

Interim Results

for the 6 months ended
31 March 2021

Highlights

57%
increase

in distributable earnings compared to the previous 6-months ended 30 September 2020

Collection rates stabilised to pre-COVID levels

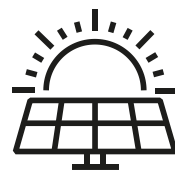


20 assets
transferred at value of
R498m

R647m
of pipeline



Overall tenant retention of 85%



Active investment
in solar power plants

Group Loan-to-Value of 39.8%
(41.4% incl. derivatives)

Improved covenant terms

7.3 megawatt installed with a further 3.6 megawatt in process

Energy generation at 4.7% of total energy cost

Capex of R114m during first 6 months

B-share price increased by 165%
from R1.30 at 30 September 2020 to R3.44 on 20 May 2021

Strategic successes



Goal to sell all properties which do not have strong tenant demand and are not capable of long-term income growth

- Sell all properties which do not meet this criteria and continue to invest in the balance of the properties
- Transferred 20 properties in first 6 months
- Busy transferring a further 20 properties
- Continue to invest in our buildings
- Protect current and future revenue streams
- Capex (excluding Indluplace) of R114m

Strategic successes *continued*



Goal to improve tenant focus

- COVID-19 relief of R5m
- Tenant retention has increased from 69% in 2018 to 75% in 2019 and 83% in 2020 and is at 85% at March 2021
- Unlocking opportunities within our tenant base for additional space



Goal to strengthen balance sheet

- Transferred R498m worth of property
- Further R647m transfer in process
- Gearing of 41.4% (39.8% excluding derivatives) after full dividend paid
- Gearing reduced from R5.6bn to R5.4bn
- Strengthened ICR outlook by cancelling swaps
- LTV moving into a strong position
- Group available cash at R334m after spending R135m on capex



Strategic successes *continued*



Goal to strengthen property management

- Continue to build and strengthen Company culture
- Started implementation of MRI property management system
- Surveys to better understand the team and JHI (Excellerate)
- Aim to improve relationships and performance



Goal to enhance ESG awareness

- Gap analysis on ESG
- Achieved level 4 B-BBEE
- On-going training and development programs
- Arrow for Change continues making a difference
- Aggressive solar roll out
- Improved ESG annual report disclosure

An Arrow for Change

The project and its evolution

- Funding started to provide relief during lockdown
- Meal kits and hygiene essentials were distributed for emergency needs
- Evolution towards sustainable projects and school projects surrounding the portfolio
- The board approved a sustainable funding model for the initiative
- 0.5% of distributable income
- Spent R2.2m with further R3.6m to spend
- Involvement of staff in projects
- Involvement of suppliers and stakeholders in projects



Arrowhead and supplier employees – completed project for Norridge Primary School in Eersterust

Mall@theJunction Gauteng

- Arrow for change partnered with Rise Against Hunger
- Handover of meal kits and personal hygiene packs for victims of gender based violence
- 3 beneficiaries that assist women and young girls



Handover on 14 December 2020 in Mall@theJunction

Eersterust Shopping Centre Gauteng

- Norridge Primary School, based a few streets away from Eersterust Shopping Centre
- Partnered with stakeholders
- Tree planting and environmental awareness
- Motivational talks to learners
- Boxing demonstration – encourage sports development
- Repairs to plumbing and painting of ablutions
- Repairs to jungle gym
- Repairs to unsafe flooring



Tree planting with the foundation phase



Motivational speaking



Boxing demonstration



Repairs to the loose flooring

Arrowhead summary

Diverse portfolio
of R9.3bn

123 assets
(excl. Indluplace)

1 024 097m²
of GLA

Sectoral split
by revenue
52% retail, 33% office
and 15% industrial

60%
in Indluplace

Sales program




- Sold 125 assets since the launch of our disposal program in 2018
- Decrease in total assets from 228 to 103 properties
- Average total discount to book of 2.9%

Financial year	Number of properties	Book value (Rm)	Sales value (Rm)	Discount / (Premium) to book
2018	8	174	181	(4.2%)
2019	32	560	551	1.6%
2020	45 + 1	870	841	3.4%
2021	20	498	498	0.0%
Total transferred to date	105	2 102	2 071	1.5%
Pipeline for remainder of 2021	20	697	647	7.2%
Total sold	125	2 799	2 718	2.9%

Sales for the 2021 financial year

- Transferred 20 assets totalling R498m
- There are a further 20 assets to transfer of R647m
- Total 40 assets at R1.15bn (4.2% discount to book)

Total transferred to date:

Asset Class	Number	Sales value (Rm)	Sector Breakdown in %	Average Yield	GLA disposed	Vacant GLA	Vacancy %
 Retail	10	168	34%	12.1%	20 629	300	1.5%
 Office	2	43	8%	10.8%	7 784	1 233	15.8%
 Industrial	8	287	58%	11.1%	77 917	400	0.5%
Total	20	498	100%	11.4%	106 330	1 933	1.8%



Property portfolio as at 31 March 2021

- 123 commercial (retail, office & industrial) properties (excluding Indluplace)
- Sectoral by GLA: 37% retail, 31% office and 32% industrial
- Overall vacancy 10.96% (7.06% retail, 18.92% office, 7.82% industrial)
- Average gross (net) rent per sector R131.35/m² retail (R122.79/m²), R115.60/m² office (R98.69/m²), R42.60/m² industrial (R40.10/m²)
- Average weighted lease escalation per sector (7.08% retail, 7.48% office, 7.32% industrial) overall 7.24%
- Average lease profile 3.45 years
- Renewal reversions per sector (-7.35% retail, -13.79% office, -8.49% industrial) overall -10.92%



Property portfolio as at 31 March 2021 *continued*

- New deals concluded per sector



Retail

R2 345 077 monthly income (R99 Gross Rental R/m²)



Office

R1 515 666 monthly income (R95 Gross Rental R/m²)



Industrial

R708 108 monthly income (R38 Gross Rental R/m²)

Overall

R4 568 851 monthly income

- Total number of new deals – 197
- Average lease length concluded – 2.6 years
- Launched Arrowspace social media platform —



Update on collections

	Gross Collections BEFORE relief	Net Collections AFTER relief
October 2020	92%	93%
November 2020	93%	94%
December 2020	97%	97%
January 2021	97%	98%
February 2021	96%	97%
March 2021	96%	97%
Total Average Collections	95%	96%

- R5m in total COVID-19 relief
- R4.4m in discounts and R600k in deferrals

Portfolio challenges and way forward



Tenant Sustainability

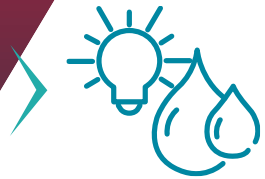
- Major economic pressures primarily on office SME's under 500m²
- We are closer to our tenants operations and the sectors they work in, this enables us to be pro-active w.r.t. space requirements
- Space rationalisation within the office & retail sector – Number of requests have levelled out within office, however there is a trend amongst national retailers to “right size” their stores to boost trading densities
- Strategic deployment of Capex is required on our rural retail to ensure our tenant base, continues to remain relevant within a node
- In the current environment tenants are extremely sensitive to macro-economic changes, sometimes leading to irrational decisions



Leasing in a COVID-19 environment

- The common theme overall are shorter leases
- Flexibility is the tenants 1st priority
- Renewal discussions in advance are very difficult unless the site is strategic
- Ultimately the decision for landlords at the moment is lease length vs rental rates

Portfolio challenges and way forward *continued*



Utility Costs

- Electricity is a critical criteria when selecting premises – in most instances has surpassed the importance of rental rates
- Tenants engage external utility specialists to determine if a site is viable or not
- Outlying municipalities in financial stress lead to a failure in basic services
- Environmental challenges i.e. drought is now a reality and a core focus of national retailers. Landlords have no alternative but to investigate and implement backup solutions
- Energy and water efficiency is no longer a luxury but a necessity



Community Pressures

- Risk of refurb & solar projects being delayed if not managed correctly
- A full risk assessment of the site and surrounding community needs to be done so a pro active approach is taken
- Deploy our Arrow for change initiatives within the node to assist with any critical needs of the community
- Most rural projects the community requires investment back into the community, in the form of employment and skills transfer

Portfolio challenges and way forward *continued*



System Conversion

- Migration from Nicor to MRI Property Central
- Poses a large operational risk if not implemented correctly
- Failure would create instability to our billing and revenue
- Significant amount of time/resources are required, to ensure a smooth transition
- Once implemented we will have improved access to data, additional reporting, a unique tenant portal and more efficiency within our business



3rd Party Suppliers

- In the current environment, it is critical that we partner with the right service providers
- Medium to long term stability and growth must be the foundation of the relationship
- With rentals and escalations under pressure, high single digit increases are not sustainable
- Continue to diversify our supplier base and ensure that BEE metrics are a crucial part of this exercise
- Continued regulated / gazetted labour increases, pose a threat / risk

Portfolio challenges and way forward *continued*



Cost of Placing Tenants

- Constantly increasing
- Driven by the aggressive approach of competing landlords
- Tenants are expecting more from landlords on both new deals and renewals
- Tenants cash flows are under pressure and look to landlords, to fund any property operational expense
- The trend is embedded across all 3 sectors



Security

- Unemployment has become one of the major negative impacts of COVID-19
- When there is an increase in unemployment, there is an increase in crime
- We have noticed this across all 3 of the sectors we operate in
- A continued drive to invest in security in and around our assets, where we see pressure points
- Security has a direct impact on tenant retention and new deals



Office - What's happening in the Arrowhead office portfolio?

We continue to implement our existing strategies, converting office space into mixed use environments, modular offices, serviced office concepts and a general drive to sub divide space. We are now at a phase, where these initiatives need to mature and yield up before implementing more across the portfolio.

- A continued migration of staff back to the office, however this still seems to be on a rotational basis
- Office occupation at our buildings range from 60% to 100% depending on the location and sector the tenants operate in
- A levelling out of SME's that are requesting to right size their space requirements
- Another positive trend, is the office tenant base that survived the hard lockdown period are stronger and more settled. Resulting in enquiries and take up of additional space, over the past few months, with approximately 2 000m² concluded and another 2 000m² in the pipeline



Office - What's happening in the Arrowhead office portfolio? *continued*

- Leveraging our relationship managers role, we are finding that there is a large untapped opportunity within our existing tenant base
- In the current competitive market, it is extremely expensive to place a new office tenant, however through an intensive communication campaign via our asset and relationship managers, we found that the vast majority of office tenants will remain in their current space, if the landlord is willing to assist them with cost saving measures. Tenant retention vs revenue
- Continued with our strategic allocation of capital investment, positioning of a product and selecting the appropriate location. We found if you get these 3 factors correct, there is a level of demand. However some office assets suffer from a lack of macro-economic activity within a node, which results in low or no office demand

Operational success

- Dated and old façade / old interiors
- Tenants exiting on expiry leases with vacancies exponentially increasing
- We commissioned an internal and external refurb
- Rebranded the asset
- Resulted in over 6 000m² new deals and concluding renewals with existing tenants
- The building is now over 95% let with a strong lease expiry profile

IBG revamped into Midrand Gate



Operational success

- Vacant during the hard lockdown period
- Capital invested in a total revamp
- Now fully let
- 3 790m²

46 Steel



BEFORE

AFTER

Operational success

- 2 large vacancies
- Decision taken to invest and revamp the site
- All large vacancies are now let

1 Range Road



Operational success

- Phase 1 continues to exceed the embedded production guarantees
- Even though we faced numerous challenges, we have successfully implemented Phase 2 of the Arrowhead Solar programme
- We now have Solar generation capacity of approximately 7.3 megawatt, which accounts for 4.7% of the total portfolio expense
- Phase 3 is at various stages of construction

Solar – Access Park, 1 Sturdee Avenue, Robertville



Operational success

- We currently have 6 pilot projects in progress
- Successfully implemented 2 natural spring projects including a filtration system and back-up water tanks to supplement the council supply
- Further exploration within this utility is being undertaken

Water



Significant lease renewals for the past 6 months



Office

Sunninghill 4 845m²



Office

Tyger Park 4 297m²



Office

Sanlyn 4 188m²



Retail

Cleary Park 3 640m²



Retail

Boksburg 2 015m²



Retail

Odendaalsrus 2 993m²



Retail

Matsulu 3 728m²



Industrial

Kolbenco 3 940m²

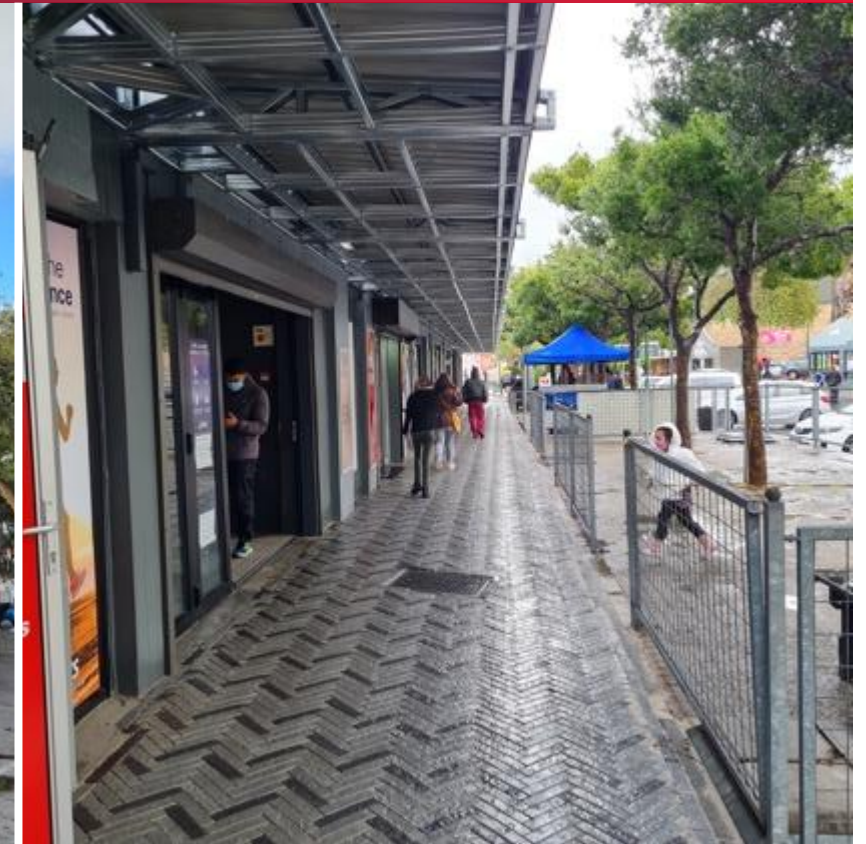


Industrial

Robertville 3 222m²

Current projects

Access Park



Current projects

Kelvin Drive



Current projects

Sunttyger



Current projects

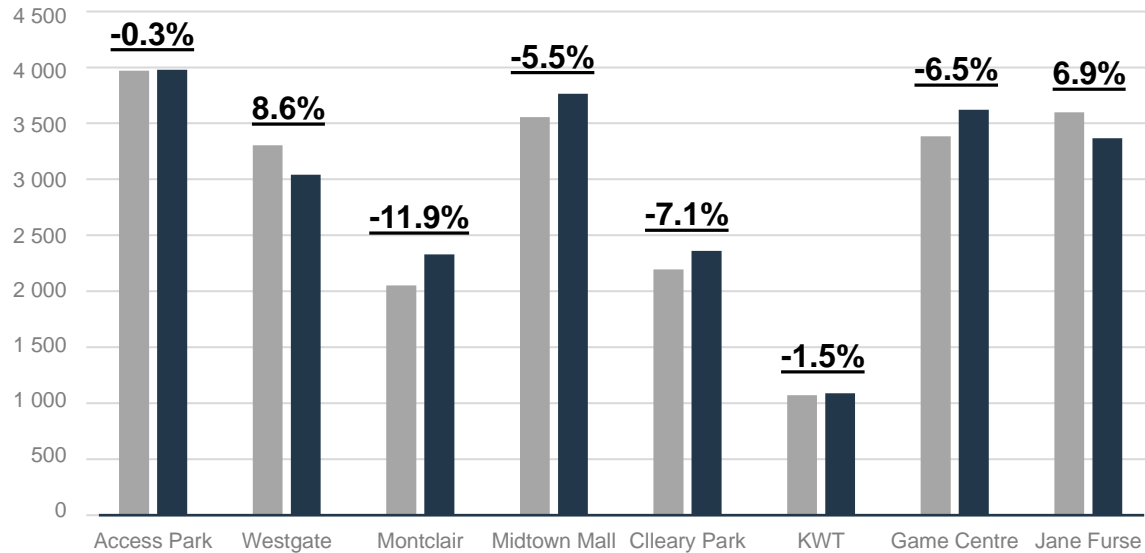
Taung



Trading densities

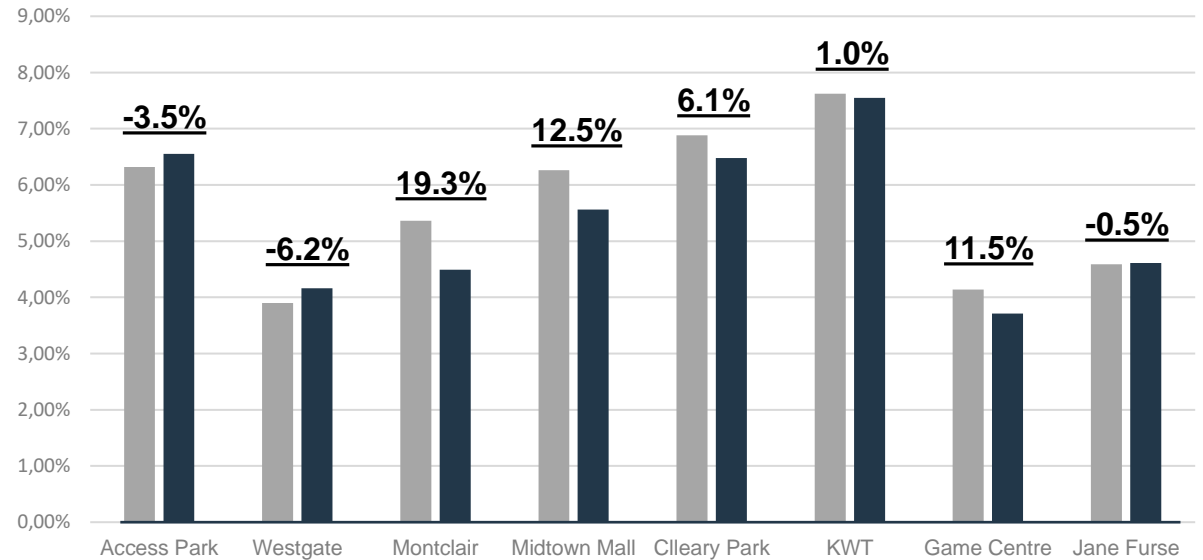
March 2020 vs March 2021

OVERALL -1.8%



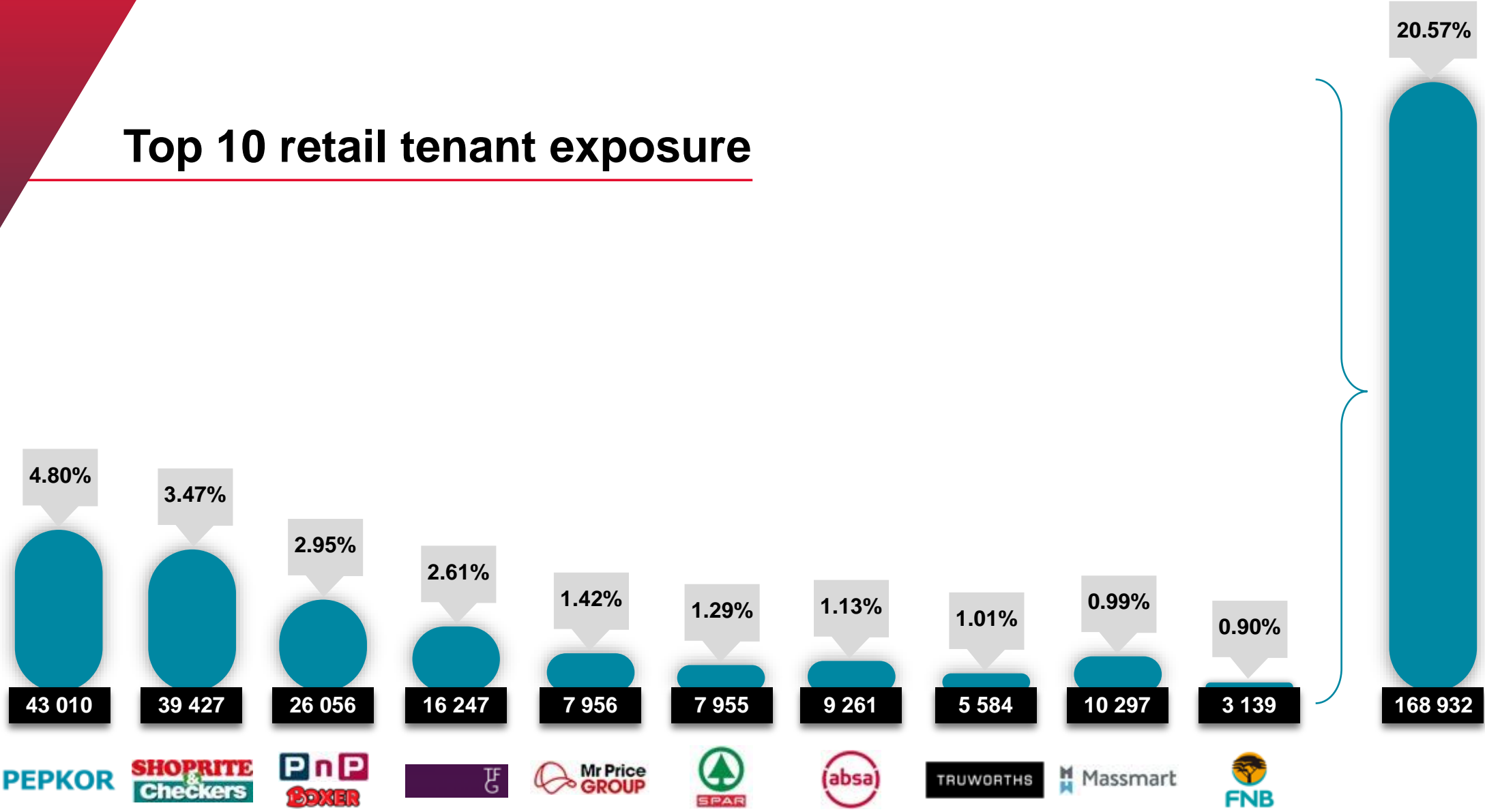
RENT TO SALES RATIO

OVERALL 4.5%



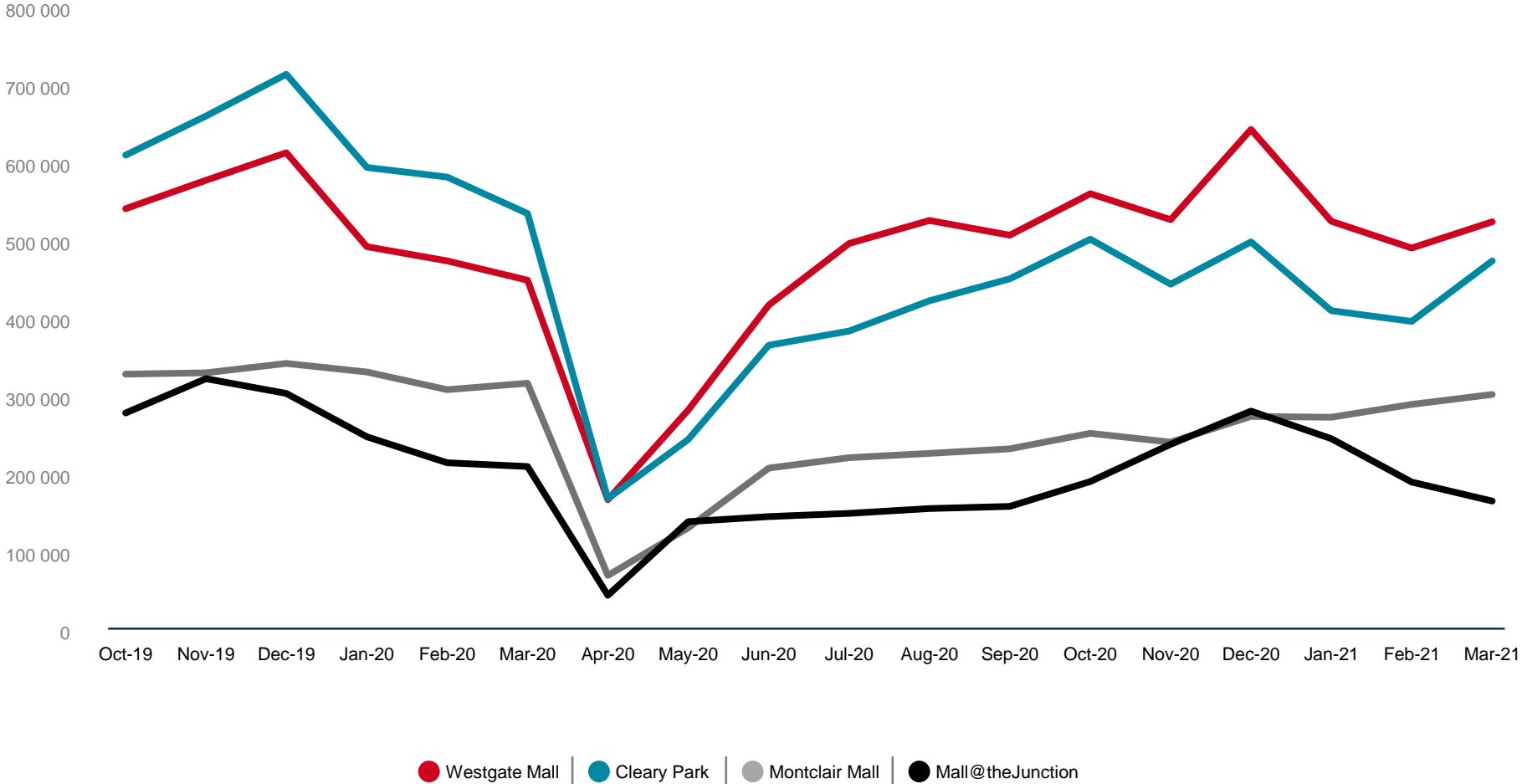
● 2021 | ● 2020

Top 10 retail tenant exposure



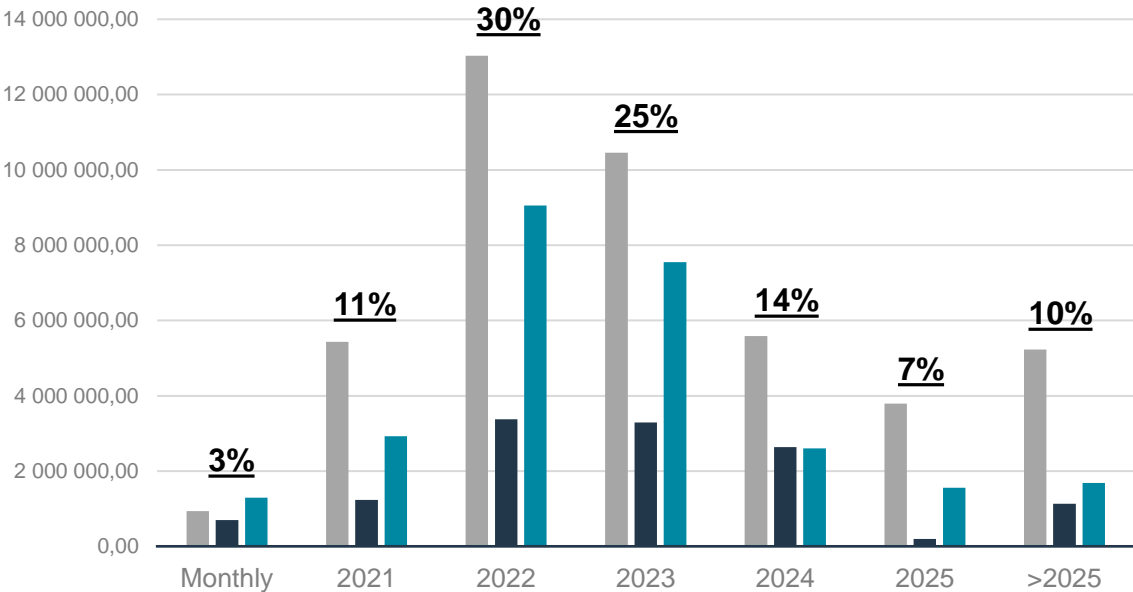
● % of portfolio revenue ● GLA (m²)

Foot count trends

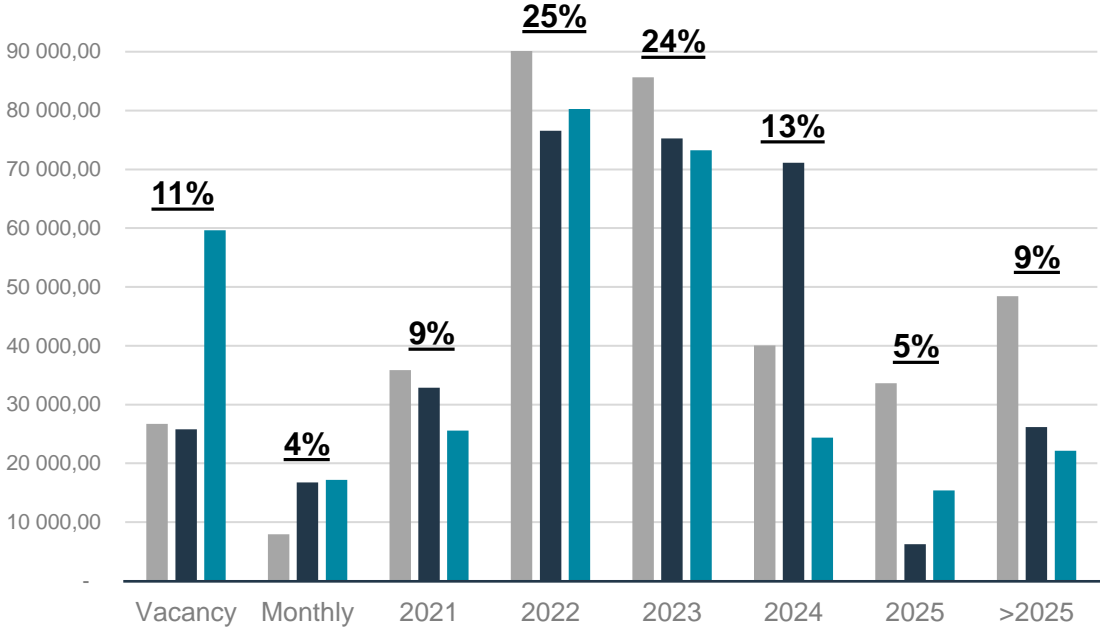


Combined lease expiry profile

BY REVENUE



BY GLA



● Retail | ● Industrial | ● Office

Sustainability projects and performances

1 October 2020 – 31 March 2021

Solar

Phase 1 –100% owned plants:

- 6 plants operational -3.1 megawatt
- Energy generation YTD R4 296 171

Phase 2 –mix of purchase power agreements (PPA) and owned plants:

- 8 plants – 4.2 megawatt
- 1 plant currently operating on the PPA model, with the option to buy
- 7 plants will operate on a fully purchased model.
- Anticipated generation start dates are staggered
- Energy generation YTD R292 617
- Total clean energy produced by Phase 1 & 2 equals 4.7% of annual electricity expense
- 2 607 Tonnes of CO2 emissions savings
- 375 South African's carbon emissions absorbed

Phase 3 –currently in design & planning process:

- Vendors have been appointed on a total of 8 solar plants
- Estimated combined size is 3.6 megawatt
- Anticipated clean energy production from phase 3 will equal an additional 2.5% of annual electricity expense

Phase 4 –in exploratory process:

- 6 buildings have been identified
- We anticipate finalisation of this phase in early 2022
- Estimated combined size is 2 megawatt



Game Centre Thohoyandou

Distributable income analysis for the year ended 31 March 2021

R'000	2021	2020
Revenue (excluding straight line rental income)	989 091	1 173 524
Property expenses	(432 090)	(473 139)
Administration and corporate costs	(53 352)	(51 330)
Finance charges	(249 458)	(303 281)
Finance income*	2 740	9 212
Dividend receivable from Dipula	20 557	-
Non-controlling interest share in distributable income	(24 319)	(35 542)
Adjustment for income expected to be retained and not distributed by Indluplace	(7 112)	(11 403)
Distributable income	246 057	308 041
SA REIT cost-to-income ratio	49.0%	44.7%
SA REIT admin cost-to-income	5.4%	4.4%
Property cost-to-income ratio	43.7%	40.3%
SA REIT cost-to-income ratio (Arrowhead operations excl. Indluplace)	45.0%	42.4%
SA REIT cost-to-income (Arrowhead operations excl. Indluplace)	5.7%	4.4%
Property cost-to-income ratio (Arrowhead operations excl. Indluplace)	39.4%	38.0%
A share – distributable income for the 6 months ended 31 March	36 748	35 608
B share – distributable income for the 6 months ended 31 March	209 309	272 433
Total amount available for distribution	246 057	308 041
Distributable income per A share (cents) for the 6 months ended 31 March	58.59	56.77
Distributable income per B share (cents) for the 6 months ended 31 March*	23.19	30.65




* Please note that the shares owned by the Arrowhead Charitable Trust and the shares held under the Arrowhead and Indluplace share schemes have been excluded from the above calculation. Arrowhead earns interest income equal to the dividend paid on these shares. This interest income has not been included in the above finance income for both interim periods as no dividends has been declared and as such the shares have also been excluded from the total number of shares used to calculate the distributable income per B share.

Distributable income reconciliation

Description	March 2021	March 2020	Movement	Variance
	Cents per share	Cents per share	Cents per share	%
Arrowhead's operations – core portfolio	44.69	50.24	(5.55)	(11%)
Income from assets sold including finance cost savings	5.11	8.56	(3.45)	(40%)
Net finance costs related to core portfolio only	(23.65)	(26.12)	2.47	(9%)
Head office and admin costs	(4.30)	(4.06)	(0.24)	6%
Income from Dipula	2.28	-	2.28	-
Income from Indluplace	3.13	5.98	(2.85)	(48%)
Total distributable income (before impact of A shares)	27.26	34.60	(7.34)	(21%)
Minus distributable income to A shares	(4.07)	(3.94)	(0.13)	3%
Equals total distributable income to B shares	23.19	30.65	(7.47)	(24%)



Core portfolio

	1 October 2020 to 31 March 2021 R'000	1 October 2019 to 31 March 2020 R'000	Variance (%)
Revenue	664 224	734 182	(9.5)
Property expenses	(260 778)	(280 654)	(7.1)
Net Operating income	403 446	453 528	(11.0)
 Commercial	129 616	153 638	(16%)
 Industrial	53 156	67 729	(22%)
 Retail	220 674	232 161	(5%)

The forecast core portfolio growth at year end is expected to be approximately (3%).

Arrears – analysis March 2021 vs March 2020

Description	2021	2020	Change
Bad debts (written off and provided for)	6 996	3 621	(3 375)
% of turnover during the period	1.0%	0.4%	(0.6%)

Evaluation of bad debt provisioning against arrears




Arrears	Total	Current and 30 days	60 days and over	Bad debt provisioning (incl. VAT)	Bad debts provisioning against 60 days and over
31 March 2020	71 232	29 160	42 072	31 572	75%
	100%	41%	59%		
31 March 2021	68 436	26 085	42 351	41 322	98%
	100%	38%	62%		

Condensed consolidated statement of financial position at 31 March 2021

R'000	31 March 2021	30 September 2020	31 March 2020
Assets			
Investment property	13 151 967	13 539 459	14 652 139
Loans to participants of Group share purchase option schemes	211 687	180 446	187 632
Deferred tax	33 314	58 100	(10 040)
Listed investments and other financial assets	108 885	97 832	99 654
Trade and other receivables	318 644	388 181	414 913
Cash and cash equivalents	41 972	170 089	135 020
Total assets	13 866 468	14 434 107	15 479 318
Equity			
Shareholders' interest	6 616 693	6 619 225	7 218 618
Non-controlling interest	974 406	992 364	1 147 322
Liabilities			
Secured financial liabilities	5 424 275	5 618 498	6 266 217
Derivative instruments	208 889	458 213	192 504
Trade and other payables	612 714	674 713	629 559
Finance lease liability	24 088	24 599	25 097
Current tax payable	5 404	46 495	-
Total equity and liabilities	13 866 468	14 434 107	15 479 318
Net asset value per share (R)			
Arrowhead A shares	9.23	7.90	10.03
Arrowhead B shares	6.35	6.31	6.79

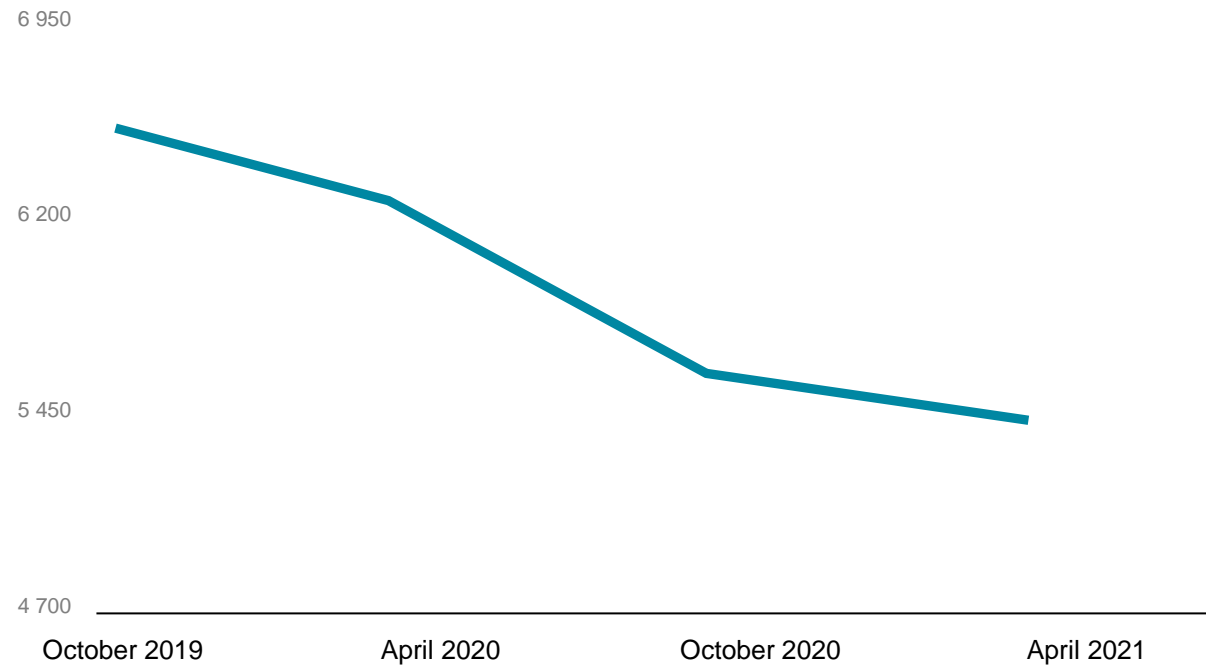
Capex spend

Breakdown of Capital spend (in Rm)

	March 2021	March 2020
Description	6 months	6 months
Total	105	129
 Retail	51	56
 Industrial	12	27
 Office	42	46
Investment property	9 332	10 484
Capital spend as a % of investment property	1.1%	1.2%

Debt levels

- Group debt reduced from R6.5bn at 30 September 2019 to R5.4bn at 31 March 2021
- Group debt expected to be around R4.8bn at 30 September 2021



Debt

- Arrowhead loans of R4.0bn and Group of R5.4bn (September 2020: R5.6bn)
- Arrowhead Group LTV of 41.4% (39.8% excl. derivatives)
- Loans fixed – Group 63% and 61% Arrowhead
- Group ICR of between 1.89 and 2.04 (depending on funder definition)
- Arrowhead Group weighted average interest rate of 9.0%
- Average weighted debt expiry profile at 2.0 years

Debt expiry	R'000 000	Percentage %
Up to March 2022:	498	13%
Standard Bank - July 2021	98	
Investec - October 2021	100	
Standard Bank - December 2021	300	
March 2023	1 921	48%
March 2024	1 383	35%
March 2025	155	4%
Total	3 958	100%



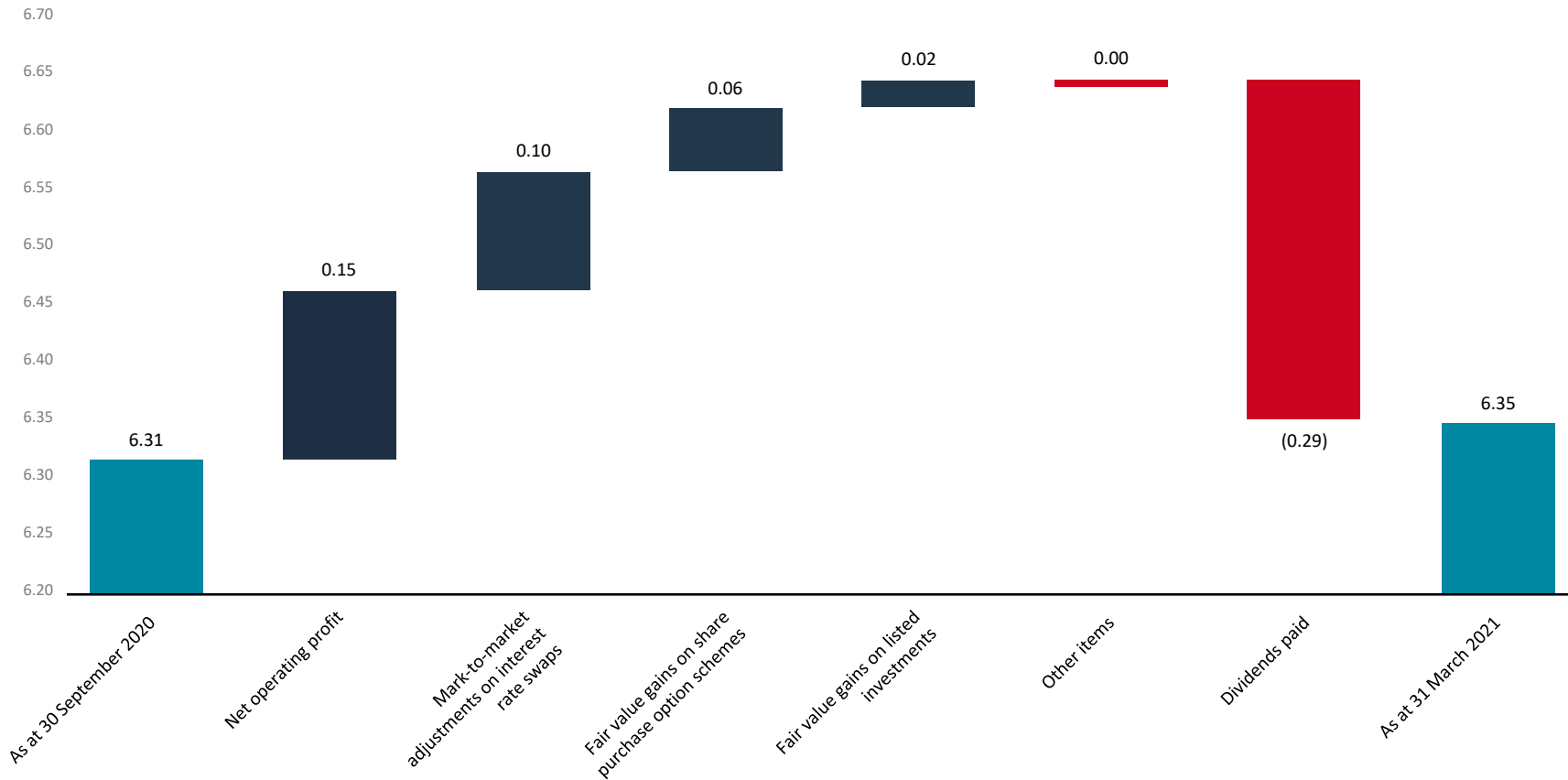
Performance against portfolio level covenants

	Interest Cover Ratio		Loan to Value	
	Covenant	Actual	Covenant	Actual
Funder 1	2.0	2.4	45.0%	39.2%
Funder 2	2.0	2.4	55.0%	46.3%
Funder 3	2.0	3.2	45.0%	38.2%
Funder 4	2.0	2.5	50.0%	38.5%

Composition of investments (comparing position at March 2020 vs March 2021)

Asset	Balance sheet (Rm)				Income (R'000)			
	2021	%	2020	%	2021	%	2020	%
Property	9 332	70%	10 484	71%	197 259	81%	254 119	82%
Indluplace	3 819	29%	4 136	28%	28 241	11%	53 963	18%
Dipula	96	1%	86	1%	20 557	8%	-	0%
Total	13 247		14 706		246 057		308 082	

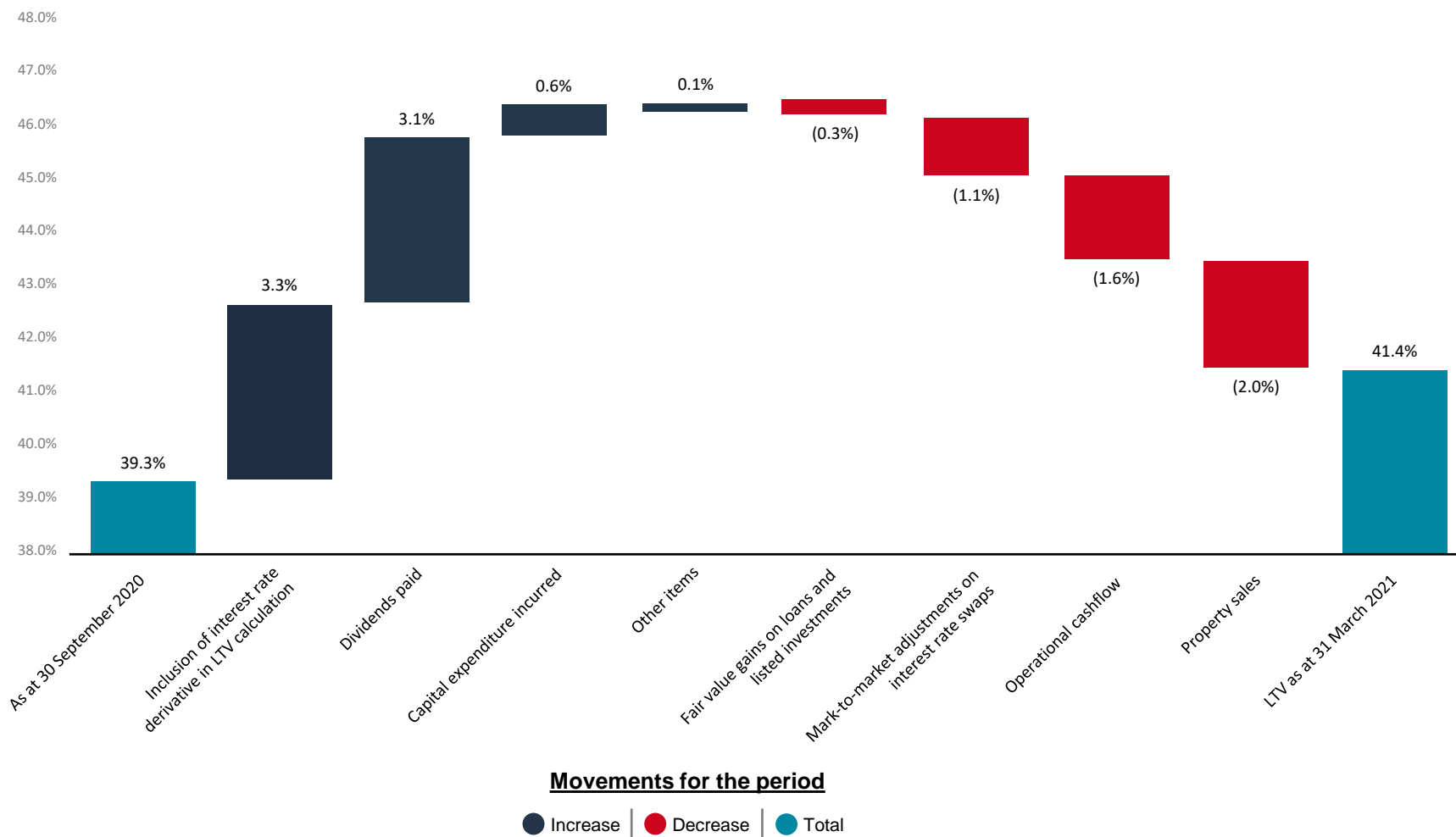
NAV Bridge per B share Group



Movements for the period

● Increase | ● Decrease | ● Total

LTV Bridge



SA REIT Best Practice Metrics

				The following REITs have published SA REIT Best Practice - Version 2 - Metrics:									
	Arrowhead (excl. Indlu)	Arrowhead Group (incl. Indlu)	REIT Ave.	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7	Fund 8	Fund 9	Fund 10
Period length	6 months	6 months		6 months	6 months	6 months	6 months	6 months	6 months	6 months	12 months	12 months	6 months
Period end date	31 Mar 2021	31 Mar 2021		30 Nov 2020	31 Dec 2020	31 Dec 2020	31 Dec 2020	31 Dec 2020	30 Sep 2020	31 Dec 2020	31 Dec 2020	31 Dec 2020	21 Aug 2020
SA REIT funds from operations ("FFO") per share - A	N/a	58.59											
SA REIT funds from operations ("FFO") per share - B	N/a	23.19		17.80	66.08	65.90	210.74	31.40	50.85	201.40	23.90	32.33	72.86
FFO yield on prevailing current share price - B's	N/a	13.2%	9.9%	11.2%	13.6%	9.2%	8.8%	9.0%	7.3%	13.5%	11.7%	7.5%	7.3%
SA REIT net asset value - A	N/a	9.23											
SA REIT net asset value - B	N/a	6.46		7.30	15.00	21.32	48.66	16.48	12.16	67.15	3.98	7.25	16.85
Return on NAV - B's	N/a	7.2%	6.6%	4.9%	8.8%	6.2%	8.7%	3.8%	8.4%	6.0%	6.0%	4.5%	8.6%
Current share price trading as a % discount to NAV	N/a	45.8%	29.4%	56.4%	35.1%	33.0%	1.4%	57.5%	(15.1%)	55.5%	48.5%	40.6%	(18.4%)
SA REIT cost-to-income ratio	45.0%	49.0%	42.6%	40.4%	51.4%	41.4%	42.5%	41.6%	39.6%	48.2%	50.8%	49.4%	20.7%
SA REIT administrative cost-to-income ratio	5.7%	5.4%	6.3%	5.9%	6.1%	4.2%	3.5%	8.0%	10.3%	3.0%	4.9%	10.1%	6.9%
Property cost-to-income ratio	39.4%	43.7%	36.3%	34.5%	45.3%	37.2%	39.0%	33.6%	29.3%	45.2%	45.9%	39.3%	13.8%
SA REIT vacancy rate	11.0%	N/a	6.8%	15.2%	5.9%	9.2%	2.4%	3.6%	14.0%	3.9%	3.5%	6.7%	3.8%
All-in weighted average cost of debt - pure debt	5.8%	5.9%	5.6%	4.8%	6.5%	5.2%	5.3%	6.0%	5.1%	5.4%	5.3%	7.6%	5.1%
All-in weighted average cost of debt - cost of swaps and other	3.4%	3.1%	2.1%	1.7%	2.0%	2.9%	1.0%	3.5%	0.4%	2.8%	2.6%	1.1%	2.6%
All-in weighted average cost of debt (ZAR debt only)	9.2%	9.0%	7.7%	6.5%	8.5%	8.1%	6.3%	9.5%	5.5%	8.2%	7.8%	8.7%	7.7%
SA REIT loan-to-value	N/a	41.4%	35.3%	40.1%	42.3%	40.7%	35.1%	49.4%	26.5%	24.4%	41.2%	20.3%	33.3%




Arrowhead performance compared to MSCI South Africa Property Index

for the 12 months ended 31 December 2020

Metric	Arrowhead Performance	MSCI Benchmark	
Total return (all assets)	4.73% - 6 th out of 28 funds	-3.15%	✓
Income return (all assets)	8.82% - 2 nd out of 28 funds	7.02%	✓
Net operating income growth (core portfolio)	-10.57%	-13.94%	✓
Net operating income yield (core portfolio)	8.65%	7.36%	✓
Vacancy rate – floorspace (all assets)	9.79%	9.08%	✗

Arrowhead performance compared to MSCI South Africa Property Index

for the 12 months ended 31 December 2020

Sector	Total return			Income return			Capital growth		
	Arrowhead	MSCI Benchmark		Arrowhead	MSCI Benchmark		Arrowhead	MSCI Benchmark	
Total portfolio	4.73%	-3.15%	✓	8.82%	7.02%	✓	-3.79%	-9.55%	✓
 Retail	6.16%	-4.41%	✓	8.33%	6.47%	✓	-2.01%	-10.27%	✓
 Office	4.61%	-1.87%	✓	9.26%	7.95%	✓	-4.29%	-9.16%	✓
 Industrial	0.61%	1.23%	✗	9.51%	8.31%	✓	-8.19%	-6.58%	✗

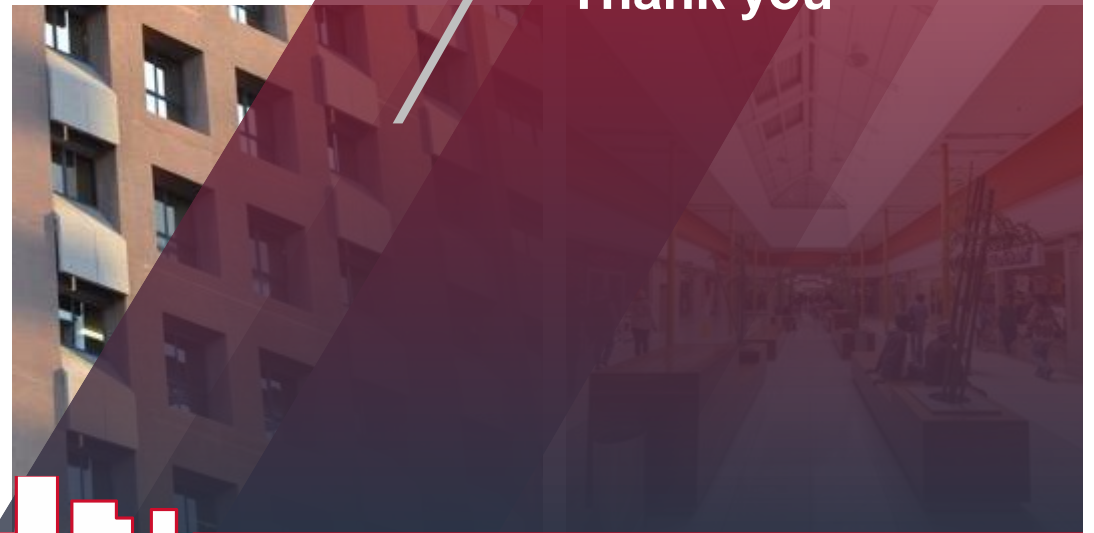


Indluplace

- Think decision to defer the dividend was prudent
- Lower LSM has been under pressure
- Highest churn ever experienced
- Strong letting performance but more than offset by churn
- LTV 38.4%
- Sales pipeline
- Internalisation

Prospects

- Transfer majority of 20 properties worth R647m
- LTV below 40% including derivatives
- Implementation of current solar projects
- Final and interim dividend
- Explore Fairvest merger



Thank you

ARROWHEAD PROPERTIES
Focused on sustainable value