FAIRVEST

LIMITED

PRE-CLOSE & Operational update

23 March 2022

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AGENDA

- Way Forward
- Business Update
- Operational Update
- Financial Update

WAY FORWARD

Darren Wilder | **CEO**

FAIRVEST LIMITED

Way forward

- Looking at the drivers of Indluplace's performance and Fairvest's strategy for its investment
- Have evaluated Arrowhead's approach to disposals and believe deals should be approached differently
- We believe that specialization contributes to outperformance
- However, for each of Fairvest's different portfolios to have the required scale to be run separately, Fairvest will have to first get bigger
- In the interim, we have restructured the business to have a dedicated management teams for the retail silo and the balance of the direct portfolio
- Determined focus on leasing is having a positive impact

BUSINESS UPDATE

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Fairvest At A Glance

REIT	PORTFOLIO VALUE	ASSETS
➢ Diverse South African focused	➢ R11.8 billion	➢ 145 properties (excl Indluplace)

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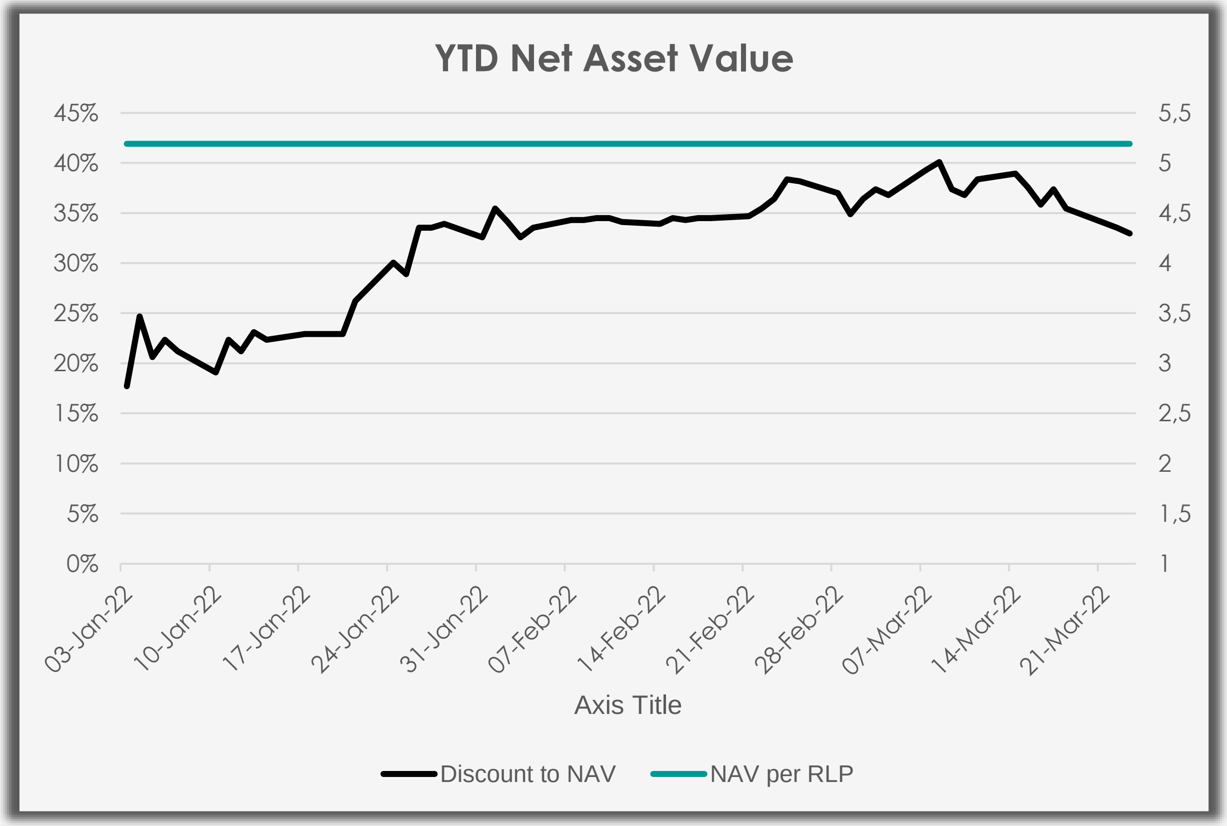
Fairvest At A Glance

GLA	SECTORAL SPLIT BY VALUE	INVESTMENTS
➢1 176 474m²	➢67% Retail ➢23% Office ➢10% Industrial	➢8.6% in Dipula ➢61% in Indluplace

Fairvest At A Glance



** Note that the NAV per B-share used for the above analysis is 519cps as published in the revised listing particulars on 10 Dec 2021*

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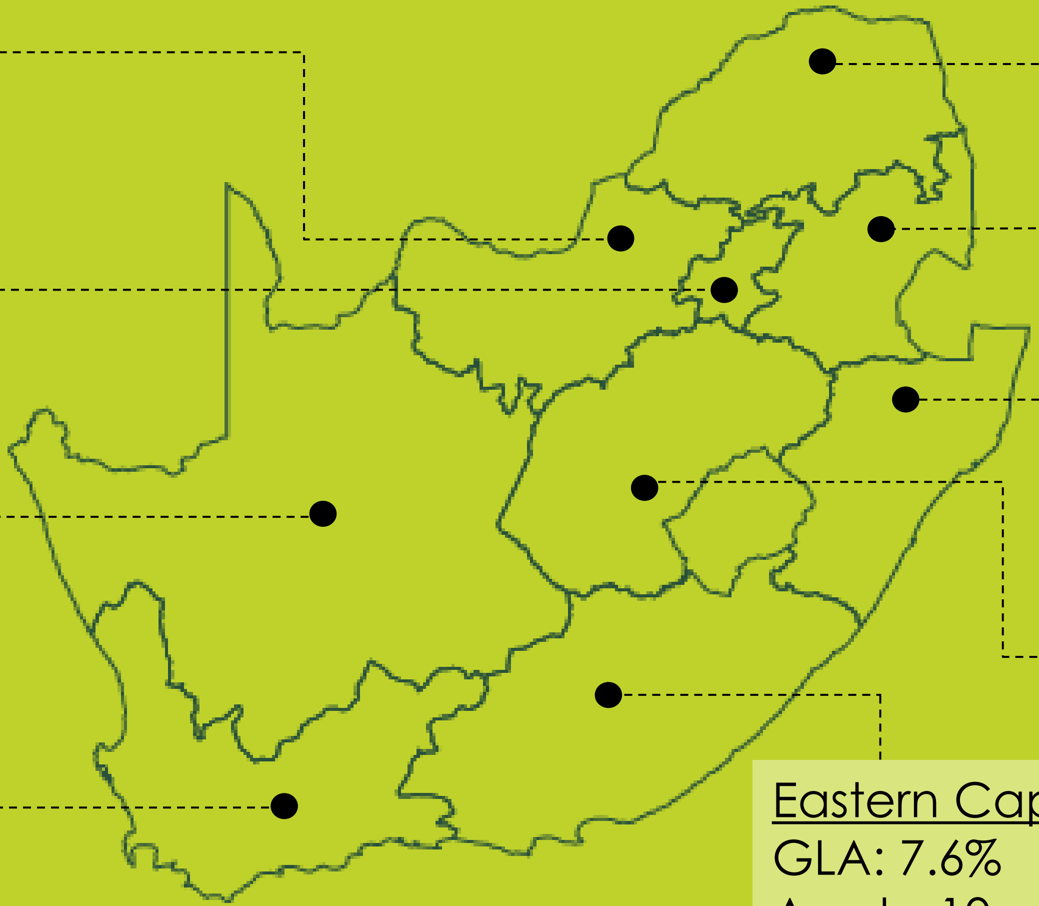
Geographical Split

North West
GLA: 4.2%
Assets: 6

Gauteng
GLA: 50.3%
Assets: 68

Northern Cape
GLA: 2.8%
Assets: 4

Western Cape
GLA: 12.5%
Assets: 15



Limpopo
GLA: 7.1%
Assets: 18

Mpumalanga
GLA: 1.5%
Assets: 3

KwaZulu Natal
GLA: 11.1%
Assets: 16

Free State
GLA: 2.9%
Assets: 5

Eastern Cape
GLA: 7.6%
Assets: 10

OPERATIONAL UPDATE

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Fairvest Portfolio

Vacancy
- 8.3% as at 28 February 2022

New Leases
- 33 898m² of new leases concluded with an average lease period of 2.5 years
- **38% retail, 23% office and 39% industrial**

Renewals
- 75 709m² renewed with an average lease period of 3.6 years
- Which represents 78.2% renewed
- 6.4% negative reversion rate

Market Update
- **Industrial**: two major redevelopments currently underway.
- **Office:** first residential conversion near completion.
- **Retail:** National retailers continue to look for opportunities to expand into new markets.

Retail Portfolio

Vacancy

- 5.2% as at 28 February 2022

New Leases

- 12 998m² new leases concluded with an average lease period of 3.7 years
- Built in escalations expected to improve, in an increasing inflation and rates environment.

Renewals

- 43 413m² renewed with an average lease period of 4.8 years
- 7.9% negative reversion rate

Tenant Grading

- A Grade at 65.5%
- B Grade at 12.1%
- C Grade at 22.4%

Market Update

- Rural retail remains defensive
- Noticing a recovery in foot count
- Pressure remains in the furniture sector whilst banks continue to give up space
- Fairvest continues to execute on opportunities to improve the tenant mix of assets

Office Portfolio

Vacancy
- 17.6% as at 28 February 2022

New Leases
- 7 703m² new leases concluded with an average lease period of 2.1 years
- built in lease escalations remain stable and strong

Renewals
- 14 353m² renewed with an average lease period of 2.1 years
- 1.4% negative reversion rate

Market Update
- An increase in the number of office space enquiries.
- More optimism from tenants as they are cautiously taking up additional space.
- Tenants looking to commit to slightly longer leases as COVID-19 subsides.
- Continuous strategy evaluation on repurposing office assets with low demand.

Industrial Portfolio

Vacancy

- 4.0% as at 28 February 2022

New Leases

- 13 197m² new leases concluded within the period with an average lease period of 1.7 years

Renewals

- 17 943m² renewed with an average lease period of 2.2 years
- 4.1% negative reversion rate

Market Update

- Strong letting demand continues in the large multi-let industrial parks
- Multi Let parks run at 98% occupancy , with churn being the only movement
- Continue to yield the assets up, due to increased demand
- 2 major redevelopments currently underway. Generating strong letting demand

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Disposals Strategy

- Year to date we have disposed of 3 non-core assets worth **R27.9 million.**
- **Properties left to transfer**

Property Name	Sector	Purchase Value	Estimated Transfer Date
Access City	Industrial	R43 million	Aug – 22
Harley House	Office	R2.3 million	Apr – 22
Maverick Corner	Industrial	R9.5 million	Apr - 22
Parc Du Bel	Office	R13 million	Sep – 22
Simunye Shopping Centre	Retail	R23.2 million	Apr – 22
Thohoyandou Ellerines	Retail	R9.3 million	Jun – 22
54 Schoeman	Retail	R12.5 million	Sep – 22
Expected Value		**R112.8 million**	

FINANCIAL PERFORMANCE

Jacques Kriel | **CFO**

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Loan to Value (LTV) & Loan Facilities

- **LTV** expected to be **below 40%** for interim results.
- The company expects to meet all bank covenants comfortably.
- Loan facilities to expire worth R1.5 billion by year end. Approx. R1 billion will be refinanced around 31 March 2022.
- **Approx. R85 million** spent on capex for the 5 months period.

Impact of Civil Unrest

- 16 **buildings** were damaged across the portfolio
- **Total damages** amounted to R62.8 million (including loss of income)
- Approximately 65% of our current claims have been **paid out**
- R40.8 million recovered from **SASRIA**

THANK YOU

Q & A