

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” or the “Group”)

UPDATE ON ARROWHEAD PORTFOLIO FOLLOWING UNREST

Shareholders are referred to the Company’s announcement released on SENS on 14 July 2021 and the damage reported to five of Arrowhead’s properties.

Following on-site visits by Arrowhead staff, professional teams, tenants, and insurance assessors to the affected properties namely:

- Montclair Mall in eThekweni, KwaZulu Natal (“KZN”);
- Mkuze Shopping Center in Mkuze, KZN;
- Kyalami Industrial Park in Pinetown, KZN;
- Matsulu Shopping Centre in Matsulu, Mpumalanga; and
- Maverick Corner, in Maboneng, Johannesburg CBD,

the damage to these properties has been fully assessed. Arrowhead has identified that two centers have not fully reopened following the unrest namely Montclair Mall and Mkuze Shopping Center. Montclair Mall is expected to be fully operational within a period of three to six months and Mkuze Shopping Center within two months. A phased approach has been adopted at Montclair Mall, which sustained structural damage, with stores being reopened when it becomes practical to do so. All tenants who were affected and that were able to resume trading have done so and Arrowhead has not received notification from any of the remaining tenants, that they will not resume trading once repairs have been completed. Approximately 71% of the gross lettable area that was affected by the unrest, is occupied by national tenants.

Fortunately, damage to the affected properties was not as extensive as initially thought with the approximate cost of repairs being R15 million, equating to 0.16% of the Group’s property by value. Loss of rental attributable to the unrest has been estimated to be R3 million or 0.22% of gross rental. The Group is comprehensively insured and damage to the relevant properties and loss of rental have been insured against.

Insurance claims have been lodged both with Arrowhead’s insurer and SASRIA. Arrowhead remains comfortable with its level of insurance and the necessary provisions have been made for repairs which are proceeding in the interim with the approval of the relevant insurance companies.

Arrowhead is committed to minimising the inconvenience to its tenants and their clients and customers while ensuring that health and safety remains top of mind.

5 August 2021

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited