

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”)



ACQUISITION OF 75% INTEREST IN KATLEHO PROPERTY INVESTMENTS PROPRIETARY LIMITED AND DISTRIBUTION OF CIRCULAR IN TERMS OF SECTION 60 OF THE COMPANIES ACT

1. INTRODUCTION

- 1.1 Shareholders are hereby advised that the Company has entered into exchange agreements in terms of section 42 of the Income Tax Act, No. 58 of 1962 (“**the Agreements**”) with Heriot Investments Proprietary Limited (“**Heriot Investments**”) and Gabenjosh Investments Proprietary Limited (“**Gabenjosh**”), in terms of which the Company will acquire 2 700 ordinary shares in Katleho Property Investments Proprietary Limited (“**KPI**”), representing 67.5% of the issued share capital of KPI, from Heriot Investments and 300 ordinary shares in KPI, representing 7.5% of the issued share capital of KPI (collectively the “**KPI Shares**”) from Gabenjosh, in exchange for 5 605 050 ordinary shares in the Company (“**Consideration Shares**”) (“**the Acquisitions**”).
- 1.2 Heriot Investments is a material shareholder of Heriot, holding circa 89.07% of the issued share capital of the Company (prior to the Acquisitions). Heriot Investments is 100% owned by The Gusi Trust, a trust of which Steven Herring, a director of the Company, and his family are beneficiaries and is a related party of Heriot in terms of paragraph 9.1(a) of the JSE Listings Requirements. Gabenjosh is an entity that is ultimately controlled by the Herring Family Trust, a trust of which Richard Herring, a director of the Company, and his family are beneficiaries and is a related party of Heriot in terms of paragraph 9.1(a) of the JSE Listings Requirements.

2. DETAILS OF THE BUSINESS OF KPI

KPI is a South African property investment company that owns a portfolio of income-producing commercial properties leased to a diversified tenant base. Its principal business is the ownership, management and leasing of commercial real estate, generating rental income from these assets.

3. RATIONALE FOR THE ACQUISITIONS

The rationale for the Acquisitions are consistent with the Heriot group’s primary objective of exploring strategic opportunities to grow and streamline its asset base by acquiring high-yielding properties. The Acquisitions have been concluded at a 20% discount to KPI’s agreed net asset value and will therefore be immediately accretive to Heriot shareholders.

4. SALIENT TERMS OF THE ACQUISITIONS

4.1 Effective Date

The Acquisitions will become effective on 30 June 2026 (“**Effective Date**”), subject to the fulfilment or waiver, as the case may be, of the suspensive conditions in paragraph 4.2.1 below by no later than the Effective Date (or any extended date agreed between the parties).

4.2 Suspensive Conditions

4.2.1 The Acquisitions are subject to the fulfilment or waiver of the following remaining suspensive conditions (“**Suspensive Conditions**”) by no later than 30 June 2026 (unless extended by the parties):

4.2.1.1 all shareholder approvals required in terms of the Companies Act No 71 of 2008 (“**Companies Act**”) to implement the Agreements being obtained; and

4.2.1.2 all regulatory approvals required for implementation of the Acquisitions being obtained.

4.3 Purchase Consideration

4.3.1 The purchase consideration for the Acquisitions is the amount of R128 916 150, which will be settled through the issuance of the Consideration Shares to Heriot Investments and Gabenjosh, at an issue price of R23.00 per share, on the Effective Date.

4.3.2 The Consideration Shares shall be issued as follows -

4.3.2.1 5 044 545 of the Consideration Shares will be issued to Heriot Investments; and

4.3.2.2 560 505 of the Consideration Shares will be issued to Gabenjosh.

4.4 Other significant terms of the Agreements

The Agreements contain limited warranties by Heriot Investments and Gabenjosh in favour of the Company that are customary for transactions of this nature.

5 DETAILS OF KPI'S PROPERTY PORTFOLIO

The property portfolio of KPI comprises the following properties:

Property Name	Location	Sector	Gross lettable area (m²)	Weighted average gross rental (m²)	Fair value attributable to the property
238 Roan Crescent	Gauteng	Office	9 035	R106.20	R116 250 000
Infinity Office Park	Gauteng	Office	12 940	R220.99	R152 000 000
Meyersdal Office Park	Gauteng	Office	4 991	R118.72	R50 000 000

Notes:

1. No additional property-related expenditure was incurred by the Company in connection with the Acquisitions.
2. The properties were externally valued by Peter Parfitt of Quadrant Properties Proprietary Limited, who is registered as a professional valuer in terms of section 19 of the Property Valuers Profession Act, No. 47 of 2000, and is an independent valuer as such term is contemplated in the JSE Listings Requirements. The valuation framework applied was the discounted cash flow method, which discounts future income streams and accounts for expected rental and expense growth rates, vacancies, and costs not recoverable from tenants. The discounted cash flow valuations are tested for reasonableness by benchmarking against recent comparable sales activity and available market surveys and comparing the discounted cash flow values to the capitalised cash flow values. The capitalised cash flow values are calculated by applying appropriate capitalisation rates to the properties' future earnings potential. The capitalisation rates depend on several factors, such as location, the property's condition, lease covenants, and current market conditions.

6 FINANCIAL INFORMATION RELATING TO KPI

In terms of the latest unaudited management accounts of KPI, as at 31 May 2026, the net asset value of KPI amounted to R209 522 561 (two hundred and nine million five hundred and twenty two thousand five hundred and sixty one Rand), while the attributable profit before taxation of KPI for the rolling twelve months ended 31 May 2026 amounted to R42 772 347 (forty two million seven hundred and seventy two thousand three hundred and forty seven Rand).

Shareholders should note that the above financial information has been extracted from the unaudited management accounts of KPI. The Company is satisfied with the quality of the unaudited management accounts of KPI.

7 CATEGORISATION OF THE ACQUISITIONS

The size of the Acquisitions are below the threshold for them to be considered to be small-related party transactions or transactions that require shareholder approval in terms of the JSE Listings Requirements.

8 DISTRIBUTION OF CIRCULAR IN TERMS OF SECTION 60 OF THE COMPANIES ACT

8.1 Despite no shareholder approval being required in terms of the JSE Listings Requirements, section 41(1) of the Companies Act requires an issue of shares to be approved by a special resolution of the shareholders of a company if the shares are issued to, *inter alia*, a person related or inter-related to the company, or to a director or prescribed officer of the company. As the Consideration Shares will be issued to persons that are related or inter-related to the Company, or to a director or prescribed officer of the Company, the issue of the Consideration Shares is required to be approved by shareholders by way of a special resolution passed in terms of section 41(1) of the Companies Act.

8.2 Shareholders are hereby advised that the Company has today, Friday, 19 June 2026, distributed a circular to shareholders in relation to the Acquisitions, including, *inter alia*, a resolution to be voted on in writing in terms of section 60 of the Companies Act (“**Circular**”) to approve the issue of the Consideration Shares (“**Resolution**”). The Circular is also available for viewing on the Company’s website at <https://www.heriotreit.com/investor-relations>.

8.3 The salient dates and times relating to the Circular and the Resolution are set out below:

	Date 2026
Record date to determine which shareholders are entitled to receive the Circular and are eligible to vote on the Resolution	Friday, 12 June
Circular distributed to Shareholders on	Friday, 19 June
Announcement of distribution of the Circular published on the Stock Exchange News Service (“ SENS ”) on	Friday, 19 June
Deemed date of delivery (seven calendar days from distribution of the Circular)	Friday, 26 June
Voting period opens on	Friday, 26 June
Last day for voting (20 business days from voting period opening), by no later than 17:00 on ¹	Friday, 24 July
Results of voting expected to be announced on SENS at the earlier of	As soon as possible after the proposed Resolution is passed or on Friday, 24 July

Notes:

1. Shareholders should note that the Resolution will be adopted as soon as the required votes to approve the

Resolutions have been received by the transfer secretaries of the Company, despite the 20 business day voting period still being open.

2. All dates and times indicated above are South African Standard Time.
3. The above dates and times are subject to amendment at the discretion of the Company. Any such amendment will be released on SENS.

Johannesburg
19 June 2026

Designated Advisor
Valeo Capital (Pty) Limited

 Valeo Capital