

HERIOT REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/167697/06)

(Approved as a REIT by the JSE)

JSE share code: HET ISIN: ZAE000246740

("Heriot" or "the Company")



DISPOSAL OF SHARES IN SAFARI INVESTMENTS RSA LIMITED AND OF HAGLEY 3865 PROPRIETARY LIMITED TO A RELATED PARTY

1. DISPOSAL OF SHARES IN SAFARI INVESTMENTS RSA LIMITED

Shareholders are referred to previous announcements published by Heriot relating to the acquisition by the Company, acting through its wholly owned subsidiary Heriot Properties Proprietary Limited ("**Heriot Properties**"), of shares in Safari Investments RSA Limited ("**Safari**"). As at the date of this announcement, Heriot Properties and its concert parties, being Reya Gola Investments Proprietary Limited and Heriot Investments Proprietary Limited ("**Heriot Investments**"), collectively hold 146 516 751 Safari shares, representing 56.8% of the total Safari shares in issue.

Shareholders are advised that Heriot Properties will dispose of 1 571 645 Safari shares to Heriot Investments for a disposal price of R5.60 per share and an aggregate disposal consideration of R8 801 212 (the "**HI Disposal**"). The HI Disposal will be effected on-market on 30 June 2023.

Subsequent to the HI Disposal, Heriot Properties and its concert parties will continue to hold 146 516 751 Safari shares, representing 56.8% of the total Safari shares in issue.

Proceeds from the disposal of the Safari shares will be deployed against Heriot's debt facilities.

Safari is a JSE-listed REIT with a portfolio of retail, office and residential properties, with the majority of its assets being retail properties in and around Pretoria. The sale of Safari shares to Heriot Investments is being concluded in order to rebalance the various entities' portfolios.

The following profitability metrics are attributable to Safari for the year ended 31 March 2023, being the period for which the latest financial results were released on SENS:

Distributable earnings per share (cents)	65,00
Basic earnings per share (cents)	125,40
Headline earnings per share (cents)	69,22

Heriot Investments, the majority shareholder of Heriot, is 100% owned by The Gusi Trust, being a trust of which Steven Herring and his family are beneficiaries. In addition, Steven Herring is a director of Heriot, Heriot Investments and Safari. The HI Disposal therefore constitutes a transaction with related parties, but due to its size in relation to Heriot's market capitalisation, only requires announcing and is not subject to shareholder approval.

2. DISPOSAL OF HAGLEY 3865 PROPRIETARY LIMITED

Heriot, through Heriot Properties, has entered into an agreement ("**Disposal Agreement**") to dispose of Hagley 3865 Proprietary Limited ("**Hagley**"), a wholly owned subsidiary of Heriot to Heriot Investments, for a disposal price of R40.3 million and with an effective date of 30 June 2023 ("**Hagley Disposal**").

Hagley has as its only asset, a 70 000m² property located at Erf 3865 in the City of Cape Town Stellenbosch Division, Province of the Western Cape, situated on Nooiensfontein Road, Wembley Park, Cape Town, on which a 35 000m² distribution centre is being constructed for Ackermans currently. Heriot is disposing of Hagley in order to mitigate any development risks associated with the project.

In terms of the Disposal Agreement, Heriot will have an option to repurchase up to 100% of Hagley's equity at cost, which option will expire at the end of five years from 30 June 2023. The option is exercisable at the discretion of Heriot.

Equity at cost includes the purchase price plus additional costs incurred to develop the property less liabilities of Hagley at the date the option is exercised.

The value of the net assets that are the subject of the transaction is R40.3 million and the anticipated loss attributable to the net assets that are the subject of the transaction for the year ended 30 June 2023 is R280 000.

The proceeds from the disposal of Hagley will be utilised to reduce debt.

Heriot Investments, the majority shareholder of Heriot, is 100% owned by The Gusi Trust, being a trust of which Steven Herring and his family are beneficiaries. In addition, Steven Herring is a director of Heriot and Heriot Investments. The Hagley Disposal therefore constitutes a transaction with related parties, but due to its size in relation to Heriot's market capitalisation, only requires announcing and is not subject to shareholder approval.

30 June 2023

Designated advisor

JAVACAPITAL