

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")



FIRM INTENTION ANNOUNCEMENT REGARDING A GENERAL OFFER FOR SAFARI SHARES

1. Introduction and rationale for the General Offer

Heriot Properties Proprietary Limited ("**Heriot Properties**" or the "**Offeror**", a wholly-owned subsidiary of Heriot), together with two concert parties, Heriot Investments Proprietary Limited ("**Heriot Investments**") and Reya Gola Investments Proprietary Limited ("**Reya Gola Investments**") (the "**Concert Parties**"), hold 102 851 903 shares in Safari Investments RSA Limited ("**Safari**"), being 33.1% of all shares in issue.

Heriot intends to increase its investment in Safari, which is strategic. To this end, Heriot has informed the Safari Board that Heriot Properties will make a general offer to purchase Safari shares at an offer price of R5.60 per Safari share (the "**General Offer**").

The General Offer will afford Safari shareholders an opportunity to sell their Safari shares for a cash price that is at a premium to the recently traded price of Safari shares. In Heriot's view, the stand-alone prospects for Safari are constrained, given that investors generally prefer to invest in REITs that have larger market capitalisations and offer great liquidity to shareholders than Safari. Heriot notes that, as the largest shareholder in Safari, it would not support any proposal by Safari to make any acquisitions or issue new shares given that the market price for Safari shares is at a discount to Safari's NAV per share.

The Offeror will make the General Offer in terms of section 117(1)(c)(v) of the Companies Act 71 of 2008 (the "**Companies Act**") and regulation 102 of the Takeover Regulations promulgated thereunder (the "**Takeover Regulations**").

This announcement constitutes a firm intention announcement in terms of regulation 101 of the Takeover Regulations.

2. Terms and conditions of the General Offer

The material terms of the General Offer will be as follows:

2.1. The General Offer and General Offer consideration

The Offeror will make the General Offer for a cash consideration of R5.60 per Safari share payable against delivery of ownership of the relevant Safari shares into the Offeror's name.

If Safari declares an ordinary dividend prior to the closing date of the General Offer, the timing of the delivery of ownership of the Safari shares in question will determine entitlement to the dividend. Either the Offeror or the registered shareholder accepting the General Offer will receive the dividend, depending on which is registered as the Safari shareholder at the record date for the dividend.

The Concert Parties will not accept the General Offer.

Southern Palace Capital Proprietary Limited ("**Southern Palace**") is the registered shareholder of 53 000 000 Safari shares (the "**SP Shares**"). Safari holds the SP Shares as security for claims against Southern Palace and treats the SP Shares as treasury shares, including for accounting purposes, and, accordingly, Safari excludes the SP Shares from its calculations of distribution per share, earnings per share and net asset value per share. Safari has disclosed that it is considering its options regarding

the SP shares and Heriot understands Safari may repurchase and cancel the SP shares in settlement or part settlement of the claims Safari has against Southern Palace.

Consistent with Safari's treatment of the SP Shares as treasury shares, Heriot will exclude the SP shares from the General Offer.

2.2. Unconditional nature of General Offer

The South African Competition Authorities have unconditionally approved a merger between Heriot and Safari, as announced by Safari on SENS on 3 March 2022.

Accordingly, the General Offer is not subject to any suspensive conditions.

3. Ability to proceed with the General Offer

The Offeror has delivered an irrevocable unconditional guarantee to the Takeover Regulation Panel in accordance with regulations 111(4) and 111(5) of the Takeover Regulations and in favour of Safari shareholders for the sole purpose of fully satisfying the Offeror's cash commitments in respect of the General Offer.

4. Beneficial interest in Safari of the Offeror, persons related to the Offeror and/or persons acting in concert with the Offeror

The Offeror has disclosed the following beneficial interests in Safari held by the Offeror, persons related to the Offeror and/or persons acting in concert with the Offeror:

Shareholder	Number of shares	% of issued shares
Heriot Properties	59 631 630	19.2
Heriot Investments	42 413 204	13.6
Reya Gola Investments	807 069	0.3
Total	102 851 903	33.1

5. No mandatory offer required

The General Offer, if accepted by shareholders holding at least 5 937 203 Safari shares, will result in the Offeror and the Concert Parties acquiring Safari shares equal to or exceeding 35% of the issued shares of Safari. The Takeover Regulation Panel has confirmed that, if the Offeror and the Concert Parties reach or exceed the 35% threshold as a result of acceptances of the General Offer, the Offeror and the Concert Parties are not required to make a mandatory offer to Safari shareholders under Chapter 5 of the Companies Act and the Takeover Regulations.

6. Information on Safari

Safari is a JSE listed property owning company with a portfolio of retail, office and residential properties, with the majority of its assets being retail properties in and around Pretoria.

The following profitability metrics are attributable to Safari for the six months ended 30 September 2021:

Distributable earnings per share (cents)	25.00
Basic earnings per share (cents)	27.31
Headline earnings per share (cents)	27.31

The General Offer constitutes, on an aggregated basis, a category 2 transaction in terms of the JSE Listings Requirements and is therefore not subject to Heriot shareholder approval.

7. Posting of circular and expected salient dates and times

An offer circular, containing full details in respect of the General Offer as contemplated in regulations 102 and 106 of the Takeover Regulations, is in the process of being prepared.

Safari shareholders will be advised of the posting of the circular and the opening date of the General Offer by means of an announcement on SENS. The General Offer will remain open for acceptance for at least 30 business days after the opening date of the General Offer.

The expected headline salient dates and times relating to the General Offer are as follows:

	2022
Circular posted to Safari shareholders on	Tuesday, 21 June
Announcement relating to the issue of the circular and the General Offer released on SENS on	Tuesday, 21 June
Offer opens at 09:00 on	Wednesday, 22 June
Date on which the General Offer closes at 12:00 on	Friday, 5 August
Results of the General Offer announced on SENS on	Monday, 8 August
Final payment to be made on	Monday, 8 August

Notes:

1. All dates and times in this circular are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. The offer must remain open for at least 30 business days after the opening date.
4. As the offer is unconditional, acceptance of the offer will be irrevocable.

8. Responsibility statement

The Offeror, to the extent that the information relates directly to the Offeror, 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 the Offeror is true and this announcement does not omit anything that is likely to affect the import of such information.

3 June 2022

Corporate advisor and designated advisor

 JAVACAPITAL