

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")



CATEGORY 2 TRANSACTION - FIRM INTENTION OFFER BY SAFARI TO REPURCHASE ALL OF ITS ISSUED SHARES BY WAY OF A SCHEME OF ARRANGEMENT, SAVE FOR SHARES HELD BY EXCLUDED SHAREHOLDERS

1. INTRODUCTION

- 1.1 Shareholders are referred to the firm intention announcement ("**Firm Intention Announcement**") released on the Stock Exchange News Service ("**SENS**") by Safari Investments RSA Limited ("**Safari**"), a subsidiary of the Company, in terms of which Safari shareholders ("**Safari Shareholders**") were advised that the board of directors of Safari ("**Safari Board**") had resolved to make a firm offer to Safari Shareholders to acquire its entire issued ordinary share capital ("**Shares**"), excluding any Shares held by the Company, through its wholly owned subsidiaries, Heriot Properties Proprietary Limited and Thibault REIT Limited (collectively "**Heriot Group**") and Shares held by Thabong Shopping Centre Proprietary Limited, a wholly owned subsidiary of Safari (collectively "**the Excluded Shareholders**"), for a cash consideration of R8.00 or 800 cents per Share ("**Scheme Consideration**") by way of scheme of arrangement in accordance with section 114(1)(e), read with section 115 of the Companies Act, 71 of 2008, as amended ("**Companies Act**"), between Safari and Safari Shareholders ("**Scheme**").
- 1.2 Unless otherwise defined herein, capitalised words and terms contained in this announcement shall bear the meanings ascribed thereto in the Firm Intention Announcement.

2. SAFARI'S RATIONALE FOR THE SCHEME

- 2.1 The rationale for the Scheme, as stated by Safari in the Firm Intention Announcement, is as follows -
- 2.1.1 Lack of liquidity – the Shares are highly illiquid, with only 1.4 million Shares, accounting for less than 0.6% of the total Shares, being traded over the past 12 months. The Heriot Group holds approximately a 59.20% interest in Safari. This concentrated ownership results in limited trading activity in the Shares on the JSE and a small number of institutional investors, which has contributed to the Shares trading at a sizeable discount to net asset value. Given that the Heriot Group intends to retain or increase their shareholding in Safari, no improvement in market liquidity or the discount to net asset value is anticipated. Accordingly, the Scheme provides Safari Shareholders with a liquidity event through which they may realise their investment in Safari at a defined value;
- 2.1.2 Cost of maintaining a separate listing – given the Heriot Group's control over Safari, the cost of maintaining two listed entities within a single group structure is not justified. The Delisting is expected to result in cost savings for Safari, including reductions in audit fees, governance related expenses, and annual report costs, as well as the elimination of recurring expenses such as annual JSE listing fees, sponsor fees and similar costs; and

- 2.1.3 Change in strategy of Safari – Safari intends to adopt a development-focused strategy going forward. This strategic shift will result in a reduced pay-out ratio of distributable income, leading to lower distributions to Safari Shareholders. Accordingly, the Scheme offers Safari Shareholders, who rely on regular distributions, a liquidity event through which they may exit their investment in Safari in light of this change in strategy.

3 THE BUSINESS OF SAFARI

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.

4 SALIENT TERMS OF THE SCHEME

4.1 Overview of the Scheme

- 4.1.1. Subject to the fulfilment or waiver (as the case may be) of the Scheme Conditions Precedent, Safari will repurchase all of the Shares held by Safari Shareholders on the record date of the Scheme by way of a scheme of arrangement in terms of section 114(1)(e) of the Companies Act. The Scheme will be proposed by the Safari Board between Safari and Safari Shareholders, save for the Excluded Shareholders (being the “**Scheme Participants**”) in exchange for the Scheme Consideration.
- 4.1.2. With effect from the date on which the Scheme becomes operative (“**Scheme Operative Date**”):
- 4.1.2.1. the Scheme Participants (whether they voted in favour of the Scheme or not, or abstained or refrained from voting) shall dispose of, and transfer their Shares (“**Scheme Shares**”) (including all rights, interests and benefits attaching thereto) to Safari on and with effect from the Scheme Operative Date; and
- 4.1.2.2. Scheme Participants shall be entitled to receive the Scheme Consideration, subject to the remaining provisions as set out in the circular that will be distributed to Safari Shareholders in due course.
- 4.1.3. The maximum aggregate number of Scheme Shares to be repurchased for the Scheme Consideration will be 104 320 987 Scheme Shares, and accordingly the maximum aggregate Scheme Consideration payable by Safari will be R834 567 896 (eight hundred and thirty-four million five hundred and sixty-seven thousand eight hundred and ninety-six) Rand.
- 4.1.4. The effect of the Scheme will, inter alia, be that Safari will, with effect from the Scheme Operative Date, become the beneficial owner of all the Scheme Shares, upon which such Shares shall be immediately cancelled and have the status of authorised but unissued shares. Safari shall have its register updated accordingly. Upon the implementation of the Scheme, Safari will become a wholly-owned subsidiary of Heriot, through its subsidiaries.

4.2 Scheme Conditions Precedent

The Scheme is subject to the fulfilment or waiver, as the case may be, of the Scheme Conditions Precedent as detailed in the Firm Intention Announcement.

4.3 Scheme Consideration

In the event that the Scheme Conditions Precedent are fulfilled or waived, as applicable, on

or before the relevant date for fulfilment or waiver thereof and the Scheme becomes operative, Scheme Participants will receive the Scheme Consideration.

5 CLEAN OUT DISTRIBUTION

Subject to the Scheme becoming unconditional, and Safari Shareholders approving the payment of the clean out distribution in terms of section 126 of the Companies Act, Safari shall declare and pay a clean out distribution as detailed in the Firm Intention Announcement.

6 FINANCIAL INFORMATION OF SAFARI

The following profitability and net asset metrics are attributable to Safari for the year ended 30 June 2025, being the period for which the latest financial results were released on SENS:

Distributable earnings per share (cents)	74.00
Basic earnings per share (cents)	217.02
Basic headline earnings per share (cents)	74.00
Net asset value per share (Rands)	11.77

7 DETAILS OF SAFARI'S PROPERTY PORTFOLIO

Details regarding the property portfolio of Safari can be found on pages 16 to 19 of Safari's integrated annual report for the year ended 30 June 2025, which is available on Safari's website.

8 CATEGORISATION OF THE SCHEME

For purposes of the Company, the Scheme constitutes a category two transaction in terms of the Listings Requirements of the JSE Limited.

Johannesburg
17 October 2025

Designated advisor
Valeo Capital (Pty) Limited

 Valeo Capital