconciliation of investment property held for sale

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Opening balance	**584 074**	36 200	**168 000**	–
Acquisition of Arrowhead through reverse acquisition (note 38)	**–**	84 353	**–**	–
Transferred from investment property (note 4)	**124 000**	559 860	**53 000**	168 000
Transferred to investment property (note 4)	**(78 123)**	–	**–**	–
Change in fair value	**6 000**	(10 879)	**6 000**	–
Disposal of Indluplace (note 34)	**(67 429)**	–	**–**	–
Disposals	**(261 272)**	(85 460)	**–**	–
	307 250	584 074	**227 000**	168 000

9. PROPERTY, PLANT AND EQUIPMENT

	Group					
Figures in Rand thousand	**Cost 2023**	**Accumulated depreciation 2023**	**Carrying value 2023**	Cost 2022	Accumulated depreciation 2022	Carrying value 2022
Leasehold property	**–**	**–**	**–**	1 064	(307)	757
Furniture, fittings and equipment	**3 115**	**(2 703)**	**412**	4 711	(3 020)	1 691
Motor vehicles	**–**	**–**	**–**	196	(59)	137
Computer equipment	**2 193**	**(1 900)**	**293**	4 394	(2 533)	1 861
Total	**5 308**	**(4 603)**	**705**	10 365	(5 919)	4 446

	Company					
Figures in Rand thousand	**Cost 2023**	**Accumulated depreciation 2023**	**Carrying value 2023**	Cost 2022	Accumulated depreciation 2022	Carrying value 2022
Furniture, fittings and equipment	**229**	**(119)**	**110**	229	(43)	186
Computer equipment	**763**	**(470)**	**293**	496	(374)	122
Total	**992**	**(589)**	**403**	725	(417)	308

Reconciliation of property, plant and equipment

	Group					
Figures in Rand thousand	**Opening balance**	**Additions**	**Transfers**	**Depreciation**	**Disposal of Indluplace (note 34)**	**Total**
2023						
Leasehold property	**757**	**–**	**–**	**(41)**	**(716)**	**–**
Furniture, fittings and equipment	**1 691**	**12**	**436**	**(318)**	**(1 409)**	**412**
Motor vehicles	**137**	**–**	**–**	**(7)**	**(130)**	**–**
Computer equipment	**1 861**	**270**	**(436)**	**(320)**	**(1 082)**	**293**
	4 446	**282**	**–**	**(686)**	**(3 337)**	**705**

	Group				
Figures in Rand thousand	Opening balance	Additions	Additions as a result of reverse acquisition of Arrowhead (note 38)	Depreciation	Total
2022					
Leasehold property	–	–	899	(142)	757
Furniture, fittings and equipment	161	637	1 402	(509)	1 691
Motor vehicles	–	–	163	(26)	137
Computer equipment	–	145	2 286	(570)	1 861
	161	782	4 750	(1 247)	4 446

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

9. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of property, plant and equipment

	Company			
Figures in Rand thousand	Opening balance	Additions	Depreciation	Total
2023				
Furniture, fittings and equipment	**186**	**–**	**(76)**	**110**
Computer equipment	**122**	**267**	**(96)**	**293**
	308	**267**	**(172)**	**403**
2022				
Furniture, fittings and equipment	–	229	(43)	186
Computer equipment	159	55	(92)	122
	159	284	(135)	308

10. LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND OPTION SCHEMES

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Balance at the beginning of the year	**105 642**	–	**23 470**	30 720
Acquisition of Arrowhead through reverse acquisition (note 38)	**–**	128 582	**–**	–
Interest charged on loans (note 28)	**8 070**	14 356	**3 101**	3 236
Repayments – executives and staff	**(8 070)**	(14 356)	**(3 101)**	(3 236)
Fair value adjustment (note 31)	**1 170**	(8 324)	**448**	(7 250)
Fair value adjustment – discontinued operations	**(44 403)**	(14 616)	**–**	–
	62 409	105 642	**23 918**	23 470

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Owing by the following participants:				
Loans to participants of Arrowgem Unit Purchase Scheme ("UPS") and Unit Purchase and Option Scheme ("UPOS")				
M Kaplan	**95 035**	95 035	**–**	–
2016 year – Issued 1 674 898 A shares at R9.71 and 1 674 898 B shares at R9.50 on 17 November 2015				
2017 year – Issued 3 748 005 ordinary shares at R8.66 on 17 November 2016				
2018 year – Issued 4 864 453 ordinary shares at R6.25 on 18 December 2017				
2019 year – Sold 585 704 ordinary shares at R4.67 relating to the 2012 financial year				
Fair value adjustment of the loans	**(63 505)**	(64 096)	**–**	–
R Kader	**10 111**	10 111	**–**	–
2018 year – Issued 1 617 701 ordinary shares at R6.25 on 18 December 2017				
Fair value adjustment of the loans	**(5 847)**	(5 927)	**–**	–
V Turner	**3 203**	3 203	**–**	–
2018 year – Issued 512 512 ordinary shares at R6.25 on 18 December 2017				
Fair value adjustment of the loans	**(1 852)**	(1 878)	**–**	–
N Kaplan	**2 072**	2 072	**–**	–
2018 year – Issued 331 531 ordinary shares at R6.25 on 18 December 2017				
Fair value adjustment of the loans	**(1 198)**	(1 215)	**–**	–
A de Kock	**1 118**	1 118	**–**	–
2018 year – Issued 178 848 ordinary shares at R6.25 on 18 December 2017				
Fair value adjustment of the loans	**(646)**	(655)	**–**	–
Subtotal	**38 491**	37 768	**–**	–

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

10. LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND OPTION SCHEMES CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Loans to participants of Indluplace Share Purchase and Option Scheme				
Owing by the following Directors of Indluplace:				
2b Mervyn Road (Pty) Ltd – on behalf of estate of G Leissner	**–**	52 738	**–**	–
2015 year – Issued 5 273 809 shares at R10.00 on 19 June 2015				
Fair value adjustment of the loans	**–**	(40 081)	**–**	–
M Kaplan	**–**	52 738	**–**	–
2015 year – Issued 5 273 809 shares at R10.00 on 19 June 2015				
Fair value adjustment of the loans	**–**	(40 081)	**–**	–
I Suleman (former Director)	**–**	35 862	**–**	–
2015 year – Issued 5 273 809 shares at R10.00 on 19 June 2015				
2021 year – Share repurchase of 5 273 809 shares at R3.20				
Fair value adjustment of the loans	**–**	(35 862)	**–**	–
C de Wit	**–**	44 821	**–**	–
2015 year – Issued 1 757 936 shares at R10.00 on 19 June 2015				
2016 year – Issued 900 000 shares at R9.30 on 12 December 2016				
2017 year – Issued 937 864 shares at R9.46 on 6 December 2017				
2019 year – Issued 1 424 501 shares at R7.02 on 6 December 2017				
Fair value adjustment of the loans	**–**	(32 772)	**–**	–
T Kaplan	**–**	24 491	**–**	–
2016 year – Issued 810 860 shares at R9.30 on 6 February 2017				
2018 year – Issued 840 380 shares at R9.46 on 6 December 2017				
2019 year – issued 1 282 051 shares at R7.02				
Fair value adjustment of the loans	**–**	(17 450)	**–**	–
Subtotal	**–**	44 404	**–**	–

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Loans to participants of the Fairvest Share Purchase and Option Scheme ("SPOS")				
Owing by the following participants:				
A Kirkel	**23 146**	23 146	**23 146**	23 146
2018 year – Issued 2 171 497 shares at R6.10				
2019 year – Issued 1 571 428 shares at R6.30				
Fair value adjustment of the loans	**(11 169)**	(11 393)	**(11 169)**	(11 393)
J Limalia	**23 077**	23 077	**23 077**	23 077
2018 year – Issued 2 160 149 shares at R6.10				
2019 year – Issued 1 571 428 shares at R6.30				
Fair value adjustment of the loans	**(11 136)**	(11 360)	**(11 136)**	(11 360)
Subtotal	**23 918**	23 470	**23 918**	23 470
	98 203	140 765	**23 918**	23 470
Non-current portion of loans to participants of group share purchase scheme	**62 409**	105 642	**23 918**	23 470

Loans to participants of the Arrowgem Unit Purchase Scheme ("UPS") and Unit Purchase and Option Scheme ("UPOS")

The loans were granted to the Executive Directors and employees for the purpose of subscribing for shares in the Company as per the Arrowhead Share Purchase Trust and in terms of the Companies Act.

The shares have been pledged to the Company as security against the outstanding loans and the Company has recourse against the participants for any amounts unpaid under the Scheme.

The loans bear interest at a rate equal to the dividends declared, and are calculated at 31 March and 30 September and are repayable at any time by the employee but not later than 10 years from the making of the loan.

The dividends received on the shares are used to repay the interest accumulated on the loans.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

10. LOANS TO PARTICIPANTS OF GROUP SHARE PURCHASE AND OPTION SCHEMES CONTINUED

Loans to participants of Indluplace Share Purchase and Option Scheme

The loans were granted to the Executive Directors for the purpose of subscribing for shares in the Company as per the Indluplace Share Purchase and Option Scheme and in terms of the Companies Act.

The loans bear interest at a rate equal to the dividends declared, and are calculated at 31 March and 30 September and are repayable at any time by the employee but not later than 10 years from the making of the loan.

The dividends received on the shares are used to repay the interest accumulated on the loans and the Company has recourse against the juristic entity for any amounts unpaid under the Scheme.

The shares have been pledged as security to the Company for the outstanding loans.

Fairvest Share Purchase and Option Scheme ("SPOS")

The loans bear interest at a rate equal to the dividends declared, and are calculated bi-annually at 31 March and 30 September. The loans are repayable at any time by the employee but no later than 10 (ten) years from the making of the loan.

The shares have been pledged to the Company as security against the outstanding loans and the Company has recourse against the participants for any amounts unpaid under the Scheme.

Fair value of Share Purchase and Option Scheme

The Directors reviewed the balances of the loans in terms of the IFRS 9 requirements in the financial period. As these loans are classified as financial assets under IFRS 9, it is measured at fair value through profit and loss.

To determine the fair value, a future share price assessment was carried out taking forward-looking parameters 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 fair value adjustments were determined as the difference between the carrying value of the loan and the fair value. Participants still remain liable for the loan value advanced.

The following inputs were used in the Dividend Growth Model (for UPS, UPOS and SPOS):

- Dividend yield of 12.7% (2022: 13.6%)
- Growth in annual dividend of 4.0% – 9.5% (2022: 3.5% – 9%)
- Discount rate of 7.0% (2022: 6.5%)

Sensitivity analysis if key inputs change as follows:

	Up 2%	**Down 2%**
Dividend yield	(8 582)	11 623
Growth rate	4 762	(4 566)
Discount rate	(4 487)	4 858
	(8 307)	11 915

11. FINANCIAL ASSETS

Investment in Dipula Income Fund Limited

Comprises 5.0% investment in the total shares in issue of Dipula (2022: 5.1%). The investment is held at fair value through profit and loss.

The share price at 30 September 2023 was R3.98 (2022: R3.93). The total shareholding at 30 September 2023 was 45 581 241 shares.

	Group		**Company**	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Opening balance	179 109	–	–	–
Addition due to acquisition of Arrowhead through reverse acquisition (note 38)	–	202 811	–	–
Fair value adjustment	2 304	(23 702)	–	–
	181 413	179 109	–	–

Investment in Cadiz Life Limited

Investments were made in the Cadiz Life Limited's Inyosi Enterprise and Supplier Development Investment, which contributes to Fairvest's Enterprise and Supplier Development spend for B-BBEE purposes. The investment, via an endowment policy, was valued at fair value at 30 September 2023 by Cadiz Life based on the aggregate of the market value of the investments in the underlying fund.

	Group		**Company**	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Opening balance	4 517	4 533	–	–
Unrealised fair value losses	(66)	(16)	–	–
	4 451	4 517	–	–

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

11. FINANCIAL ASSETS CONTINUED

Investment in SA SME

At fair value through profit and loss

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Opening balance	**2 000**	–	**–**	–
Addition due to acquisition of Arrowhead through reverse acquisition (note 38)	**–**	2 000	**–**	–
	2 000	2 000	**–**	–

Loan granted by Fairvest to BEE Supplier Development

Loan granted with no interest. Repayment of the loan is at the written request from Fairvest. Fairvest does not intend to call on the loan in the next 12 months. Amount is shown at amortised cost. An expected loss allowance was considered in terms of IFRS 9 by assessing the credit risk and the expected default rate. As the loan is backed by a guarantee from a large commercial bank (with satisfactory credit rating) no loss allowance was considered necessary.

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Opening balance	**11 190**	–	**4 599**	4 599
Addition due to acquisition of Arrowhead through reverse acquisition (note 38)	**–**	11 190	**–**	–
	11 190	11 190	**4 599**	4 599
	199 054	196 816	**4 599**	4 599

12. INTEREST IN SUBSIDIARIES AND LOANS TO/(FROM) GROUP COMPANIES

(a) Company investments in subsidiaries

	% holding 2023	% holding 2022	**Carrying amount 2023**	Carrying amount 2022
Arrowgem Limited* – Cost	**100.00%**	99.70%	**3 339 705**	3 339 705
Arrowgem Limited* – Accumulated impairment			**(769 523)**	(148 513)
Cumulative Properties Limited# – Cost	**100.00%**	100.00%	**2 082 257**	2 082 257
Cumulative Properties Limited# – Accumulated impairment			**(504 597)**	(476 566)
Fairvest Property Holdings Limited^ – Cost	**100.00%**	99.57%	**2 002 640**	2 002 640
Gemgrow Asset Management Proprietary Limited^^ – Cost	**100.00%**	100.00%	**100**	100
Gemgrow Asset Management Proprietary Limited – Accumulated impairment			**(100)**	(100)
			6 150 482	6 799 523

* *Arrowgem Limited is a property company that operates in South Africa. The investment in Arrowgem increased in the current year due to a share buy-back done by Arrowgem of shares held by Arrowgem minority shareholders.*

\# *Cumulative Properties Limited is a property company that operates in South Africa.*

^ *Fairvest Property Holdings Limited is a property company that operates in South Africa. The investment in Fairvest Property Holdings increased in the current year due to a share buy-back done by Fairvest Property Holdings of shares held by Fairvest Property Holdings minority shareholders.*

^^ *Gemgrow Asset Management Proprietary Limited is a dormant company that operates in South Africa.*

The investments in subsidiaries were tested for impairment by measuring the cost of the investment against the net asset value of the underlying subsidiary. Any shortfall was accounted for as an impairment. As the underlying subsidiaries net asset value in all material respects represents the fair value of the subsidiary's assets (with most significant assets measured at fair value annually) and liabilities this is considered a fair reflection of the net realisable value of the investment in the subsidiary. The movement in the accumulated impairments is mostly attributable to an increase and/or reduction in the fair value of the investment property held by the subsidiaries.

In the prior year Indluplace has been encumbered as security for secured financial liabilities (note 20).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

12. INTEREST IN SUBSIDIARIES AND LOANS TO/(FROM) GROUP COMPANIES

CONTINUED

(b) Loans to/(from) group companies

Figures in Rand thousand	**Carrying amount 2023**	Carrying amount 2022
Gemgrow Asset Management Proprietary Limited	**29**	9
Arrowgem Limited	**1 288 743**	1 270 508
Vividend Income Fund Limited	**101 513**	(220 006)
Cumulative Properties Limited	**(108 634)**	(135 706)
Moolgem Proprietary Limited	**(562 952)**	(513 779)
Fairvest Property Holdings Limited	**901 785**	46 717
	1 620 484	447 743
Shown on statement of financial position as:		
Investments in subsidiaries	**6 150 482**	6 799 523
Short-term portion – loans to group companies	**2 292 070**	1 317 234
Short-term portion – loans from group companies	**(671 586)**	(869 491)
	7 770 966	7 247 266

The loans are interest free and repayable on demand. The loans are all unsecured.

Management assessed the inter-company loan recoverability. The process involved doing a solvency test for each company and in cases found where there was insufficient cash available to settle the amount owing, the following assumptions were applied. The asset values were based on the carrying amounts of the assets (carried at fair value) net of secured financial liabilities for the financial period. The cost to dispose was not considered in these calculations as these are considered/expected to be immaterial. An assumption was applied that the sales of the properties are able to happen within 12 months. The risk of a default occurring over 12 months is the same as the lifetime risk of a default occurring, and therefore the 12-month and lifetime expected credit loss will be the same. There has been no significant increase in credit risk and no default events have occurred.

Management applied a test of a best, base and worst-case scenario. Based on the results of the scenario tests management then concluded that the subsidiaries have sufficient resources to meet debt commitments.

13. DERIVATIVES

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Standard Bank				
Long-term cancellable interest rate swaps				
R100 million at a 3 month JIBAR rate of 7.64% maturing 21 October 2022	**–**	(642)	**–**	–
R300 million at a 3 month JIBAR rate of 7.14% maturing 5 May 2023	**–**	(895)	**–**	–
R742 million at a 3 month JIBAR rate of 6.89% maturing 5 May 2023	**–**	(858)	**–**	–
R139 million at a 3 month JIBAR rate of 7.14% maturing 3 October 2024	**2 019**	2 635	**2 019**	2 635
R106 million at a prime rate of 10.32% maturing 3 October 2024	**1 511**	2 380	**1 511**	2 380
R149 million at a 3 month JIBAR rate of 7.44% maturing 21 October 2024	**1 952**	1 143	**–**	–
R250 million at a 3 month JIBAR rate of 8.20% maturing 3 May 2026	**1 842**	–	**1 842**	–
R250 million at a 3 month JIBAR rate of 7.92% maturing 3 May 2026, capped at 9.00%	**1 405**	–	**1 405**	–
	8 729	3 763	**6 777**	5 015

The derivative instruments were valued by the Standard Bank of South Africa Limited by discounting the future cash flows using the JIBAR swap curve.

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Nedbank				
Long-term cancellable interest rate swaps				
R595 million at a 3 month JIBAR rate of 6.89%, maturing on 12 September 2024	**9 407**	12 031	**–**	–
R100 million at a 3 month JIBAR rate of 6.80%, maturing on 23 October 2023	**413**	690	**–**	–
R100 million at a 3 month JIBAR rate of 6.44%, maturing on 20 May 2024	**1 493**	2 258	**–**	–
	11 313	14 979	**–**	–

The fair value of the interest rate swap derivative was determined by Nedbank Capital and relates to the fixed rate swaps relative to 3 month JIBAR.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

13. DERIVATIVES CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Investec				
Long-term cancellable interest rate swaps				
R275 million at a 3 month JIBAR rate of 6.98%, maturing on 28 April 2023	–	(537)	–	–
R52 million at a 3 month JIBAR rate of 7.33%, maturing on 28 April 2023	–	(234)	–	–
R42 million at a 3 month JIBAR rate of 7.24%, maturing on 28 April 2023	–	(161)	–	–
R66 million at a 3 month JIBAR rate of 7.20%, maturing on 28 April 2023	–	(234)	–	–
R112 million at a 3 month JIBAR rate of 7.28%, maturing on 28 April 2023	–	(467)	–	–
R275 million at a 3 month JIBAR rate of 7.07% maturing 7 October 2024	–	4 037	–	–
R28.5 million at a 3 month JIBAR rate of 7.13% maturing 7 October 2024	–	382	–	–
R145 million at a 3 month JIBAR rate of 7.68% maturing 7 October 2024	–	1 504	–	–
R50 million at a prime rate of 6.55% maturing 7 January 2025	–	283	–	–
	–	4 573	–	–

The fair value of the interest rate swap derivative was determined by Investec and relates to the fixed rate swaps relative to 3 month JIBAR.

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
ABSA				
Long-term cancellable interest rate swaps				
R100 million at a 3 month JIBAR rate of 6.68% maturing October 2022	–	1 972	–	–
R9.5 million at a prime rate of 9.39% maturing August 2023	–	12	–	–
R38 million at a prime rate of 9.05% maturing August 2024	432	570	–	–
R275 million at a 3 month JIBAR rate of 7.07% maturing 5 October 2024	–	4 037	–	–
R28.5 million at a 3 month JIBAR rate of 7.13% maturing 5 October 2024	–	382	–	–
R145 million at a 3 month JIBAR rate of 7.68% maturing 5 October 2024	–	1 504	–	–
R100 million at a 3 month JIBAR rate of 6.96% maturing on 24 October 2024	1 889	(241)	–	–
R50 million at a prime rate of 6.55% maturing 5 January 2025	–	282	–	–
R400 million at a 3 month JIBAR rate of 8.30% maturing on 21 July 2025	1 430	–	1 430	–
R250 million at a 3 month JIBAR rate of 7.45% maturing on 26 January 2026	5 774	–	5 774	–
	9 525	8 518	7 204	–

The fair value of the interest rate swap derivative was determined by ABSA and relates to the fixed rate swaps relative to 3 month JIBAR.

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
RMB				
Long-term cancellable interest rate swaps				
R250 million at a 3 month JIBAR rate of 7.48% maturing on 26 January 2026	5 655	–	5 655	–
	5 655	–	5 655	–

The fair value of the interest rate swap derivative was determined by RMB and relates to the fixed rate swaps relative to 3 month JIBAR.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

13. DERIVATIVES CONTINUED

Shown on the statement of financial position as follows:

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Non-current assets	**23 477**	36 102	**19 636**	5 015
Current assets	**11 745**	–	**–**	–
Non-current liabilities	**–**	(884)	**–**	–
Current liabilities	**–**	(3 385)	**–**	–
	35 222	31 833	**19 636**	5 015
Reconciliation of movement				
Opening balance	**31 833**	(39 715)	**5 015**	(11 938)
Additions as a result of reverse acquisition of Arrowhead (note 38)	**–**	(104 793)	**–**	–
Fair value adjustments (note 31)	**15 800**	129 528	**14 621**	16 953
Fair value adjustments – discontinued operations	**2 337**	46 813	**–**	–
Disposal of Indluplace (note 34)	**(14 748)**	–	**–**	–
	35 222	31 833	**19 636**	5 015

14. LOANS RECEIVABLE

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
GGP Investments Proprietary Limited	**–**	2 901	**–**	–
Buffshelfco 17 Proprietary Limited	**–**	89 681	**–**	–
Lonisign Proprietary Limited	**10 189**	11 249	**–**	–
Stilopro Proprietary Limited	**12 784**	13 780	**–**	–
Fattis Mansions Body Corporate	**15 815**	14 846	**–**	–
	38 788	132 457	**–**	–
Reconciliation of movements				
Opening balance	**132 457**	285 078	**–**	–
Advanced during the period	**1 286**	30 433	**–**	–
Repaid during the period	**(9 050)**	(208 292)	**–**	–
Finance income accrued	**6 587**	25 238	**–**	–
Acquisition of minority interest	**(92 492)**	–	**–**	–
	38 788	132 457	**–**	–
Movement in loss allowance				
Opening balance	**–**	59 769	**–**	–
Reversed loss allowance	**–**	(59 769)	**–**	–
	–	–	**–**	–

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Reconciliation to the statement of financial position				
Non-current portion	**12 784**	13 780	**–**	–
Current portion	**26 004**	118 677	**–**	–
	38 788	132 457	**–**	–

The GGP Investments Proprietary Limited ("GGP") loan relates to the development of the Southview Shopping Centre. GGP is the non-controlling shareholder in Southview Shopping Centre Proprietary Limited. The loan bore interest at prime + 1.50% (currently 13.25% (2022: 11.25%)). The loan was repaid in the current financial year.

The Buffshelfco 17 Proprietary Limited ("Buffshelfco 17") loan relates to the subscription of shares in Bara Precinct Proprietary Limited. Buffshelfco 17 is the non-controlling shareholder in Bara Precinct Proprietary Limited. The loan bore interest at prime + 4.50% (currently 15.50% (2022: 14.25%)). The loan was repaid in the current financial year.

Lonisign Proprietary Limited ("Lonisign") loan relates to the acquisition of the Libode Shopping Centre. Lonisign is the non-controlling shareholder in Libode Shopping Centre Proprietary Limited. The loan bears interest at prime + 2.00% (currently 13.75% (2022: 11.75%)). Security over the loan includes a cession and pledge of Lonisign shares in Libode Shopping Centre Proprietary Limited and suretyships by the shareholders of Lonisign. The loan is repayable in the next 12 months.

Stilopro Proprietary Limited loan ("Stilopro") relates to the development of the Qumbu Plaza Centre. Stilopro is the non-controlling shareholder in Qumbu Plaza Proprietary Limited. The loan bears interest at prime + 2.00% (currently 13.75% (2022: 11.75%)) and is repayable by 1 December 2024. Security over the loan includes a cession and pledge of Stilopro shares in Qumbu Plaza Proprietary Limited and suretyships by the shareholders of Stilopro.

The Fattis Mansion Body Corporate ("Fattis") loan relates to a loan provided to the Body Corporate where the company owns sections in an unlettable vacant property. The loan bears interest at variable rates of interest (currently 0% (2022: 0%)). The loan is repayable on the date as agreed by the parties. Security over the loan includes a cession of Fattis current and future debtors book and a first general covering mortgage bond to the value of R25.0 million.

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for the period ended 30 September 2023

14. LOANS RECEIVABLE CONTINUED

Loans receivable were analysed in terms of IFRS 9 by assessing the credit risk and expected default rate, taking into account mitigating factors including collateral held per loan. Credit risk and the expected default rate is assessed based on a three-stage risk approach. Inputs and assumptions in determination of the ECL include taking into account repayment dates of the loans, the growth prospects of the properties linked to the lenders, and sureties provided on the loans. In determining whether the credit risk has increased significantly the net equity position of a loan is assessed, along with the income-generating abilities of the properties from day-to-day trading conditions and the surrounding areas. Budgets for each property are also taken into account to assess the forward-looking position of properties and trading prospects. During the prior year the ECL provision decreased as the loans were settled at the impaired value therefore the ECL provision was derecognised.

For all loans the inputs and assumptions taken into account in assessing and determining the ECL provides low default factors for the loans, with recoveries on the loans provided through sureties on the properties, resulting in these loans deemed to be in stage 1 of the three-stage risk approach, with no objective evidence of impairment as at the reporting period as the collateral held exceeds the value of the loans.

15. AMOUNTS OWING BY NON-CONTROLLING INTEREST

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Buffshelfco 17 Proprietary Limited	**–**	24 186	**–**	–
Reconciliation of movements				
Opening balance	**24 186**	20 326	**–**	–
Advanced during the period	**508**	16 192	**–**	–
Repaid during the year	**(24 694)**	(12 332)	**–**	–
	–	24 186	**–**	–

The Buffshelfco 17 Proprietary Limited loan related to a shareholder loan in Bara Precinct Proprietary Limited and was interest free (2022: Nil). The loan was unsecured and was repaid in the current financial year.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Financial instruments:				
Trade receivables	**123 555**	108 352	**33 480**	18 497
Loss allowance	**(64 575)**	(57 465)	**(22 226)**	(10 984)
Trade receivables at amortised cost	**58 980**	50 887	**11 254**	7 513
Adjustment accounts receivable	**–**	2 180	**–**	3 167
Income accrual accounts	**88 498**	109 852	**14 005**	16 458
Insurance claims receivable	**474**	–	**–**	–
Municipal clearances	**13 483**	11 242	**1 643**	914
Municipal deposits	**19 136**	29 170	**3 670**	3 946
Other receivables	**2 103**	10 986	**–**	–
Non-financial instruments:				
Straight-line rental income accrual* (note 5)	**42 481**	–	**5 898**	–
Prepayments	**2 905**	3 673	**191**	179
VAT	**–**	262	**–**	–
Total trade and other receivables	**228 060**	218 252	**36 661**	32 177
Reconciliation to the statements of financial position:				
Current	**228 060**	218 252	**36 661**	32 177

* *The straight-line rental income accrual has been fully included in non-current assets for 2022.*

The loss allowance was determined as follows, in line with the general approach:

	Group			
Figures in Rand thousand	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2023				
Trade receivables	**31 553**	**36 198**	**55 804**	**123 555**
Less: Loss allowance	**(1 905)**	**(15 587)**	**(47 083)**	**(64 575)**
	29 648	**20 611**	**8 721**	**58 980**
2022				
Trade receivables	31 514	23 636	53 202	108 352
Less: Loss allowance	(2 666)	(11 868)	(42 931)	(57 465)
	28 848	11 768	10 271	50 887

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

16. TRADE AND OTHER RECEIVABLES CONTINUED

	Company			
Figures in Rand thousand	Stage 1	Stage 2	Stage 3	Total
2023				
Trade receivables	2 863	7 339	23 278	33 480
Less: Loss allowance	(148)	(2 612)	(19 466)	(22 226)
	2 715	**4 727**	**3 812**	**11 254**
2022				
Trade receivables	3 964	4 136	10 397	18 497
Less: Loss allowance	(312)	(2 099)	(8 573)	(10 984)
	3 652	2 037	1 824	7 513

The credit quality of trade receivables that are neither past due nor impaired can be assessed as good due to the majority of the debtors being well established companies.

Trade receivables held at amortised cost were analysed in terms of IFRS 9, through assessing the credit risk and expected default rate, taking into account mitigating factors. Credit risk and the expected default rate is assessed based on a three-stage risk approach, applying Company specific risks, such as tenant classification and category of trade; trading performance; relief provided throughout COVID-19 trading limitations; and payment history to the receivables.

Other receivables are categorised as stage 1 since the credit risk of the receivables has not increased significantly from initial recognition. The risk of default and the mitigating factors taken into account resulted in no loss allowance being recognised for these other receivables.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Reconciliation of loss allowance				
Opening balance	**(57 465)**	(11 106)	**(10 984)**	(5 340)
Addition due to acquisition of Arrowhead through reverse acquisition	**–**	(33 408)	**–**	–
Disposal of Indluplace	**3 162**		**–**	–
Amounts written off	**16 475**	5 372	**4 366**	396
Increase in loss allowance	**(26 747)**	(18 323)	**(15 608)**	(6 040)
	(64 575)	(57 465)	**(22 226)**	(10 984)

17. CASH AND CASH EQUIVALENTS

Cash is invested with ABSA Bank, Standard Bank, Investec and First National Bank. Cash and cash equivalents is subsequently measured at amortised cost which approximates the amount receivable from banking institutions and therefore no expected credit loss has been provided for.

For purposes of the cash flow statement, cash and cash equivalents comprise:

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Bank balances	**106 763**	108 740	**25 713**	15 414
Residential tenant deposits*	**–**	25 829	**–**	–
	106 763	134 569	**25 713**	15 414

* *Cash and cash equivalents in 2022 of R25.8 million relating to residential tenant deposits are held on behalf of tenants of certain subsidiaries in a separate bank account in terms of the Rental Housing Act, No 50 of 1999. This account is restricted for the purposes of repaying the liability owing to residential tenants at the expiry of their leases, subject to the conditions contained in the lease agreement. Due to the disposal of Indluplace the current year balance is R Nil.*

Credit quality of cash at bank and short-term deposits

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The banks' national long-term credit ratings are AA which is considered adequate and does not require the recognition of an expected credit loss.

18. SHARE CAPITAL

Authorised

1 000 000 000 A ordinary no par value shares
2 000 000 000 B ordinary no par value shares

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Issued				
Consolidated share capital	**5 169 939**	5 269 499	**–**	–
62 718 658 (2022: 62 718 658) A shares	**–**	–	**1 110 842**	1 110 842
1 495 747 091 (2022: 1 494 142 831) B shares	**–**	–	**5 462 058**	5 461 551
	5 169 939	5 269 499	**6 572 900**	6 572 393

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

18. SHARE CAPITAL CONTINUED

	Group		Company	
	2023	2022	**2023**	2022
Shares in issue				
A shares				
Total shares in issue	**62 718 658**	62 718 658	**62 718 658**	62 718 658
B shares				
Balance at the beginning of the year	**1 460 863 899**	951 422 028	**1 494 142 831**	951 422 028
Shares issued during the year	**1 604 260**	542 720 803	**1 604 260**	542 720 803
Treasury shares held	**(32 551 936)**	(33 278 932)	**–**	–
	1 429 916 223	1 460 863 899	**1 495 747 091**	1 494 142 831

Rights of each class of share

Votes of shareholders

At a meeting of the Company every shareholder present and entitled to exercise voting rights shall be entitled to one vote on a show of hands and on a poll, any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder, being one vote per issued share.

Pari passu

Save in instances detailed in the Memorandum of Incorporation of the Company, such as the entitlement to distributions and on winding up, all issued shares shall rank pari passu in all respects.

Distributions

If the Company resolves to declare a distribution to shareholders in respect of any income period, no such distribution may be declared by the Company in respect of the B ordinary shares for such income period until the A ordinary share distribution has been declared in respect of the A ordinary shares for that income period, and no such distribution shall be paid by the Company in respect of the B ordinary shares for such income period unless the relevant A ordinary share distribution has been paid. The A ordinary share distribution for the A ordinary shares in respect of the financial year ending 30 September 2019 and thereafter shall for the first income period, be a distribution per A ordinary share equivalent to the prior year's A ordinary share distribution for the first income period, escalated by an amount equal to the lesser of 5% and the most recently available CPI figure and for the second income period, a distribution per A ordinary share equivalent to the prior year's A ordinary share distribution for the second income period, escalated by an amount equal to the lesser of 5% and the most recently available CPI figure. In the event that the Company declares a distribution in an amount less than the amounts as aforesaid, then in such event that lesser amount shall be paid for that period, apportioned pro rata to each A ordinary share in issue on the relevant record date.

Subordination of B ordinary shares and repayment waterfall on winding-up of the Company

If the Company is wound up, the assets remaining after payment of debts and liabilities of the Company and the costs of the liquidation shall be applied firstly to each of the A ordinary shareholders who shall be entitled to an amount equal to the volume weighted average traded sales price of an A ordinary share (as shown by the official price list published by the JSE) over the 60 trading days immediately preceding the date of publication of any announcement detailing events relating to such winding up and thereafter each of the B ordinary shareholders shall be entitled to receive any surplus of such monies available for distribution.

During December 2022, 1 604 260 shares were issued to employees as these shares vested under the Conditional Share Plan (note 19).

Treasury shares acquired during the current and prior period have not been cancelled and are held by wholly owned subsidiaries. During March 2023, 32 551 936 B shares were bought back at an average price of R3.07.

19. SHARE-BASED PAYMENTS

Conditional Share Plan ("CSP")

The CSP provides for the annual award of Performance Shares which vest after three years subject to the achievement of strategically important performance conditions and the participant remaining employed with Fairvest. These Performance Shares are Fairvest B shares.

The fair value of the Performance Shares is estimated at the grant date using the Black-Scholes-Merton Option Pricing Model, taking into account the terms and conditions upon which the shares were granted.

The expense recognised for employee services received during the year is as follows:

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Expense arising from equity-settled share-based payment transactions	**14 246**	5 314	**14 246**	2 934
Cumulative equity-settled share-based payment reserve	**22 882**	14 564	**22 882**	11 506

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

19. SHARE-BASED PAYMENTS CONTINUED

Movements during the year

The following table illustrates the number of, and movements in the Performance Shares:

Figures in Rand thousand	Group	Company
Outstanding at 1 October 2021	–	10 310 863
Granted due to acquisition of Arrowhead through reverse acquisition	10 310 863	–
Granted during the year	6 696 907	6 696 907
Employee resignations during the year	(4 332 707)	(4 332 707)
Outstanding at 1 October 2022	12 675 063	12 675 063
Granted during the year	13 860 346	13 860 346
Employee resignations during the year	(1 070 633)	(1 070 633)
Shares vested during the year	(2 424 960)	(2 424 960)
Outstanding at 30 September 2023	**23 039 816**	**23 039 816**

Fair value was determined by using the Black-Scholes-Merton Pricing Model.

The following inputs were used for the 2021 CSP:

- Weighted average share price of R2.47;
- Exercise price of R Nil;
- Expected volatility of 87.00%;
- Option life of three years;
- Dividend yield of 13.36%; and
- The risk-free interest rate of 6.19%.

The following inputs were used for the 2022 CSP:

- Weighted average share price of R3.18;
- Exercise price of R Nil;
- Expected volatility of 38.91%;
- Option life of three years;
- Dividend yield of 13.62%; and
- The risk-free interest rate of 9.79%.

The following inputs were used for the 2023 CSP:

- Weighted average share price of R3.02;
- Exercise price of R Nil;
- Expected volatility of 32.16%;
- Option life of three years;
- Dividend yield of 13.70%; and
- The risk-free interest rate of 9.17%.

Executive Retention Scheme

The Group CEO and CFO were awarded, on 28 July 2023, conditional rights to 3 781 519 Fairvest B ordinary shares ("Retention B Shares") in terms of the CSP, which will vest on 1 December 2024, subject to the fulfilment of the employment conditions contained in the rules of the Plan.

The following inputs were used for the fair value determination of the Retention B Shares using the Black-Scholes-Merton Pricing Model:

- Weighted average share price of R3.07;
- Exercise price of R Nil;
- Expected volatility of 27.56%;
- Option life of 1.3 years;
- Dividend yield of 13.62%; and
- The risk-free interest rate of 9.17%.

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Expense arising from Executive Retention Scheme	1 257	–	1 257	–
Refer to note 42 for Directors' interest in these schemes.				
Reconciliation to the statement of financial position				
Conditional Share Plan	21 625	14 564	21 625	11 506
Executive Retention Scheme	1 257	–	1 257	–
	22 882	14 564	22 882	11 506

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

20. SECURED FINANCIAL LIABILITIES

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Standard Bank				
Loan number 600607 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.10%. The loan was repaid in the current year.	–	179 051	–	–
Facility A – Tranche 1 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 month JIBAR plus 1.90% repayable on 1 October 2024.	**290 000**	290 000	–	–
Facility B Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to prime minus 1.30% repayable on 30 September 2025.	**105 000**	150 000	–	–
Facility A – Tranche 2 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 month JIBAR plus 2.02% repayable on 30 September 2026.	**290 000**	290 000	–	–
Loan number 146374 Secured by a mortgage bond over investment properties, bears interest at prime less 1.00%. This loan was repaid in the current year.	–	47 000	–	47 000
Facility O Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.20% repayable on 31 January 2025.	**94 500**	94 500	**94 500**	94 500
Facility Q Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 month JIBAR plus 1.85% repayable on 30 November 2024.	**83 000**	165 569	**83 000**	–

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Term loan Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to prime minus 1.45%. This loan was repaid in the current financial year.	–	55 000	–	–
Facility H Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 1.77% repayable on 31 August 2027.	**290 744**	–	**290 744**	–
Facility I Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 1.89% repayable on 28 February 2026.	**49 637**	–	**49 637**	–
Nedbank				
Loan number 30171756 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 2.05%. This loan was repaid in the current financial year.	–	661 000	–	–
Loan number 30176950 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 2.25%. This loan was repaid in the current financial year.	–	187 000	–	187 000
Loan Macassar Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.95%. This loan was repaid in the current financial year.	–	40 500	–	–
Term loan Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.90%. This loan was repaid in the current financial year.	–	127 583	–	–

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

20. SECURED FINANCIAL LIABILITIES CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Loan Bara Mall Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.97%. This loan was repaid in the current financial year.	**–**	160 000	**–**	–
Loan FPP103 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.87% repayable on 3 October 2023.	**74 999**	75 000	**–**	–
Facility D Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.42% repayable on 5 September 2025.	**400 000**	–	**400 000**	–
Facility E Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.62% repayable on 7 September 2026.	**168 332**	–	**168 332**	–
Facility L Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.80% repayable on 31 October 2024.	**173 610**	–	**173 610**	–
Facility M Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.85% repayable on 31 October 2025.	**173 849**	–	**173 849**	–
Facility N Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.90% repayable on 31 October 2026.	**173 350**	–	**173 350**	–

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Facility R Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.80% repayable on 20 March 2026.	**65 225**	–	**65 225**	–
ABSA Bank Limited Facility B1 Secured by a mortgage bond over investment properties, bore interest at a variable rate linked to a 3 month JIBAR plus 2.20%. This loan was repaid during the year.	**–**	302 143	**–**	–
Facility D1 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 2.40%. This loan was derecognised as a result of the Indluplace sale.	**–**	304 683	**–**	–
Facility D2 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 2.55%. This loan was derecognised as a result of the Indluplace sale.	**–**	75 576	**–**	–
Facility D3 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 2.70%. This loan was derecognised as a result of the Indluplace sale.	**–**	66 887	**–**	–
Facility K Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a prime minus 1.40% repayable on 10 April 2025.	**38 000**	38 000	**38 000**	–
Loan South View Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a prime minus 1.40% repayable on 10 April 2025.	**50 000**	50 000	**–**	–

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for the period ended 30 September 2023

20. SECURED FINANCIAL LIABILITIES CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Term loan Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a prime minus 1.40%. This loan was repaid in the current financial year.	**–**	9 500	**–**	–
Loan Empangeni Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 1 month JIBAR plus 2.00%. This loan was repaid in the current financial year.	**–**	86 000	**–**	–
Loan Qumbu Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 1 month JIBAR plus 2.15% repayable on 31 July 2024.	**29 000**	29 000	**–**	–
Facility A Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.62% repayable on 7 September 2026.	**300 000**	–	**300 000**	–
Facility B Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a 3 month JIBAR plus 1.77% repayable on 6 September 2027.	**300 000**	–	**300 000**	–
Facility C Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to a prime minus 1.63% repayable on 7 September 2026.	**74 307**	–	**74 307**	–
Investec				
Loan number Arrowhead revolving credit facility Secured by a mortgage bond over investment properties and bears interest at a variable rate linked to 3 months JIBAR plus 2.75%. The loan was repaid in the current financial year.	**–**	100 000	**–**	–
Loan number Arrowhead 00002 Secured by a mortgage bond over listed securities bears interest at a variable rate linked to 3 months JIBAR plus 2.10%. The loan was repaid in the current financial year.	**–**	31 095	**–**	–
Loan number Arrowhead 00003 Secured by a mortgage bond over listed securities bears interest at a variable rate linked to 3 months JIBAR plus 2.10%. The loan was repaid in the current financial year.	**–**	97 533	**–**	–
Facility A1 Secured by a mortgage bond over investment properties, bore interest at a variable rate linked to 3 months JIBAR plus 2.20%. This loan was repaid during the year.	**–**	302 143	**–**	–
Loan number Gemgrow 1 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.15%. The loan was repaid in the current financial year.	**–**	217 195	**–**	217 195
Facility Term Secured by a mortgage bond over investment properties, bears interest at a variable rate prime less 0.75% repayable on 31 December 2023.	**12 824**	8 177	**–**	–
Facility Libode Secured by a mortgage bond over investment properties, bears interest at a variable rate prime less 0.75% repayable on 30 November 2024.	**30 206**	30 382	**–**	–
Loan number Gemgrow 2 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.20%. The loan was repaid in the current financial year.	**–**	353 086	**–**	353 086

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20. SECURED FINANCIAL LIABILITIES CONTINUED

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Facility C1 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.30%. This loan was derecognised as a result of the Indluplace sale.	**–**	162 499	**–**	–
Facility C2 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.40%. This loan was derecognised as a result of the Indluplace sale.	**–**	75 577	**–**	–
Facility C3 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.50%. This loan was derecognised as a result of the Indluplace sale.	**–**	66 889	**–**	–
FirstRand Bank Limited ("RMB")				
Term loan Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 month JIBAR plus 1.78% repayable on 4 December 2023.	**313 058**	313 058	**–**	–
Revolving facility Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 1 month JIBAR plus 1.88% repayable on 4 December 2023.	**–**	60 000	**–**	–
Loan 19496 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.35%. The loan was repaid in the current financial year.	**–**	79 417	**–**	79 417
Loan 11054 Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 2.35%. The loan was repaid in the current financial year.	**–**	110 000	**–**	110 000
Facility C Secured by a mortgage bond over investment properties, bears interest at a variable rate linked to 3 months JIBAR plus 1.95% and is repayable by 10 June 2025.	**630 000**	630 000	**–**	–
	4 209 641	6 121 043	**2 384 554**	1 088 198
Add: Accrued finance costs	**697**	5 339	**–**	–
Less: Loan raising costs	**(8 517)**	(6 331)	**(5 500)**	(911)
Opening balance	**(6 331)**	(1 123)	**(911)**	(2 246)
Addition due to acquisition of Arrowhead	**–**	(4 952)	**–**	–
Loan initiation fees incurred during the year	**(9 166)**	(5 072)	**(6 672)**	–
Disposal of Indluplace	**561**	–	**–**	–
Amortisation for the year	**6 419**	4 816	**2 083**	1 335
	4 201 821	6 120 051	**2 379 054**	1 087 287
Split between non-current and current portions				
Non-current liabilities	**3 771 559**	3 549 738	**2 379 054**	517 006
Current liabilities	**430 262**	2 570 313	**–**	570 281
	4 201 821	6 120 051	**2 379 054**	1 087 287

The Group's loans are secured by investment properties valued at R11.4 billion (2022: R15.3 billion).

At year end, the Group's unutilised loan facilities amounted to R917.1 million, the gearing ratio was 33.3% and the weighted average rate of interest was 10.16%.

The Group and Company is compliant in respect of all loan covenants for all funders. The Group's strictest Corporate Loan to Value covenant is 50.0% with the Group achieving 33.3% and the Group's strictest Corporate Interest Cover Ratio is 2.00 with the Group achieving 2.27 for the 2023 financial year.

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for the period ended 30 September 2023

20. SECURED FINANCIAL LIABILITIES CONTINUED

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants with this review seeking to replace existing interbank offered rates ("IBORs") with alternative risk-free rates ("ARRs") to improve market efficiency and mitigate systemic risk across financial markets.

To this end the South African Reserve Bank ("SARB") has indicated their view for the adoption of the South African Rand Overnight Index Average ("ZARONIA") as the preferred unsecured candidate to replace Johannesburg Interbank Average Rate ("JIBAR") in cash and derivative instruments. On 2 November 2022, the SARB commenced publishing ZARONIA primarily to allow market participants to observe its performance and consider the implications of adopting it as a replacement for JIBAR.

Currently there is still some uncertainty surrounding the timing and manner in which the transition would occur from JIBAR to ZARONIA and how this would affect various financial instruments held by the Group.

21. LEASE LIABILITIES

Lease liabilities relating to IFRS 16 are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In addition the Group entered into sale and leaseback agreements for certain of its solar plants in prior years. These facilities have been fully settled in the current financial year.

Lease liabilities

The maturity analysis of lease liabilities is as follows:

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Within one year	**4 752**	16 969	**–**	11 633
Two to five years	**18 989**	54 977	**–**	36 312
More than five years	**134 231**	139 991	**–**	–
	157 972	211 937	**–**	47 945
Less finance charges component	**(115 220)**	(129 225)	**–**	(7 824)
	42 752	82 712	**–**	40 121
Non-current liabilities	**40 465**	71 649	**–**	31 672
Current liabilities	**2 287**	11 063	**–**	8 449
	42 752	82 712	**–**	40 121

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Lease liability reconciliation				
Opening balance	**42 591**	20 820	**–**	–
Lease liability arising reverse acquisition of Arrowhead (note 38)	**–**	24 480	**–**	–
New lease entered into during the year	**3 210**	–	**–**	–
Lease modifications	**(1 256)**	–	**–**	–
Finance charges	**3 814**	3 867	**–**	–
Payments	**(5 607)**	(6 576)	**–**	–
	42 752	42 591	**–**	–
Arising from sale and leaseback				
Opening balance	**40 121**	–	**40 121**	21 190
Lease liability arising reverse acquisition of Arrowhead (note 38)	**–**	45 458	**–**	–
Cash inflow from initial sale of solar plants giving rise to liability	**–**	–	**–**	25 830
Finance charges	**1 705**	2 250	**1 705**	2 881
Payments	**(41 826)**	(7 587)	**(41 826)**	(9 780)
	–	40 121	**–**	40 121

22. DEPOSITS RECEIVED

Deposits received	**120 836**	133 671	**36 914**	35 941
Reconciliation to the statement of financial position				
Non-current portion	**82 000**	64 052	**23 490**	17 245
Current portion included in trade and other payables (note 24)	**38 836**	69 619	**13 424**	18 696
	120 836	133 671	**36 914**	35 941

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

23. AMOUNTS OWING TO NON-CONTROLLING INTERESTS

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Born Free Investments 385 Proprietary Limited	**10 843**	9 160	**–**	–
GGP Investments Proprietary Limited	**18 783**	15 388	**–**	–
Lonisign Proprietary Limited	**11 270**	10 630	**–**	–
Stilopro Proprietary Limited	**14 531**	13 648	**–**	–
	55 427	48 826	**–**	–
Reconciliation of movement				
Opening balance	**48 826**	129 813	**–**	–
Advanced during the period	**417**	15 039	**–**	–
Repaid during the period	**(11 575)**	(59 209)	**–**	–
Acquisition of non-controlling interest	**–**	(44 204)	**–**	–
Finance cost capitalised	**5 570**	7 387	**–**	–
Dividends capitalised	**12 189**	–	**–**	–
	55 427	48 826	**–**	–
Reconciliation to the statement of financial position				
Non-current portion	**25 374**	22 807	**–**	–
Current portion	**30 053**	26 019	**–**	–
	55 427	48 826	**–**	–

The Born Free Investments 385 Proprietary Limited loan represents a shareholder loan in FPP Property Venture 103 Proprietary Limited and bears interest at prime less 1.00% (2022: prime less 1.00%). The loan is unsecured and has no fixed terms for repayment. There is a right to defer settlement until such time that the property is disposed of.

The GGP Investments Proprietary Limited loan represents a shareholder loan in Southview Shopping Centre Proprietary Limited and bears interest at prime less 1.25% (2022: prime less 1.25%). The loan is unsecured and has no fixed terms for repayment and is expected to be repaid within 12 months.

The Lonisign Proprietary Limited loan represents a shareholder loan in Libode Shopping Centre Proprietary Limited and bears interest at prime less 1.00% (2022: 1.00%). The loan is unsecured and has no fixed terms for repayment and is expected to be repaid within 12 months.

The Stilopro Proprietary Limited loan represents a shareholder loan in Qumbu Plaza Proprietary Limited and bears interest at prime less 1.00% (2022: 1.00%). The loan is unsecured and has no fixed terms for repayment. There is a right to defer settlement until such time that the property is disposed of.

24. TRADE AND OTHER PAYABLES

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Financial instruments:				
Trade payables	**243 206**	289 240	**76 527**	63 962
Accrued capital expenditure and lease commission	**25 702**	28 550	**6 762**	7 081
Adjustment accounts	**2 631**	2 832	**–**	–
Payroll accruals	**–**	1 830	**–**	–
Repairs and maintenance and contract accruals	**101 201**	80 785	**6 076**	6 169
Sundry payables	**992**	–	**–**	–
Tenant (receivables)/accruals	**(344)**	1 920	**(43)**	1 764
Tenant advances	**1 523**	1 846	**–**	–
Tenant deposits (note 22)	**38 836**	69 619	**13 424**	18 696
Other payables	**8 369**	8 187	**–**	–
Unclaimed customer amounts	**434**	9 934	**127**	2 990
Non-financial instruments:				
Amounts received in advance and other credit amounts	**71 591**	94 835	**12 346**	14 549
VAT	**8 128**	7 301	**2 889**	1 103
	502 269	596 879	**118 108**	116 314

25. REVENUE

Rental revenue from contracts	**1 362 359**	1 136 759	**268 267**	263 341
Tenant recoveries	**558 579**	448 142	**82 202**	81 500
Management fees received from subsidiaries	**–**	–	**701**	1 088
	1 920 938	1 584 901	**351 170**	345 929

26. CONTRACT CANCELLATION FEES

Contract cancellation fees	**–**	133 873	**–**	–

On 7 September 2021 shareholders of Fairvest Property Holdings Limited approved the acquisition of 100% of the New Star Asset Management Proprietary Limited for R133 million and cancellation of the management contract. Management have concluded that IFRS 3 should not be applied as the payment is in substance a payment for the cancellation of a contract.

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27. NET OPERATING PROFIT

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Net operating profit includes the following items:				
Consulting and professional services	**5 657**	7 403	**4 267**	6 408
Letting commission	**21 380**	15 885	**4 105**	6 012
Repairs and maintenance	**27 676**	39 166	**4 246**	5 939
Property management fee	**47 115**	44 017	**8 056**	11 586
Electricity, water, sewer and refuse	**517 769**	423 764	**86 509**	85 097

28. NET FINANCE (CHARGES)/ INCOME

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Finance charges				
Interest paid – secured financial liabilities	**(433 685)**	(244 706)	**(142 183)**	(73 092)
Interest received (paid) – interest rate swaps	**2 520**	(68 344)	**3 183**	(7 979)
Interest paid – other	**(3 662)**	(1 991)	**(43)**	(350)
Interest paid – leases	**(5 318)**	(5 918)	**(1 705)**	(2 883)
Interest paid on amounts owing to non-controlling interests	**(5 570)**	(7 387)	**–**	–
Debt structuring fees incurred and amortised	**(10 981)**	(4 210)	**(6 672)**	(1 335)
	(456 696)	(332 556)	**(147 420)**	(85 639)
Interest income				
Interest received – bank	**5 722**	2 840	**1 056**	436
Interest received from loans	**6 625**	25 306	**–**	–
Interest received – tenants	**2 053**	1 959	**291**	603
Interest received – other	**1 860**	–	**–**	199
Interest received – participants of the Share Purchase Schemes	**8 070**	8 444	**3 101**	3 236
	24 330	38 549	**4 448**	4 474
	(432 366)	(294 007)	**(142 972)**	(81 165)

29. LISTED SECURITIES INCOME

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Dividends received				
– Arrowhead Properties Limited*	**–**	4 924	**–**	–
– Dipula Income Fund Limited	**25 901**	19 243	**–**	–
	25 901	24 167	**–**	–

* *This dividend was received by Fairvest Property Holding Limited prior to the merger with Arrowhead Properties Limited.*

30. DIVIDENDS RECEIVED

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Group companies				
– Arrowgem Limited	**–**	–	**332 000**	380 000
– Cumulative Properties Limited	**–**	–	**89 000**	102 500
– Fairvest Property Holdings Limited	**–**	–	**303 500**	227 717
	–	–	**724 500**	710 217

31. CHANGES IN FAIR VALUE AND IMPAIRMENTS

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Changes in fair value				
Fair value gains/(losses) on investment property (including held for sale)	**57 350**	328 956	**(34 038)**	12 800
Gain/(loss) on revaluation of listed securities	**2 279**	(23 711)	**–**	–
Fair value gain/(loss) on loans to participants of group share purchase option schemes (note 10)	**1 170**	(8 324)	**448**	(7 250)
Gain/(loss) on sale of investment properties	**–**	(1 141)	**–**	(1 010)
Other fair value adjustments	**(12 622)**	19	**(9 485)**	4 501
Fair value gain on derivative instruments (note 13)	**15 800**	129 528	**14 621**	16 953
	63 977	425 327	**(28 454)**	25 994
Impairments				
(Increase in) Reversal of impairment of investment in subsidiaries*	**–**	–	**(649 041)**	140 590
Total				
Changes in fair value	**63 977**	425 327	**(28 454)**	25 994
Impairments	**–**	–	**(649 041)**	140 590
	63 977	425 327	**(677 495)**	166 584

* *The investments in subsidiaries were tested for impairment by measuring the cost of the investment against the net asset value of the underlying subsidiary. Any shortfall was accounted for as an impairment and a surplus in following years being accounted for as a reversal of impairment. As the underlying subsidiaries net asset value in all material respects represents the fair value of the subsidiary's assets (with most significant assets measured at fair value annually) and liabilities this is considered a fair reflection of the net realisable value of the investment in the subsidiary. The movement in the accumulated impairments is mostly attributable to an increase and/or reduction in the fair value of the investment property held by the subsidiaries.*

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

32. CAPITAL EXPENSES

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Acquisition costs – Arrowhead/ Fairvest merger	**–**	74 223	**–**	51 656
Acquisition costs – other	**411**	333	**411**	–
	411	74 556	**411**	51 656

33. TAXATION

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Major components of the tax income				
Current				
Local income tax – current period	**–**	19	**–**	–
Deferred				
Originating and reversing temporary differences	**–**	(1 430)	**–**	23 012
Changes in tax rates	**–**	(34)	**–**	(164)
	–	(1 464)	**–**	22 848
	–	(1 445)	**–**	22 848
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	**667 254**	2 189 358	**11 744**	852 785
Tax at the applicable tax rate of 27% (2022: 28%)	**180 159**	613 020	**3 171**	238 780
Tax effect of adjustments on taxable income				
Accounting (profit)/loss on disposal of capital items	**60**	231	**–**	283
Capital expenses	**111**	6 412	**111**	14 464
Contracted lease cancellation fees	**–**	51 948	**–**	–
Deferred tax not recognised due to REIT status	**(1 452)**	–	**(1 928)**	–
Derecognition of deferred tax*	**–**	2 984	**–**	4 390
Discontinued operation (profit)/loss	**–**	(4 809)	**–**	–
Discontinued operation deferred tax	**–**	(10 388)	**–**	–
Donations	**–**	–	**482**	–
Reconciliation of the tax expense – continued				
Fair value changes in investment properties	**(15 367)**	(54 884)	**9 190**	(4 844)
Fair value of derivatives and listed securities	**–**	(13 059)	**–**	–
Fair value of loans to participants of the Arrowhead Share Purchase and Option Scheme	**(316)**	6 423	**(121)**	2 030
Gain on bargain purchase	**–**	(393 864)	**–**	–
Impairment to (Reversal of) investment in subsidiaries	**–**	–	**175 241**	(39 365)
Other permanent differences	**(1 242)**	13 788	**2 561**	1 391
Qualifying distributions	**(161 953)**	(218 456)	**(188 707)**	(194 117)
Straight-lining	**–**	3 776	**–**	–
Tax losses carried forward/(utilised)	**–**	(5 241)	**–**	–
Tax rate change^	**–**	674	**–**	(164)
	–	(1 445)	**–**	22 848

* *The current stated policy of certain entities in the Group is to distributable the full distributable income of the specific company. This will result in the Company not having any taxable income for the foreseeable future. As such no deferred taxation has been raised for these specific group companies and the corresponding prior year deferred tax asset has been reversed due to a change in judgement of future taxable income.*

^ *The Minister of Finance announced that the tax rate changed from 28% to 27% on 23 February 2022, becoming effective in the current financial year.*

34. DISCONTINUED OPERATIONS

On 14 March 2023, Fairvest Limited ("Fairvest") provided an irrevocable undertaking to SA Corporate Real Estate Limited ("SA Corporate") in terms of which Fairvest Limited undertook to vote in favour of a scheme of arrangement in terms of which SA Corporate will make an offer to acquire the entire issued share capital of Indluplace for a cash consideration of R3.40 per Indluplace share. Fairvest, through a wholly owned subsidiary, was the majority shareholder of Indluplace and held 191 581 362 Indluplace shares, or circa 60.9% at that time.

The scheme was concluded on 31 July 2023 with the Group's investment in Indluplace being disposed of at this effective date.

Revenue and expenses, gains and losses relating to Indluplace have therefore been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss as a discontinued operation.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

34. DISCONTINUED OPERATIONS CONTINUED

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Profit and loss				
Revenue	534 318	396 519	–	–
Straight-line rental income accrual	–	(412)	–	–
Operating costs	(319 695)	(201 017)	–	–
Administration costs	(73 965)	(26 997)	–	–
Finance income	3 714	5 808	–	–
Finance charges	(114 187)	(84 157)	–	–
Changes in fair values and impairments	20 838	(106 919)	–	–
Net profit/(loss) before tax	51 023	(17 175)	–	–
Tax	–	(10 388)	–	–
Net profit (loss) after tax	51 023	(27 563)	–	–
Loss on disposal of discontinued operation	(590 485)	–	–	–
	(539 462)	(27 563)	–	–
Statement of cash flows				
Cash flows from operating activities				
Profit/(loss) before taxation	51 023	(17 175)	–	–
Adjusted for:				
– Fair value adjustments	42 066	106 919	–	–
– Impact of dissolving share-based payment scheme	(13 316)	–	–	–
– Sundry adjustments	(1 273)	2 995	–	–
– Trade and other receivables	24 041	24 900	–	–
– Trade and other payables	58 838	(18 422)	–	–
Total cash flows from operating activities	161 379	99 217	–	–
Total cash flows from investing activities	(13 401)	(16 221)	–	–
Total cash flows from financing activities	(10 486)	(71 767)	–	–
	137 492	11 229	–	–

At the date of disposal, the carrying amounts of Indluplace's net assets were as follows:

Figures in Rand thousand	
Investment property – Fair value of property portfolio	3 300 864
Investment property – Straight-line rental income accrual	1 139
Non-current assets held for sale	67 429
Interest rate swaps	14 748
Deferred tax	2 568
Other non-current assets	18 678
Trade and other receivables	18 181
Cash and cash equivalents	113 816
Secured financial liabilities	(1 344 620)
Trade and other payables	(153 126)
Total net assets	2 039 677
Less minority interest	(797 815)
Total net assets attributable to the Group	1 241 862
Total consideration received in cash	651 377
Cash and cash equivalents disposed of	(113 816)
Net cash received	**537 561**
Total net assets attributable to the Group	1 241 862
Total consideration received in cash	(651 377)
Loss on disposal	**590 485**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

35. EARNINGS AND HEADLINE EARNINGS

	Group	
Figures in Rand thousand	**2023**	2022
Reconciliation of earnings to headline earnings		
From continuing operations:		
Profit for the year attributable to Fairvest shareholders	**654 822**	2 137 180
Adjusted for:		
Change in fair value of investment property	**(57 350)**	(328 956)
Change in fair value of investment property – non-controlling interest	**5 162**	832
Loss on sale of investment property	**–**	1 141
Loss on sale of investment property – non-controlling interest	**–**	(3)
Gain on bargain purchase	**–**	(1 406 658)
	602 634	403 536
From discontinued operations:		
Loss for the year attributable to Fairvest shareholders	**(558 515)**	(16 813)
Adjusted for:		
Change in fair value of investment property	**–**	140 712
Change in fair value of investment property – non-controlling interest	**–**	(54 882)
Loss on disposal of Indluplace	**590 485**	–
	31 970	69 017
In total:		
Profit for the year attributable to Fairvest shareholders	**96 307**	2 120 367
Adjusted for:		
Change in fair value of investment property	**(57 350)**	(188 244)
Change in fair value of investment property – non-controlling interest	**5 162**	(54 050)
Loss on sale of investment property	**–**	1 141
Loss on sale of investment property – non-controlling interest	**–**	(3)
Gain on bargain purchase	**–**	(1 406 658)
Loss on disposal of Indluplace	**590 485**	–
	634 604	472 553

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

35. EARNINGS AND HEADLINE EARNINGS CONTINUED

	Group					
Figures in Rand thousand	**2023 From continuing operations**	2022 From continuing operations	**2023 From discontinuing operations**	2022 From discontinuing operations	**2023 In total**	2022 In total
Allocation of basic earnings to A and B shares						
Basic and diluted earnings for the period attributable to equity holders						
Dividends paid to A shareholders	75 224	35 807	5 872	2 777	81 096	38 584
Remaining basic (loss)/earnings to be allocated pari passu per A and B share	160	93 568	(25 362)	(2 395)	(25 202)	91 173
Total A share basic and diluted earnings/(loss)	75 384	129 375	(19 490)	382	55 894	129 757
Dividends paid to B shareholders	575 743	459 754	44 946	22 434	620 689	482 188
Remaining basic (loss)/earnings to be allocated pari passu per A and B share	3 695	1 548 051	(583 971)	(39 629)	(580 276)	1 508 422
Total B share basic and diluted earnings (loss)	579 438	2 007 805	(539 025)	(17 195)	40 413	1 990 610
Total A and B share basic and diluted earnings (loss)	654 822	2 137 180	(558 515)	(16 813)	96 307	2 120 367

	Group					
Figures in Rand thousand	**2023 From continuing operations**	2022 From continuing operations	**2023 From discontinuing operations**	2022 From discontinuing operations	**2023 In total**	2022 In total
Allocation of headline earnings to A and B shares						
Headline and diluted headline earnings for the period attributable to equity holders						
Dividends paid to A shareholders	75 224	35 807	5 872	2 778	81 096	38 585
Remaining headline (loss)/earnings to be allocated pari passu per A and B share	(2 012)	(5 245)	(784)	2 497	(2 796)	(2 748)
Total A share headline and diluted headline earnings	73 212	30 562	5 088	5 275	78 300	35 837
Dividends paid to B shareholders	575 743	459 754	44 946	22 434	620 689	482 188
Remaining headline (loss)/earnings to be allocated pari passu per A and B share	(46 321)	(86 780)	(18 064)	41 309	(64 385)	(45 472)
Total B share headline and diluted headline earnings	529 422	372 974	26 882	63 743	556 304	436 716
Total A and B share headline and diluted headline earnings	602 634	403 536	31 970	69 018	634 604	472 553

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

35. EARNINGS AND HEADLINE EARNINGS CONTINUED

	Group	
Cents	**2023**	2022
From continuing operations:		
Basic earnings per A share in issue	**120.19**	206.28
Diluted earnings per A share in issue	**120.19**	206.28
Headline earnings per A share in issue	**116.73**	48.73
Headline diluted earnings per A share in issue	**116.73**	48.73
Basic earnings per B share in issue	**40.12**	193.49
Diluted earnings per B share in issue	**39.49**	191.16
Headline earnings per B share in issue	**36.66**	35.94
Headline diluted earnings per B share in issue	**36.08**	35.51
From discontinued operations:		
Basic loss per A share in issue	**(31.07)**	0.61
Diluted loss per A share in issue	**(31.07)**	0.61
Headline earnings per A share in issue	**8.11**	8.41
Headline diluted earnings per A share in issue	**8.11**	8.41
Basic loss per B share in issue	**(37.33)**	(1.66)
Diluted loss per B share in issue	**(37.33)**	(1.66)
Headline earnings per B share in issue	**1.86**	6.14
Headline diluted earnings per B share in issue	**1.83**	6.07
In total:		
Basic earnings per A share in issue	**89.12**	206.89
Diluted earnings per A share in issue	**89.12**	206.89
Headline earnings per A share in issue	**124.84**	57.14
Headline diluted earnings per A share in issue	**124.84**	57.14
Basic earnings per B share in issue	**2.80**	191.84
Diluted earnings per B share in issue	**2.75**	189.52
Headline earnings per B share in issue	**38.52**	42.09
Headline diluted earnings per B share in issue	**37.92**	41.58

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:

	Group	
	2023	2022
Number of A shares in issue	**62 718 658**	62 718 658
Number of B shares in issue*	**1 429 916 223**	1 460 863 899
Weighted average number of A shares in issue	**62 718 658**	62 718 658
Weighted average number of B shares in issue	**1 444 140 704**	1 037 657 471
Weighted average number of B shares in issue after dilutive impact of Conditional Share Plan	**1 467 180 520**	1 050 332 533

* *This excludes 65 830 868 (2022: 33 278 932) treasury shares.*

Restatement of earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share

Earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share have been restated and are now calculated, per IAS 33: *Earnings per Share*, paragraph A14, whereby the allocation of earnings to each class of ordinary shares is 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 Limited 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).

In addition, the comparative reporting periods have been restated pursuant to the decision to dispose of the Group's investment in Indluplace Properties Limited which has been reclassified as a discontinued operation.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

35. EARNINGS AND HEADLINE EARNINGS CONTINUED

Cents	Previously reported	Change	Restated
15 months ended 30 September 2022:			
From continuing operations:			
Basic earnings per A share in issue	192.69	13.59	206.28
Diluted earnings per A share in issue	190.50	15.78	206.28
Headline earnings per A share in issue	42.94	5.79	48.73
Headline diluted earnings per A share in issue	42.46	6.27	48.73
Basic earnings per B share in issue	192.69	0.80	193.49
Diluted earnings per B share in issue	190.50	0.66	191.16
Headline earnings per B share in issue	42.94	(7.00)	35.94
Headline diluted earnings per B share in issue	42.46	(6.95)	35.51
From discontinued operations:			
Basic earnings per A share in issue	–	0.61	0.61
Diluted earnings per A share in issue	–	0.61	0.61
Headline earnings per A share in issue	–	8.41	8.41
Headline diluted earnings per A share in issue	–	8.41	8.41
Basic loss per B share in issue	–	(1.66)	(1.66)
Diluted loss per B share in issue	–	(1.66)	(1.66)
Headline earnings per B share in issue	–	6.14	6.14
Headline diluted earnings per B share in issue	–	6.07	6.07
In total:			
Basic earnings per A share in issue	192.69	14.20	206.89
Diluted earnings per A share in issue	190.50	16.39	206.89
Headline earnings per A share in issue	42.94	14.20	57.14
Headline diluted earnings per A share in issue	42.46	14.68	57.14
Basic earnings per B share in issue	192.69	(0.85)	191.84
Diluted earnings per B share in issue	190.50	(0.98)	189.52
Headline earnings per B share in issue	42.94	(0.85)	42.09
Headline diluted earnings per B share in issue	42.46	(0.88)	41.58

36. CASH GENERATED FROM OPERATIONS

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Profit before taxation	667 254	2 189 358	11 744	852 785
Adjustments for:				
Changes in fair values and impairments	(63 977)	(424 852)	677 495	(167 594)
Straight-line rental income accrual	11 056	19 990	652	18 090
Dividends received	(25 901)	(24 167)	(724 500)	(710 217)
Depreciation	1 338	1 833	172	135
(Profit)/loss on disposal of investment property	–	1 141	–	1 010
Gain on bargain purchase	–	(1 406 658)	–	–
Interest income	(24 330)	(38 549)	(4 448)	(4 474)
Finance charges	456 696	332 556	147 420	85 639
Amortisation of tenant installations and lease commissions	71	2 040	(1 523)	(682)
Amortisation of structuring fee	7 323	4 816	2 085	1 335
Movement in share-based payment reserve	11 884	5 314	11 884	2 934
Sundry adjustments	–	(247)	–	4 686
Changes in working capital:				
Trade and other receivables	(9 549)	37 909	3 859	11 912
Trade and other payables and deposits received	1 699	13 757	(9 289)	(41 285)
	1 033 564	714 241	115 551	54 274

37. TAX PAID

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Balance at the beginning of the year	9	–	9	632
Current tax for the year recognised in profit or loss	–	(19)	–	–
Additions as a result of reverse acquisition (note 38)	–	632	–	–
Balance at the end of the year	(3)	(9)	–	(9)
	6	604	9	623

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

38. BUSINESS COMBINATIONS

Reverse acquisition of Arrowhead Properties Limited

During the prior year, Old Fairvest merged with Arrowhead. Subsequently Arrowhead changed its name to Fairvest Limited. Arrowhead issued B shares in the capital of the Company to Old Fairvest shareholders in lieu of their shares, constituting Old Fairvest a subsidiary of Arrowhead. Old Fairvest was subsequently delisted.

For accounting purposes under IFRS 3: *Business Combinations*, the transaction is treated as the acquisition of Arrowhead by Old Fairvest even though, legally, Arrowhead is the acquirer and was the entity which issued shares to Old Fairvest shareholders in consideration for their shares in Old Fairvest. Applying the guidance contained in IFRS 3: B15-B17 the acquirer was identified as Old Fairvest. The following factors were considered in identifying the acquirer:

- The acquirer is usually the combining entity whose owners as a group retain or receive the largest portion of the voting rights in the combined entity. Due to the commonality in shareholders across Arrowhead and Old Fairvest, there will be no change in the specific shareholders who will have the largest portion of voting rights in the Combined Group.
- After the implementation of the transaction, Old Fairvest's Chief Executive Officer and Chief Financial Officer continued in their respective roles in the Combined Group. Furthermore, five of the seven Non-Executive Directors from the Old Fairvest Board of Directors were appointed to the Fairvest Board.
- The transaction was initiated by Old Fairvest. Further the transaction was both led by Old Fairvest and controlled by Old Fairvest.

	Group		Company	
Figures in Rand thousand	2023	2022	2023	2022
Fair value of assets acquired and liabilities assumed				
Property, plant and equipment	–	4 750	–	–
Investment property – Fair value of property portfolio	–	11 595 311	–	–
Investment property – Straight-line rental income accrual	–	129 270	–	–
Loans to participants of group share purchase option scheme	–	128 582	–	–
Deferred tax	–	9 035	–	–
Financial assets	–	216 001	–	–
Trade and other receivables	–	219 606	–	–
Current tax receivable	–	632	–	–
Cash and cash equivalents	–	133 109	–	–
Non-current assets held for sale	–	84 353	–	–
Share-based payments reserve	–	(9 250)	–	–
Interest-bearing borrowings	–	(5 008 824)	–	–
Lease liabilities	–	(69 938)	–	–
Fair value of assets acquired and liabilities assumed – continued				
Derivatives	–	(104 793)	–	–
Trade and other payables	–	(559 898)	–	–
Total identifiable net assets	–	6 767 946	–	–
Non-controlling interest	–	(845 971)	–	–
Fair value of equity interest held before the business combination		(38 074)		
Gain on a bargain purchase in a business combination	–	(1 406 658)		–
	–	4 477 243	–	
Acquisition date fair value of consideration paid				
Equity – 542 720 803 Fairvest Limited B shares	–	(4 477 243)	–	–

Equity issued as part of consideration paid

Under IFRS, the fair value of the consideration transferred by the accounting acquirer is based on the number of shares that the accounting acquirer (Old Fairvest) would have had to issue to the owners of the accounting acquiree (Arrowhead) to give the owners of the legal parent the same percentage of equity interests in the combined entity that results from the reverse acquisition. 2 184 021 145 Old Fairvest shares were deemed to be issued by Old Fairvest in consideration for Arrowhead's shares. For the purpose of estimating the fair value of the consideration transferred, the existing shares of Arrowhead were deemed to be acquired on 26 January 2022 based upon the closing price on the acquisition date of Old Fairvest's existing shares (being R2.05).

Acquisition-related costs

The acquisition-related costs amounted to R74 223 000. These costs have been expensed in the year of acquisition and are included in capital expenses (note 32).

Gain on acquisition

A gain on bargain purchase of R1 406 658 000 was recognised on acquisition. The gain resulted due to Arrowhead being acquired at a discount to net asset value.

Revenue and profit or loss of reverse acquisition of Arrowhead Properties Limited

Revenue of R1.3 billion and profit of R437.8 million have been included in the Group's 2022 results since the date of acquisition.

Group revenue and profit/(loss) for full year

Had the business combination taken place at the beginning of the 2022 15-month reporting period, the revenue for the Group would have been R3.1 billion and the net profit would have been R1.8 billion for the 2022 financial year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

39. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities

	Group							
Figures in Rand thousand	**Opening balance**	**Capitalised dividends, interest and other**	**Amortisation of structuring fees**	**Disposal of Indluplace**	**Total non-cash movements**	**Cash inflows**	**Cash outflows**	**Closing balance**
2023								
Borrowings	6 120 051	–	7 323	(1 355 106)	(1 347 783)	3 625 770	(4 196 217)	4 201 821
Amounts owing to non-controlling interests	48 826	17 759	–	–	17 759	417	(11 575)	55 427
Lease liabilities	82 712	882	–	–	882	–	(40 842)	42 752
Total liabilities from financing activities	**6 251 589**	**18 641**	**7 323**	**(1 355 106)**	**(1 329 142)**	**3 626 187**	**(4 248 634)**	**4 300 000**

Figures in Rand thousand	Opening balance	Capitalised dividends, interest and other	Amortisation of structuring fees	Additions as a result of reverse acquisition of Arrowhead	Total non-cash movements	Cash inflows	Cash outflows	Closing balance
2022								
Borrowings	1 083 822	–	4 816	5 008 824	5 013 640	2 479 646	(2 457 057)	6 120 051
Amounts owing to non-controlling interests	129 813	(22 182)	–	–	(22 182)	402	(59 207)	48 826
Lease liabilities	20 820	–	–	69 938	69 938	–	(8 046)	82 712
Total liabilities from financing activities	1 234 455	(22 182)	4 816	5 078 762	5 061 396	2 480 048	(2 524 310)	6 251 589

	Company						
Figures in Rand thousand	**Opening balance**	**Non-cash dividends**	**Amortisation of structuring fees**	**Total non-cash movements**	**Cash inflows**	**Cash outflows**	**Closing balance**
2023							
Borrowings	1 087 287	–	2 085	2 085	2 903 461	(1 613 779)	2 379 054
Lease liabilities	40 121	–	–	–	–	(40 121)	–
Loans from group companies	869 491	(89 001)	–	(89 001)	476 572	(585 476)	671 586
Total liabilities from financing activities	**1 996 899**	**(89 001)**	**2 085**	**(86 916)**	**3 380 033**	**(2 239 376)**	**3 050 640**
2022							
Borrowings	1 036 060	–	1 335	1 335	788 589	(738 697)	1 087 287
Lease liabilities	21 190	–	–	–	25 884	(6 953)	40 121
Loans from group companies	737 994	(283 500)	–	(283 500)	414 997	–	869 491
Total liabilities from financing activities	1 795 244	(283 500)	1 335	(282 165)	1 229 470	(745 650)	1 996 899

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

40. ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARY

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
FPP Property Venture 102 Proprietary Limited	**–**	(27 713)	**–**	–
Arrowgem Limited	**(12 369)**	–	**–**	–
Fairvest Property Holdings Limited	**(10 942)**	–	**–**	–
	(23 311)	(27 713)	**–**	–

During the prior reporting period Fairvest Property Holdings Limited elected to exercise its right to acquire the remaining 49% non-controlling interests' share in FPP Property Venture 102 Proprietary Limited ("102") and is now a wholly owned subsidiary of the Group. The acquisition was funded through loan accounts with an additional settlement payment amounting to R27 712 922 to Propsky 31 Properties Proprietary Limited.

During the current year the Group acquired the remaining non-controlling interest in Arrowgem Limited and Fairvest Property Holdings Limited.

41. COMMITMENTS

Capital commitments

	Group		Company	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Acquisition of investment properties and improvements to existing properties				
Approved and committed	**15 580**	19 690	**2 780**	3 142
Minimum lease payments receivable				
– first year	**1 162 965**	1 401 108	**212 387**	191 058
– second year	**868 774**	965 676	**147 085**	117 597
– third year	**587 174**	610 413	**76 651**	60 208
– fourth year	**355 225**	397 053	**34 894**	31 828
– fifth year	**230 118**	235 553	**22 611**	15 500
– sixth year and onwards	**453 178**	519 277	**33 508**	30 618
	3 657 434	4 129 080	**527 136**	446 809

Minimum lease payments comprise contractual rental income from investment properties due in terms of signed lease agreements.

42. DIRECTORS' EMOLUMENTS

Executive

Figures in Rand thousand	Emoluments 2023	Bonus – Short-Term Incentive 2023	Total 2023
BJ Kriel	3 400	4 283	7 683
DM Wilder	5 250	7 169	12 419
	8 650	11 452	20 102

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

42. DIRECTORS' EMOLUMENTS

	Fairvest Property Holdings Limited[2]				Fairvest Limited[3]						
Figures in Rand thousand	New Star Asset Management[1]	Emoluments	Bonus – Short-Term Incentive	Total	Emoluments	Bonus – Short-Term Incentive[5]	Bonus – Long-Term Incentive	Compensation Loss of Office	Total	Indluplace Limited[4] Directors' fees	Total
2022											
M Kaplan[C]	–	–	–	–	1 805	94	4 832	11 716	18 447	–	18 447
BJ Kriel[A]	–	1 177	1 297	2 474	2 267	–	–	–	2 267	–	4 741
J Limalia[C]	–	–	–	–	1 111	58	2 975	8 611	12 755	–	12 755
AJ Marcus[B]	2 158	–	–	2 158	–	–	–	–	–	–	2 158
DM Wilder[A]	1 341	1 420	–	2 761	3 500	–	–	–	3 500	220	6 481
	3 499	**2 597**	**1 297**	**7 393**	**8 683**	**152**	**7 807**	**20 327**	**36 969**	**220**	**44 582**

A. Appointed as a Director of Fairvest Limited (previously Arrowhead Properties Limited) on 31 January 2022.

B. Resigned as an alternate Director of Fairvest Property Holdings Limited on 1 October 2021.

C. Resigned as a Director of Fairvest Limited (previously Arrowhead Properties Limited) on 25 January 2022.

1. Until the internalisation of New Star Asset Management Proprietary Limited DM Wilder and AJ Marcus were remunerated by New Star and not by Fairvest Property Holdings Limited.

2. Directors' fees received for the 15 months to 30 September 2022 and 12 months to 30 June 2021 in Fairvest Property Holdings Limited.

3. Directors' fees received for the 12 months to 30 September 2021 and 30 September 2022 in Fairvest Limited (previously Arrowhead Properties Limited).

4. Directors' fees received by DM Wilder as a Non-Executive Director of Indluplace Limited is paid to Fairvest Limited.

5. These amounts relate to a top up payment relating to the 30 September 2021 financial year, as a portion of the bonus was deferred until such time as a certain KPI metric was finalised, which was only done subsequent to the publication of the prior Annual Financial Statements.

Directors' interest in share options

The Directors have been awarded the following number of options under the various plans (refer note 19 for more details on these plans):

	2022 CSP	**2023 CSP**	Executive Retention Scheme	Total
BJ Kriel	668 852	**1 307 692**	1 486 377	3 462 921
DM Wilder	1 032 787	**2 019 231**	2 295 142	5 347 160
	1 701 639	**3 326 923**	3 781 519	8 810 081

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

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42. DIRECTORS' EMOLUMENTS CONTINUED

Fees paid to Non-Executive Directors

Figures in Rand thousand	Directors' fees	Total
2023		
LW Andrag	**874**	**874**
AI Basserabie	**452**	**452**
N Mkhize	**1 124**	**1 124**
KR Nkuna	**585**	**585**
NN Shange	**663**	**663**
JF du Toit	**666**	**666**
Adv JD Wiese	**585**	**585**
	4 949	**4 949**

	Fairvest Property Holdings Limited[1]	**Fairvest Limited**		
Figures in Rand thousand	Directors' fees	Directors' fees[2]	Directors' fees in Indluplace Limited[3]	Total
2022				
T Adler[C]	–	150	236	386
LW Andrag[A]	254	401	–	655
AI Basserabie	–	422	–	422
TJ Cohen[B]	254	–	–	254
G Kinross[C]	–	234	–	234
NN Makhoba	–	475	–	475
N Mkhize[A]	241	472	–	713
S Mokorosi[C]	–	174	–	174
KR Nkuna[A]	240	296	–	536
JF du Toit[A]	334	344	–	678
Adv JD Wiese[A]	266	296	–	562
	1 589	3 264	236	5 089

1. *Directors' fees received for the 15 months to 30 September 2022 in Fairvest Property Holdings Limited.*
2. *Directors' fees received for the 12 months to 30 September 2022 in Fairvest Limited (previously Arrowhead Properties Limited).*
3. *Directors' fees received for the 12 months to 30 September 2022 in Indluplace Limited.*

A. *Resigned as a Director of Fairvest Property Holdings Limited on 1 March 2022, appointed as a Director of Fairvest Limited (previously Arrowhead Properties Limited) on 31 January 2022.*
B. *Resigned as a Director of Fairvest Property Holdings Limited on 1 March 2022.*
C. *Resigned as a Director of Fairvest Limited (previously Arrowhead Properties Limited) on 25 January 2022.*

43. RELATED PARTIES

Parties are considered related if they meet the definition of a related party in terms of IAS 24.

Relationships

Subsidiaries	Arrowgem Limited Arrowhead Prop 1 Limited Clearwater Crossing Proprietary Limited Cumulative Properties Limited Fairvest Property Holdings Limited Fluxrab Investments No 196 Proprietary Limited Gemgrow Asset Management Proprietary Limited Moolgem Proprietary Limited Vividend Income Fund Limited Vividend Management Group Proprietary Limited New Star Asset Management Proprietary Limited
Key management	DM Wilder, BJ Kriel, A Kirkel and R Kader
Non-Executive Directors	Refer to Directors' report
Other	Participants of the share purchase schemes (R Kader and A Kirkel)

	Group		**Company**	
Figures in Rand thousand	**2023**	2022	**2023**	2022
Related party balances				
Directors' emoluments:				
Executive Directors	**20 102**	44 582	**20 102**	44 582
Non-Executive Directors	**4 949**	5 089	**4 949**	5 089
	25 051	49 671	**25 051**	49 671
Balances owing by related parties:				
Loans to participants of share purchase schemes (note 10)	**16 241**	105 642	**11 977**	23 470
Loans to group companies (note 12)	**–**	–	**2 292 070**	1 317 234
Loans from group companies (note 12)	**–**	–	**(671 586)**	(869 491)
Related party transactions				
Transactions:				
Interest received from participants of group share purchase option schemes	**2 096**	14 356	**1 545**	3 236
Dividends received from subsidiaries	**–**	–	**724 500**	710 217
Management fee received from Indluplace Properties Limited	**–**	–	**701**	1 087
Key management remuneration	**38 548**	51 248	**38 548**	43 855
Transactions with New Star Asset Management Proprietary Limited				
Management fees paid	**–**	3 173	**–**	–
Contract cancellation fees paid	**–**	133 873	**–**	–
Commission paid	**–**	1 223	**–**	–

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44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, trade and other receivables and trade and other payables. Book value approximates fair value in respect of these financial instruments. Exposure to market, credit and liquidity risks arises in the normal course of business.

Categories of financial instruments

Categories of financial assets

		Group			
Figures in Rand thousand	Note(s)	Fair value through profit or loss	Amortised cost	Non-financial instrument	Total
2023					
Loans receivable	14	**–**	**38 788**	**–**	**38 788**
Derivatives	13	**35 222**	**–**	**–**	**35 222**
Trade and other receivables	16	**–**	**182 674**	**45 386**	**228 060**
Cash and cash equivalents	17	**–**	**106 763**	**–**	**106 763**
Financial assets	11	**185 864**	**13 190**	**–**	**199 054**
Loans to participants of group share purchase option schemes	10	**62 409**	**–**	**–**	**62 409**
		283 495	**341 415**	**45 386**	**670 296**
2022					
Loans receivable	14	–	132 457	–	132 457
Amounts owing by non-controlling interests	15	–	24 186	–	24 186
Derivatives	13	36 102	–	–	36 102
Trade and other receivables	16	–	214 317	3 935	218 252
Cash and cash equivalents	17	–	134 569	–	134 569
Financial assets	11	183 626	13 190	–	196 816
Loans to participants of group share purchase and option schemes	10	105 642	–	–	105 642
		325 370	518 719	3 935	848 024

		Company			
Figures in Rand thousand	Note(s)	Fair value through profit or loss	Amortised cost	Non-financial instrument	Total
2023					
Loans to subsidiaries	12	**–**	**2 292 070**	**–**	**2 292 070**
Derivatives	13	**19 636**	**–**	**–**	**19 636**
Trade and other receivables	16	**–**	**30 572**	**6 089**	**36 661**
Cash and cash equivalents	17	**–**	**25 713**	**–**	**25 713**
Financial assets	11	**–**	**4 599**	**–**	**4 599**
Loans to participants of group share purchase and option schemes	10	**23 918**	**–**	**–**	**23 918**
		43 554	**2 352 954**	**6 089**	**2 402 597**
2022					
Loans to subsidiaries	12	–	1 317 234	–	1 317 234
Derivatives	13	5 015	–	–	5 015
Trade and other receivables	16	–	31 998	179	32 177
Cash and cash equivalents	17	–	15 414	–	15 414
Financial assets	11	–	4 599	–	4 599
Loans to participants of group share purchase and option schemes	10	23 470	–	–	23 470
		28 485	1 369 245	179	1 397 909

Categories of financial liabilities

		Group		
Figures in Rand thousand	Note(s)	Amortised cost	Non-financial instrument	Total
2023				
Trade and other payables	24	**422 550**	**79 719**	**502 269**
Borrowings	20	**4 201 821**	**–**	**4 201 821**
Lease liabilities	21	**42 752**	**–**	**42 752**
Amounts owing to non-controlling interest	23	**55 427**	**–**	**55 427**
Deposits received	22	**82 000**	**–**	**82 000**
		4 804 550	**79 719**	**4 884 269**

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44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

		Group			
Figures in Rand thousand	Note(s)	Fair value through profit or loss	Amortised cost	Non-financial instrument	Total
2022					
Trade and other payables	24	–	494 743	102 136	596 879
Borrowings	20	–	6 120 051	–	6 120 051
Derivatives	13	4 269	–	–	4 269
Lease liabilities	21	–	82 712	–	82 712
Amounts owing to non-controlling interest	23	–	48 826	–	48 826
Deposits received	22	–	64 052	–	64 052
		4 269	6 810 384	102 136	6 916 789

		Company		
Figures in Rand thousand	Note(s)	Amortised cost	Non-financial instrument	Total
2023				
Trade and other payables	24	**102 873**	**15 235**	**118 108**
Loans from subsidiaries	12	**671 586**	**–**	**671 586**
Borrowings	20	**2 379 054**	**–**	**2 379 054**
		3 153 513	**15 235**	**3 168 748**
2022				
Trade and other payables	24	100 662	15 652	116 314
Loans from subsidiaries	12	869 491	–	869 491
Borrowings	20	1 087 287	–	1 087 287
Lease liabilities	21	40 121	–	40 121
		2 097 561	15 652	2 113 213

The table below sets out the items of income, expense, gains or losses of each class of financial asset and liability:

	Group			
Figures in Rand thousand	At fair value through profit or loss	At amortised cost	Non-financial instrument	Total
For the period ended 30 September 2023				
Changes in fair value – Share Purchase and Option Scheme	**1 170**	**–**	**–**	**1 170**
Changes in fair value	**15 800**	**–**	**48 177**	**63 977**
Finance charges	**(3 050)**	**(450 033)**	**(3 613)**	**(456 696)**
Finance income	**8 070**	**16 260**	**–**	**24 330**
For the year ended 30 September 2022				
Changes in fair value – Share Purchase and Option Scheme	(22 940)	–	–	(22 940)
Changes in fair value	130 164	–	188 244	318 408
Finance charges	(87 890)	(328 823)	–	(416 713)
Finance income	14 356	30 001	–	44 357

	Company			
Figures in Rand thousand	At fair value through profit or loss	At amortised cost	Non-financial instrument	Total
For the year ended 30 September 2023				
Changes in fair value – Share Purchase and Option Scheme	**448**	**–**	**–**	**448**
Changes in fair value	**14 621**	**–**	**(43 523)**	**(28 902)**
Finance charges	**3 183**	**(148 898)**	**(1 705)**	**(147 420)**
Finance income	**3 101**	**1 347**	**–**	**4 448**
For the year ended 30 September 2022				
Changes in fair value – Share Purchase and Option Scheme	(7 250)	–	–	(7 250)
Changes in fair value	16 954	–	16 290	33 244
Finance charges	(7 979)	(77 660)	–	(85 639)
Finance income	3 236	1 039	–	4 275

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Financial risk management

Credit risk

Credit risk arises from the risk that tenants, other debtors or loan receivables may default or not meet its obligations timeously. There is no significant concentration of credit risk as exposure is spread over a large number of counter parties. Allowances are made using the general approach.

Refer to notes 14, 15, 16 and 17 for further credit risk analysis.

Other than mortgage bonds on investment properties, no other assets have been issued as collateral or security. The ECL allowance at 30 September 2023 is R64.6 million (2022: R57.5 million).

The credit quality of receivables are considered satisfactory.

Management does not consider there to be any credit risk exposure that is not already covered in the expected credit loss allowance. The carrying value of receivables is considered to reasonably approximate fair value.

		Group					
Figures in Rand thousand	Note(s)	**Gross carrying amount 2023**	**Credit loss allowance 2023**	**Amortised cost 2023**	Gross carrying amount 2022	Credit loss allowance 2022	Amortised cost 2022
Loans receivable	14	**38 788**	**–**	**38 788**	132 457	–	132 457
Amounts owing by non-controlling interest	15	**–**	**–**	**–**	24 186	–	24 186
Trade and other receivables	16	**228 060**	**(64 575)**	**163 485**	275 717	(57 465)	218 252
Cash and cash equivalents	17	**106 763**	**–**	**106 763**	134 569	–	134 569
		373 611	**(64 575)**	**309 036**	566 929	(57 465)	509 464

		Company					
Figures in Rand thousand	Note(s)	**Gross carrying amount 2023**	**Credit loss allowance 2023**	**Amortised cost 2023**	Gross carrying amount 2022	Credit loss allowance 2022	Amortised cost 2022
Loans to subsidiaries	12	**2 292 070**	**–**	**2 292 070**	1 317 234	–	1 317 234
Trade and other receivables	16	**36 661**	**(22 226)**	**14 435**	41 523	(10 984)	30 539
Cash and cash equivalents	17	**25 713**	**–**	**25 713**	15 414	–	15 414
		2 354 444	**(22 226)**	**2 332 218**	1 374 171	(10 984)	1 363 187

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances and a revolving loan facility and by re-negotiating the roll over of long-term loans that fall due in the next 12 months.

The Group will utilise undrawn facilities and cash on hand to meet its short-term funding requirements.

A maturity analysis of the Company's financial assets and liabilities and its exposure to interest rate risk at year end are set out in the preceding table.

		Group			
Figures in Rand thousand		**Less than 1 year**	**2 to 5 years**	**Total**	**Carrying amount**
2023					
Non-current liabilities					
Borrowings	20	**383 763**	**4 301 897**	**4 685 660**	**3 771 559**
Deposits received	22	**–**	**82 000**	**82 000**	**82 000**
Amounts owing to non-controlling interests	23	**–**	**25 374**	**25 374**	**25 374**
Current liabilities					
Trade and other payables	24	**502 269**	**–**	**502 269**	**502 269**
Borrowings	20	**441 684**	**–**	**441 684**	**430 262**
Amounts owing to non-controlling interests	23	**30 053**	**–**	**30 053**	**30 053**
		(1 357 769)	**(4 409 271)**	**(5 767 040)**	**(4 841 517)**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

		Group			
Figures in Rand thousand		Less than 1 year	2 to 5 years	Total	Carrying amount
2022					
Non-current liabilities					
Borrowings	20	305 110	3 896 994	4 202 104	3 549 738
Deposits received	22	–	64 052	64 052	64 052
Amounts owing to non-controlling interests	23	–	22 807	22 807	22 807
Derivatives	13	227	291	518	884
Current liabilities					
Trade and other payables	24	612 868	–	612 868	612 868
Borrowings	20	2 656 535	–	2 656 535	2 570 313
Amounts owing to non-controlling interests	23	26 019	–	26 019	26 019
Derivatives	13	6 331	–	6 331	3 385
		(3 607 090)	(3 984 144)	(7 591 234)	(6 850 066)

		Company			
Figures in Rand thousand		**Less than 1 year**	**2 to 5 years**	**Total**	**Carrying amount**
2023					
Non-current liabilities					
Borrowings	20	**239 968**	**2 788 465**	**3 028 433**	**2 379 054**
Deposits received		**–**	**23 490**	**23 490**	**23 490**
Current liabilities					
Trade and other payables	24	**118 109**	**–**	**118 109**	**118 109**
Loans from group companies	12	**760 586**	**–**	**760 586**	**671 586**
		(1 118 663)	**(2 811 955)**	**(3 930 618)**	**(3 192 239)**
2022					
Non-current liabilities					
Borrowings	20	45 303	538 470	583 773	517 006
Lease liabilities	21	–	36 312	36 312	31 672
Current liabilities					
Trade and other payables	24	117 907	–	117 907	117 907
Loans from group companies	12	1 152 991	–	1 152 991	869 491
Borrowings	20	576 941	–	576 941	570 281
Lease liabilities	21	11 633	–	11 633	8 449
		(1 904 775)	(574 782)	(2 479 557)	(2 114 806)

Interest rate risk

The Group manages its exposure to changes in interest rates by hedging its exposure to interest rates in respect of the majority of its borrowings either in the form of fixed rate loans or interest rate swaps. At year end, interest rates in respect of 64.8% (2022: 67.4%) of borrowings were hedged.

The weighted average rate of interest was 10.15%. The value of unhedged borrowings is R1.5 billion.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on exposure to interest rates at the reporting date.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year under review would have decreased/increased by R14.8 million.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year under review would have decreased/increased by R7.4 million.

	2023 ±100 basis points	2022 ±100 basis points
Group	**R14.8 million**	R20.0 million
Company	**R7.4 million**	R8.4 million

45. CAPITAL MANAGEMENT

The Company's borrowings, excluding debentures, are limited to 45% of the valuation of the investment property portfolio in terms of the existing debt covenants and unlimited in terms of the Memorandum of Incorporation of the Company.

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for the period ended 30 September 2023

46. 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 asset or liabilities;

Level 2 – fair value is 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 inputs.

The investment properties (refer to note 4) are valued using a level 3 model. Derivative instruments (refer to note 13) are valued using a level 2 model. The loans to participants of group share purchase option schemes are valued using a level 3 model (refer to note 10). The investment in Dipula is valued using a level 1 model (refer note 11). The investment in Cadiz Life Limited, via an endowment policy, was valued at fair value based on the aggregate of the market value of the investments in the underlying fund using a level 2 measurement hierarchy (refer note 11). There are no other assets that are required to be analysed as per the hierarchy.

Levels of fair value measurements

	Group			
Figures in Rand thousand	**At fair value**	**Level 1**	**Level 2**	**Level 3**
Year ended 30 September 2023				
Investment property (including non-current assets held for sale)	12 004 066	–	–	12 004 066
Investments in listed securities and endowment investment	185 864	181 413	4 451	–
Interest rate swaps	35 222	–	35 222	–
Loans to participants of group share option scheme	62 409	–	–	105 642
Total assets	12 287 561	181 413	39 673	12 109 708

	Company			
Figures in Rand thousand	**At fair value**	**Level 1**	**Level 2**	**Level 3**
Year ended 30 September 2023				
Investment property (including non-current assets held for sale)	2 276 616	–	–	2 276 616
Loans to participants of group share option scheme	23 918	–	–	23 918
Interest rate swaps	19 636	–	19 636	–
Total assets	2 320 170	–	19 636	2 300 534

	Group			
Figures in Rand thousand	At fair value	Level 1	Level 2	Level 3
Year ended 30 September 2022				
Investment property (including non-current assets held for sale)	15 456 955	–	–	15 456 955
Investments in listed securities and endowment investment	183 626	179 109	4 517	–
Interest rate swaps	36 102	–	36 102	–
Loans to participants of group share option scheme	105 642	–	–	105 642
Total assets	15 782 325	179 109	40 619	15 562 597
Interest rate swaps	4 269	–	4 269	–
Total liabilities	4 269	–	4 269	–

	Company			
Figures in Rand thousand	At fair value	Level 1	Level 2	Level 3
Year ended 30 September 2022				
Investment property (including non-current assets held for sale)	2 263 881	–	–	2 263 881
Loans to participants of group share option scheme	23 470	–	–	23 470
Interest rate swaps	5 015	–	5 015	–
Total assets	2 292 366	–	5 015	2 287 351

47. OPERATING SEGMENTS

The entity has nine reportable segments, which is in line with the prior year, based on the geographic split of the country which are the entity's strategic business segments. For each strategic business segments, the entity's Executive Directors review internal management reports on a monthly basis.

All segments are located in South Africa. There are no single major customers.

The following summary describes the operations in each of the entity's reportable segments.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

47. OPERATING SEGMENTS CONTINUED

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
Interest received	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)
Total comprehensive income	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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

47. OPERATING SEGMENTS CONTINUED

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
Interest received	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)/income from discontinued operations	–	–	–	(539 462)	–	(539 462)
Total comprehensive income	55 642	147 631	975 341	(539 653)	(511 169)	127 792
Reportable segment assets	2 465 116	1 323 254	8 403 390	69	442 657	12 634 486
Reportable segment liabilities	(149 741)	(55 745)	(630 690)	(637)	(4 051 371)	(4 888 184)
	2 315 375	1 267 509	7 772 700	(568)	(3 608 714)	7 746 302

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

47. OPERATING SEGMENTS CONTINUED

Geographical

R'000	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Limpopo	Mpumalanga	North West	Northern Cape	Free State	Other	Total
30 September 2022											
Revenue	525 921	288 813	239 563	154 067	98 246	27 659	80 041	81 913	88 052	626	1 584 901
Straight-line rental income	(14 129)	1 882	(5 147)	372	996	(285)	(56)	(3 060)	(151)	–	(19 578)
Sundry income	10 709	1 012	4 932	648	56	33	–	702	176	1 061	19 329
Operating costs and administrative costs	(273 712)	(106 208)	(92 331)	(59 578)	(25 766)	(13 751)	(30 057)	(34 585)	(32 089)	(80 933)	(749 010)
Contract cancellation fees	–	–	–	–	–	–	–	–	–	(133 873)	(133 873)
Profit/(loss) from operations	248 789	185 499	147 017	95 509	73 532	13 656	49 928	44 970	55 988	(213 119)	701 769
Interest received	1 203	236	692	80	2 865	15	88	74	47	33 249	38 549
Finance charges	(776)	(15)	(24)	(6)	8	(17)	(1 828)	(1)	–	(329 897)	(332 556)
Dividends received	–	–	–	–	–	–	–	–	–	24 167	24 167
Changes in fair values	6 057	115 053	68 030	54 419	8 654	5 008	11 125	35 609	25 099	96 273	425 327
Gain on bargain purchase	–	–	–	–	–	–	–	–	–	1 406 658	1 406 658
Capital expenses	–	–	–	–	–	–	–	–	–	(74 556)	(74 556)
Profit/(loss) before taxation	255 273	300 773	215 715	150 002	85 059	18 662	59 313	80 652	81 134	942 775	2 189 358
Taxation	–	–	–	–	–	–	–	–	–	1 445	1 445
Income from continuing operations	255 273	300 773	215 715	150 002	85 059	18 662	59 313	80 652	81 134	944 220	2 190 803
(Loss)/income from discontinued operations	108 663	–	473	–	–	15 931	–	–	1 669	(154 299)	(27 563)
Total comprehensive income	363 936	300 773	216 188	150 002	85 059	34 593	59 313	80 652	82 803	789 921	2 163 240
Reportable segment assets	7 276 390	2 628 646	1 587 638	1 223 524	857 842	386 054	741 404	442 945	527 890	642 409	16 314 742
Reportable segment liabilities	(305 080)	(52 475)	(53 718)	(25 691)	(34 667)	(8 124)	(71 201)	(15 901)	(8 611)	(6 345 236)	(6 920 704)
	6 971 310	2 576 171	1 533 920	1 197 833	823 175	377 930	670 203	427 044	519 279	(5 702 827)	9 394 038

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONTINUED

for the period ended 30 September 2023

47. OPERATING SEGMENTS CONTINUED

Sectoral

R'000	Office	Industrial	Retail	Residential	Overheads	Total
30 September 2022						
Revenue	307 957	131 999	1 144 268	51	626	1 584 901
Straight-line rental income	(10 742)	(1 990)	(6 846)	–	–	(19 578)
Sundry income	80	–	18 188	–	1 061	19 329
Operating costs and administrative costs	(154 296)	(70 644)	(443 022)	(115)	(80 933)	(749 010)
Contract cancellation fees	–	–	–	–	(133 873)	(133 873)
Net operating income before interest	142 999	59 365	712 588	(64)	(213 119)	701 769
Interest received	456	282	4 562	–	33 249	38 549
Finance charges	185	(670)	(2 174)	–	(329 897)	(332 556)
Listed securities income	–	–	–	–	24 167	24 167
Changes in fair values	(69 990)	45 101	350 581	3 362	96 273	425 327
Gain on bargain purchase	–	–	–	–	1 406 658	1 406 658
Capital expenses	–	–	–	–	(74 556)	(74 556)
Profit/(loss) before taxation	73 650	104 078	1 065 557	3 298	942 775	2 189 358
Taxation	–	–	–	–	1 445	1 445
Income from continuing operations	73 650	104 078	1 065 557	3 298	944 220	2 190 803
(Loss)/income from discontinued operations	–	–	–	126 737	(154 300)	(27 563)
Total comprehensive income	73 650	104 078	1 065 557	130 035	789 920	2 163 240
Reportable segment assets	2 813 462	1 289 159	8 162 738	3 406 974	642 409	16 314 742
Reportable segment liabilities	(142 610)	(56 720)	(285 519)	(90 619)	(6 345 236)	(6 920 704)
	2 670 852	1 232 439	7 877 219	3 316 355	(5 702 827)	9 394 038

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for the period ended 30 September 2023

48. NON-CONTROLLING INTEREST

The Group includes the following subsidiaries with non-controlling interests (NCIs):

Figures in Rand thousand	**Effective interest held by NCI – 2023**	Effective interest held by NCI – 2022	**Profit/(loss) allocated to NCI for the year – 2023**	Profit/(loss) allocated to NCI for the year – 2022	**Equity allocated to NCI for the year – 2023**	Equity allocated to NCI for the year – 2022
Arrowgem Limited	None	0.3%	543	5	–	10 049
Indluplace Properties Limited	None	39.0%	19 053	(11 465)	–	809 253
Fairvest Property Holdings Limited	None	0.4%	554	9 350	–	9 350
FPP Property Venture 103 Proprietary Limited	20.0%	20.0%	2 388	4 187	11 297	11 951
FPP Property Venture 102 Proprietary Limited	None	49.0%	–	11 108	–	–
Southview Shopping Centre Proprietary Limited	50.0%*	50.0%*	4 380	5 219	8 855	9 880
Bara Precinct Proprietary Limited	None	49.8%	1 956	15 527	–	120 258
Libode Shopping Centre Proprietary Limited	45.0%	45.0%	1 678	4 122	8 380	8 635
Qumbu Plaza Proprietary Limited	49.0%	49.0%	933	4 820	4 296	5 498
			31 485	42 873	32 828	984 874

* *Fairvest controls Southview Shopping Centre Proprietary Limited. This was determined based on a number of factors, the most significant being that during any voting at any meeting of the Southview board, Fairvest shall have a combined vote of 51% and the Directors representing the non-controlling shareholders shall have a combined vote of 49%.*

The NCI balance is reconciled as follows:

Figures in Rand thousand	**Arrowgem Limited**	**Indluplace Properties Limited**	**Fairvest Property Holdings Limited**	**Bara Precinct Proprietary Limited**	**Other NCI**	**Total**
Opening balance	10 049	809 253	9 350	120 258	35 964	984 874
Share of profit for the year	543	19 053	554	1 956	9 379	31 485
Share of dividends for the year	–	(32 528)	–	(16 402)	(12 187)	(61 117)
Acquisition of non-controlling interest	(10 592)	–	(9 904)	(105 812)	(328)	(126 636)
Dilution of interest in subsidiary	–	2 037	–	–	–	2 037
Disposal of Indluplace	–	(797 815)	–	–	–	(797 815)
	–	–	–	–	32 828	32 828

The acquisition of non-controlling interest above relates to the remaining minority shareholders being bought out resulting in the Group owning 100% of the issued share capital of these specific subsidiaries:

Figures in Rand thousand	**Arrowgem Limited**	**Fairvest Property Holdings Limited**	**Bara Precinct Proprietary Limited**	**Other NCI**	**Total**
Equity value acquired	10 592	9 904	105 812	328	126 636
Purchase consideration	(12 369)	(10 942)	(101 447)	–	(124 758)
Impact to Group retained income	(1 777)	(1 038)	4 365	328	1 878

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for the period ended 30 September 2023

49. JOINT OPERATION

During the 2013 reporting period the Group acquired a 50% undivided share in Sebokeng Plaza with Axis Property Fund Proprietary Limited. The asset is jointly controlled by the parties and is classified as a joint operation. Axis also performs the property management function for the asset. The principal place of business for the joint operation is Cape Town, Western Cape.

50. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

At face value the current liabilities are higher than the current assets. However, all debt facilities expiring for the 2024 financial year are expected to be refinanced or outright settled given the Group's strong undrawn unrestricted debt facilities on hand of R917.1 million at 30 September 2023. Furthermore the Group has concluded property sales agreements in excess of R307.3 million of which one to the value of R31.5 million has already transferred subsequent to year end with the balance expected to transfer in the next 12 months.

51. DIVIDENDS AND EVENTS AFTER THE REPORTING PERIOD

On 28 November 2023 the Board has resolved to declare a final dividend of 67.94 cents per A share and 20.32 cents per B share. The total final dividend of R319.3 million will be paid after year end.

The Directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

The dividend is declared in respect of the period ended 30 September 2023 and meets the requirements of a qualifying distribution in terms of section 25BB of the Income Tax Act, 58 of 1962.

Dividend per share (cents)	**2023: FTA**	**2023: FTB**	2022: FTA	2022: FTB
Interim	**64.59600**	**20.96506**	61.52076	21.33173
Final	**67.93610**	**20.32351**	64.70106	21.96204
	132.53210	**41.28857**	126.22182	43.29377

SHAREHOLDER ANALYSIS

FAIRVEST A SHARES

	Number of shareholdings	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	811	77.69	22 846	0.04
1 001 – 10 000 shares	80	7.66	371 663	0.59
10 001 – 100 000 shares	75	7.18	3 055 030	4.87
100 001 – 1 000 000 shares	61	5.84	19 697 819	31.41
1 000 001 shares and over	17	1.63	39 571 300	63.09
Totals	1 044	100.00	62 718 658	100.00
DISTRIBUTION OF SHAREHOLDERS				
Banks/brokers	6	0.57	2 045 801	3.26
Close corporations	4	0.38	274 880	0.44
Endowment funds	7	0.67	256 593	0.41
Individuals	888	85.06	1 175 378	1.87
Insurance companies	6	0.57	703 289	1.12
Investment company	1	0.10	94 251	0.15
Medical schemes	3	0.29	245 741	0.39
Mutual funds	52	4.98	36 308 572	57.89
Private companies	22	2.11	6 682 721	10.66
Retirement funds	40	3.83	14 504 391	23.13
Trusts	15	1.44	427 041	0.68
Totals	1 044	100.00	62 718 658	100.00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	0	0.00	0	0.00
Public shareholders	1 044	100.00	62 718 658	100.00
Totals	1 044	100.00	62 718 658	100.00
Beneficial shareholders holding 5% or more				
Coronation Fund Managers			12 196 603	19.45
East & West Investments (Pty) Ltd			6 043 328	9.64
36ONE Asset Management			5 099 345	8.13
Totals			23 339 276	37.22

FAIRVEST B SHARES

	Number of shareholdings	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	8 479	63.46	975 769	0.07
1 001 – 10 000 shares	2 104	15.75	9 428 526	0.63
10 001 – 100 000 shares	2 176	16.29	71 141 976	4.76
100 001 – 1 000 000 shares	438	3.28	126 759 505	8.47
1 000 001 – 10 000 000 shares	133	1.00	372 626 745	24.91
10 000 001 shares and over	30	0.22	914 814 570	61.16
Totals	13 360	100.00	1 495 747 091	100.00
DISTRIBUTION OF SHAREHOLDERS				
Banks/brokers	80	0.60	85 990 325	5.75
Close corporations	61	0.46	5 397 709	0.36
Endowment funds	42	0.31	13 359 159	0.89
Individuals	11 634	87.09	95 974 788	6.42
Insurance companies	256	1.92	81 026 987	5.42
Investment companies	5	0.04	1 418 313	0.09
Medical schemes	14	0.10	7 664 863	0.51
Mutual funds	221	1.65	492 873 131	32.95
Other corporations	61	0.46	254 206	0.02
Private companies	158	1.18	115 143 907	7.70
Public companies	4	0.03	23 324 607	1.56
Retirement funds	177	1.32	468 578 856	31.33
Treasury stock	3	0.02	65 830 868	4.40
Trusts	644	4.82	38 909 372	2.60
Totals	13 360	100.00	1 495 747 091	100.00
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	9	0.06	86 962 920	5.81
Directors and associates of the Company holdings	6	0.04	21 132 052	1.41
Treasury shares	3	0.02	65 830 868	4.40
Public shareholders	13 351	99.94	1 408 784 171	94.19
Totals	13 360	100.00	1 495 747 091	100.00
Beneficial shareholders holding 5% or more				
Government Employees Pension Fund			243 730 707	16.29
Old Mutual			106 753 816	7.14
Vukile Property Fund Ltd			93 584 412	6.26
Eskom Pension & Provident Fund			91 201 566	6.10
Totals			535 270 501	35.79

DISTRIBUTABLE EARNINGS RECONCILIATION (NON-IFRS DISCLOSURE)

DISTRIBUTABLE INCOME ANALYSIS

R'000 Unaudited	**12 months ended 30 September 2023**	12 months ended 30 September 2022*#
Revenue (excluding straight-line rental income)	**1 923 237**	1 886 063
Sundry income	**4 942**	25 873
Property expenses	**(794 843)**	(786 996)
Administration and corporate costs	**(100 549)**	(104 320)
Finance charges	**(452 882)**	(403 069)
Finance income	**24 330**	32 885
Non-controlling interest share in distributable income^	**(3 264)**	(33 395)
Distributable income from Fairvest's operations	**600 971**	617 041
Dividend received from Indluplace	**49 176**	61 224
Dividend receivable from Dipula	**23 367**	33 363
Distributable income	**673 514**	711 628
A share – distributable income for the 12 month period	**83 122**	79 165
B share – distributable income for the 12 month period	**590 392**	632 463
Total amount available for distribution	**673 514**	711 628
Distributable income per A share (cents) for the 12 month period	**132.53**	126.22
Distributable income per B share (cents) for the 12 month period	**41.29**	43.29

* *The prior period was updated to deconsolidate Indluplace and disclose the dividend received separately.*

For purposes of providing meaningful disclosure, the comparatives reflect a combination of those of Arrowhead and Old Fairvest for the 12 months ended 30 September 2022, excluding Indluplace which is disclosed separately.

^ *During the current and previous period, the Group acquired all the remaining non-controlling shares in various subsidiaries resulting in the reduction in the non-controlling interest share in distributable income.*

ANALYSIS OF DISTRIBUTABLE INCOME PER B SHARE

Cents per share – Unaudited	**12 months ended 30 September 2023**	12 months ended 30 September 2022*
Total distributable income		
Fairvest's operations – Core portfolio	**78.31**	73.43
Fairvest's operations – Income attributable to assets disposed of or under development	**0.94**	3.57
Net finance cost	**(29.97)**	(25.34)
Head office and admin costs	**(7.02)**	(7.13)
Income from operations attributable to minority interests	**(0.23)**	(2.29)
Net income from operations before listed investments	**42.03**	42.24
Income from Dipula	**1.63**	2.28
Income from Indluplace	**3.44**	4.19
Total distributable income	**47.10**	48.71
Minus distributable income to A shares	**(5.81)**	(5.42)
Total distributable income to B shares	**41.29**	43.29

* *The prior year figures have been restated to show income from disposed properties separately in order to compare the core operations on a like for like basis.*

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE)

SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE

	12 months ended 30 September 2023	12 months ended 30 September 2022
Profit per IFRS Statement of Comprehensive Income ("SOCI") attributable to the parent	**667 254**	2 120 367
Adjusted for:		
Accounting/specific adjustments:	**(39 244)**	(1 298 385)
Fair value adjustments to:	**(48 177)**	(143 209)
– Investment property	**(57 350)**	(188 244)
– (Gain)/loss on revaluation of listed investments	**(2 279)**	23 711
– Fair value (gain) loss on loans to participants of Group share purchase option schemes	**(1 170)**	22 940
– Sundry adjustments	**12 622**	(1 616)
Impairment of goodwill or the recognition of a bargain purchase gain	**–**	(1 406 658)
Non-distributable deferred tax movement recognised in profit or loss	**–**	8 943
Straight-lining operating lease adjustment	**11 056**	19 990
Transaction costs expensed in accounting for a business combination and other capital expenses	**411**	208 429
Adjustments to dividends from equity interests held	**(2 534)**	14 120
Adjustments arising from investing activities:	**–**	1 141
Gains or losses on disposal of Investment property and property, plant and equipment	**–**	1 141
Foreign exchange and hedging items:	**(15 800)**	(176 340)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**(15 800)**	(176 340)
Other adjustments:	**48 209**	58 894
Distributable income arising from discontinued operations (Indluplace)	**51 475**	–
Non-controlling interests in respect of the above adjustments	**(3 266)**	(13 875)
Adjustments relating to subsidiary Indluplace – Adjusting for pay-out ratio and other sundry items	**–**	(17 361)
Distributable income for Old Fairvest relating to the pre-merger period	**–**	(57 075)
Distributable income from Arrowhead from 1 October 2021 to 25 January 2022	**–**	147 205
SA REIT FFO	**660 419**	705 677

	12 months ended 30 September 2023	12 months ended 30 September 2022
Allocated to the A shares:	**83 122**	79 165
Thus balance allocated to the B shares:	**577 297**	626 512
Number of shares outstanding at end of period (net of treasury shares) – A Shares	**62 718 658**	62 718 658
Number of shares outstanding at end of period (net of treasury shares) – B Shares	**1 429 916 223**	1 460 863 899
SA REIT FFO per share – A Shares (cents)	**132.53**	126.22
SA REIT FFO per share – B Shares (cents)	**40.37**	42.89
Company-specific adjustments	**13 095**	5 951
Impact of IFRS 16: *Leases*	**(1 149)**	(1 560)
Share-based payment expense	**14 244**	7 511
Equals total dividend	**673 514**	711 628
Allocated to the A shares:	**83 122**	79 165
Thus balance allocated to the B shares	**590 392**	632 463
Dividend per share – A Shares (cents)	**132.53**	126.22
Dividend per share – B Shares (cents)	**41.29**	43.29

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE) CONTINUED

SA REIT NET ASSET VALUE (SA REIT NAV)

	Note	**At 30 September 2023**	At 30 September 2022
Reported NAV attributable to the parent		**7 713 474**	8 409 164
Adjustments:			
Dividend to be declared		**(319 338)**	(361 415)
Dividend to be received from Dipula		**11 586**	14 120
Fair value of certain derivative financial instruments		**(35 222)**	(31 833)
Deferred tax		**3 915**	1 347
SA REIT NAV		**7 374 415**	8 031 383
Allocated to the A shares		**882 692**	827 120
Thus balance allocated to the B shares	A	**6 491 723**	7 204 263
Number of shares outstanding at end of period (net of treasury shares) – A Shares	B	**62 718 658**	62 718 658
Number of shares outstanding at end of period (net of treasury shares) – B Shares		**1 429 916 223**	1 460 863 899
Effect of dilutive instruments		**23 039 816**	12 675 063
Dilutive number of shares in issue	C	**1 452 956 039**	1 473 538 962
SA REIT NAV per A share	A/B	**14.07**	13.19
SA REIT NAV per B share	A/C	**4.47**	4.89

SA REIT COST-TO-INCOME RATIO

	Note	**At 30 September 2023**	At 30 September 2022
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)		**789 878**	786 134
Administrative expenses per IFRS income statement		**114 793**	113 796
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets		**(1 338)**	(662)
Operating costs	A	**903 333**	899 268
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**1 362 359**	1 355 550
Utility and operating recoveries per IFRS income statement		**558 579**	551 661
Gross rental income	B	**1 920 938**	1 907 211
SA REIT cost-to-income ratio	(A/B)	**47.0%**	47.2%

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS DISCLOSURE) CONTINUED

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	Note	**At 30 September 2023**	At 30 September 2022
Expenses			
Administrative expenses as per IFRS income statement		**114 793**	113 796
Administrative costs	A	**114 793**	113 796
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**1 362 359**	1 355 550
Utility and operating recoveries per IFRS income statement		**558 579**	551 661
Gross rental income	B	**1 920 938**	1 907 211
SA REIT administrative cost-to-income ratio	(A/B)	**6.0%**	6.0%

SA REIT GLA VACANCY RATE

	Note	**At 30 September 2023**	At 30 September 2022
Gross lettable area of vacant space	A	**51 081**	68 211
Gross lettable area of total property portfolio	B	**1 126 191**	1 150 862
SA REIT GLA vacancy rate	(A/B)	**4.5%**	5.9%

COST OF DEBT

	Note	**At 30 September 2023**	At 30 September 2022
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin		**10.16%**	8.51%
Pre-adjusted weighted average cost of debt	A	**10.16%**	8.51%
Adjustments:			
Impact of interest rate derivatives	B	**(0.59%)**	0.36%
Amortised transaction costs imputed into the effective interest rate	C	**0.17%**	0.10%
All-in weighted average cost of debt:	A+B+C	**9.74%**	8.97%

SA REIT LOAN-TO-VALUE

	Note	**At 30 September 2023**	At 30 September 2022
Gross debt		**4 244 573**	6 202 763
Less: Cash and cash equivalents		**(106 763)**	(134 569)
Less: Cash and cash equivalents linked to tenant deposits		**–**	25 829
Less: Derivative financial instruments		**(35 222)**	(31 833)
Net debt	A	**4 102 588**	6 062 190
Total assets – per Statement of Financial Position		**12 634 486**	16 314 742
Less: Cash and cash equivalents		**(106 763)**	(134 569)
Deferred tax		**–**	(2 568)
Derivative financial assets		**(35 222)**	(36 102)
Trade and other receivables (excluding current portion of straight line rental income accrual)		**(185 579)**	(218 252)
Carrying amount of property-related assets	B	**12 306 922**	15 923 251
SA REIT loan-to-value ("SA REIT LTV")	A/B	**33.3%**	38.1%

SHAREHOLDER CALENDAR

Activity	**Date**
Financial year-end	**30 September**
Release of 2023 Summarised Audited Consolidated Results on SENS	**29 November 2023**
Dispatch of Notice of Annual General Meeting	**30 January 2024**
2023 Integrated Annual Report available on www.fairvest.co.za	**30 January 2024**
Pre-close presentation for the six months ending 31 March 2024	**25 March 2024**
Release of interim results for the six months ending 31 March 2024	**3 June 2024**
Pre-close presentation for the year ending 30 September 2024	**24 September 2024**
Release of final results for the year ending 30 September 2024	**29 November 2024**

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GLOSSARY AND CORPORATE INFORMATION


Sunninghill Place

GLOSSARY

Abbreviations and terms	Description
AFS	Annual Financial Statements
AGM	Annual General Meeting
ATRIP	Set of values whereby Fairvest conducts its business
A-tenant	Anchor and national tenants
Fairvest/Company/Group	Fairvest Limited
Board	The Board of Directors of Fairvest
BDO/the external auditors	BDO South Africa Incorporated Registered Auditors
Brown field projects	When a company purchases or leases an existing facility
B-BBEE	Broad-Based Black Economic Empowerment
B-tenant	Franchise, professional and large tenants
Chair/Chairman	The Chairman of the Board
CIPC	Companies and Intellectual Property Commission
Companies Act	Companies Act 71 of 2008
Company	Fairvest Property Holdings Limited
CSI	Corporate Social Investment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
C-tenant	Other tenant type, not A and B
Distribution	Dividends paid or payable, or interest incurred in respect of linked debentures
EPS	Earnings per share is the portion of the Company's profit allocated to the outstanding shares
ESG	Environmental Social Governance

Abbreviations and terms	Description
GRI Standards	The Global Reporting Initiative Standards
FY	Financial year
Green field projects	When a company will build its own, brand new facilities from the ground up
GLA	Gross lettable area
IIRC	International Integrated Reporting Council
IFRS	International Financial Reporting Standards
JSE	JSE Limited
King IV™	King IV Report on Corporate Governance for South Africa, 2016 the copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved
KPIs	Key performance indicators
LSM	Living Standard Measure
LTI	Long-term incentive
LTV	Loan-to-value
MOI	Memorandum of Incorporation
NAV	Net asset value
POPIA	Protection of Personal Information Act
PV	Photovoltaic
REIT	Real Estate Investment Trust
SENS	Stock Exchange News Service
STI	Short-term incentive
UN SDGs	The United Nations Sustainable Development Goals
WALE	Weighted average lease expiry
WA	Weighted average

CORPORATE INFORMATION

FAIRVEST LIMITED
(Incorporated in the Republic of South Africa)
Company registration number 2007/032604/06
JSE share code: FTA ISIN: ZAE000304788
JSE share code: FTB ISIN: ZAE000304796

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Nedbank Limited
(Registration number 1951/000009/16)
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135 Rivonia Road, Sandown
Sandton, 2196

FirstRand Bank Limited
(Registration number 1929/001225/06)
25th Floor, Portside, 5 Buitengracht Street
Cape Town, 8001

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown
Sandton, 2196

AUDITORS
BDO South Africa Incorporated
(Registration number 1995/002310/21)
Wanderers Office Park, 52 Corlett Drive
Illovo, 2196

TRANSFER SECRETARIES
JSE Investor Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
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