

ARROWHEAD PROPERTIES LIMITED

Incorporated in the Republic of South Africa)

(Registration number 2007/032604/06)

JSE share code: AHA ISIN: ZAE000275491

JSE share code: AHB ISIN: ZAE000275509

(Granted REIT status with the JSE)

(“**Arrowhead**” or the “**Company**”)



UPDATE ON ENGAGEMENTS IN RELATION TO A POSSIBLE MERGER BETWEEN ARROWHEAD AND FAIRVEST AND RENEWAL OF CAUTIONARY

Arrowhead shareholders are referred to the previous cautionary announcements in relation to the Company’s engagements with Fairvest Property Holdings Limited (“**Fairvest**”), the most recent of which was published on 20 May 2021.

Having assessed the potential merits of a transaction with Fairvest and having regard to the level of Arrowhead B shareholder support for such a transaction, Arrowhead’s appointed independent board (the “**Independent Board**”) has determined that it is in the best interest of Arrowhead and its shareholders that the Company engage with Fairvest in relation to a merger.

The Independent Board is strongly of the view that the benefits of a transaction between Fairvest and Arrowhead would best be unlocked through a merger that creates a single, larger, more liquid REIT. In this regard, the Independent Board considers a merger preferable to a transaction that would result in Arrowhead becoming a listed subsidiary of Fairvest, where neither company would fully enjoy the benefits of increased size or liquidity and where there is less ability to take advantage of the synergies or operational efficiencies that may be unlocked through a merger.

Accordingly, the Company has begun engagements with Fairvest. On the basis of these engagements it is considered likely that agreement will be reached between the parties on the way forward.

The Independent Board collectively and individually accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to Arrowhead is true and this announcement does not omit anything that is likely to affect the import of such information.

In the circumstances, Arrowhead shareholders are advised to continue to exercise caution when trading in their Arrowhead shares until a further announcement is made.

15 June 2021

Lead Corporate Advisor:
Ferryman Capital Partners

Corporate Advisor and Transaction Sponsor:
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Legal Advisor:
Cliffe Dekker Hofmeyr