

11 October 2023

Caledonian Trust plc
("Caledonian Trust" or the "Company")

Update on St. Margaret's House
Variation of existing loan with Leafrealm and related party transaction

The Company reported, *inter alia*, in its interim results for the period ended 31 December 2022, announced by the Company on 31 March 2023, in relation to the possible sale of St Margaret's House ("SMH"), the Company's largest property, at 151 London Road, Edinburgh, the following:

"On 24 February we released an announcement to the market, stating that, as a result of strong interest, we had set a closing date for indicative offers for St. Margaret's House ("SMH") on 23 February 2023 and had received non-binding proposals from three separate parties. Careful consideration and analysis of each of the proposals has led us to select a preferred bidder and enter into an exclusivity agreement with them to enable them to undertake their necessary due diligence and agree formal terms for the purchase by the end of April 2023 with the intention that any such agreement entered into would be conditional, inter alia, on the purchaser obtaining the required amendments to the planning consent at SMH. Whilst the Board is hopeful of a satisfactory outcome, there can be no certainty that a sale of SMH will proceed, nor on its terms or the timing of any sale."

The Company announces today that the talks with the parties who submitted non-binding proposals have, despite formal terms being agreed with prospective purchasers over the past number of months, not resulted in an agreement for the sale of St. Margaret's House. The Company is now formally proposing to market the SMH property in the Spring of 2024, provided market conditions continue to improve.

The Company further announces that agreement has been reached with Leafrealm Limited ("**Leafrealm**") that the interest rate on the £4,020,000 unsecured loan provided by Leafrealm to the Company (the "**Leafrealm Loan**"), currently 3 per cent. over base, will be reduced from 10 October 2023 to a rate of 2.0 per cent. above the base rate of the Bank of Scotland from time to time (the "base rate") subject to being capped at a maximum rate of base rate plus margin of 5% per annum and "floored" at a minimum rate of 2%. Leafrealm is a company controlled by Douglas Lowe, Caledonian Trust's Chairman, Chief Executive and major shareholder. As part of the agreement between Leafrealm and the Company, Leafrealm would retain the right to seek to restore the margin of 3.0 per cent. per annum over base subject to giving the Company not less than 3 months' notice in writing.

The remainder of the terms of the Leafrealm Loan, which was originally put in place on 30 June 2016, remain unchanged.

The Leafrealm Loan has been utilised by the Company to fund existing property developments, to provide working capital for the Company and to provide a source of funding for development at SMH and at Belford Road.

Related party transaction

Leafrealm is a company controlled by Douglas Lowe, Caledonian Trust's Chairman, Chief Executive and major shareholder and, as such, is considered a related party of the Company for the purposes of the AIM Rules for Companies. The variation to the Leafrealm Loan constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Having consulted with the Company's nominated adviser, Allenby Capital Limited, the Company's directors, with the exception of Mr Lowe, consider that the terms of the variation to the Leafrealm Loan are fair and reasonable insofar as Caledonian Trust's shareholders are concerned.

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