

ANNEXURE A PROPERTY ENTITY INVESTORS REPORT



PROPERTY ENTITY INVESTORS REPORT

Objectives, investment policy and main strategy

Heartwood Properties develops high quality sustainable buildings underpinned by solid property fundamentals to achieve superior long term returns for our shareholders.

Heartwood Properties has defined its strategy and business model to:



Focus exclusively on the office and industrial sectors



Build sustainable buildings of excellent quality with clear tenant exit strategies



Sell assets after 3-5 years and reinvest or distribute profits to shareholders



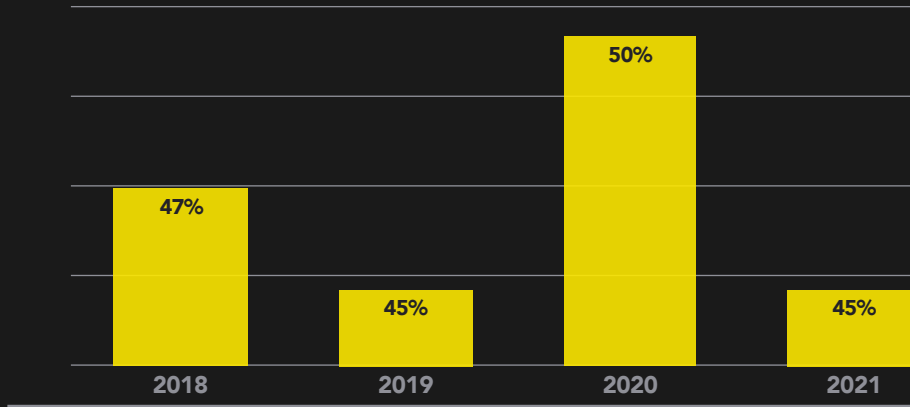
Embark on joint venture developments with tenants and land owners



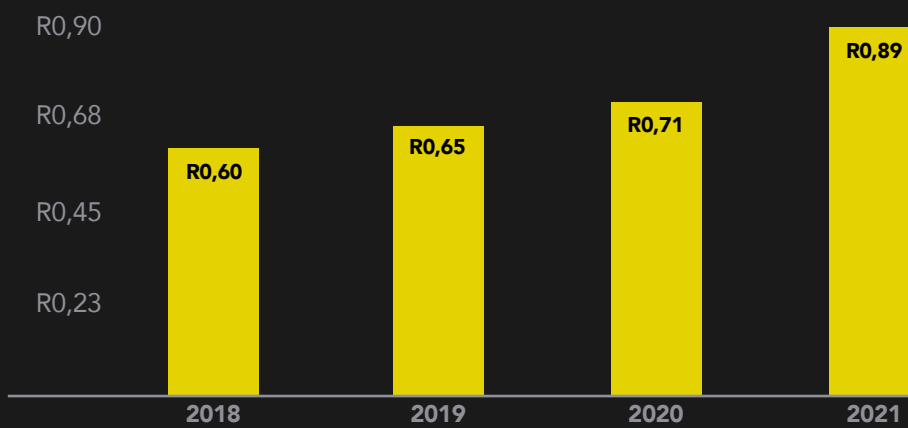
KEY PERFORMANCE METRICS



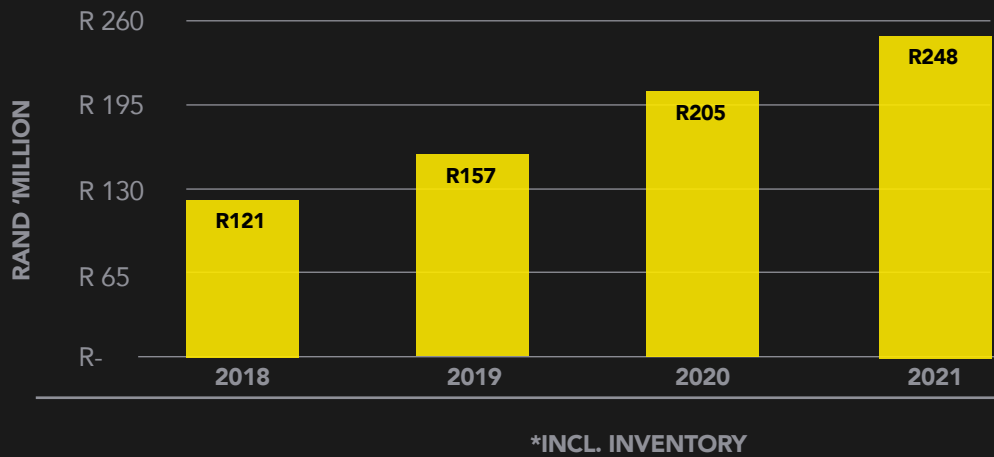
LOAN TO VALUE RATIO



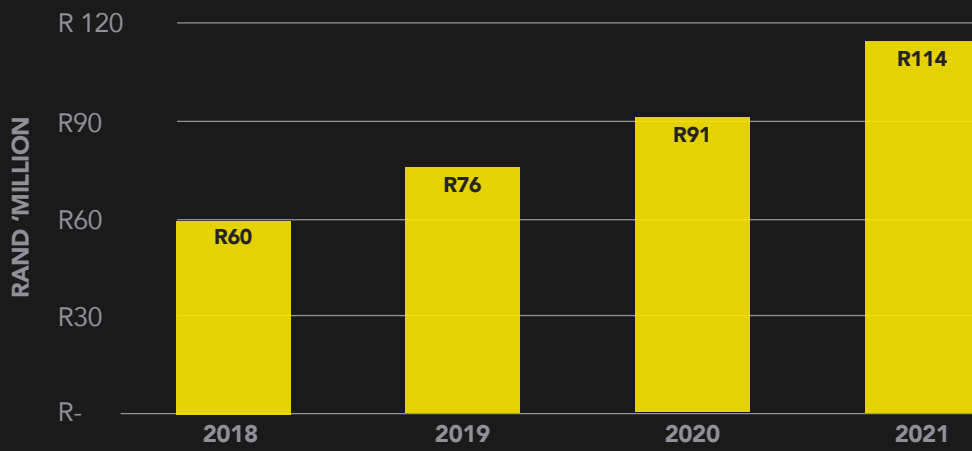
NET ASSET VALUE PER SHARE



PORTFOLIO VALUE



NET ASSET VALUE



DETAILS AND EXPERIENCE
OF THE DIRECTORS



OUR TEAM

JOHN WHALL

CHIEF EXECUTIVE OFFICER

John has a BSc Civil Engineering degree from the University of Cape Town and is a qualified Chartered Accountant.

John was the Financial Director of Group Five Construction for a number of years, before moving into the Property Development Division. He has twenty years of property development experience – at Group Five and then in his own business working with Montagu Property Group and other partners.



KOBA DUMAS

CHIEF FINANCIAL OFFICER

Koba has a BCom honours degree in Accounting from Stellenbosch University and qualified as a Chartered Accountant in 2003.

Koba spent her early audit career at the BDO Group, both in Cape Town and San Francisco. She later joined Business Partners as a Portfolio Manager, with clients in the commercial property, manufacturing and retail sectors.



ANDREW UTTERSON

EXECUTIVE DIRECTOR

Andrew formed The Business Centre Group in 2005 as one of three founding shareholder members.

He was responsible for developing and implementing the group's growth strategy and is a self-confessed lover of contemporary architecture and beautiful design.



JULIAN SCHER

CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

Julian graduated with a BCom LLB from the University of the Witwatersrand, Johannesburg, and is the founding partner and senior director of Strauss Scher Attorneys.

Founded in 1994, Strauss Scher Attorneys is a boutique legal practice, specialising in all aspects of real estate, with a particular focus on property development.



MARTIN EVANS

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Martin has a BSc Town & Regional Planning degree from the University of the Witwatersrand, Johannesburg, as well as an MBA degree.

Martin has been involved in the property industry for over 30 years. Martin worked for a leading developer prior to forming his own company, Brydens Property Group, with a partner. Together they have built numerous A grade commercial developments in Gauteng.



PETER GENT

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Peter holds a BSc Mining Engineering degree from the University of the Witwatersrand, Johannesburg, and an MBA degree from the University of Michigan (USA).

Peter is currently an independent management consultant. Prior to becoming an independent consultant, he was the Chief Operating Officer and a member of the Management Board of Rand Merchant Bank for 7 years. Peter was also a director for First National Bank (Corporate and Investment Banking Group). He is currently a director of FNB Zambia.



BERNARD SEEFF

INDEPENDENT
NON-EXECUTIVE DIRECTOR

Bernard holds a Master's degree in Industrial Engineering, a Higher Diploma in Computer Science from the University of the Witwatersrand, Johannesburg, as well as an MBA degree from the University of California in Los Angeles.



Bernard has served as director on numerous company boards, specialising in property ownership and management. Bernard is a member of the World Presidents' Organization (WPO), a global leadership organisation of more than 8,000 business leaders.

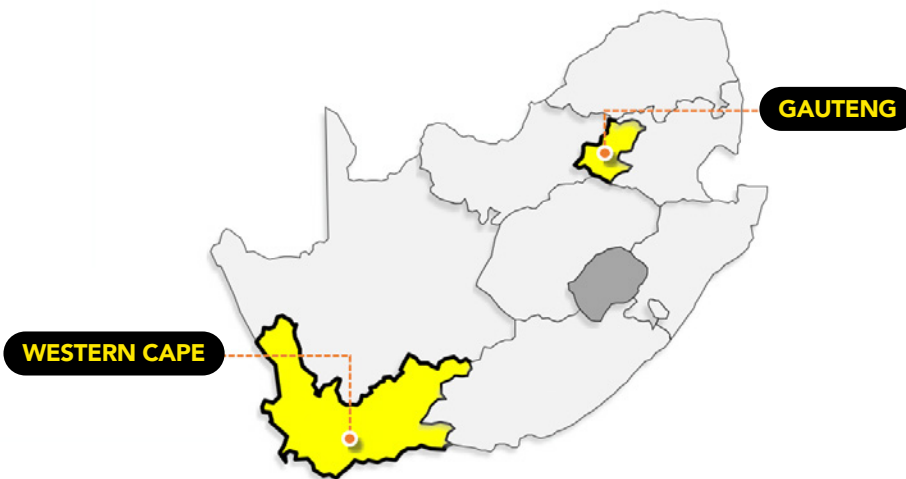
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HEARTWOOD PROPERTIES



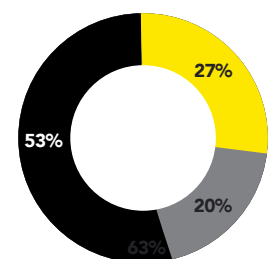
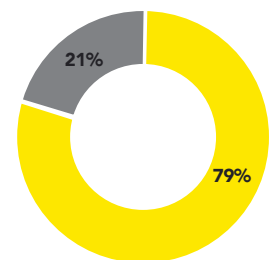
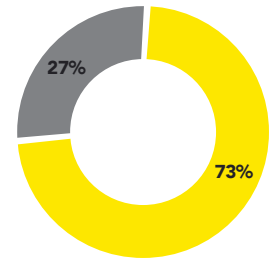
HEARTWOOD PROPERTIES AT A GLANCE

NUMBER OF PROPERTIES	7
PORTFOLIO VALUE	R247million
WEIGHTED AVERAGE LEASE EXPIRY ("WALE")	4,8 years
AVERAGE PROPERTY VALUATION PER M²	R21 042 m ²
AVERAGE ESCALATIONS	7.46%
GROSS AVERAGE YIELD	10%
OCCUPANCY RATE	97%
RENTABLE AREA ("GLA")	11 665
AVERAGE RENTAL RATE PER SQUARE METRE	R142.52



MARKET OUTLOOK

The market outlook for the Heartwood Properties Group is looking positive with a robust development pipeline. In line with the Company's strategy and to take advantage of the robust development pipeline, the Company may consider raising capital in future, subject to market conditions. For commentary on the effect of COVID-19 and the anticipated impact going forward please refer to Note 40 of the annual financial statements for the period ended 28 February 2021.



BUILDING	MARKET VALUE AS AT 28 FEB 2021 *NOTE 1	LOCATION	SECTOR	CONSTRUCTION COMPLETION DATE	GLA	TENANT PROFILE	VACANCY	YIELD	ESCALATION	MAJOR TENANT	LOAN TO VALUE RATIO	WALE
Willow Wood Office Park Block A	R66 800 000	Fourways, Gauteng	Office	Dec 2012	3 194	A	0%	11%	6%	Spaces	45%	6,25
Willow Wood Office Park Block B	R25 000 000	Fourways, Gauteng	Office	Sept 2017	1 029	C	21%	10%	8%	Multi Tenanted	45%	2,33
Willow Wood Office Park Block C	R21 200 000	Fourways, Gauteng	Office	Dec 2013	1 016	C	0%	10%	8%	Econet	45%	0,58
Willow Wood Office Park Block D	R38 700 000	Fourways, Gauteng	Office	Mar 2019	1 631	C	12%	8%	8%	Multi Tenanted	45%	2,44
Erf 20, Lyme Park	R41 100 000	Fourways, Gauteng	Office	Mar 2020	1 621	B	0%	9%	8%	Multi Tenanted	52%	4,06
Lanseria Erf 661	R17 100 000	Lanseria Corporate Estate, Gauteng	Industrial	Sept 2015	1 738	C	0%	11%	8%	The Media Connection	62%	4,67
Lanseria Erf 643	R15 800 000	Lanseria Corporate Estate, Gauteng	Industrial	Nov 2018	1 436	C	0%	10%	8%	D4 Technologies	59%	7,75

Note 1 – All the Group's properties are revalued annually by independent valuers. Refer Note 4 – Investment Property in the Financial Statements for details on valuation methodology and assumptions. Physical inspections were performed during March 2021. The Company is not aware of any town planning restrictions, qualifications in respect of the valuations, statutory contraventions or options over the properties.

Note 2 - Tenant Profile definitions:

- A. Large national tenants, large listed tenants, government and major franchises. "Large" refers to top tier nationals and listed tenants. "Major" refers to top tier franchises recognised as industry leaders (1 tenant)
- B. Medium national tenants, listed tenants, franchises, medium to large professional firms. "Medium to large" refers to industry leaders in their respective fields (law, accounting and advertising) (4 tenants).
- C. Small and medium-sized tenants, non-listed tenants and privately held small to medium-sized businesses (12 tenants).



TIMELINE





APRIL 2011

Incorporation of private development company



DECEMBER 2012

Completion of Willow Wood Office Park Block A for the Business Centre



DECEMBER 2013

Completion of Willow Wood Office Park Block C for Cronimet SA



SEPTEMBER 2015

Completion of Warehouse and office for The Media Connection in Lanseria Corporate Estate





SEPTEMBER 2017

Completion of Willow Wood Office Park Block B



MARCH 2018

Heartwood Properties Limited listed on the 4AX Exchange



NOVEMBER 2018

Completion of warehouse and office for D4 Electrical in Lanseria Corporate Estate



MARCH 2019

Completion of Willow Wood Office Park Block D with Genesys as the anchor tenant





OCTOBER 2019

Investment into Blythwood Quarter development in Glasgow, UK



MARCH 2020

Completion of Soleil multi tenanted Office in Bryanston



MAY 2021

Build It Somerset West currently in development.



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Incorporated in the Republic of South Africa

Registration Number: 2017/654253/06

ISIN: ZAE400000044

4AX Share Code: 4AHWP

EXTERNAL ISSUER AGENT:

Pallidus Capital Proprietary Limited

c/o Jacques Botha

jacques@pallidus.co.za

012 880 2490

COMPANY SECRETARY:

Kilgetty Statutory Services Proprietary Limited

c/o Chris Wilson

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heartwood[®]

PROPERTIES