Integrated Report

for the year ended 30 June 2026

Building a sustainable income-generating property portfolio



Heriot REIT

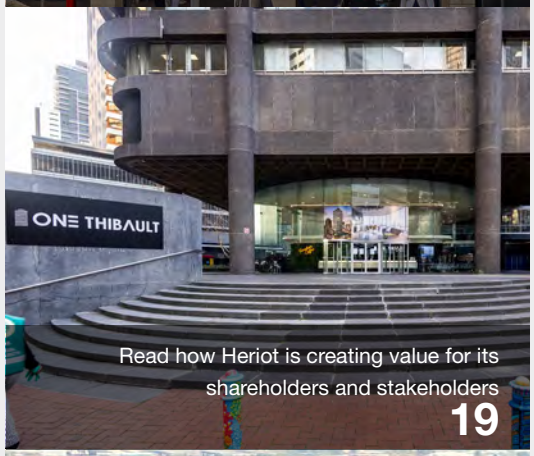
Committed to excellence

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ABOUT THIS REPORT

Welcome to Heriot REIT Limited's ("Heriot" or "the Company" or, including its subsidiaries, "the Group") 2026 integrated report. This report provides a comprehensive view of Heriot's financial and operational performance and combines financial and non-financial insights to reflect results achieved and strategies for future growth. It highlights the strength of the Company's property portfolio, governance practices and commitment to long-term value creation.

The report also emphasises Heriot's purpose-driven approach to managing core assets, embedding sustainability and maintaining resilience in changing market conditions. Through this lens, stakeholders can assess the value created over the past year, the robustness of the business model and the opportunities that lie ahead.

Report objective and scope

Our integrated report is the Company's primary communication tool and provides a transparent account of performance, strategy and outlook. While aimed chiefly at shareholders, it also offers valuable insights for employees, tenants, partners, regulators and communities.

Covering the period 1 July 2025 to 30 June 2026 and including material events up to Board approval on 30 October 2026, the report outlines key risks, opportunities and outcomes shaped by internal and external factors. It sets out the Group's strategy, activities and resource allocation and reflects a commitment to preserving and growing long-term value.

The report highlights value creation (through sustainable income, portfolio strength and governance) and areas of potential value erosion to ensure a balanced and forward-looking perspective for all stakeholders.

Assurance and reporting frameworks

In preparing this integrated report, Heriot has early adopted the principles and recommended practices of the King V Report on Corporate Governance for South Africa, 2025™ ("King V™")[1]. This framework has guided the Company's approach to governance, transparency and accountability, ensuring that the report reflects the spirit and intent of good corporate citizenship.

The annual financial statements have been independently audited by BDO South Africa Incorporated ("BDO") and provide shareholders and stakeholders with assurance on the integrity and accuracy of the Group's reported financial position and performance. BDO's **audit report** can be found on **pages 107 to 109** of this document. The **consolidated financial statements**, presented on **pages 110 to 183**, have been prepared in accordance with IFRS® Accounting Standards, the JSE Limited ("JSE") Listings Requirements and the Companies Act of South Africa ("Companies Act").

This ensures compliance with globally recognised financial reporting standards, local legislation and the requirements of the exchange on which the Company is listed.

To enhance comparability, relevance and accountability, this integrated report has been aligned with leading reporting standards, frameworks, regulations and best practice guidelines, including the following:

- Companies Act – meeting statutory requirements;
- IFRS® Accounting Standards – providing globally consistent financial reporting;
- International Integrated Reporting Framework of the IFRS® Foundation;
- IFRS® Sustainability Standards S1 and S2 of the International Sustainability Standards Board;
- JSE Listings Requirements – ensuring compliance with disclosure obligations for listed companies;
- King V™ – embedding sound governance practices;
- United Nations Sustainable Development Goals ("UN SDGs"); and
- The voluntary JSE Sustainability and Climate Change Disclosure Guidance, which strengthens transparency on environmental, social and governance ("ESG") matters and climate-related risks.

Through adherence to these standards and frameworks, Heriot reaffirms its commitment to accurate, balanced and meaningful reporting, offering stakeholders a comprehensive view of performance, risks, governance and sustainability in line with regulatory expectations and international best practice.

[1] *Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.*

Theme

Building a sustainable income-generating property portfolio by continuing to invest in high-quality assets, using the ethos of our entrepreneurial spirit.

Heriot's strategy rests on a simple conviction: durable income is created by owning the right assets, funding them the right way, and acquiring them with the discipline that comes from an entrepreneurial culture. FY2026 translated that conviction into action.

Double materiality

Heriot applies the principle of materiality in this integrated report, which focuses on the risks, opportunities and challenges most likely to impact stakeholder value and the Group's ability to achieve its strategic objectives.

Our materiality process considers the dual impact of financial performance and ESG practices, evaluating how internal and external factors affect the Group and how its activities impact stakeholders, communities and the environment. The process is overseen by executive management and approved by the Board of Directors ("Board"), which ensures alignment with strategic objectives, sustainability goals and governance standards. Material matters are assessed across short-, medium- and long-term horizons and provide stakeholders with a clear view of Heriot's performance, outlook and the capacity to create sustainable value. Management is not aware of any material information that was unavailable or subject to legal publication prohibitions at the time of publishing this report.

Refer to our **material matters** on **page 22**.

Time horizons

For purposes of this report, the following time frames were agreed to by our Board:

Short term	Less than one year
Medium term	One to three years
Long term	Three to ten years

Forward-looking statements

This report contains forward-looking statements about Heriot's expected performance, strategic initiatives and future prospects. These statements are based on current assessments and assumptions and are intended to provide stakeholders with insight into the Group's outlook.

Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied – including economic conditions, market fluctuations, regulatory changes and operational challenges. They are valid only as of the report date, have not been audited or reviewed by the Group's external auditor and Heriot is not obliged to update them except as required by law.

These statements are included to give stakeholders a transparent view of potential outcomes while acknowledging the inherent uncertainties of forecasting in a dynamic market environment.

Board approval and responsibility statement

Heriot has implemented a robust assurance model to ensure that all information in this integrated report is accurate, reliable and comprehensive, under the oversight of the Board and the Audit and Risk Committee.

The Board confirms that the report complies with the International Integrated Reporting Framework and covers all material matters related to strategy, performance and long-term value creation. It fairly reflects Heriot's financial results, operational performance, governance and strategic direction.

Prepared under senior management supervision and reviewed by the Audit and Risk Committee, the report was recommended to the Board and unanimously approved for publication. The Board authorised its release on 30 October 2026, reaffirming its commitment to transparent and reliable reporting.

Steven Herring
Chairman

Richard Herring
Chief Executive Officer ("CEO")

Daniel Snoyman
Chief Financial Officer ("CFO")

Selwyn Blieden
Lead Independent Non-executive Director

Gregory Heron
Independent Non-executive Director

Robin Lockhart-Ross
Independent Non-executive Director

Andile Mazwai
Non-executive Director

30 October 2026

All signatures have been removed to protect the security and privacy of the signatories.

Navigating our report

This integrated report is optimised for screens and tablets in a landscape layout, with interactive navigation that allows easy access to sections, key topics and supporting information. The digital format enhances accessibility and usability and helps stakeholders to navigate content efficiently and understand Heriot's performance, strategy and value creation.

Interactive PDF

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Capitals

- FC Financial capital
- MC Manufactured capital
- IC Intellectual capital
- HC Human capital
- SRC Social and relationship capital
- NC Natural capital

Stakeholders

- Shareholders and providers of financial capital
- Tenants
- Employees
- Regulatory and industry authorities
- Suppliers and service providers
- Communities
- The environment

Strategic pillars

- Delivering stakeholder value
- Diversified portfolio
- Enhanced return on assets
- Optimised balance sheet

Material themes

- me Uncertain macroeconomic environment
- pf Uncertain property fundamentals
- gs Group structure and portfolio mix changes
- md Municipal infrastructure deterioration and poor service delivery
- es Environmental stewardship
- se Social engagement
- cc Corporate citizenship

Request for feedback

Heriot values stakeholder input, which helps us improve the clarity, relevance and quality of our reporting. We welcome comments, suggestions and requests for additional information or copies of this report.

Please share your feedback with Daniel Snoyman, CFO, at **dsnoyman@heriot.co.za**.

All input will be considered to enhance future reports and support Heriot's commitment to transparency, accountability and effective stakeholder communication.

ABOUT HERIOT

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Heriot is a listed property holding and investment company with a primary focus on emerging-market retail and industrial property.

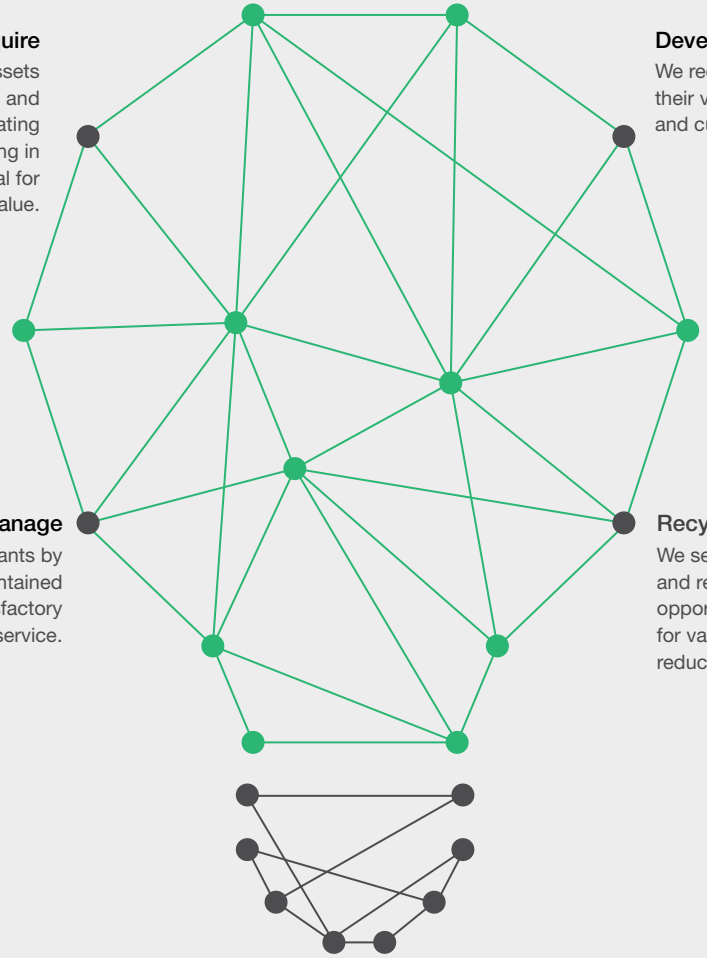
WHAT WE DO

Heriot is a property holding and investment company listed in the Diversified REITs sector on the Alternative Exchange of the JSE. Founded in 1998 and listed in June 2017, the Group builds a sustainable, income-generating property portfolio by investing in high-quality assets, with a primary focus on emerging-market retail and industrial property, complemented by a growing Cape Town aparthotel portfolio.

The Group holds 53 properties (2025: 53) valued at R14,0 billion, and interests of 100% (2025: 59,2%) in Safari Investments RSA Proprietary Limited ("Safari"), 100% (2025: 100%) in Thibault Holdings Proprietary Limited ("Thibault"), 75% (2025: nil) in Katleho Property Investments Proprietary Limited ("Katleho") and 21,7% (2025: 21,7%) in Texton REIT Limited ("Texton"), excluding treasury shares.

Through careful asset selection, active management and disciplined acquisitions, Heriot aims to grow distributions sustainably and to build a resilient portfolio capable of responding to changing market conditions.

We grow and streamline our asset base by acquiring premium properties, redeveloping existing ones and divesting assets marked as non-core.



Acquire
We acquire quality assets with secure cash flows and low vacancies by evaluating opportunities and investing in real estate with the potential for sustainable value.

Develop
We redevelop properties to amplify their value and enhance the tenant and customer experience.

Let and manage
We attract quality tenants by providing well-maintained buildings and offering satisfactory customer service.

Recycle
We sell non-core properties and reinvest the capital into opportunities with greater potential for value creation and debt reduction.

TIMELINE

Heriot was founded by Steven Herring in 1998 to build an industrial property portfolio let to blue-chip tenants on long leases. Since listing on the JSE in June 2017, the Group has applied the same entrepreneurial, income-focused approach to grow into a diversified Real Estate Investment Trust ("REIT") with a portfolio valued at R14,0 billion, more than three times its value at listing.

1998
Heriot founded by Steven Herring to grow an **industrial** property portfolio with sustainable long-term cash flows from blue-chip tenants

2003
Diversified into **retail** with development of a 1 500m² retail centre

2017 – 2018
Listed on the Alternative Exchange of the JSE in June 2017. First full-year results in 2018, with a portfolio valued at R4,476 billion

2019
Expanded into **residential** with the 215-unit The Heriot in Cape Town

2020
COVID-19 pandemic

Invested in **office** buildings to develop into student accommodation

2021
Installed first rooftop solar system at **Tsakane Mall**

2022
Acquired 19,2% of **Safari**

2023
Increased investment in **Safari** to 47,1% and gained effective control

2024
Acquired **Thibault** and 21,5% of **Texton**; increased investment in **Safari** to 59,2%

Obtained full ownership of **Fixtrade 605 Proprietary Limited** ("Fixtrade")

Launched **aparthotel** strategy

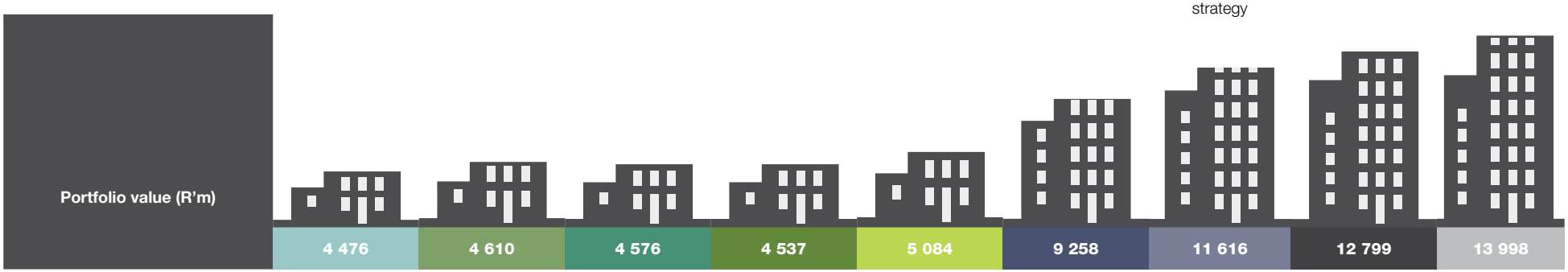
2025
Increased investment in **Texton** to 21,7%

Disposed of **Platz am Meer**

2026
Acquired the remaining 40,8% of **Safari** (100%) and delisted it from the JSE

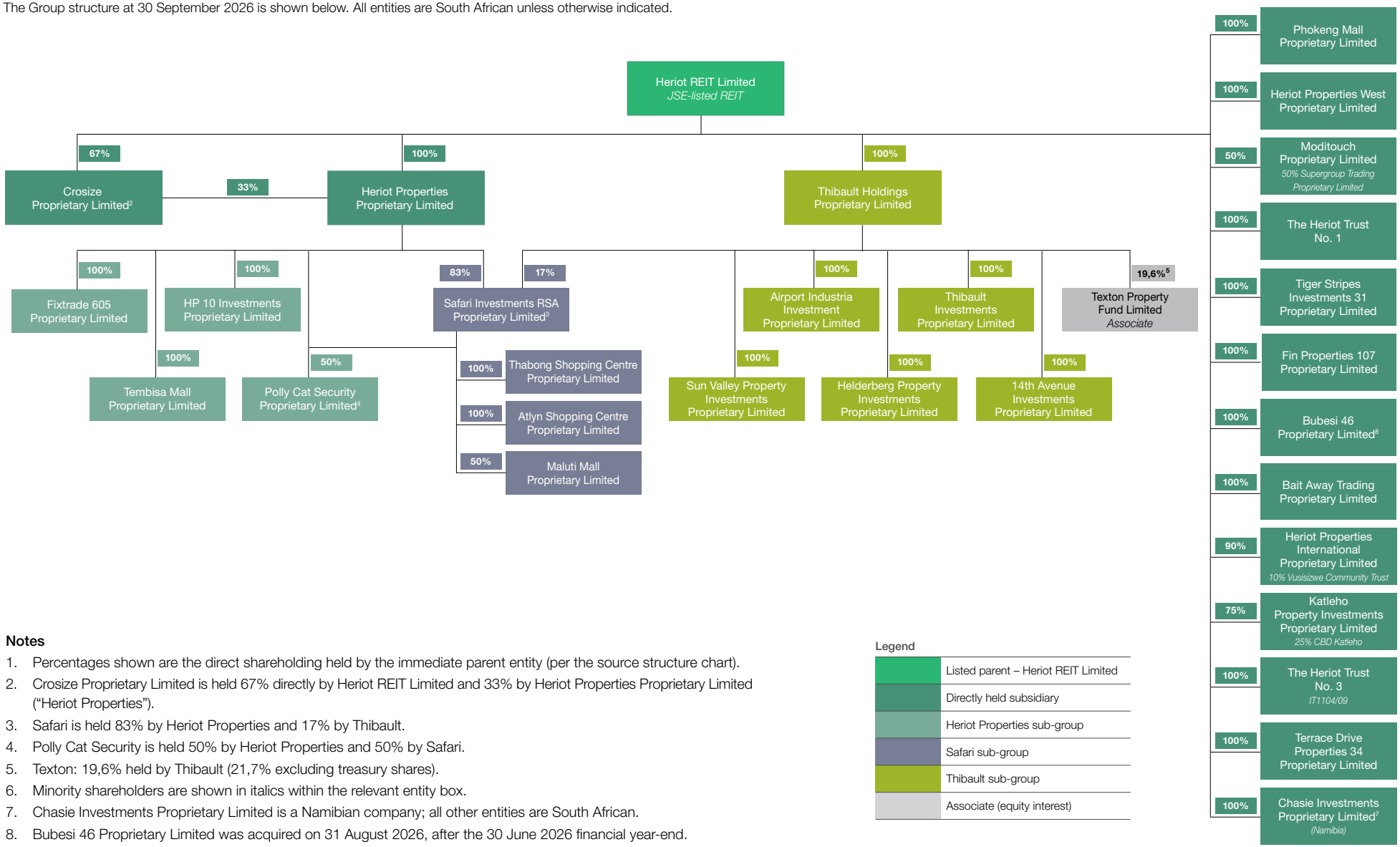
Acquired 75% of **Katleho**

Opened the **Horizon** aparthotel; commenced **The Fibonacci** development



GROUP STRUCTURE

The Group structure at 30 September 2026 is shown below. All entities are South African unless otherwise indicated.



Notes

1. Percentages shown are the direct shareholding held by the immediate parent entity (per the source structure chart).
2. Crosize Proprietary Limited is held 67% directly by Heriot REIT Limited and 33% by Heriot Properties Proprietary Limited ("Heriot Properties").
3. Safari is held 83% by Heriot Properties and 17% by Thibault.
4. Polly Cat Security is held 50% by Heriot Properties and 50% by Safari.
5. Texton: 19,6% held by Thibault (21,7% excluding treasury shares).
6. Minority shareholders are shown in italics within the relevant entity box.
7. Chasie Investments Proprietary Limited is a Namibian company; all other entities are South African.
8. Bubesi 46 Proprietary Limited was acquired on 31 August 2026, after the 30 June 2026 financial year-end.

Legend

Listed parent – Heriot REIT Limited
Directly held subsidiary
Heriot Properties sub-group
Safari sub-group
Thibault sub-group
Associate (equity interest)

SELECTED PROPERTIES OVERVIEW

The properties below represent the largest and most strategically significant assets in each sector of the portfolio, together accounting for just over half (51,6%) of the portfolio value. Data is stated at 30 June 2026.

Retail

DENLYN SHOPPING CENTRE



Corner Stormvoël and Maphalla Roads, Mamelodi, Pretoria, Gauteng

GLA	34 833m²
Ownership	100%
Average rent	R243,0 per month per m²
Weighted average lease escalation	6,0%
Weighted average lease expiry	2,3 years
Vacancy	0,1%
Average trading density	R36 547 per annum per m²
Anchor tenants	Shoprite, Superspar, Boxer

VISIT WEBSITE

THABONG SHOPPING CENTRE



Moshoeshoe Street, Sebokeng, Gauteng

GLA	34 504m²
Ownership	100%
Average rent	R199,7 per month per m²
Weighted average lease escalation	6,5%
Weighted average lease expiry	4,0 years
Vacancy	–
Average trading density	R34 103 per annum per m²
Anchor tenants	Shoprite, Pick n Pay, Boxer

VISIT WEBSITE

Retail continued

ATLYN SHOPPING CENTRE



Corner Phudufufu and Khoza Streets, Atteridgeville, Pretoria, Gauteng

GLA	30 868m²
Ownership	100%
Average rent	R207,4 per month per m²
Weighted average lease escalation	6,4%
Weighted average lease expiry	2,4 years
Vacancy	6,9%
Average trading density	R30 432 per annum per m²
Anchor tenants	Shoprite, Clicks, Boxer

VISIT WEBSITE

BIRCH ACRES MALL



Corner Andrew Mapheto Drive and Isimuku Road, Tembisa, Gauteng

GLA	26 402m²
Ownership	100%
Average rent	R267,2 per month per m²
Weighted average lease escalation	6,3%
Weighted average lease expiry	3,4 years
Vacancy	–
Average trading density	R42 518 per annum per m²
Anchor tenants	Spar, Roots, Clicks

VIEW VIDEO

VISIT WEBSITE

Retail continued

SIYABUSWA MALL



Bongimfundo Street, Siyabuswa, Mpumalanga

GLA	26 459m²
Ownership	100%
Average rent	R191,6 per month per m²
Weighted average lease escalation	6,3%
Weighted average lease expiry	2,0 years
Vacancy	0,3%
Average trading density	R32 475 per annum per m²
Anchor tenants	Shoprite, Roots, Cashbuild

VIEW VIDEO

14TH AVENUE DISTRICT SHOPPING CENTRE



William Nicol Drive North and Constantia Drive, Roodepoort, Gauteng

GLA	25 550m²
Ownership	100%
Average rent	R163,1 per month per m²
Weighted average lease escalation	5,3%
Weighted average lease expiry	5,4 years
Vacancy	–
Average trading density	R41 072 per annum per m²
Anchor tenants	Checkers Hyper, House & Home, Clicks

VIEW VIDEO

VISIT WEBSITE

Industrial[1]

DENVER



65 Mimetes Avenue, Denver, Johannesburg, Gauteng

GLA	35 115m²
Ownership	100%
Average rent	R55,2 per month per m²
Weighted average lease escalation	4,4%
Weighted average lease expiry	1,0 year
Vacancy	–
Tenant	DP World

MPACT EPPING



Lossack Street, Epping Extension 2, Cape Town, Western Cape

GLA	28 894m²
Ownership	100%
Average rent	R58,9 per month per m²
Weighted average lease escalation	6,5%
Weighted average lease expiry	3,5 years
Vacancy	–
Tenant	Mpact (listed packaging group)

[1] *Industrial properties are let to national or listed groups, predominantly on single-tenant leases; trading density is not applicable.*

Industrial continued

WADEVILLE



Corner Dekema and Lantern Roads, Wadeville, Ekurhuleni, Gauteng

GLA	24 910m²
Ownership	100%
Average rent	R55,0 per month per m²
Weighted average lease escalation	6,0%
Weighted average lease expiry	3,3 years
Vacancy	–
Tenant	Bordar SA

MOUNT EDGECOMBE

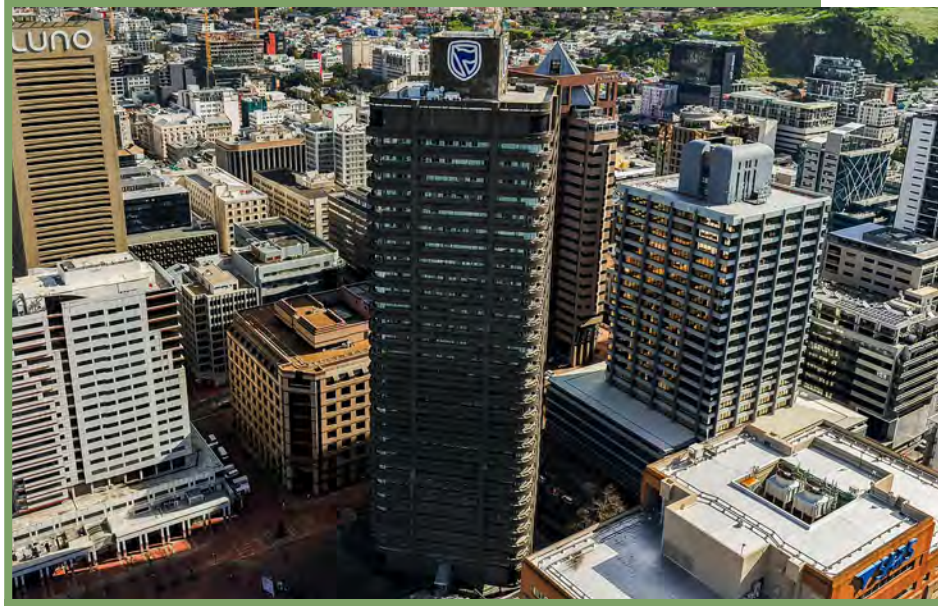


27 Siphosethu Road, Mount Edgecombe, Durban, KwaZulu-Natal

GLA	18 1365m²
Ownership	100%
Average rent	R78,7 per month per m²
Weighted average lease escalation	6,0%
Weighted average lease expiry	2,3 years
Vacancy	–
Tenant	DP World (Imperial Logistics)

Mixed use – office and aparthotel

ONE THIBAULT – OFFICE



17 Hans Strijdom Avenue, Cape Town, Western Cape

GLA	16 252m²
Ownership	100%
Average rent	R206,8 per month per m²
Weighted average lease escalation	6,4%
Weighted average lease expiry	1,5 years
Vacancy	2,6%
Key tenant	Government (5 665m² lease renewed)

VIEW VIDEO

ONE THIBAULT – APARTHOTEL



17 Hans Strijdom Avenue, Cape Town, Western Cape

GLA	8 024m²
Ownership	100%
Average daily rate	R756 per night
Weighted average lease escalation	–
Weighted average lease expiry	–
Occupancy	72,8%
Operator	ITC

VISIT WEBSITE

Aparthotel

HORIZON[1]



289 Beach Road, Sea Point, Cape Town, Western Cape

GLA	2 500m²
Ownership	100%
Status[2]	Opened 1 May 2026; average daily rate R2 026 in the first two months
Operator	Totalstay

VISIT WEBSITE

[1] *Horizon opened on 1 May 2026 and is operated as an aparthotel.*

[2] *Aparthotel performance is measured on occupancy and average daily rate ("ADR") rather than rent per m². Average rent is contractual monthly rent per let m² at 30 June 2026; escalation and lease expiry are weighted by let gross lettable area ("GLA"). Vacancy and annual trading density are measured on total GLA at 30 June 2026.*

Development

THE FIBONACCI



Corner Main Road and Rhodes Avenue, Rosebank, Mowbray, Cape Town, Western Cape

GLA	5 532m² (site)
Ownership	100%
Status	Under development – completion November 2027
Anchor	Shoprite (ground-floor retail); 574 student units

VISIT WEBSITE

OUR 2026 HIGHLIGHTS

Delivering value is central to Heriot's strategy, guiding decisions, operations and stakeholder engagement. Our performance is measured not only by financial results but also by how we manage our property portfolio, mitigate risks, seize opportunities and uphold ESG standards. This overview highlights achievements, challenges and progress, showing how Heriot creates sustainable value and aligns operations with strategic objectives to support resilient growth, portfolio strength and long-term sustainability.

Key focus areas in 2026

Management concentrated on the fundamentals that sustain and grow income: full ownership of the Group's core retail platform, accretive acquisitions, completing developments, lowering the cost of debt and recycling non-core assets.

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FC Financial capital

Distribution

- Distribution per share ("DPS"): **142,29 cents** (2025: 121,91 cents), up 16,7%
- Distributable income: **R458,5 million** (2025: R389,2 million), up 17,8%
- Payout ratio: **100%** (2025: 100%)

Income

- Contractual rental income: **R1,238 billion** (2025: R1,183 billion), up 4,6% and 8,7% like-for-like
- Net property operating income ("NOI"): **R1,005 billion** (2025: R976,3 million), up 2,9% and 7,7% like-for-like

Balance sheet and funding

- Total debt: **R6,075 billion** (2025: R5,302 billion)
- Loan-to-value ("LTV"): **41,95%** (2025: 38,95%); covenant 50%
- Interest cover ratio ("ICR"): **2,27 times** (2025: 2,04 times); covenant 2,0 times
- Weighted average cost of debt ("WACD"): **8,73%** (2025: 9,73%)
- Total cash resources available: **R426,7 million** (2025: R501,9 million)

Investments

- Safari: **100%** (2025: 59,2%)
- Katleho: **75%** (2025: nil)
- Texton: **21,7%** (2025: 21,7%)

MC Manufactured capital

Investment property

- **53 properties** (2025: 53)
- **719 588m² GLA**[1] (2025: 702 821m²) and 7 452ha of plantations
- Valued at **R13,998 billion** (2025: R12,799 billion), up 9,4%

Portfolio performance

- Portfolio vacancy: **1,9%** (2025: 1,6%)
- Retail trading density (GLA-weighted): **R37 075/m²** (2025: R35 306/m²), up 5,0%
- Aparthotel occupancy: **69,5%** (2025: 55,6%)

Net asset value ("NAV")

- NAV per share: **R24,11** (2025: R20,59), up 17,1%

HC Human capital

- **R958 149** invested in skills development and training (2025: R793 525)
- **46%** of employees participated in training (2025: 45%)
- **18** new appointments (2025: 12)
- **69%** of employees from historically disadvantaged groups (2025: 71%)
- Average tenure of **5,0 years** (2025: 4,8 years)
- Conditional Share Plan ("CSP") introduced: **643 100 shares** awarded to 20 participants

NC Natural capital

- Solar photovoltaic ("PV") capacity of **12,95MWp** operational across 14 retail centres (2025: 13,71MWp)[2]
- **2 310kWp** of solar capacity under installation at 14th Avenue District Shopping Centre and Thabong Shopping Centre; a further 2 196kWp planned at three industrial properties in FY2027
- **29** boreholes operational across 20 properties (2025: 14 groundwater harvesting plants), as the roll-out was accelerated in response to deteriorating municipal water supply
- Total energy savings of **16 414MWh** (2025: 15 531MWh)[2], up 5,7%

SRC Social and relationship capital

- Rent collections of **99,8%** of billings (2025: 99,6%)
- Education is our Future: **school and literacy support** at Bud Mbelle Primary and Flavius Mareka High School
- Funda Nathi programme at Denlyn Shopping Centre: **90 pairs** of school shoes distributed to learners
- Nkomo Village Arts Competition: **three local artists** commissioned to paint murals at Atlyn Shopping Centre
- Support for Halaletsang Safety Home (**48 children**) and Sebokeng Old Age Home
- Entrepreneurial **support** through The Ark@1349 hub and partnerships with Township Enterprise Alliance ("TEA") and the Small Enterprise Development and Finance Agency ("SEDFA")

[1] *GLA of all property classes excluding the paper plantations.*

[2] *Energy savings represent the electricity generated by the Group's own solar PV plants. The 2025 comparatives include the plant at Platz am Meer, which was sold on 30 June 2025.*

OPERATING ENVIRONMENT

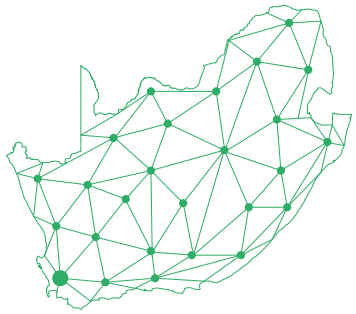


Global economy

- The global economy is threatened with being thrown off course by the war in the Middle East. It impacts markets, inflation expectations and financial conditions.
- **Global growth** is projected to be 3,1% in 2026 and 3,2% in 2027, slower than its recent pace of about 3,4% in 2024–25 and its historical (2000–19) average of 3,7%. Global headline **inflation** is expected to increase to 4,4% in 2026 and decline to 3,7% in 2027.
- **Geopolitical tensions** could worsen even more than they already have, turning the situation into the largest energy crisis in modern times.
- The critical role of **rare earth elements** in global supply chains constitutes a particular point of friction.
- A re-evaluation of the profit expectations of **artificial intelligence ("AI")** could lead to a decline in investment and trigger an abrupt correction in financial markets. On the upside, activity could be further lifted by AI-related investment and eventually transform into sustainable growth if faster AI adoption translates into strong productivity gains and increased business dynamism.

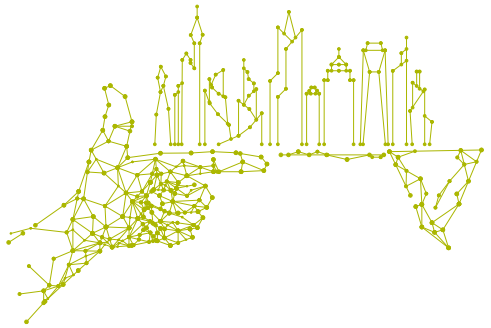
Sources:

International Monetary Fund: World Economic Outlook April 2026
African Development Bank: African Economic Outlook 2026
MSCI Global Property Trends Report 2025



South African economy

- **Real gross domestic product ("GDP") growth** was 1,1% in 2025, up from 0,5% in 2024, reflecting recovery in agriculture, as well as stronger activity in finance, real estate, business services, trade, catering and accommodation. GDP growth is projected to rise to 1,2% in 2026 and 1,6% in 2027, underpinned by improved energy supply, strong mining activity and structural reforms in energy, logistics, water and governance.
- **Inflation** declined to 3,2% in 2025 from 4,4% in 2024, due to stable food prices, prompting the Reserve Bank to reduce its policy rate from 8,25% in September 2024 to 6,75% in November 2025.
- Social protection has helped alleviate extreme poverty. However, due to historical inequality and low economic growth, **unemployment** and poverty remained high at 31,4% (with youth unemployment at 43,8%) and 68,1% in 2025, respectively.
- Significant domestic risks remain, including infrastructure deficits, electricity and water supply challenges, inefficiencies in freight rail and port operations, weaknesses in local government governance and fiscal vulnerabilities arising from state-owned enterprise bailouts. External risks comprise geopolitical tensions, United States tariffs and the escalating climate crisis.



Property market

- Global total property returns improved to 4,8% during 2025, more than doubling the previous year's 2,0% return. The improvement has been driven largely by resilient rental income, stabilising capital values and renewed investor confidence.
- South Africa delivered an annual total commercial property return of 11,9%, outperforming every other country included in the international benchmark.
- **Retail and hotels** produced the strongest global sector returns.
- **Industrial** property continues to attract investors thanks to resilient occupier demand.
- The **office** market is showing early signs of recovery, although hybrid working continues to reshape demand.
- Alternative property sectors, including digital infrastructure, continue to gain momentum.
- Geopolitical risks and interest rate uncertainty remain the biggest challenges facing investors.
- Long-term investors continue to find attractive opportunities in quality assets offering sustainable cash flows.
- South Africa reflected many of these global trends. Retail remained the country's largest investment sector, with industrial property and alternative real estate attracting increasing investor interest. Data centres emerge as a major growth opportunity.
- Well-positioned real estate remains a resilient, income-generating asset class capable of delivering attractive long-term performance.

INVESTMENT CASE

R14 billion
total portfolio value

719 588m²
total lettable area

Two
new developments



A clear strategy

Heriot has a clear strategy built on four key pillars:

- **Delivering stakeholder value** through engagement and insight into evolving needs;
- **Enhancing asset returns** by diversifying income, investing in sustainability and optimising tenant mix;
- **Building a resilient, diversified portfolio** through reinvestment, redevelopment and yield-enhancing strategic investments that provide sustainable long-term growth; and
- **Maintaining an optimised balance sheet** by improving liquidity, lowering debt and ensuring financial resilience.

Read more about our **strategy** on **page 27**.

Delivering sustainable shareholder value

The Group is well positioned to deliver stable, inflation-hedged income to shareholders from a diversified portfolio of retail, industrial, office, aparthotel and specialised property, anchored by national and blue-chip tenants on leases with contractual escalations averaging 6,3%.

In FY2026, DPS increased 16,7% (2025: 14,3%) to 142,29 cents (2025: 121,91 cents) and NAV per share grew 17,1% (2025: 17,5%) to R24,11 (2025: R20,59). Distributions are paid at a 100% payout ratio and are fully funded from operating cash flow.

Like-for-like NOI growth of 7,7% supported higher property valuations, while the WACD fell to 8,73% (2025: 9,73%) and the LTV ratio of 41,95% (2025: 38,95%) remains comfortably within the 50% covenant.

Our **value-creating business model** is described in greater detail on **page 29**.

Low risk

Our risk management framework, in combination with our clear strategic focus, provides a future-proof and low-risk investment.

Potential threats are managed through a structured and proactive approach, while opportunities are maximised to support informed decision-making, safeguard stakeholders' interests and reinforce the Group's resilience and capacity for sustainable growth.

We outline our **top risks and opportunities** on **page 33**.

Committed management

We take pride in our ability to make informed, yet agile decisions for long-term benefit. We are a dynamic group of individuals who are passionate about what we do and dedicated to delivering the best results for our clients.

Our highly competent management is supported by a truly hands-on Board with vast experience and commitment to the Group.

Our **Board's and management's curricula vitae** can be found on **page 78**.

HOW WE CREATE VALUE

Chairman's message **20**

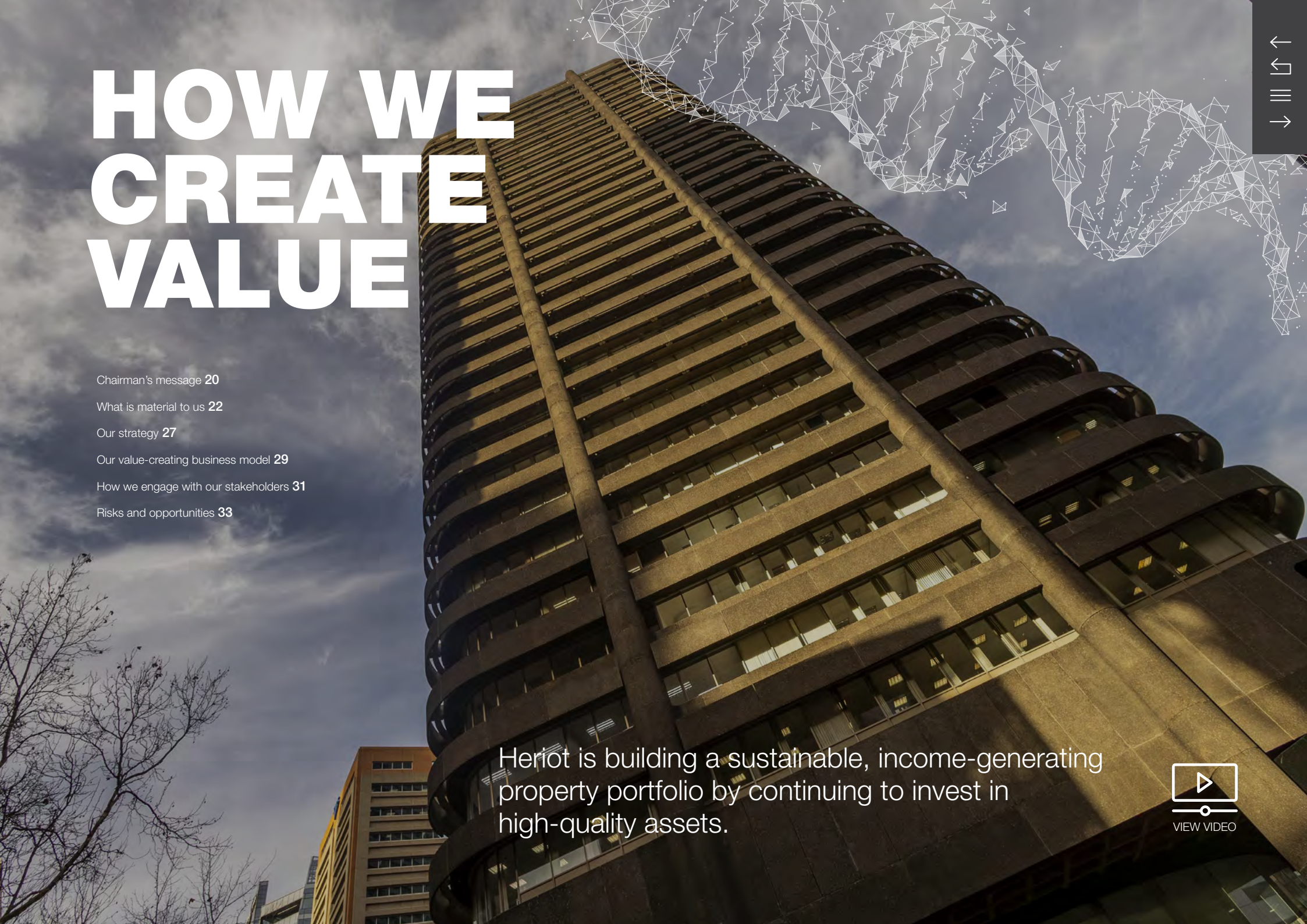
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Our value-creating business model **29**

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Heriot is building a sustainable, income-generating property portfolio by continuing to invest in high-quality assets.

VIEW VIDEO



CHAIRMAN'S MESSAGE

Steven Herring

A DISCIPLINED APPROACH TO SUSTAINABLE GROWTH

Full ownership of Safari, an accretive acquisition at a discount to NAV and a second consecutive year of double-digit distribution growth show a strategy that compounds value for shareholders.

It is my privilege to present the Chairman's message for the year ended 30 June 2026, a year in which Heriot concluded the most significant transaction in its history, delivered a third consecutive record result and further improved the quality of its portfolio, while keeping its balance sheet conservatively geared.

Our strategy is straightforward and enduring: to build a sustainable, income-generating property portfolio by continuing to invest in high-quality assets, using the ethos of our entrepreneurial spirit. Every transaction, development and financing decision taken during the year was tested against that strategy.

A year of delivery

Distributable earnings increased 17,8% to R458,5 million and the DPS rose 16,7% to 142,29 cents, at the upper end of the 14% to 17% guidance issued with the interim results. NAV per share grew 17,1% to R24,11, and the portfolio was independently valued at R13,998 billion, 9,4% higher than a year ago. Since 30 June 2024, the DPS has compounded at 15,5% per year.

The defining transaction of the year was the acquisition, on 22 December 2025, of the remaining 40,8% of Safari at R8,00 per share against a NAV of R12,07 per share, followed by Safari's delisting from the JSE. It concluded a patient, five-year accumulation of the Group's position and gives Heriot full ownership of a portfolio of dominant emerging-market retail centres serving resilient, non-discretionary spending. Effective 30 June 2026, the Group also acquired 75% of Katleho, which owns three Gauteng office parks, through a Section 42 share-for-share exchange at an 11,7% discount to NAV.

Operating environment

The year opened at the tail end of an interest rate easing cycle. The repo rate was reduced by 50bps during the period, and the benefit flowed quickly through to the Group's floating-rate borrowings. From March 2026, conflict in the Middle East lifted oil prices and inflation expectations, and the Monetary Policy Committee raised the repo rate by 25bps in May 2026 and by a further 25bps in September 2026.

The South African consumer remained under pressure. The resilience of our retail portfolio in these conditions reflects its deliberate positioning in convenience and regional centres anchored by national grocery and value retailers. The deterioration of municipal infrastructure, with tariff increases of 8% to 10%, remains a structural cost to the sector, which the Group mitigates through solar generation, an expanded borehole network and the internalisation of utility recoveries.

> "The Group's entrepreneurial character is expressed not in the pace of its transactions, but in the discipline of its pricing and structuring."

An entrepreneurial approach, consistently applied

Heriot was founded in 1998 and listed on the JSE in June 2017. Over 28 years, it has grown from a portfolio of industrial warehouses into a diversified REIT with a portfolio valued at R14,0 billion, spanning the retail, industrial, office, aparthotel and specialised sectors. Throughout, the Group has applied a consistent investment test: an asset must generate income on which the Group can rely, be acquired at a price that leaves a margin of safety and offer scope to enhance its value.

The Safari transaction illustrates this approach. Rather than pursue full ownership in a single step, the Group built its position over five years at prices it judged sound, and moved to full control only when the terms were right. The same discipline applied to The Fibonacci, our largest development: pre-sales of approximately R200,0 million de-risked the R530,0 million project before construction began. Horizon, created by adding six floors to an existing Sea Point building, is another example of value unlocked by seeing what others had overlooked.

Capital allocation and financial discipline

The Board regards disciplined capital allocation as central to the sustainability of the Group's income. Acquisitions must enhance distributable earnings, and gearing is managed conservatively. Although borrowings increased to fund the Safari buyout, the LTV ratio closed at 41,95% (2025: 38,95%), comfortably within the 50% covenant, and the ICR improved to 2,27 times (2025: 2,04 times).

Equally important is the discipline to sell assets that no longer meet our investment criteria. During the year, the Group sold Wynberg Mews and the Bushmans Bend plantation, and a further R233,7 million of disposals is contracted or in negotiation. The proceeds will reduce gearing and be recycled into higher-yielding opportunities.

Governance

The Board is satisfied that the Group applied the principles of King V™ throughout the year; the **application register** is set out on **page 84**. Shareholders approved the Heriot CSP in December 2025, linking management's long-term incentives to growth in DPS and total return.

On behalf of the Board, I thank my fellow Directors, the executive team and our staff, and our tenants, funders and shareholders for their continued confidence in the Group.

Dividend and outlook

In line with its policy of distributing 100% of distributable earnings, the Board has declared a final dividend of 76,18 cents per share, bringing the total for the year to 142,29 cents, fully funded from cash generated by operations.

The Group enters FY2027 with a full year of Safari at 100%, the Katleho portfolio and a full year of trading at Horizon already in place, and management is pursuing growth of 14,0% to 18,0% in the DPS. While the interest rate outlook remains uncertain, the quality of the portfolio and the Group's conservative balance sheet provide a sound platform for continued growth in sustainable income.

Steven Herring
Chairman

30 October 2026



WHAT IS MATERIAL TO US

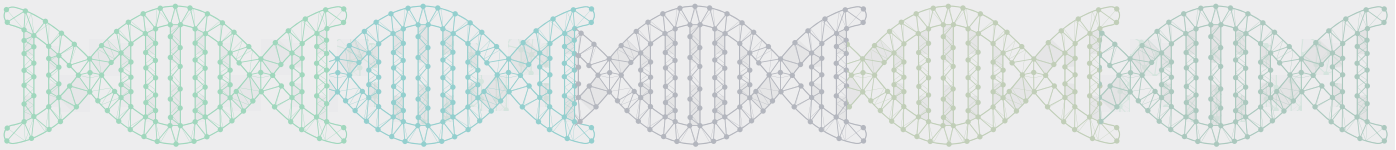
Matters are material to us if they have the potential to substantially impact our performance and our ability to create, preserve or erode value in the short, medium and long term.

Heriot's material themes

me	Uncertain macroeconomic environment
pf	Uncertain property fundamentals
gs	Group structure and portfolio mix changes
md	Municipal infrastructure deterioration and poor service delivery
es	Environmental stewardship
se	Social engagement
cc	Corporate citizenship

Determination process

We follow a structured process to identify and assess material matters, ensuring that risks and opportunities are rigorously evaluated and integrated into our strategy. This strengthens our business model and supports long-term value creation.



Double materiality approach

We apply a double materiality lens, prioritising issues based on their potential impact on enterprise value and their wider implications for society, communities and the environment.

Review

Our Executive Committee ("Exco") continuously monitors external developments, key risks and market trends. This ensures that our strategy remains agile, responsive and aligned with financial objectives and broader environmental and social responsibilities.

Prioritisation and validation

Material matters are ranked according to their relevance to financial performance and stakeholder interests and validated through a robust internal review.

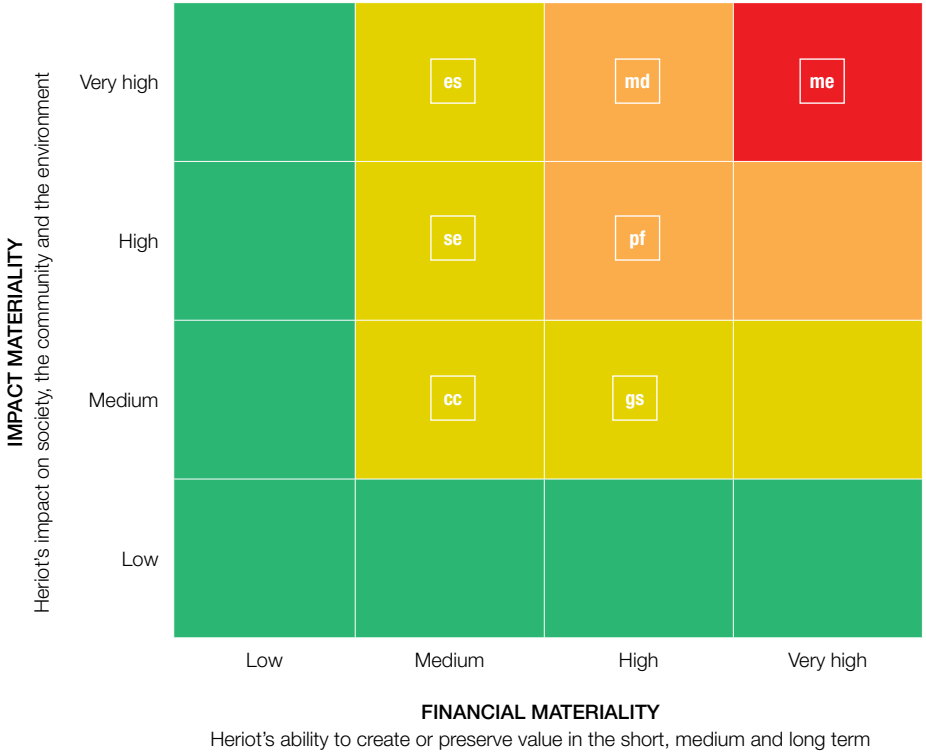
Stakeholder engagement

Engagement with tenants, investors, regulators, communities and employees provides valuable insights into expectations and concerns, ensuring that our priorities remain stakeholder-driven.

Integration

The Board approved the Group's material matters in September 2025 after a comprehensive internal review. These matters form the foundation of our strategic planning and integrated reporting, reinforcing the alignment between business performance and societal responsibility.

Our material themes are shown on the graph below. We unpack these **themes and the material matters** they entail in more detail on **pages 23 to 26**.



me Uncertain macroeconomic environment

Material matters	• Geopolitical and economic uncertainty • Macroeconomic challenges: – Interest rate changes – Inflation • Market volatility
Impact on Heriot	• Changing disposable income • Dampened business and consumer confidence
Key focus areas	• Enhance portfolio diversification • Ensure a robust balance sheet for financial health • Maintain strong investor and debt provider relationships • Manage inflation and interest rate risks • Maximise performance from existing assets • Strategically dispose of underperforming assets
Stakeholders impacted	• Shareholders and providers of financial capital • Tenants • Employees • Regulatory and industry authorities • Suppliers and service providers • Communities and retail customers
Time frame	• Short to medium term

Capitals impacted

- FC Financial
- MC Manufactured
- SRC Social and relationship

pf Uncertain property fundamentals

Material matters	• Collection of rental income • Financial performance • Funding liquidity • Interest cover ratio • LTV: Maintain and improve occupancy levels • Portfolio diversification and resilience • Tenant mix • Value of the portfolio
Impact on Heriot	• Increased cost of debt • Liquidity impacts • Vacancy levels
Key focus areas	• Diversify revenue streams • Escalate leases • Optimise tenant mix • Reduce variable costs • Refurbish and continue maintenance • Secure blue-chip quality tenants • Retain tenants • Ensure timely rental collections
Stakeholders impacted	• Shareholders and providers of financial capital • Tenants • Suppliers and service providers • Communities and retail customers
Time frame	• Short, medium and long term

Capitals impacted

- FC Financial
- MC Manufactured
- SRC Social and relationship

gs Group structure and portfolio mix changes

Material matters	• Business model adaptability • Acquisition strategy • Disposal of non-core assets • Investment in Safari • Portfolio diversification • Katleho acquisition
Impact on Heriot	• Opportunity to diversify our revenue streams • Refocus on core assets • Increased investment in Safari to 100% • Acquired 75% of Katleho's shares with effect from 30 June 2026 • Safari investment positively impacts Heriot's growth
Key focus areas	• Right-size portfolio • Extract maximum value from the existing portfolio; acquire and develop yield-enhancing assets in core sectors • Dispose of non-core assets
Stakeholders impacted	• Shareholders and providers of financial capital • Tenants • Suppliers and service providers
Time frame	• Short to medium term

Capitals impacted

- FC Financial
- MC Manufactured
- IC Intellectual

md Municipal infrastructure deterioration and poor service delivery

Material matters	• Increased cost of occupancy • Increasing administrative costs • Increasing property rates and taxes • Municipal services risks • Regulatory burden in the operating environment • Tenant sustainability • Threat of load shedding
Impact on Heriot	• Infrastructure failures and poor municipal service delivery disrupt our business • Rising administration costs negatively impact property valuations and increase the cost of occupancy • Unreliable electricity supply
Key focus areas	• Address tenant and community requirements • Conservative treasury management in respect of municipal payments • Ensure appropriate tenant mix • Improve operational efficiencies • Proactive asset management • Thoroughly review municipal valuations and lodge objections where necessary
Stakeholders impacted	• Tenants • Employees • Suppliers and service providers
Time frame	• Short to medium term

Capitals impacted

- FC Financial
- MC Manufactured
- SRC Social and relationship

es Environmental stewardship

Material matters	• Climate change • Carbon footprint • Energy efficiency • Solar energy • Water consumption and backup
Impact on Heriot	• Improved energy efficiency • Reduced carbon footprint • Improved water consumption
Key focus areas	• Integrate ESG considerations into Group strategy and operations • Expand solar power generation
Stakeholders impacted	• Regulatory and industry authorities • Communities
Time frame	• Short, medium and long term

Capitals impacted

- SRC Social and relationship
- NC Natural

	se Social engagement
Material matter	• Community involvement
Impact on Heriot	• Increased awareness • Employment opportunities
Key focus area	• Integrate ESG considerations into Group strategy and operation
Stakeholders impacted	• Regulatory and industry authorities • Communities
Time frame	• Short, medium and long term
	Capitals impacted
	SRC Social and relationship
	NC Natural

	cc Corporate citizenship
Material matter	• Corporate governance
Impact on Heriot	• Improved governance
Key focus area	• Integrate ESG considerations into Group strategy and operations
Stakeholder impacted	• Regulatory and industry authorities
Time frame	• Short, medium and long term
	Capitals impacted
	SRC Social and relationship
	NC Natural



OUR STRATEGY

Building a sustainable income-generating property portfolio

Heriot's strategy rests on a simple conviction: durable income is created by owning the right assets, funding them the right way and acquiring them with the discipline that comes from an entrepreneurial culture. FY2026 translated that conviction into action.

The acquisition of the Safari minority interest and the acquisition of Katleho both reflect the Group's approach to income accretion and to long-term investment in assets that yield robust, sustainable cash flows. The delisting of Safari Investments, now a wholly owned subsidiary, and the acquisition of a 75% interest in Katleho – with a portfolio of three Gauteng office assets – through a Section 42 share-for-share structure at an 11,7% discount to NAV, demonstrate the structuring capability that allows Heriot to act on opportunities requiring more than capital: judgement and technical execution.

This is what is meant by entrepreneurial spirit: not opportunism for its own sake, but the ability to identify high-quality assets, structure transactions efficiently, and integrate them into a portfolio built for sustainable, growing income over time. It is a character best evidenced through the discipline of specific decisions, described in measured language, rather than asserted through adjectives.

The sections that follow set out how this played out across governance, portfolio management and financial performance in FY2026, as well as the commitments that carry the strategy into FY2027.

Our purpose

We transform lives by creating opportunities that deliver sustainable stakeholder value.

Our primary objective

The Group aims to acquire and develop yield-enhancing assets in South Africa by building a stable, diverse portfolio with secure and growing rental income. We maintain a resilient portfolio positioned for long-term success by acquiring high-quality properties, redeveloping existing assets and disposing of non-core holdings.

Our values

Our values guide Heriot's culture, shape decision-making and underpin our approach to sustainable growth, stakeholder engagement and long-term value creation.

Integrity

We act honestly, transparently and ethically, building trust, protecting our reputation and ensuring compliance.

Excellence

We pursue high performance and continuous improvement to deliver consistent value to shareholders and stakeholders.

Tenant-centricity

We prioritise tenant needs to foster strong relationships, high occupancy and sustainable outcomes.

Collaboration

We work together, share knowledge and communicate openly to achieve goals, drive innovation and strengthen partnerships.

Accountability

We take responsibility for our actions and outcomes, ensuring that commitments are met and trust is maintained.

Our strategic pillars

Our ability to create and protect value depends on navigating changing market conditions while maintaining financial strength, operational efficiency and organisational agility. Success requires resilience in economic cycles and the flexibility to respond to new risks and opportunities.

Our strategy is built on four key pillars: **delivering stakeholder value** through engagement and insight into evolving needs; **enhancing asset returns** by diversifying income, investing in sustainability and optimising tenant mix; building a resilient, **diversified portfolio** through reinvestment, redevelopment and strategic investments; and maintaining an **optimised balance sheet** by improving liquidity, lowering debt and ensuring financial resilience.



Delivering stakeholder value

- Active stakeholder and tenant engagement
- Understanding changing consumer behaviour and preferences
- Understanding tenant expectations



Enhanced return on assets

- Diversifying rental offerings
- Diversifying revenue streams
- Investing in solar energy
- Managing cost of occupancy
- Optimising tenant mix



Diversified portfolio

- Defensive mix of retail and industrial assets
- Disposal of non-core assets
- Investing in long-term quality
- Portfolio redevelopment and upgrades
- Reinvesting in core assets
- Strategic investment in Safari
- Investment in Texton
- Investment in Thibault
- Investment in Katleho



Optimised balance sheet

- Funding diversity
- Improving liquidity
- Lowering the LTV ratio
- Recycling non-core assets
- Reducing debt
- Strengthening balance sheet
- Treasury management

Ultimately, we create and protect value by balancing financial discipline with investment, operational excellence with adaptability and innovation with responsibility – positioning us for sustainable long-term growth.

Our strategy per sector

Our diversified portfolio is central to our strategy and balances risk and opportunity across the property cycle. We reduce volatility, ensure stable cash flows and capture growth in high-demand markets by investing in quality assets across sectors and locations. We optimise the portfolio through selective acquisitions, divestment of non-core assets and reinvestment into higher-value opportunities, while upgrading and redeveloping core assets to sustain competitiveness. This disciplined approach creates a balanced mix of defensive and growth assets, strengthening resilience, enhancing returns and positioning us for sustainable long-term value creation.

Retail

Our retail strategy focuses on attracting and retaining shoppers by enhancing the overall experience and increasing dwell time.

We prioritise long-term property fundamentals, optimise tenant mix and repurpose space to meet evolving consumer needs. We ensure a resilient, future-ready retail portfolio by understanding changing shopper behaviour and preferences, retaining high-quality tenants, acquiring assets that deliver sustainable growth and divesting non-core properties.

Industrial

Our industrial strategy focuses on acquiring high-quality assets to deliver long-term growth, retain good tenants, secure long-term leases and divest non-core properties to optimise the portfolio.

Office

Our office strategy emphasises active engagement with stakeholders and tenants to cultivate secure, long-term relationships.

We focus on securing high-quality, long-term leases, repurposing and redeveloping office space to meet evolving market needs and divesting non-core assets to optimise the portfolio.

Specialised

Our specialised strategy focuses on renewing existing leases at higher rental rates to maximise income and enhance asset performance.

Residential/aparthotel

Our residential strategy focuses on implementing the aparthotel model in Cape Town while divesting non-core assets in Johannesburg to optimise the portfolio.

OUR VALUE-CREATING BUSINESS MODEL

Key legend

me	Uncertain macroeconomic environment	pf	Uncertain property fundamentals	gs	Group structure and portfolio mix changes
md	Municipal infrastructure deterioration and poor service delivery	es	Environmental stewardship	se	Social engagement
cc	Corporate citizenship				

Our business model focuses on managing the life cycle of property assets to maximise value and ensure long-term growth. This involves acquiring high-quality properties with sound growth potential, enhancing their value through redevelopment, leasing them to reputable tenants and recycling funds from the sale of non-core assets back into the core portfolio. This ensures a dynamic and resilient portfolio that adapts to market changes and supports sustainable growth.

	Inputs	Business activities	Outputs	Outcomes	Material themes linked
Financial capital (FC)	• Debt funding • Property disposal proceeds • Net rental income	• Delivering on our strategy • Effective capital and debt management • Financial management • Securing funding from debt providers • Optimising the property portfolio • Pursuing investment opportunities • Recycling capital received from non-core disposals	• **17,1%** growth in NAV per share to **R24,11** • Distributable earnings growth of **17,8%** • Distributable income payout ratio: **100%** • Dividend per share: **142,29 cents** • Average cost of debt: **8,73%** • Capital expenditure of **R264,7 million** • Gearing ratio of **41,95%** • Investment properties valued at **R13,998 billion** • NOI growth of **2,9%** (like-for-like **7,7%**)	• Deliver attractive returns to our investors and shareholders • Quality core portfolio • Sustainable dividend growth over the long term	me pf gs md
Manufactured capital (MC)	• Capital expenditure on new and existing properties • NAV of R8,0 billion • Tenant installation allowances • 719 588m² total GLA	• Asset management • Building maintenance • Delivering on developments and refurbishments • Leasing and administration • Pursuing appropriate yield-enhancing acquisitions • Relationship management • Sale of non-core assets • Seeking expansion and redevelopment opportunities	• Collection rate of **99,8%** • Rental growth of **4,6%** • Like-for-like rental growth of **8,7%** • **Minimal** arrears • Overall vacancy of **1,9%** • Portfolio valued at **R13,998 billion** • **53** investment properties • **719 588m²** GLA	• Deliver quality spaces to our tenants • Enhanced portfolio in line with our strategy • Optimal tenant mix to meet customer needs • Quality core portfolio • Strong internal team with established relationships with tenants	me pf gs md
Intellectual capital (IC)	• Employee and tenant management processes • Experienced management team and Board of Directors • Governance structures • Property skills	• Information management • Stakeholder communication	• Retention of scarce property skills • Understanding of changing consumer behaviour	• Ethical leadership • High-performance culture	gs

OUR VALUE-CREATING BUSINESS MODEL continued

Key legend

me	Uncertain macroeconomic environment	pf	Uncertain property fundamentals	gs	Group structure and portfolio mix changes
md	Municipal infrastructure deterioration and poor service delivery	es	Environmental stewardship	se	Social engagement
cc	Corporate citizenship				

	Inputs	Business activities	Outputs	Outcomes	Material themes linked
Human capital (HC)	• Ethical culture and values • Fair remuneration • Skills development and training	• Education and skills training • Employee remuneration • Health and safety	• Employee average tenure of **5,0 years** • Employment equity status • **R958 149** spent on skills development training	• Employee satisfaction • Retention of critical skills	se cc
Social and relationship capital (SRC)	• Community development and investment • ESG strategy	• Invested in the following corporate social investment ("CSI") projects: • Education is our Future (school and literacy support) • Funda Nathi programme • Nkomo Village Arts Competition • Entrepreneurial development (The Ark@1349)	• CSI projects benefited the following people: – **Learners** at Bud Mbelle Primary and Flavius Mareka High School – **90 learners** provided with school shoes – **Local artists** commissioned for murals at Atlyn Shopping Centre – **Residents** of Halaletsang Safety Home and Sebokeng Old Age Home	• Build sustainable relationships with community members surrounding our property assets • Uphold our social licence to operate by maintaining relationships with local communities, suppliers, tenants, shoppers and government	me pf md es se cc
Natural capital (NC)	• Adopt renewable energy • ESG strategy	• Energy, carbon emission, water and waste reduction targets • Resource management	• Solar PV capacity of **12,95MWp** across 14 retail centres; 2 310kWp under installation and 2 196kWp planned for the industrial portfolio • **29 boreholes** across 20 properties (2025: 14 groundwater harvesting plants)	• Improved energy efficiency • Reduced operating costs	es se cc



HOW WE ENGAGE WITH OUR STAKEHOLDERS

Key legend

me	Uncertain macroeconomic environment	pf	Uncertain property fundamentals	gs	Group structure and portfolio mix changes
md	Municipal infrastructure deterioration and poor service delivery	es	Environmental stewardship	se	Social engagement
cc	Corporate citizenship				

We are committed to open and transparent engagement with all stakeholders. We use multiple channels – investor updates, shareholder meetings, tenant forums, digital platforms and ongoing dialogue with partners and regulators – to share timely and relevant information on our performance, strategy and market environment. By listening to feedback and promoting accountability, we strengthen relationships, build trust and support sustainable value creation across our stakeholder network.

	Their significance	How we engage	Impact on Heriot	Key focus area	Material themes linked
Shareholders and providers of financial capital 	The South African economy is experiencing low growth, and poor employment figures and consumer sentiment, all exacerbated by high interest rates.	• Annual general meetings ("AGMs") • Heriot website • Integrated reports • Mainstream media • One-on-one meetings • Stock Exchange News Service ("SENS") announcements	• Debt covenants • Debt levels • Payment of distributions • Property devaluation risk • Property valuations • Sustainable NAV • Tough trading conditions impacting cash flows	Clearly communicate our Group strategy to build trust, gain support and drive business growth, ultimately delivering a strong return on investment.	me pf gs
Tenants 	The world of work has changed, speeding up e-commerce and logistics. We strive to fulfil the changing needs of our current and future tenants while reducing vacancies.	• Lease renewals and negotiations • One-on-one meetings • Site visits • Social media, brochures and leaflets • Written, electronic and verbal communication	• Cost of occupation • Lease terms • Property management • Service levels • Utility supply interruptions • Utility costs	Cultivate and strengthen long-term relationships with tenants to improve business sustainability, enhance tenant retention and optimise tenant mix.	pf md
Employees 	We continue to build exceptional talent and diversity and retain skills.	• Internal communications • One-on-one interactions between employees and line managers • Performance reviews	• Job security • Succession planning	Engage with employees to address their concerns, boost talent retention and enhance job satisfaction.	gs cc

HOW WE ENGAGE WITH OUR STAKEHOLDERS continued

Key legend

me	Uncertain macroeconomic environment	pf	Uncertain property fundamentals	gs	Group structure and portfolio mix changes
md	Municipal infrastructure deterioration and poor service delivery	es	Environmental stewardship	se	Social engagement
cc	Corporate citizenship				

	Their significance	How we engage	Impact on Heriot	Key focus area	Material themes linked
Regulatory and industry authorities 	There has been a proliferation of regulation, especially environment-related "green" regulation, over the recent past. We comply with all current legislation in a responsible manner.	• AGMs • Heriot website • Integrated reports • Mainstream media • One-on-one meetings • Presentations • SENS announcements	• Compliance • Increased utility and rates costs • Service levels	**Ensure compliance with mandatory laws and standards to manage risk effectively.**	es se cc
Suppliers and service providers 	We are dependent on reliable suppliers and service providers to keep our buildings in their best possible state for tenants, residents and shoppers.	• Mainstream media • Meetings • Procurement policies • Site visits • Written, electronic and verbal communication	• Contract management • Information supply and response times • Opportunities for small enterprises • Project delays • Repeat business from Heriot • Service interruption • Timely payments	**Cultivating healthy relationships with our suppliers ensures quality service and favourable terms.**	me pf
Communities around our properties 	The socio-economic environment in South Africa is affected by crime, poverty and unemployment.	• Events • Workshops • Partnerships	• Support	**We strive to uplift the communities where we operate by providing employment opportunities and sourcing goods and services locally.**	me se cc
The environment 	We manage our operations with a climate consciousness that preserves and protects natural resources and promotes sustainability.	• Solar installations • Recycling	• Investment in solar installations	**We monitor and report on our carbon footprint.**	es

RISKS AND OPPORTUNITIES

Risk management is a core component of our governance and strategic framework and is designed to systematically identify, assess, manage and monitor risks that could affect our operations, performance and long-term value creation. Our approach involves recognising a wide spectrum of risks – including financial, operational, market, regulatory, environmental and reputational – to evaluate their likelihood and potential impact and implement appropriate mitigation strategies to minimise exposure.

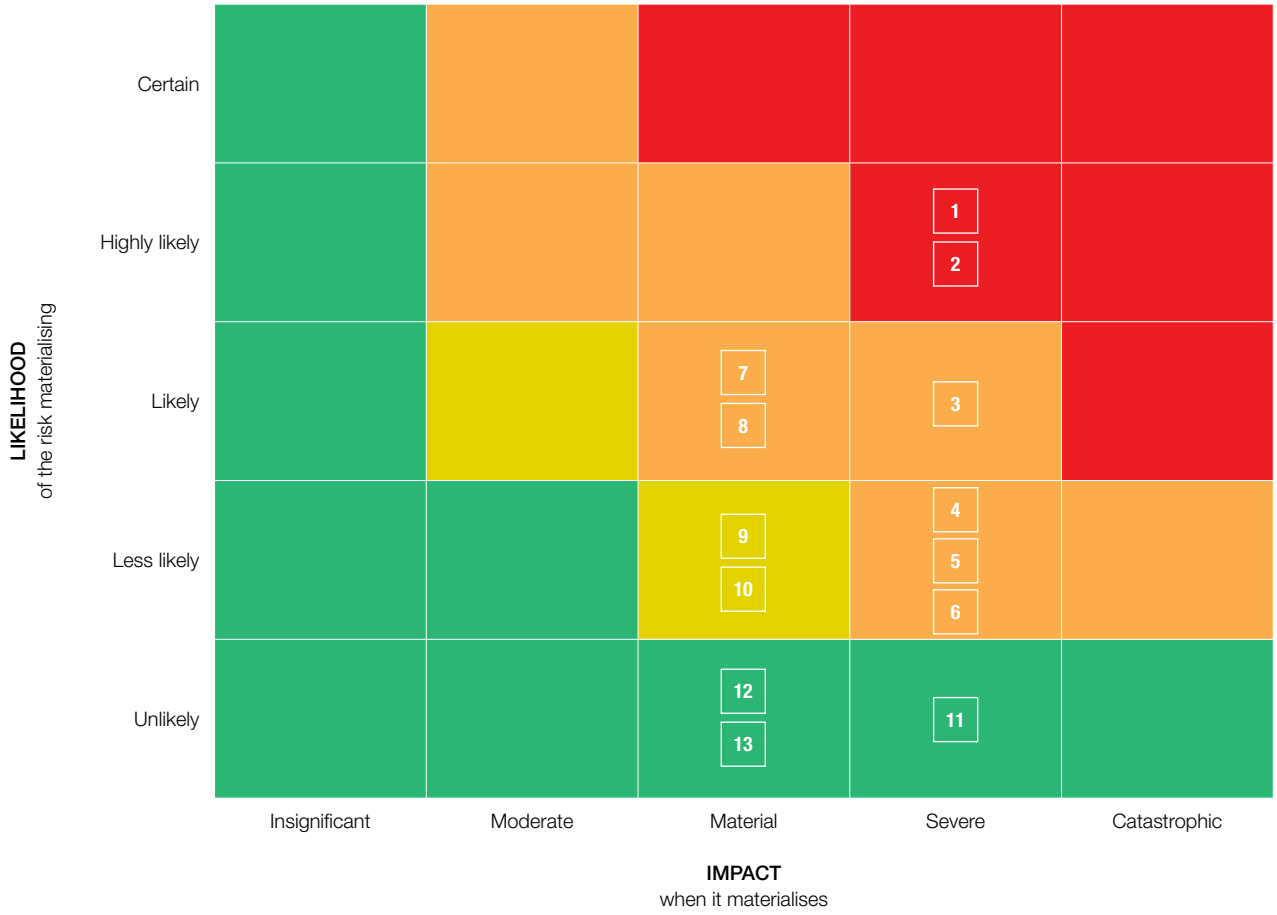
The process is dynamic and continuous, with regular monitoring and review, to ensure that risk controls remain effective and responsive to evolving market conditions. This includes stress testing, scenario analysis and the integration of risk considerations into day-to-day operational and investment decisions.

Oversight of the risk management framework rests with the Board, which defines the Group's risk strategy, appetite and tolerance levels to ensure alignment with strategic objectives and long-term sustainability. Senior management is responsible for putting this framework into operation, embedding risk awareness across all levels of the organisation and reporting on emerging risks and mitigation effectiveness.

Heriot ensures that potential threats are managed through a structured and proactive approach, while opportunities are maximised to support informed decision-making, safeguard stakeholders' interests and reinforce the Group's resilience and capacity for sustainable growth.

Key residual risks

The material risks facing Heriot are reflected below.



1. Interest rate

Impact of risk

- Higher interest expenses could affect cash flow and the Group's ability to fund new investments
- Increased cost of borrowings may reduce distributable income and returns to shareholders
- Increased volatility in financial results due to fluctuations in market interest rates
- Potential impact on the valuation of interest-sensitive assets and overall financial performance
- Risk to long-term financial planning and budgeting accuracy

Mitigation strategy

- Conduct ongoing reviews of policy regarding fixed and variable interest rates to manage exposure
- Engage in regular negotiations with banks and lenders to secure more favourable borrowing terms
- Evaluate refinancing opportunities to optimise debt costs and maturities
- Implement hedging strategies where appropriate to mitigate the impact of interest rate fluctuations
- Maintain a diversified funding structure to reduce reliance on any single source of debt
- Monitor macroeconomic trends and interest rate forecasts to inform proactive financial planning

2. Significant increases in rates and taxes, other municipal costs and poor service delivery

Impact of risk

- Adverse effect on overall portfolio performance and shareholder returns
- Increased cost of occupancy for tenants, potentially affecting tenant retention
- Potential decrease in asset valuations due to higher operating costs
- Reduction in NOI for the Group
- Risk of reputational damage if service delivery issues affect tenant satisfaction

Mitigation strategy

- Implement water harvesting and borehole systems to mitigate municipal water supply risks
- Integrate utility cost management into property operations to minimise financial impact
- Invest in renewable energy solutions, including solar power, to reduce reliance on municipal electricity
- Maintain contingency plans to offset cost increases and maintain portfolio profitability
- Monitor service delivery issues and engage with municipal authorities to address deficiencies
- Regularly review municipal valuations and lodge objections where appropriate to manage rates and taxes

Opportunity

Provide renewable energy solutions which can reduce the cost of occupation

3. Information technology ("IT") and cybersecurity

Impact of risk

- Damage to Heriot's reputation if critical data is not recovered promptly
- Disruption of operational processes and administrative functions
- Increased costs for system recovery, data restoration and potential third-party support
- Potential loss of revenue due to data unavailability or corruption
- Risk to compliance and regulatory reporting obligations

Mitigation strategy

- Conduct periodic IT risk assessments, penetration tests and system audits
- Develop and regularly test disaster recovery and business continuity plans
- Employ appropriately skilled internal IT personnel and external contractors to manage systems
- Implement regular data backups and off-site storage solutions to ensure recoverability
- Maintain robust IT infrastructure with redundancy and failover capabilities
- Monitor emerging IT threats and apply timely updates, patches and cybersecurity measures
- Provide ongoing training for employees on IT security and data management best practices

4. Inadequate and/or irregular maintenance of investment property

Impact of risk

- Increased likelihood of property damage or safety issues
- Negative impact on overall portfolio performance and asset longevity
- Potential devaluation or accelerated depreciation of properties due to insufficient maintenance
- Reduced tenant satisfaction and potential loss of rental income

Mitigation strategy

- Allocate budget to ensure adequate and regular maintenance of all investment properties
- Conduct regular building inspections by property managers, asset managers and executive management
- Implement a structured programme for ongoing and preventative maintenance
- Monitor maintenance effectiveness and adjust programmes based on property performance and risk exposure
- Promptly address identified defects or maintenance issues to preserve property value

5. Refinancing

Impact of risk

- Adverse impact on cash flow and distributable earnings if refinancing is delayed or constrained
- Possible negative effect on investor confidence and credit ratings
- Potential increase in borrowing costs if refinancing occurs under less favourable terms
- Reduced financial flexibility to pursue acquisitions, redevelopments or other strategic initiatives
- Risk of not being able to refinance existing debt facilities as they near expiry

Mitigation strategy

- Engage proactively with lenders well in advance of debt maturity to secure renewal or alternative financing
- Follow a policy of being multi-banked to diversify funding sources and reduce dependency on a single lender
- Maintain gearing at below 45% LTV to preserve capacity for refinancing
- Maintain transparent and clear financial reporting to support lender confidence and access to capital
- Monitor market conditions and interest rates to identify optimal refinancing opportunities
- Stagger debt expiry profiles to avoid large concentrations of maturing facilities at the same time

6. Political riots and unrest

Impact of risk

- Disruption of operations affecting rental income, tenant satisfaction and overall business continuity
- Negative reputational impact and heightened stakeholder concerns
- Physical damage to the Group's properties, particularly retail malls and high-traffic centres
- Potential loss of life and injury among community members, tenants and employees
- Social and political instability, driven by unemployment and poverty, can result in increased violence and looting

Mitigation strategy

- Dedicated property managers at retail assets liaise regularly with on-site security teams to assess and monitor risks
- Develop and rehearse emergency evacuation plans for tenants, employees and visitors
- Engage with local authorities and community stakeholders to support safety initiatives and maintain operational resilience
- Implement robust security measures, including surveillance systems, access controls and rapid response protocols
- Maintain comprehensive insurance coverage to protect against property damage and loss of income
- Monitor political developments and adjust risk management strategies proactively to mitigate potential impact

7. Vacancies and rental default

Impact of risk

- Adverse effect on rental growth and income stability
- Increased operational costs related to tenant turnover and property marketing
- Potential negative impact on returns to shareholders
- Reduced capital appreciation and overall portfolio value
- Risk to cash flow predictability and financial planning

Mitigation strategy

- Conduct early renewal negotiations to secure lease continuity
- Conduct rigorous screening and due diligence on potential new tenants to ensure reliability
- Develop contingency plans for short-term vacancies to minimise income disruption
- Enforce effective credit control procedures for tenants at risk of default
- Implement a targeted leasing strategy aligned with market demand and property positioning
- Maintain strong relationships with existing tenants to encourage retention
- Monitor occupancy levels and market trends to proactively address vacancy risks

8. Damage to investment property

Impact of risk

- Interrupted rental income and increased repair costs
- Possible negative impact on tenant confidence and reputation
- Potential financial loss and reduced asset value

Mitigation strategy

- Implement proactive property maintenance to prevent damage
- Maintain comprehensive insurance to cover replacement costs
- Regularly review policies and insured values

9. Inability to source suitable properties for acquisition

Impact of risk

- Limits portfolio expansion and diversification
- Reduces ability to capitalise on market opportunities
- Restricts growth and income potential

Mitigation strategy

- Leverage reputation and relationships to access high-quality opportunities aligned with strategic objectives
- Maintain regular engagement with developers, brokers, investors and industry networks
- Monitor market trends and evaluate potential acquisitions continuously

Opportunity

Respond to market changes and acquisition opportunities with agility

10. Retention of key staff and adequate human resourcing

Impact of risk

- Being under-resourced may reduce operational efficiency and delay critical projects
- Increased recruitment and training costs associated with replacing skilled staff
- Loss of key employees could hinder the Group's ability to execute strategic objectives effectively
- Potential loss of institutional knowledge and expertise
- Risk of reduced employee morale and engagement if workload pressures increase

Mitigation strategy

- All employees are considered for awards of short-term incentive bonuses to recognise performance and encourage retention
- Executive management continuously assesses employee capacity and monitors human resource requirements as the business grows
- Long-term incentive schemes are in place for selected employees and are being considered for a broader group to promote loyalty and align interests with the Group's strategic goals
- Ongoing professional development and training programmes are provided to enhance skills and support career progression
- Regular employee engagement surveys and feedback mechanisms are used to identify and address retention risks proactively
- Succession planning is implemented to ensure continuity in key roles

11. Non-compliance with regulations

Impact of risk

- Failure to comply with key laws and regulations in the jurisdictions in which the Group operates
- Operational disruption due to remedial actions required to address compliance failures
- Possible loss of REIT status or other critical licences required for operations
- Potential fines, penalties or legal action resulting from regulatory breaches
- Reputational damage that could impact investor confidence and stakeholder trust
- Risk of suspension or termination of the Company's listing on the exchange

Mitigation strategy

- Conduct periodic compliance audits and reviews to identify and address potential risks proactively
- A designated Advisor and Company Secretary continuously monitor compliance with statutory and regulatory requirements
- Implement internal compliance monitoring systems and regular reporting to the Board
- Management is encouraged to consult with legal and specialist advisors to ensure adherence to all applicable laws and regulations
- Membership of the SA REIT Association provides guidance and support on sector-specific regulatory obligations
- Provide ongoing training and awareness programmes for employees on regulatory obligations and governance standards

12. Availability of finance for property acquisitions and redevelopment

Impact of risk

- Inability to secure sufficient financing may restrict portfolio growth and diversification
- Increased cost of capital if financing options are constrained or market conditions deteriorate
- Limited access to capital could delay strategic acquisitions and redevelopment projects
- Potential reduction in competitive positioning if other market participants secure funding more readily
- Risk of missed opportunities for long-term value creation and income growth

Mitigation strategy

- Regular interactions with bankers to ensure the availability of debt funding

13. Fraud and errors

Impact of risk

- Damage to the Company's reputation if fraudulent activity is discovered
- Operational disruption caused by errors or fraudulent actions
- Possible regulatory or legal consequences resulting from inadequate controls
- Potential financial loss due to employee fraud going undetected
- Risk of misstatement in financial reporting, affecting transparency and stakeholder confidence

Mitigation strategy

- Conduct periodic risk assessments
- Implement robust approval and verification procedures for transactions
- Monitor and investigate anomalies promptly to mitigate potential impact
- Provide ongoing employee training on ethical behaviour, fraud awareness and reporting mechanisms
- Regularly review and enhance internal controls to prevent and detect fraud
- Segregate duties across financial and operational processes



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In FY2026, the Group advanced its strategy, delivered a strong operational result and established earnings drivers to continue delivering sustainable income growth.



CHIEF EXECUTIVE OFFICER'S REVIEW

Richard Herring

ENHANCING THE QUALITY OF THE PORTFOLIO

The Group took full ownership of Safari, acquired the Katleho office portfolio, opened Horizon and began construction of The Fibonacci, closing the year with a portfolio valued at R14,0 billion.

FY2026 was a year of significant portfolio activity in which the Group advanced each of its four strategic pillars while delivering a strong operational result. This review reports on the Group's consolidated performance; **segmental detail** is set out in the annual financial statements on **page 172**.

Delivery against our strategic pillars

Strategic pillar	FY2026 delivery	FY2027 focus
Delivering stakeholder value	DPS up 16,7% and NAV per share up 17,1%; the CSP aligns management with DPS growth and total return	DPS growth of 14,0% to 18,0%
Enhancing asset returns	Like-for-like NOI up 7,7%; retail trading density up 5,0%; aparthotel revenue up 33,8%	Stabilise Horizon above 70% occupancy by March 2027; complete solar plants at 14th Avenue and Thabong and install 2,2MWp across the industrial portfolio
Building a resilient, diversified portfolio	Safari wholly owned; Katleho acquired; Horizon opened; The Fibonacci under construction	Integrate Katleho; take on the Denver and Vanderbijlpark industrial acquisitions; progress The Fibonacci
Maintaining an optimised balance sheet	WACD down 100bps to 8,73%; R1,397 billion refinanced; ICR improved to 2,27 times	Implement the Group debt treasury vehicle at the South African Rand Overnight Index Average ("ZARONIA") plus 130bps; conclude R233,7 million of disposals; secure a R500,0 million revolving facility

Operational performance

Contractual rental income grew 4,6% to R1,238 billion, and 8,7% on a like-for-like basis, while NOI grew 2,9%, or 7,7% like-for-like. The gap between reported and like-for-like growth is the prior-year income of properties since sold, principally Platz am Meer.

Retail remains the cornerstone of the Group, generating 74,4% of NOI. Tenant turnover across the 16 centres that report trading grew 5,0% to R12,9 billion, and GLA-weighted trading density improved 5,0% to R37 075/m². Active tenant-mix management continued to create value: at Emmarentia, a 12-year anchor lease was concluded at a 37% uplift, and at Tembisa, a vacated fashion anchor was replaced at more than four times the previous rental.

The **industrial** portfolio was 98,4% let at year-end. 4 Clarke in Alrode was re-let at an 18,7% uplift, and the two largest FY2027 expiries, at Brakpan and Wadeville, have since been renewed at positive reversions of 6,4% and 2,6%.

The **aparthotels** were the fastest-growing part of the business. Revenue rose 33,8% to R147,1 million, occupancy across all 659 units improved from 55,6% to 69,5% and the ADR from R631 to R945. The three established properties achieved occupancy of 77,0%.

Portfolio **vacancy** increased from 1,6% to 1,9%. Two properties explain the movement: 2 456m² reconfigured at Atlyn Shopping Centre during its refurbishment, which is being let, and the Louwlardia distribution centre, let with effect from 30 June 2026. Excluding Atlyn, vacancy would have been below the prior-year level. Of the 106 758m² of leases that expired during the year, 67,4% were retained with the same tenant, and a further 98 leases over 24 640m² were signed for future commencement.

Growing and improving the portfolio

The acquisition of the **Safari** minority and its delisting was the most significant transaction of the year. Full ownership allows these centres to be managed on a single platform and invested in at the pace they warrant. The Atlyn Shopping Centre refurbishment was completed, adding a second food anchor and a drive-through restaurant, and new national stores were introduced at Nkomo Village and Thornhill.

Effective 30 June 2026, the Group acquired 75% of **Katleho** at an 11,7% discount to NAV, settled through the issue of 5 605 050 Heriot shares. Katleho owns three Gauteng office parks valued at R334,0 million, taken on at an initial yield of 16,5%.

After year-end, the Group acquired **Bubesi 46** Proprietary Limited, which owns a 7ha industrial property in Vanderbijlpark, for R56,0 million, and signed an offer to purchase an 11 850m² distribution centre adjoining its existing Denver property for R35,0 million, with transfer expected in November 2026. The two industrial acquisitions are expected to deliver take-on yields of approximately 15% and 20%. Two further residential opportunities, at Sea Point and Linksview, are at an advanced stage of planning.

Development activity

Horizon, on the Sea Point beachfront, opened on 1 May 2026. By using the unused bulk on the site, six floors were added to a 19-unit residential building to create an 11-storey, 36-unit, 50-key aparthotel at a cumulative cost of R200,5 million. The property transferred to investment property at R205,0 million and achieved an ADR of R2 026 in its first two months, the highest in the portfolio. Opening was deferred from December 2025 so that the building could be launched as a complete product; this cost income in FY2026 protects the positioning of a premium asset. The projected stabilised yield is approximately 12%.

Construction of **The Fibonacci** in Mowbray commenced in October 2025. The seven-storey development comprises 574 predominantly one-bedroom student units above a Shoprite-anchored retail component, at a total cost of R530,0 million and a projected starting yield of 13,49%. The pre-sale of 174 units for approximately R200,0 million substantially de-risked the project before construction began, and the R530,0 million development facility was implemented on 8 July 2026. Completion is targeted for the 2028 academic year.

Recycling capital

During the year, the Group sold **Wynberg Mews**, through the disposal of its 60% interest in 60 Adderley Proprietary Limited ("60 Adderley"), the Bushmans Bend plantation and the final Fixtrade residential units, at prices reflective of fair value. A further R233,7 million of disposals is contracted or in negotiation, including Mnandi Shopping Centre for R150,0 million, the Hinze and Newborough Grange plantations, the Cleveland distribution centre and Soweto Day Hospital. The programme is principally a de-gearing measure following the Safari buyout, and recycles capital from non-core assets into higher-yielding opportunities.

Sustainability in operations

Renewable energy and water security protect the income-generating capacity of the portfolio and lower tenants' total cost of occupancy. Solar plants with a combined capacity of 12,95MWp are operational across 14 retail centres and generated 16 414MWh during the year (2025: 15 531MWh, including Platz am Meer, sold on 30 June 2025). The Group's internal team is installing a further 1 070kWp at 14th Avenue District Shopping Centre and 1 240kWp at Thabong Shopping Centre for completion in November 2026, and the programme extends to the industrial portfolio in FY2027 with 2 196kWp planned at three properties. As municipal infrastructure and water delivery deteriorated, the Group accelerated its borehole programme: 29 boreholes now operate across 20 properties (2025: 14 groundwater harvesting plants). The Group's community programmes are reported in the **social engagement** section on **page 66**.

People

The Group's performance is driven by a focused, experienced team whose approach reflects the business's entrepreneurial culture. Ten Safari employees were brought into the Heriot CSP on integration, and the first award of 643 100 conditional shares was made to 20 participants. Investment in skills development and training increased to R958 149 (2025: R793 525), with 46% of employees participating in training. Heriot remains a non-compliant contributor in terms of the Broad-based Black Economic Empowerment ("B-BBEE") Codes of Good Practice. On the acquisition of Katleho, the 25% shareholding of its B-BBEE consortium was preserved, maintaining Katleho's Level 1 B-BBEE rating.

Prospects

The Group enters FY2027 with three principal earnings drivers already contracted: a full 12 months of Safari at 100% ownership, the consolidation of Katleho from 1 July 2026 and a full year of trading at Horizon. Operational priorities include the integration of Safari and Katleho, the letting of the remaining space at Atlyn Shopping Centre, the conclusion of the disposal programme, the progress of The Fibonacci and the continued growth of the aparthotel portfolio. I am confident in the Group's ability to continue delivering sustainable income growth.

Richard Herring
Chief Executive Officer

30 October 2026

FIVE-YEAR FINANCIAL OVERVIEW

The table below summarises the Group's key performance indicators ("KPIs") over five years. Distributions have grown in every year since listing, supported by a 100% payout ratio and a portfolio that has almost trebled in value since 2022.

Key performance indicators	2026	2025	2024	2023	2022
Distributions					
Distribution per share (cents)	**142,29**	121,91	106,69	106,33	102,05
DPS growth (%)	**16,7**	14,3	0,3	4,2	12,5
Distributable earnings (R'million)	**458,5**	389,2	308,8	271,6	260,6
Distributable earnings growth (%)	**17,8**	26,1	13,7	4,2	12,5
Payout ratio (%)	**100**	100	100	100	100
Operations					
Contractual rental income growth (%)[1]	**4,6**	20,2	96,1	10,8	7,0
Like-for-like rental growth (%)	**8,7**	8,9	6,9	N/A	N/A
NOI growth (%)[1]	**2,9**	14,8	103,1	13,8	3,3
Portfolio vacancy (%)[2]	**1,9**	1,6	3,1	2,4	3,0
Portfolio and balance sheet					
Investment property (R'billion)[3]	**13,998**	12,799	11,616	9,258	5,084
Investment property growth (%)	**9,4**	10,2	25,5	82,1	12,1
NAV per share (R)[4]	**24,11**	20,59	17,53	14,72	12,06
NAV per share growth (%)[4]	**17,1**	17,5	15,1	22,0	7,4
Loan-to-value (%)[5]	**41,95**	38,95	42,06	41,09	38,46
Interest cover ratio (times)	**2,27**	2,04	2,05	2,64	2,95
Weighted average cost of debt (%)	**8,73**	9,73	10,27	8,68	6,29

[1] *2024 rental and NOI growth reflect the first-time inclusion of 15 months of Safari's results following its consolidation; like-for-like rental growth in 2024 was 6,9%. 2026 NOI growth of 2,9% was 7,7% on a like-for-like basis.*

[2] *Vacancy is measured on GLA and excludes the aparthotels, vacant land, property under development and the paper plantations.*

[3] *Independent valuation of the property portfolio, including property under development and non-current assets held for sale.*

[4] *SA REIT Best Practice Recommendations ("SA REIT BPR") NAV per share as reported in each year. Growth rates are as reported; the 2024 growth of 15,1% is measured against the restated 2023 NAV of R15,23.*

[5] *LTV per the SA REIT BPR (net of cash).*





CHIEF FINANCIAL OFFICER'S REPORT

Daniel Snoyman

SUSTAINABLE, CASH-BACKED INCOME GROWTH

Distributable earnings grew 17,8% to R458,5 million and DPS grew 16,7% to 142,29 cents, fully covered by net cash from operating activities of R496,4 million.

The Group delivered a strong financial result for the year ended 30 June 2026: double-digit growth in distributable earnings, fully funded from operating cash flow, a 100 bps reduction in the cost of debt and gearing that remains comfortably within covenants. This report addresses the Group's consolidated financial position and performance; **segmental information** is set out in the annual financial statements on **page 172**.

Financial highlights

	2026	2025	Change %
Distributable earnings (R'million)	**458,5**	389,2	17,8
Distribution per share (cents)	**142,29**	121,91	16,7
NAV per share (R)	**24,11**	20,59	17,1
Net property operating income (R'million)	**1 005,0**	976,3	2,9
Like-for-like NOI growth (%)	**7,7**	–	–
Cash generated from operations (R'million)	**975,6**	958,7	1,8
Investment property (R'billion)	**13,998**	12,799	9,4
Total borrowings (R'billion)	**6,075**	5,302	14,6
Weighted average cost of debt (%)	**8,73**	9,73	(100bps)
Loan-to-value (%) – covenant 50%	**41,95**	38,95	3,0
Interest cover ratio (times) – covenant 2,0	**2,27**	2,04	
Cost-to-income ratio (SA REIT BPR) (%)	**47,0**	46,3	

Distributable earnings

Distributable earnings increased by R69,3 million, or 17,8%, to R458,5 million. The growth came from four principal sources:

- **Full ownership of Safari** (R26,5 million): Heriot's share of Safari's earnings rose 23,8% to R137,9 million as its interest moved from 59,2% to 100% on 22 December 2025;
- **Lower net finance costs** (R18,7 million): The WACD fell 100 bps to 8,73% as rate cuts passed through and R1,397 billion of facilities were refinanced at lower margins, despite R772,5 million of additional debt;
- **Katleho** (R24,0 million): A distribution declared to Heriot on the effective date of the acquisition, contributing 7,4 cents to DPS. From FY2027, the Group will consolidate Katleho's earnings; and
- **Portfolio performance** (R37,9 million): Led by a R14,9 million increase in aparthotel income and a full year of the Helderberg Mall phase 2 extension.

These gains absorbed the R34,8 million NOI of Platz am Meer, sold on 30 June 2025, R19,4 million of non-recurring prior-year income, R11,6 million of lower Texton dividends, R11,4 million of additional expected credit loss provisions and R8,0 million of Safari buyout and delisting costs. DPS grew slightly less than distributable earnings because the 5 605 050 shares issued on 30 June 2026 for Katleho qualify for the final distribution. A reconciliation of **distributable earnings** is presented on **page 184**.

Net property operating income

NOI increased 2,9% to R1,005 billion, and 7,7% on a like-for-like basis, against like-for-like rental growth of 8,7%. The difference is a cost effect: property expenses rose 4,5% as municipal tariffs increased by 8% to 10%, against recovery growth of 0,9%. The cost-to-income ratio was 47,0% (2025: 46,3%).

Valuations and NAV

Peter Parfitt of Quadrant Properties Proprietary Limited, a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000, independently valued the portfolio at R13,998 billion (2025: R12,799 billion), an increase of 9,4%, or 6,9% like-for-like.

Fair value gains of R738,4 million were earned through contracted income rather than yield compression: the average capitalisation rate rose 2 bps to 8,83% and the discount rate increased by 4 bps to 13,58%. Capital expenditure totalled R264,7 million (2025: R284,2 million).

NAV per share increased 17,1% to R24,11. In addition to the fair value gains, the acquisitions of the Safari minority and Katleho at discounts to NAV gave rise to bargain gains of R418,1 million and R19,3 million, respectively, recognised directly in equity.

Capital structure and funding

Borrowings increased by R772,5 million, or 14,6%, to R6,075 billion, principally to fund the Safari buyout through a two-year R835,0 million facility priced at three-month Johannesburg Interbank Average Rate ("JIBAR") plus 117 bps, the lowest margin in the Group. The LTV ratio rose to 41,95% (2025: 38,95%), comfortably within the 50% covenant, while the ICR improved to 2,27 times (2025: 2,04 times) against a covenant of 2,0 times.

During the year, R1,397 billion of debt was refinanced or committed for renewal at an average all-in saving of approximately 66 bps, and a further R780,0 million was concluded after year-end. The Group is consolidating its borrowings into a single Group debt treasury vehicle, governed by a common terms agreement under which all lenders share one security pool. The first tranche of R931,5 million becomes effective on 9 October 2026 for three years at ZARONIA plus 130 bps, a saving of 41 bps and the most competitive pricing the Group has achieved. The remaining facilities will move into the vehicle in two further tranches during FY2027 and FY2028, and the Group intends to establish a JSE-listed domestic medium-term note programme.

All borrowings are at floating rates and are currently unhedged. With the forward curve pointing to rate reductions from 2027, the Board has elected not to fix rates at the top of the cycle and reviews the position at every meeting. The weighted average debt expiry is 1,80 years (2025: 2,30 years) and will lengthen as facilities move into the treasury vehicle. Borrowings of R1,922 billion are presented as current at year-end because certain refinancings were concluded after the reporting date. This has no effect on total borrowings, covenants or the cost of debt.

Cash flow and liquidity

Cash generated from operations of R975,6 million produced net cash from operating activities of R496,4 million, which exceeded distributable earnings of R458,5 million and confirms that the distribution is fully cash-backed rather than funded from borrowings.

Total cash resources available were R426,7 million (2025: R501,9 million), comprising cash of R103,2 million and unutilised committed facilities of R323,5 million. After the final distribution of R247,5 million, headroom of R179,2 million remains against capital commitments of R629,2 million, of which R479,2 million relates to The Fibonacci and is fully covered by its development facility. A R500,0 million revolving credit facility is under negotiation, and disposal proceeds of approximately R233,7 million are expected during FY2027.

Credit risk

Collections ran at 99,8% of billings (2025: 99,6%). During the year, Safari's provisioning was aligned to Heriot's policy, under which arrears older than 60 days are fully provided unless recovery is secured. The expected credit loss allowance increased by R11,4 million to R34,2 million, predominantly catch-up provisioning against legacy arrears rather than any deterioration in current collections. Almost 80% of contractual rental is earned from A-grade national and blue-chip tenants.

Distribution

An interim dividend of 66,11 cents per share was paid in April 2026, and the Board has declared a final dividend of 76,18 cents per share, payable on 26 October 2026. The total distribution for the year of 142,29 cents (2025: 121,91 cents) represents an increase of 16,7% and a payout ratio of 100%. The Group's **SA REIT Best Practice Recommendations disclosures** are set out on **page 184**.

Outlook

The Group enters FY2027 with three principal earnings drivers already contracted: a full 12 months of Safari at 100% ownership, the consolidation of Katleho from 1 July 2026 and a full year of trading at Horizon. Contractual escalations of 6% to 7% support NOI growth of approximately 6%, and the repricing of R931,5 million of facilities from 9 October 2026 saves 41 bps on those facilities.

On this basis, management is pursuing growth of 14,0% to 18,0% in the DPS for the year ending 30 June 2027. The forecast supporting this guidance has been prepared using the following key assumptions:

- The repo rate increases by a total of 50 bps during the year, being the 25 bps increase on 23 September 2026 and one further 25 bps increase, with no reductions;
- Forecast property income reflects contractual rental escalations and market-related renewals;
- Adequate provision is made for vacancies and rental reversions, and expected credit loss provisions are maintained at current levels; and
- The properties held for sale at 30 June 2026 transfer during FY2027, and no major corporate or tenant failures occur.

Interest rates remain the most significant variable. All borrowings are at floating rates, and each 25 bps increase reduces annual distributable earnings by approximately R16,5 million, or 5,1 cents per share. A 5% decline in property values would increase the LTV ratio to 44,2%, still within the 50% covenant.

This guidance has not been reviewed or reported on by the Company's auditor.

Daniel Snoyman
Chief Financial Officer

30 October 2026



PORTFOLIO REVIEW

Heriot's portfolio of 53 properties (2025: 53), independently valued at R13,998 billion (2025: R12,799 billion), comprises 677 873m² of lettable GLA across South Africa and Namibia and 7 452ha of paper plantations.

Retail

23 properties (2025: 23), primarily retail shopping centres, supplemented by stand-alone single-tenanted properties. Weighted towards rural and township retail centres, with the balance comprising community and neighbourhood centres.

Industrial

14 properties (2025: 14), including warehousing, logistics facilities and industrial parks.

Office

7 properties (2025: 5), comprising high-rise and low-rise offices in Johannesburg, Midrand and Cape Town, the three Katleho office parks in Gauteng acquired on 30 June 2026, and the office component of the One Thibault mixed-use property in the Cape Town CBD.

Specialised

3 properties (2025: 4), comprising farms totalling 7 452ha of paper plantations leased to Mondi South Africa Proprietary Limited, of which Hinze and Newborough Grange are held for sale.

Residential/aparthotel

4 aparthotels (2025: 3) in Cape Town – HAVN, Habitat, Horizon and the hotel component of One Thibault – with 23 050m² of GLA and 659 units, following the opening of Horizon in May 2026, and 1 residential property (2025: 2): a 50% interest in 100 residential units at Linksview, Johannesburg.

Other

2 properties (2025: 3): vacant land in Pretoria (Lynnwood) and The Fibonacci, Mowbray, under development. Finsbury Court (now Horizon) moved to residential/aparthotel on completion.

The portfolio is anchored in emerging-market retail and industrial property, which together account for 82% of value and 91% of NOI, and is complemented by a growing Cape Town aparthotel offering.

These are high-quality, defensively tenanted assets. Almost 80% of contractual rental is earned from A-grade national and blue-chip tenants, contractual escalations average 6,3%, and vacancy remains below 2%. Together, these characteristics underpin the sustainability of the Group's income and its capacity to grow distributions.

The paper plantations are measured in hectares and are analysed separately, as their inclusion in GLA-based metrics would distort portfolio comparisons.

Portfolio at a glance	2026	2025	Comment
Number of properties	**53**	53	Three Katleho properties acquired; Wynberg Mews, Bushmans Bend and remaining Fixtrade units sold; Horizon completed
Portfolio value (R'billion)	**13,998**	12,799	+9,4% (like-for-like +6,9%)
Total GLA (m²)	**719 588**	702 821	Excludes 7 452ha of plantations (2025: 8 382ha)
Portfolio vacancy (%)	**1,9**	1,6	Atlyn refurbishment space being let
Weighted average lease expiry ("WALE") by GLA (years)	**3,1**	3,2	
Weighted average lease escalation by GLA (%)	**6,3**	6,0	
A-grade tenants (% of contractual rental)	**79,7**	80,5	
Top 10 tenants (% of contractual rental)	**43,5**	44,3	Shoprite Holdings is the largest at 13,8%
Retail trading density – GLA-weighted, 16 centres (R per m² per annum)	**37 075**	35 306	+5,0% across 16 centres
Aparthotel occupancy (%)	**69,5**	55,6	77,0% for the three established properties
Rent collections (% of billings)	**99,8**	99,6	

Portfolio overview

Sector	Year ended 30 June 2026						
	Retail	Industrial	Office	Specialised[1]	Residential/ aparthotel	Other[2]	Total
Total lettable GLA (m²)	356 415	268 705	50 323	–	2 430	–	677 873
Total GLA	356 415	268 705	50 323	–	25 480	18 665	719 588
Vacant land and under development	–	–	–	–	–	(18 665)	(18 665)
Aparthotel GLA	–	–	–	–	(23 050)	–	(23 050)
Vacancy (m²)	7 215	4 285	1 154	–	435	–	13 089
Vacancy (%)[3]	2,0	1,6	2,3	–	17,9	–	1,9
Average rental per m² (R)[5, 6, 7, 9]	193,3	57,8	175,9	76,6	552,8	–	152,0
Weighted average lease escalation (GLA) (%)[8]	6,2	6,3	6,9	3,0	5,8	–	6,3
Weighted average lease expiry (GLA) – years[8]	3,8	2,4	1,8	6,8	0,2	–	3,1
Value (R'000)[4]	9 427 800	2 113 000	953 000	189 200	1 103 500	211 700	13 998 200

Sector	Year ended 30 June 2025						
	Retail	Industrial	Office	Specialised[1]	Residential/ aparthotel	Other[2]	Total
Total lettable GLA (m²)	358 459	268 705	30 496	–	3 446	–	661 106
Total GLA	358 459	268 705	30 496	–	23 996	21 165	702 821
Vacant land and under development	–	–	–	–	–	(21 165)	(21 165)
Aparthotel GLA	–	–	–	–	(20 550)	–	(20 550)
Vacancy (m²)	5 772	3 346	1 499	–	18	–	10 635
Vacancy (%)[3]	1,6	1,2	4,9	–	0,5	–	1,6
Average rental per m² (R)[5, 6, 7, 9]	178,8	55,8	172,3	96,8	428,5	–	138,8
Weighted average lease escalation (GLA) (%)[8]	6,0	6,4	4,6	3,1	6,0	–	6,0
Weighted average lease expiry (GLA) – years[8]	3,9	2,5	1,8	7,6	0,2	–	3,2
Value (R'000)[4]	8 807 790	2 007 500	669 400	235 500	806 136	272 412	12 798 738

[1] *The specialised property comprises 7 452ha (2025: 8 382ha) of paper farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

[2] *The other sector comprises property under development and vacant land.*

[3] *Vacancy is measured on lettable GLA and excludes the aparthotels, vacant land, property under development and the plantations measured in hectares. The plantations carry a 20,7% vacancy by hectare following the expiry of the Hinze and Newborough Grange leases.*

[4] *Values include property under development and non-current assets held for sale (2026: retail R159,0 million, industrial R23,5 million and specialised R51,2 million).*

[5] *Average rental per m² is each property's rental income for the 12 months to 30 June, excluding straight-lining of rental income, divided by its GLA and by 12, for the properties held at year-end; sector averages are weighted by GLA. This is the basis used in the 2025 integrated report. The Katleho office parks acquired on 30 June 2026 are included at their rental for the 12 months, and Horizon, which opened on 1 May 2026, on its two months of trading. The 2025 comparatives are as published, with office and residential/aparthotel corrected to the same calculation.*

[6] *Specialised average rental is stated per hectare per month.*

[7] *Residential/aparthotel average rental includes Linksview and the four aparthotels in Cape Town (23 050m², 659 units), with Horizon weighted for its two months of trading.*

[8] *Weighted average lease escalation and lease expiry are weighted by let GLA per the 30 June tenancy schedules (specialised: per hectare). The 2025 comparatives are as published in the 2025 integrated report.*

[9] *The 2025 total average rental has been recalculated to R138,8 per m² (2025 integrated report: R131,6 per m²) on the same basis as 2026, being the GLA-weighted average of the rental for the 12 months of the properties held at 30 June 2025, excluding the specialised plantations, vacant land and property under development.*

Sectoral profile (%)



For 12 months and includes aparthotel revenue.

Retail	Emerging-market retail remains the strongest-performing sector in the portfolio and the engine of the Group's earnings. Turnover across the 16 retail centres for which trading data is collected grew 5,0% to R12,9 billion, and GLA-weighted annual trading density improved 5,0% to R37 075/m², with 14 of the 16 centres growing turnover and 10 of them at 5% or more. Retail tenants led by the Group's principal food anchor traded extremely well, as did the banking tenants, confirming the resilience of the food, value and essential-services categories on which the portfolio is built. Clothing retailers remain under pressure as disposable income stays constrained and essential purchases take priority; the two centres in which turnover declined were both affected by refurbishment and re-fit activity during the year.
Industrial	The industrial portfolio was held back by a single vacancy. The Louwlardia truck repair facility stood empty from December 2025 until a new tenant took occupation on 30 June 2026 and is fully let at the reporting date. A timing difference also affected the comparison: at Jupiter Park, a R3,8 million rates credit, obtained on a rates valuation towards the end of the prior reporting period, was passed on to tenants in the current period, and the Mount Edgecombe distribution centre was re-let at a flat rental. Against this, 4 Clarke in Alrode was re-let at an 18,7% uplift, and the Cleveland distribution centre was let for a full year. The two largest expiries in FY2027 have since been secured: Brakpan was renewed with the existing tenant at a positive reversion of 6,5%, and Wadeville was re-let to a new tenant at a positive reversion of 2,6%. After year-end, 8 558m² at Denver was re-let to a global logistics operator at a negative reversion of 16%. Demand for well-located logistics space in Gauteng remains firm, and the average industrial rental rate rose 3,7% to R57,85/m². Sector vacancy closed at 1,6%.
Office	The office sector delivered 15,5% like-for-like NOI growth, a welcome outcome in a sector still under national pressure from oversupply, achieved by letting space rather than discounting it. At One Thibault, a former banking annex was let on a turnover basis to a food operator and a 5 665m² government lease was renewed, reducing vacancy in the building to 2,6%. At Melrose Arch, 899m² of vacant space was let at R210/m² and an existing tenant renewed on a reduced footprint. The sale of Wynberg Mews, through the disposal of the Group's 60% interest in 60 Adderley, on 30 November 2025, removed R3,5 million of income against the prior year. Sector vacancy improved from 4,9% to 2,3%, the result of the letting at One Thibault, firm demand for well-located office space and the sale of Wynberg Mews. Following the Katleho acquisition, the office portfolio is 97,7% let, although 21,4% of let office GLA is on month-to-month leases.
Specialised	Mondi elected not to renew its leases over the Hinze and Newborough Grange plantations, which were vacated during the period, and Bushmans Bend was sold in March 2026. Holding costs of R2,3 million were incurred on the vacant farms. Both remaining vacant properties have been classified as held for sale and are contracted or in advanced negotiation.
Residential/aparthotel	The aparthotel strategy has matured. Revenue across the four properties grew 33,8% to R147,1 million, occupancy rose from 55,6% to 69,5% and the ADR from R631 to R945, lifting revenue per available unit from R351 to R657. HAVN, reopened in November 2024 after refurbishment, achieved 78,1% occupancy and a 46% increase in ADR; Habitat lifted occupancy to 83,7% while deliberately reducing ADR by 7% to defend volume in a competitive Cape Town CBD; and One Thibault grew occupancy to 72,8% and secured a four-star tourism grading that opens the national tour operator market. The sector NOI margin improved from 32,4% to 37,7%. Horizon opened on 1 May 2026. The aparthotels are analysed further under aparthotel performance below.
Property under development	**The Fibonacci** (projected completion November 2027), a seven-storey mixed-use development, comprises a ground-floor retail component anchored by Shoprite and 574 predominantly one-bedroom student units, at a total development cost of R530,0 million and a projected starting yield of 13,49%. Development risk was substantially mitigated before ground was broken in October 2025 through the pre-sale of 174 units for approximately R200,0 million. The *pro rata* cost of those units, R32,5 million, has been reclassified from property under development to inventories on commencement of construction; net realisable value exceeds cost and no impairment has been recognised. Cumulative spend at the reporting date was R39,8 million, and the property is carried at R175,0 million following a fair value uplift of R69,3 million. The R530,0 million development facility, priced at prime less 180bps, was implemented on 8 July 2026 and converts, after application of the R200,0 million of sale proceeds, to a R330,0 million three-year term loan at three-month JIBAR plus 147,5bps. Completion is targeted for the 2028 academic year.

Sectoral NOI

Retail and industrial property generated 91% of NOI. Like-for-like NOI grew 7,7%, led by office (15,5%) and retail (8,5%), while the aparthotels lifted their NOI margin as the properties matured.

Sectoral NOI	2026 R'000	2025 R'000	Variance R'000	Change %	Like-for-like %	NOI margin[1] 2026 %
Retail	**747 888**	725 204	22 684	3,1	8,5	**61,6**
Industrial	**167 798**	170 864	(3 066)	(1,8)	(1,9)	**66,3**
Office	**44 238**	41 418	2 820	6,8	15,5	**54,6**
Specialised	**5 002**	9 531	(4 529)	(47,5)	(46,2)	**64,7**
Residential/aparthotel	**59 468**	41 057	18 411	44,8	41,0	**37,7**
Other	**(19 368)**	(11 725)	(7 643)	(65,2)	N/A	**N/A**
Net property operating income	**1 005 026**	976 349	28 677	2,9	7,7	**58,6**

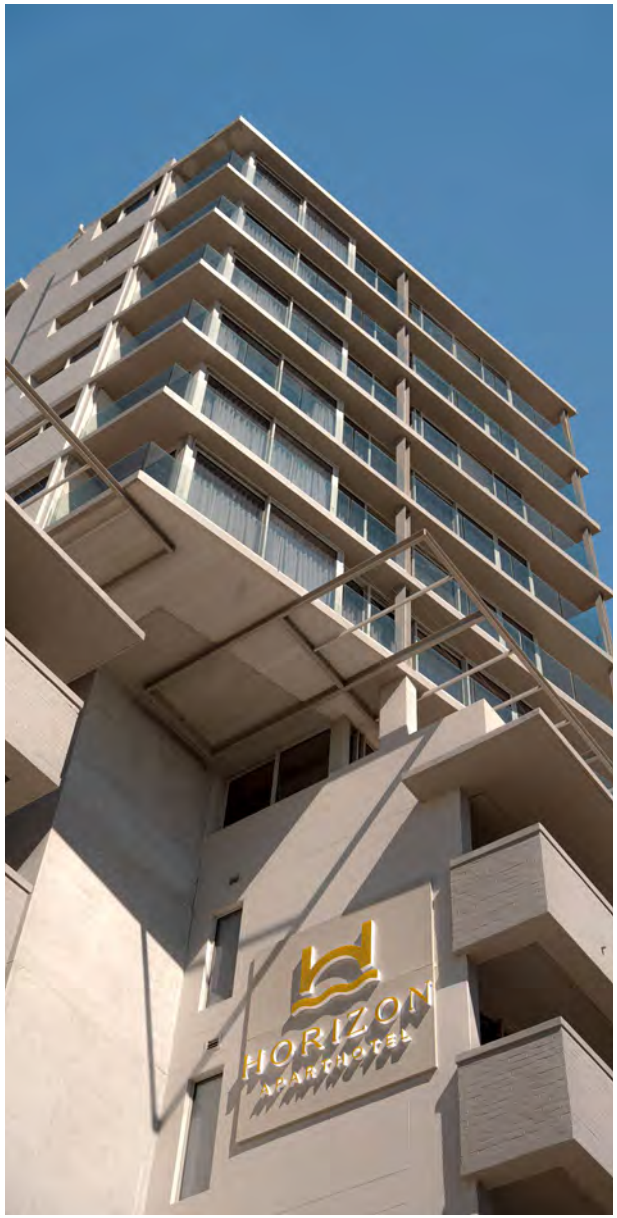
[1] *NOI excludes straight-line rental income adjustments (R14,2 million; 2025: R42,0 million), consistent with the statement of comprehensive income. NOI margin is NOI as a percentage of contractual rental income and recoveries. Like-for-like growth is measured on NOI before depreciation and excludes Platz am Meer, Wynberg Mews, Bushmans Bend and Horizon from both years.*

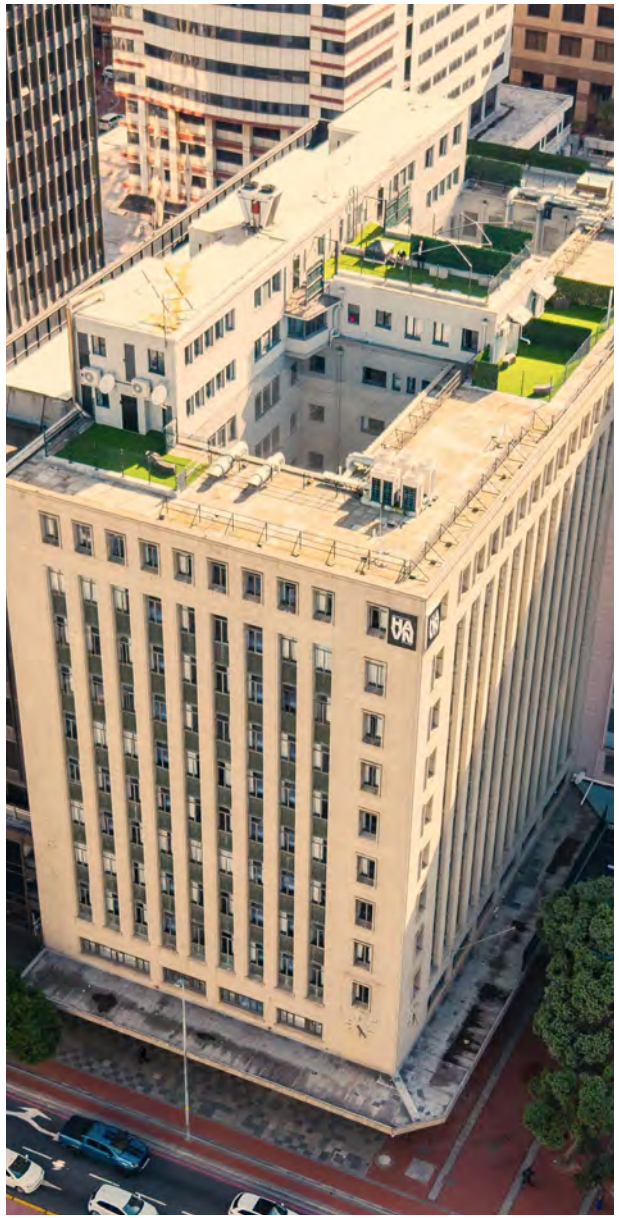
Valuations

The 9,4% increase in portfolio value, or 6,9% like-for-like, was earned through contracted income growth rather than yield compression: the average capitalisation rate rose 2 bps to 8,83%. The office rate softened by 45 bps as the Katleho properties were taken on at 10,41%, and industrial values rose 5,3% despite a 33 bps increase in the capitalisation rate.

Valuations by sector	Cap rate 2026 %	Cap rate 2025 %	Movement bps	Value[1] 2026 R'000	Value[1] 2025 R'000	Change %
Retail	**8,71**	8,80	(9)	**9 427 800**	8 807 790	7,0
Industrial	**9,33**	9,00	33	**2 113 000**	2 007 500	5,3
Office	**9,04**	8,59	45	**953 000**	669 400	42,4
Specialised	**8,50**	8,50	–	**189 200**	235 500	(19,7)
Residential/aparthotel	**8,79**	9,00	(21)	**1 103 500**	806 136	36,9
Under development and other	**N/A**	N/A	N/A	**211 700**	272 412	(22,3)
Total portfolio	**8,83**	8,81	2	**13 998 200**	12 798 738	9,4

[1] *Values include property under development and non-current assets held for sale. Sector capitalisation rates are weighted by value. The portfolio was independently valued by Quadrant Properties Proprietary Limited using the discounted cash flow and comparable sales methods.*





Retail trading performance

Retail trading remains the clearest indicator of the quality of the Group's income. Tenant turnover across the 16 centres that report trading data grew 5,0% to R12,9 billion and the GLA-weighted average annual trading density improved 5,0% to R37 075/m², with 14 of the 16 centres growing turnover.

Retail trading performance (16 centres)	Main anchor(s)	Total GLA m²	Trading density 2026 R/m² per annum	Trading density 2025 R/m² per annum	Density growth %
Shoprite Emmarentia	Checkers	3 840	**86 290**	89 158	(3,2)
Sun Valley Mall	Checkers Hyper	16 138	**60 805**	56 405	7,8
Victorian Village, Heidelberg	Pick n Pay	11 941	**50 551**	50 461	0,2
Nkomo Village, Atteridgeville	Shoprite, Pick n Pay and Boxer	22 717	**48 917**	45 231	8,1
Birch Acres Mall, Tembisa	Spar	26 402	**42 518**	39 512	7,6
14th Avenue District Shopping Centre	Checkers Hyper	25 550	**41 072**	38 404	6,9
Denlyn, Mamelodi	Shoprite, Superspar and Boxer	34 833	**36 547**	36 033	1,4
Burgersfort Mall	Shoprite	15 248	**34 299**	33 609	2,1
Thabong, Sebokeng	Shoprite, Pick n Pay and Boxer	34 504	**34 103**	32 256	5,7
Helderberg Mall	Checkers Hyper	21 285	**32 641**	29 543	10,5
Siyabuswa Mall	Shoprite	26 459	**32 475**	30 918	5,0
Phokeng Mall	Shoprite	17 145	**30 786**	30 597	0,6
Tsakane Mall[1]	Superspar and Shoprite	39 668	**30 594**	28 622	6,9
Atlyn, Atteridgeville	Shoprite and Boxer	30 868	**30 432**	32 123	(5,3)
Thornhill, Polokwane	Superspar	12 649	**24 871**	20 730	20,0
Mnandi, Atteridgeville[2]	Spar	8 717	**20 545**	15 692	30,9
Total/average		347 964	**37 075**	35 306	5,0

Trading density is annual tenant turnover per m² of total GLA for the 12 months to June; the total is weighted by GLA (total turnover ÷ total GLA), and 2025 is restated on the same basis. Ranked by 2026 trading density.

[1] *Tsakane Mall is shown at 100% of GLA for trading purposes; the Group owns a 50% undivided share.*

[2] *Held for sale at 30 June 2026, transferred on 19 October 2026.*

Aparthotel performance

Aparthotel performance	Units	Occupancy[1] 2026 %	Occupancy[1] 2025 %	ADR 2026 R	ADR 2025 R	Revenue 2026 R'000	Revenue 2025 R'000
HAVN	215	**78,1**	50,3	**887**	608	54 977	31 736
Habitat	151	**83,7**	79,5	**791**	848	38 889	33 405
One Thibault	257	**72,8**	63,3	**756**	715	52 100	44 861
Horizon (two months)	36	**4,8**	N/A	**2 026**	N/A	1 175	N/A
Portfolio	659	**69,5**	55,6	**945**	631	147 141	110 002

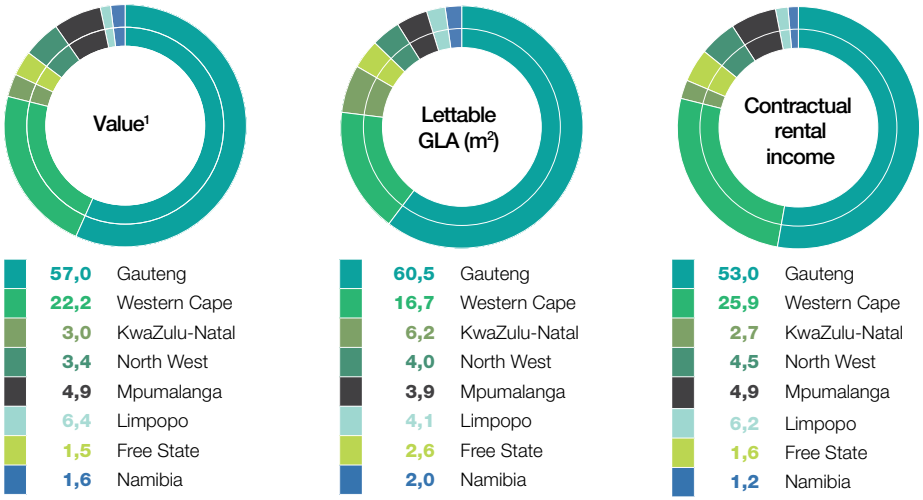
[1] *Occupancy is weighted by available unit-months and ADR by occupied unit-months, and both are stated across all 659 units in each year. They are measured across the three established properties only; occupancy was 77,0% (2025: 63,0%). HAVN, Habitat and Horizon are operated by Totalstay and One Thibault by ITC. All are located in Cape Town and form part of the residential/aparthotel sector for segmental reporting.*

Geographical profile

Sector	Gauteng m²	Western Cape m²	KwaZulu-Natal m²	North West m²	Mpumalanga m²	Limpopo m²	Free State m²	Namibia m²	Total m²
Year ended 30 June 2026									
Total lettable GLA (m²)	**409 935**	**112 943**	**42 002**	**27 231**	**26 459**	**27 897**	**17 906**	**13 500**	**677 873**
Total GLA (m²)[1]	**423 068**	**141 525**	**42 002**	**27 231**	**26 459**	**27 897**	**17 906**	**13 500**	**719 588**
Vacant land and under development	**(13 133)**	**(5 532)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18 665)**
Aparthotel GLA	**–**	**(23 050)**	**–**	**–**	**–**	**–**	**–**	**–**	**(23 050)**
Vacancy (m²)	**9 745**	**1 614**	**–**	**1 630**	**87**	**13**	**–**	**–**	**13 089**
% Vacant	**2,4**	**1,4**	**–**	**6,0**	**0,3**	**0,0**	**–**	**–**	**1,9**
Year ended 30 June 2025									
Total lettable GLA (m²)	382 968	122 127	43 018	27 231	26 459	27 897	17 906	13 500	661 106
Total lettable GLA (m²)[1]	396 101	150 709	43 018	27 231	26 459	27 897	17 906	13 500	702 821
Vacant land and under development	(13 133)	(8 032)	–	–	–	–	–	–	(21 165)
Aparthotel GLA	–	(20 550)	–	–	–	–	–	–	(20 550)
Vacancy (m²)	6 724	2 391	–	894	281	345	–	–	10 635
% Vacant	1,8	2,0	–	3,3	1,1	1,2	–	–	1,6

[1] *The specialised property comprises 7 452ha (2025: 8 382ha) of paper plantation farms, and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

Geographical profile (%)



For 12 months and includes aparthotel revenue.

1 Gauteng
28 properties, R7 972,7 million

2 Western Cape
12 properties, R3 114,0 million

3 KwaZulu-Natal
3 properties, R421,5 million

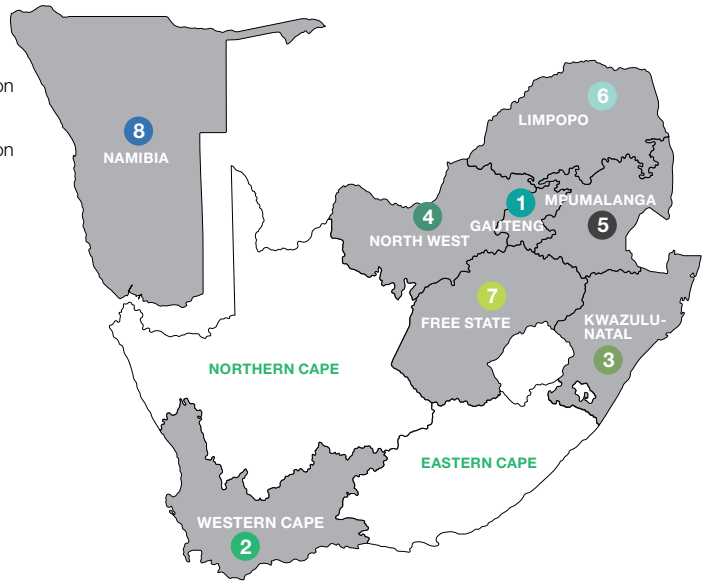
4 North West
3 properties, R474,8 million

5 Mpumalanga
2 properties, R679,2 million

6 Limpopo
3 properties, R903,0 million

7 Free State
1 property, R215,0 million

8 Namibia
1 property, R218,0 million



Tenancy analysis

The Group's income is underpinned by the quality and diversity of its tenants and by the length and structure of its leases. Unless otherwise stated, the analysis below is based on the tenancy schedules at 30 June 2026 and excludes the aparthotels, vacant land and property under development. The paper plantations are measured in hectares and are shown separately.

Tenant profile

Tenant grade	Contractual rental 2026 %	Contractual rental 2025 %	Let GLA (m²) 2026 %	Let GLA (m²) 2025 %	Plantations (ha) %	Number of leases 2026
A – national and provincial government, large metros, national retailers and large blue-chip companies	**79,8**	80,5	**79,0**	80,3	79,3	**818**
B – medium-sized companies and franchisees	**4,2**	8,3	**2,3**	9,1	–	**89**
C – other small tenants	**16,0**	11,2	**16,8**	9,0	–	**734**
Vacant	**–**	–	**1,9**	1,6	20,7	**–**
Total	**100,0**	100,0	**100,0**	100,0	100,0	**1 641**

GLA percentages are stated on total GLA including vacant space and exclude the plantations, which are measured in hectares. The 2025 comparatives are as published in the 2025 integrated report. Vacancy agrees to the reported vacancy of 1,9%, with let GLA per the tenancy schedules aligned to the reported GLA by sector.

The plantations are let to Mondi South Africa Proprietary Limited, an A-grade tenant. The Hinze and Newborough Grange plantations (20,7% of the plantation area) were vacant at 30 June 2026 and are held for sale.

Top 10 tenants

The Group's ten largest tenants, all A-grade, generate 43,5% (2025: 44,3%) of contractual rental, and Shoprite Holdings, the anchor in 19 properties, remains the largest single tenant. By let GLA, Mpact is the largest tenant at 14,7% of the portfolio across five industrial properties.

Top 10 tenants by contractual rental	Grade	Number of properties	% of Group rental 2026	% of Group rental 2025
1. Shoprite Holdings	A	19	**13,8**	14,3
2. Mpact	A	5	**5,3**	5,5
3. Pepkor Holdings	A	15	**5,2**	5,3
4. The Foschini Group	A	9	**4,4**	4,3
5. Pick n Pay Stores	A	8	**3,5**	3,2
6. Mr Price Group	A	11	**3,0**	3,1
7. The SPAR Group	A	8	**2,9**	3,1
8. Truworths International	A	8	**1,8**	1,9
9. Vector Logistics	A	1	**1,7**	1,7
10. Standard Bank Group	A	14	**1,7**	1,8
Top 10 tenants			**43,5**	44,3

Tenants are grouped by holding company (for example, Checkers and Usave within Shoprite Holdings; Pep, Ackermans and OK Furniture within Pepkor Holdings). Totals are calculated on unrounded figures.

Shoprite Holdings' share of contractual rent in this table (13,8%; 2025: 14,3%) is measured on monthly contractual rent in force at 30 June across the let portfolio, excluding aparthotel income. It therefore differs from the 12,5% (2025: 12,8%) disclosed as the major customer concentration in **note 42** of the annual financial statements, which measures rental earned from Shoprite over the full year against the Group's total contractual rental income, including aparthotel income. Both measures include the Group's 50% share of Tsakane Mall and exclude recoveries.





Lease profile by sector

Sector	WALE by GLA 2026 years	WALE by GLA 2025 years	WALE by rental 2026 years	WALE by rental 2025 years	Escalation by GLA[3] 2026 %	Escalation by GLA[3] 2025 %	Escalation by rental[3] 2026 %	Escalation by rental[3] 2025 %	Month-to-month leases 2026 % of let GLA
Retail	**3,8**	3,9	**3,3**	3,5	**6,2**	6,0	**6,3**	6,4	**4,7**
Industrial	**2,4**	2,5	**2,3**	2,5	**6,3**	6,4	**6,3**	6,4	**4,0**
Office	**1,8**	1,8	**1,7**	1,4	**6,9**	4,6	**6,6**	6,3	**21,4**
Specialised[1]	**6,8**	7,6	**6,8**	7,0	**3,0**	3,1	**3,1**	3,5	**–**
Residential[2]	**0,2**	0,2	**0,2**	0,2	**5,8**	6,0	**5,8**	N/A	**64,4**
Total portfolio	**3,1**	3,2	**3,0**	3,2	**6,3**	6,0	**6,3**	6,3	**5,8**

[1] *Specialised WALE by GLA is measured by hectare. The Group m² WALE excludes the plantations; the rental-based Group figures include them.*

[2] *Residential relates to the Linksview units, let predominantly on short-term and month-to-month leases.*

[3] *Escalation is weighted by let GLA and by contractual rental.*

Contractual escalations remain a dependable source of income growth: 97% of contractual rental escalates at 5% or more a year, and 86% at 6% or more.

Escalation profile	2026 % of rental	2025 % of rental	Change %
Below 5%	**2,9**	3,0	(0,1)
5% to below 6%	**11,0**	11,2	(0,2)
6% to below 7%	**56,2**	53,6	2,6
7% to below 8%	**18,9**	20,6	(1,7)
8% and above	**11,0**	11,1	(0,1)
Nil or not available	**–**	0,5	(0,5)
Total	**100,0**	100,0	

Lease expiry profile

Lease expiries are well spread, with 41% of GLA and 46% of contractual rental expiring within two years. The two largest industrial expiries in FY2027 have since been secured: Brakpan was renewed at a positive reversion of 6,5% and Wadeville was re-let to a new tenant at a positive reversion of 2,6%.

Total portfolio	% of GLA (m^2)	% of plantations (ha)	% of contractual rental
Vacant	**1,9**	20,7	–
Month-to-month	**5,7**	–	5,1
FY2027	**19,7**	–	19,9
FY2028	**15,8**	–	21,0
FY2029	**16,7**	–	18,0
FY2030	**18,8**	–	12,6
FY2031	**7,0**	–	9,4
FY2032 and beyond	**14,3**	79,3	14,0
Total	**100,0**	100,0	100,0

The lease expiry profile is based on the year-end tenancy schedules, with vacancy per the reported results (1,9%) and let GLA aligned to the reported GLA by sector. FY refers to the financial year ending 30 June.



	Retail		Industrial		Office		Specialised		Residential/aparthotel	
% expiring	GLA	Rental	GLA	Rental	GLA	Rental	ha	Rental	GLA	Rental
Vacant	**2,0**	**–**	**1,6**	**–**	**2,3**	**–**	**20,7**	**–**	**17,9**	**–**
Month-to-month	**4,6**	**4,3**	**4,0**	**2,1**	**20,9**	**14,7**	**–**	**–**	**52,9**	**65,0**
FY2027	**14,2**	**16,5**	**27,8**	**33,6**	**14,5**	**22,5**	**–**	**–**	**29,2**	**35,0**
FY2028	**20,0**	**23,7**	**8,8**	**8,2**	**23,8**	**25,6**	**–**	**–**	**–**	**–**
FY2029	**16,3**	**18,1**	**17,5**	**19,0**	**15,5**	**17,0**	**–**	**–**	**–**	**–**
FY2030	**7,8**	**8,7**	**33,6**	**29,2**	**18,0**	**14,4**	**–**	**–**	**–**	**–**
FY2031	**12,0**	**11,6**	**1,1**	**2,8**	**3,7**	**4,8**	**–**	**–**	**–**	**–**
FY2032 and beyond	**23,1**	**17,1**	**5,6**	**5,1**	**1,3**	**1,0**	**79,3**	**100,0**	**–**	**–**
Total	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**

Dis-Chem at HAVN (2 Adderley Street) is included in retail and Absa at Habitat (132 Adderley Street) in office for lease expiry purposes.

Letting activity

Of the 106 758m² that came up for expiry, 71 946m² (67,4%) was retained with the same tenant. In addition, 98 leases over 24 640m² were signed before year-end for future commencement (2025: 56 leases over 19 975m²). Across the portfolio, 155 leases were renewed in the same unit at an average reversion of 2,5% below the expiring rental, while industrial renewals were concluded at an average uplift of 3,7%. The principal leases concluded during the period are summarised below.

Principal leases concluded	GLA m²	New rental R/m²	Expiring rental R/m²	Reversion %	Terms
Retail					
Emmarentia – national food anchor renewal	**3 840**	**181,00**	**132,56**	**36,5**	12 years, 6% escalation
Kempton Park – national food anchor renewal	**3 623**	**97,99**	**53,45**	**83,3**	Five-year renewal option exercised at market rate
Sun Valley Mall – national health club renewal	**3 000**	**170,00**	**240,00**	**(29,2)**	Five years, 6% escalation
Sun Valley Mall – national pharmacy renewal	**1 522**	**220,00**	**220,00**	**–**	Five years, 6% escalation
Industrial					
4 Clarke, Alrode – re-let to a logistics operator	**11 930**	**70,00**	**58,97**	**18,7**	Five years, 6% escalation
Brakpan – listed manufacturer renewal	**24 936**	**31,51**	**29,58**	**6,5**	Three years, 6% escalation
Wadeville – re-let to a manufacturer	**24 910**	**55,00**	**53,60**	**2,6**	Three years, 6% escalation
Mount Edgecombe – re-let to a global logistics operator	**18 135**	**78,69**	**78,20**	**0,6**	Three years, 6% escalation
Louwlardia – re-let to a listed motor group	**3 069**	**148,58**	**209,30**	**(29,0)**	Five years, 6% escalation
Denver – re-let to a global logistics operator	**8 558**	**53,00**	**63,11**	**(16,0)**	10 months
Office					
Melrose Arch – new letting to a financial services tenant	**899**	**210,00**	**Vacant**	**–**	18 months, 7% escalation
One Thibault – government tenant renewal	**5 665**	**176,00**	**183,00**	**(3,8)**	Two years, 6% escalation

Rentals are stated monthly per m². This includes leases concluded after the reporting date to the date of this report.

LIST OF PROPERTIES

Property	Address	GLA m²	Average monthly rent per m² (Rand)	Weighted average lease escalation %^	Weighted average lease expiry (years)^	Vacancy m²
RETAIL						
Tsakane[1]	Modjadji and Malandela Streets, Tsakane, Brakpan, Gauteng	19 834	192,47	6,55	2,92	177
Tembisa	Corner Andrew Mapheto Drive and Isimuku Road, Tembisa, Gauteng	26 402	272,94	6,29	3,37	–
Phokeng Mall	Sun City Main Road, Phokeng, North West	17 145	187,77	6,47	2,89	566
Shoprite Fish Hoek	54 Main Road, Fish Hoek, Western Cape	3 497	142,13	6,07	2,85	–
Shoprite Sea Point	Main Road, The Towers, Sea Point, Cape Town, Western Cape	2 636	215,50	6,02	8,81	271
Score Supermarket Itsoseng	President Mangope Drive, Itsoseng, North West	1 519	108,89	6,15	2,06	–
Siyabuswa Mall	Bongimfundo Street, Siyabuswa, Mpumalanga	26 459	187,50	6,28	2,02	87
Burgersfort Mall	Corner Dirk Winterbach Road and Mpumula Street, Burgersfort, Limpopo	15 248	244,62	6,46	1,42	–
Shoprite Athlone	Corner Birchwood and Cornhill Streets, Athlone, Western Cape	3 832	128,32	6,00	4,59	850
Shoprite Kempton Park	Corner West Street and Oak Avenue, Kempton Park, Ekurhuleni, Gauteng	6 855	64,71	6,64	0,05	162
Shoprite Emmarentia	Barry Hertzog Avenue, Emmarentia, Johannesburg, Gauteng	3 840	270,96	6,00	10,93	–
Shoprite Rustenburg	10 Kroep Street, Ou Dorp, Rustenburg, North West	8 567	151,69	6,07	5,05	1 064
Atlyn – Atteridgeville	Corner Phudufufu and Khoza Streets, Atteridgeville, Gauteng	30 868	187,13	6,44	2,39	2 144
Denlyn – Mamelodi	Corner Stormvoël and Maphalla Roads, Mamelodi, Gauteng	34 833	244,20	6,01	2,31	42
Victorian Village – Heidelberg	Corner Voortrekker and Jordaan Streets, Heidelberg, Gauteng	11 941	170,82	5,64	3,65	–
Thornhill – Polokwane	Corner Veldspaat Street and Munnik Avenue, Polokwane, Limpopo	12 649	170,97	6,23	2,42	13
Thabong – Sebokeng	Moshoeshoe Street, Sebokeng, Gauteng	34 504	197,73	6,48	4,01	–
Nkomo Village – Atteridgeville	49 Tlou Street, Atteridgeville, Gauteng	22 717	200,54	6,37	4,97	111
Soweto Day Hospital[2]	14475, Isixyxabesha Street, Extension 6, Protea Glen, Gauteng	1 379	5,92	–	–	1 379
Mnandi – Atteridgeville[2]	Maunde Street, Atteridgeville, Gauteng	8 717	141,41	5,78	5,01	279
14th Avenue District Shopping Centre	William Nicol Drive North and Constantia Drive, Roodepoort, Gauteng	25 550	161,60	5,28	5,36	–
Sun Valley Mall	Corner Noordhoek Main Road and Buller Louw Boulevard, Noordhoek, Western Cape	16 138	181,84	5,87	6,84	–
Helderberg Mall	De Beers Avenue and Forsyth Road, Somerset West, Cape Town, Western Cape	21 285	155,09	6,55	8,02	70
Total retail		**356 415**	**193,34**	**6,21**	**3,83**	**7 215**

^ *Calculated based on GLA.*

[1] *Tsakane: Heriot owns a 50% undivided share in the property. The table above reflects 50% of the property's GLA.*

[2] *Properties classified as held for sale at 30 June 2026.*

Safari assets.

Thibault assets.

LIST OF PROPERTIES continued

Property	Address	GLA m²	Average monthly rent per m² (Rand)	Weighted average lease escalation %^	Weighted average lease expiry (years)^	Vacancy m²
INDUSTRIAL						
Cleveland[1]	11 Cleveland Road, Cleveland Ext 5, Johannesburg, Gauteng	8 966	27,86	6,00	–	–
Louwlardia	875 and 876 Freight Road, Louwlardia, Centurion, Gauteng	3 069	87,19	8,00	5,00	–
Denver	65 Mimetes Avenue, Denver, Johannesburg, Gauteng	35 115	55,18	4,35	1,00	–
Mpact Pinetown	17 Oppenheimer Street, Pinetown, KwaZulu-Natal	23 867	55,06	6,00	2,00	–
Mpact Epping	Lossack Street, Epping Extension 2, Cape Town, Western Cape	28 894	57,14	6,50	3,51	–
Mpact Kuilsriver	40 Fabriek Street, Kuilsriver, Western Cape	20 409	47,75	7,00	2,67	–
Mpact Brakpan	1 Molecule Road, Vulcania, Brakpan, Gauteng	24 936	28,85	8,00	3,28	–
Wadeville	Corner Dekema and Lantern Roads, Wadeville, Ekurhuleni, Gauteng	24 910	51,83	6,00	3,25	–
Jupiter Park[2]	Corner Barlow Road and Cavaleros Drive, Jupiter, Elandsfontein, Gauteng	24 911	46,10	6,01	3,91	4 285
ABB Alrode	4 and 6 Clarke Street, Alrode, Ekurhuleni, Gauteng	17 452	67,28	6,36	2,81	–
Metro Devland	Corner East Street and Piston Road, Soweto, Devland, Johannesburg, Gauteng	6 635	72,70	8,00	2,92	–
Metro Hyper Windhoek	Erf 1211, Klein Kuppe, Windhoek, Namibia	13 500	94,66	6,33	0,65	–
Bloemfontein	19 Hoof Laan, Estoire, Bloemfontein, Free State	17 906	91,07	7,50	1,00	–
Mount Edgecombe	27 Siphosethu Road, Mount Edgecombe, Durban, KwaZulu-Natal	18 135	78,57	6,00	2,25	–
Total industrial		**268 705**	**57,85**	**6,32**	**2,40**	**4 285**

^ *Calculated based on GLA.*

1 *Property classified as held for sale at 30 June 2026.*

2 *Jupiter Park: Heriot owns a 50% undivided share in the property. The table above reflects 50% of the property's GLA.*

Property	Address	GLA m²	Average monthly rent per m² (Rand)	Weighted average lease escalation %^	Weighted average lease expiry (years)^	Vacancy m²
OFFICE						
Super Group[1]	27 Impala Road, Chislehurston, Sandton, Gauteng	3 702	167,56	6,00	2,17	–
Melrose Arch – Unit 9a	Unit 9a, 1st Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng	309	250,97	6,00	4,25	–
Melrose Arch 4th Floor	4th Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng	3 094	227,40	6,06	1,89	264
One Thibault – office[2]	17 Hans Strijdom Avenue, Cape Town, Western Cape	16 252	207,73	6,42	1,53	423
Meyersdal Office Park	Meyersdal Office Park, 65 Philip Engelbrecht Ave, Meyersdal, Alberton, Gauteng	4 991	109,54	7,63	1,46	245
Infinity Office Park	2 Robin Close, Meyersdal, Alberton, Gauteng	12 940	188,80	8,35	0,56	222
238 Roan Crescent	238 Roan Crescent, Corporate Park North, Midrand, Gauteng	9 035	119,77	6,00	3,84	–
Total office		**50 323**	**175,85**	**6,89**	**1,76**	**1 154**

^ *Calculated based on GLA.*

1 *Super Group: Heriot owns a 50% undivided share in the property. The table above reflects 50% of the property's GLA.*

2 *One Thibault – office: One Thibault Square is a 29-floor mixed-use development located in Cape Town's CBD. The property comprises commercial and residential spaces. The property has a total GLA of 29 199m², of which 4 923m² of residential space has been disposed of under a sectional title scheme. The building's remaining GLA is split between office and aparthotel components measuring 16 252m² and 8 024m², respectively.*

Thibault asset.

Katleho assets.

LIST OF PROPERTIES continued

Property	Address	GLA m²	Average monthly rent per m² (Rand)	Weighted average lease escalation %^	Weighted average lease expiry (years)^	Vacancy m²
SPECIALISED – PAPER PLANTATIONS (ha)[1]						
Lions Glen/Ihlati/Geluk/Gemsbokfontein	Lions Glen – North West; Ihlati – Holkrans, KwaZulu-Natal; Geluk – Mpumalanga; Gemsbokfontein – Limpopo	5 912	84,05	3,00	6,76	–
Hinze[2]	Farm Vlakplaats 201, KwaZulu-Natal	850	14,22	–	–	850
Newborough Grange[2]	Keerom 1190, Mpumalanga	690	89,35	–	–	690
Total specialised		**7 452**	**76,58**	**3,00**	**6,76**	**1 540**

^ *Calculated based on GLA.*

[1] *The specialised property comprises 7 452ha of paper plantation farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

[2] *Properties classified as held for sale at 30 June 2026.*

RESIDENTIAL						
Linksview[1]	13 Corlett Drive, Illovo, Johannesburg, Gauteng	2 430	132,54	5,82	0,20	435
Total residential		**2 430**	**132,54**	**5,82**	**0,20**	**435**

^ *Calculated based on GLA.*

[1] *Linksview: Heriot owns a 50% undivided share in the property. The table above reflects 50% of the property's GLA.*

APARTHOTEL[1]						
HAVN	2 Adderley Street, Cape Town, Western Cape	7 580	633,08	N/A	N/A	–
Habitat	132 Adderley Street, Cape Town, Western Cape	4 946	682,32	N/A	N/A	–
One Thibault – Hotel	17 Hans Strijdom Avenue, Cape Town, Western Cape	8 024	541,01	N/A	N/A	–
Finsbury Court – Horizon	289 Beach Road, Sea Point, Cape Town, Western Cape	2 500	235,01	N/A	N/A	–
Total aparthotel		**23 050**	601,55	N/A	N/A	N/A

^ *Calculated based on GLA.*

[1] *The aparthotel sector comprises properties located in Cape Town with a combined GLA of 23 050m². These assets are included in the residential/aparthotel sector for segmental reporting purposes. Seasonal trends dictate the occupancy levels for the sector. For the hospitality assets, the preferred metrics to report on are ADR and occupancies.*

Thibault asset.

LIST OF PROPERTIES continued

Property	Address	GLA m²	Average monthly rent per m² (Rand)	Weighted average lease escalation %^	Weighted average lease expiry (years)^	Vacancy m²
OTHER – UNDEVELOPED LAND AND PROPERTY UNDER DEVELOPMENT						
Lynnwood[1]	Corner Lynnwood and Rodericks Roads, Lynnwood, Pretoria, Gauteng	13 133	N/A	N/A	N/A	–
Mowbray – The Fibonacci[2]	Corner Main Road and Rhodes Avenue, Rosebank, Mowbray, Western Cape	5 532	N/A	N/A	N/A	–
Total other investment property and property under development		**18 665**	**N/A**	**N/A**	**N/A**	**N/A**
Total investment property and property under development		**719 588**	**152,02**	**6,30**	**3,10**	**13 089**

^ *Calculated based on GLA.*

[1] *Lynnwood: undeveloped land.*

[2] *Mowbray – The Fibonacci: property under development.*

Safari asset.



ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE



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Heriot seeks to deliver sustainable long-term value while making a positive contribution to society and the environment.

OUR APPROACH TO SUSTAINABILITY

Heriot is firmly committed to embedding sustainability into all aspects of our long-term decision-making processes. By doing so, we ensure that our initiatives deliver value for shareholders and employees and contribute positively to the communities in which we operate.

Integrating sustainability into our core strategies enables us to create enduring value, support growth and enhance the environmental and social fabric of our surroundings. This holistic approach reflects our belief that long-term business success is intrinsically linked to the health and well-being of the communities and environments in which we operate.

We recognise that ESG principles extend far beyond environmental concerns alone. Our approach to sustainability focuses on achieving tangible outcomes that create lasting value, drive growth and position Heriot as a responsible and proactive environmental steward. At the same time, we are committed to contributing meaningfully to societal well-being by promoting equitable development, supporting local communities and ensuring that our operations and investments reflect ethical and responsible practices.

Oversight of our sustainability strategy rests with the Board, which holds ultimate responsibility for ensuring its success and alignment with the Group's broader objectives. The development of specific ESG policies, procedures and initiatives is delegated to our Exco and allows for specialised, expert-driven policy creation and implementation. The Board regularly reviews these policies and monitors their impact on financial and non-financial performance, ensuring that strategies are effective, responsive to emerging trends and continuously improved. Through this structured and accountable governance approach, Heriot seeks to embed sustainability into its operations, positioning the Group to deliver long-term value while making a positive contribution to society and the environment.



Our approach to sustainability is strategically aligned with four key UN SDGs where we believe we can make the most significant and measurable impact.

By focusing our efforts on these priorities, we aim to drive meaningful change, integrate responsible practices into our operations and investments and contribute to global sustainability objectives while creating long-term value for our stakeholders.

Gender equality

We focus on creating an inclusive and equitable workplace that values diversity at all levels of the organisation. This includes implementing policies and practices that ensure equal opportunities for recruitment, development, promotion and leadership roles, regardless of gender. By fostering a culture of respect, inclusivity and empowerment, we aim to break down barriers, support career progression for all employees and contribute to broader societal gender equality goals.

Affordable and clean energy

We are committed to increasing the adoption of clean and renewable energy solutions across our operations. This includes investing in solar, wind and other renewable energy sources, implementing energy-efficient technologies and optimising building performance to reduce overall energy consumption. By supporting the transition to a low-carbon economy, we aim to lower operational costs, enhance energy security and contribute positively to environmental sustainability.

Decent work and economic growth

We prioritise creating a safe, healthy and engaging work environment that promotes the well-being of our employees. This includes providing opportunities for skills development, training and career advancement, enabling employees to reach their full potential. By supporting workforce development and economic participation, we contribute to the economic vitality of the communities in which we operate, pioneer innovation and strengthen our long-term organisational resilience.

Climate action

Our sustainability strategy incorporates proactive measures to reduce our carbon footprint, improve energy efficiency and enhance resilience to climate-related risks.

This includes integrating climate considerations into investment and operational decisions, adopting renewable energy solutions and implementing initiatives that support adaptation and mitigation. By taking decisive climate action, we aim to contribute to a sustainable future for our planet while ensuring the long-term viability and resilience of our operations.

Through our dedicated focus on these SDGs, we aim to maximise our positive impact on society, the environment and the economy. By integrating these goals into our operations, investment decisions and corporate culture, we seek to contribute meaningfully to global sustainability efforts, drive long-term value creation and support the transition to a more inclusive, resilient and low-carbon world.



ENVIRONMENTAL STEWARDSHIP

We place environmental stewardship at the heart of our long-term success. We manage resources responsibly to protect the planet and strengthen business resilience. We improve energy efficiency, optimise water use and advance effective waste management.

Our sustainability strategy balances environmental responsibility with business performance. We reduce our footprint while creating lasting value. We engage with employees, tenants and suppliers to foster a culture of responsibility and embed sustainable practices.

We drive national sustainability priorities beyond our operations by investing in projects that cut carbon emissions, conserve water and minimise waste. We strive to make a lasting positive impact on society and the environment by reinforcing our role as a responsible corporate citizen.

Reducing our carbon footprint

We recognise the urgency of climate change and commit to leading by example in reducing environmental impact. We cut carbon emissions and shrink our footprint as we work toward carbon neutrality.

In South Africa, where coal dominates energy supply and drives high sulphur dioxide emissions, we take decisive steps to transition to cleaner alternatives. We invest in renewable energy (especially solar) and implement efficiency measures that optimise systems, deploy new technologies and deliver measurable reductions.

These actions strengthen long-term resilience and accelerate the shift to sustainable energy. By collaborating with stakeholders and promoting best practices, we extend our impact beyond our operations. We aim to inspire employees, partners and communities to join us in building a sustainable, low-carbon future.



Improved energy efficiency

We monitor energy consumption and drive efficiency through key initiatives that form the foundation of our energy programme.

Solar PV systems

We adopted solar PV technology to reduce our reliance on the national grid, stabilise energy costs and ensure continuity during load shedding. This investment also cuts carbon emissions and supports our carbon-neutral goal.

Passive building design and maintenance

We design and maintain properties with energy efficiency in mind. By maximising natural light, improving insulation and using materials that limit heating and cooling needs, we minimise energy use and enhance building sustainability.

Inverter technologies

We deployed inverter technologies in our buildings to optimise energy use. By matching power supply with demand, these systems significantly reduce consumption, particularly in heating, ventilation and air conditioning operations.

LED lighting

We installed LED lighting across our properties to cut energy use. LEDs consume less power, generate less heat and reduce the need for cooling, which further enhances energy savings.

Renewable energy – generating our own power

We continue to cut energy consumption and environmental impact through strategic investments in renewable energy. By generating our own power, we reduce our reliance on the national grid and protect our tenants from an increasingly constrained and expensive municipal supply.

Solar plants with a combined installed capacity of 12,95MWp (2025: 13,71MWp) are operational across 14 of our retail centres. The comparative includes the plant at Platz am Meer, which was sold on 30 June 2025. The 370kWp plant at Shoprite Emmarentia (R4,9 million) generated 388MWh in its first full year of operation. Our internal solar team is installing a further 1 070kWp at 14th Avenue District Shopping Centre (R9,8 million) and 1 240kWp at Thabong Shopping Centre (R10,7 million), both due for completion in November 2026, which will lift capacity to 15,26MWp. In FY2027, the programme extends to the industrial portfolio, with 2 196kWp planned at Mpact Epping (750kWp), Mpact Kuilsriver (946kWp) and Imperial Mount Edgecombe (500kWp), taking capacity to 17,45MWp. A further 2,46MWp of solar capacity on Group properties is owned and operated by tenants and third parties and is excluded from these figures.

The plants generated 16 414MWh of clean energy (2025: 15 531MWh), an increase of 5,7% notwithstanding the sale of Platz am Meer, reducing carbon emissions by 11 028 tonnes (2025: 10 435 tonnes). This is equivalent to saving 44,9 million petrol kilometres (2025: 42,5 million), conserving 5 568 tonnes of coal (2025: 5 268 tonnes) or rehabilitating 4 476ha of forest land (2025: 4 235ha). Cumulative investment in solar infrastructure amounts to R135,4 million (2025: R128,4 million).

The returns on these installations compete with property acquisitions, and the programme reduces the total cost of occupancy for tenants, supporting retention and the competitiveness of our centres.

Water consumption

As municipal infrastructure and water delivery deteriorated, we accelerated the installation of boreholes to protect trading continuity and tenant operations. We now operate 29 boreholes, including backup boreholes, across 20 properties (2025: 14 groundwater harvesting plants), comprising 16 retail centres, three industrial properties and one office park. Our goal is to achieve water independence by capturing and reclaiming local water sources, which reduces our reliance on municipal supply and eases the pressure on the national water grid. We carefully manage these sources to maintain their cleanliness and sustainability, ensuring that they support our long-term operational resilience.

Beyond groundwater harvesting, we implement a wide range of initiatives to enhance water efficiency across our properties. We install aerators on taps to reduce flow without compromising functionality, adopt advanced air conditioning systems that consume less water and incorporate water-wise plants into landscaping to cut irrigation needs. Each measure helps to conserve this scarce resource while driving sustainable operations.

We also extend our water stewardship efforts to the communities we serve. We provide training, resources and equipment to schools and local groups through targeted projects, enabling them to achieve greater water independence. These initiatives empower communities to manage water more efficiently in agricultural areas, support food security and improve livelihoods.

By combining operational efficiency with community engagement, we safeguard our water use and contribute to broader water resilience. These actions reflect our commitment to building a sustainable future while uplifting the communities around us.

Waste management

We commit to playing an active role in environmental solutions by rigorously separating our waste into recyclable and non-recyclable categories. By doing so, we minimise landfill contributions, conserve natural resources and significantly reduce our overall environmental footprint.

We designate large yard areas for refuse sorting at our properties to enhance our waste management practices. Here, we carefully organise waste into specific recyclable product groups such as plastics, glass, paper and metals. This ensures that high volumes of waste are diverted from landfill and directed to productive reuse.

We collaborate with local community members who process these materials and prepare them for resale to recycling plants. This partnership supports national recycling efforts and stimulates local economic activity by creating income opportunities and promoting small-scale enterprise development.

Beyond operational benefits, our waste management programme cultivates awareness and accountability across our ecosystem. We engage tenants, employees and service providers to adopt responsible waste disposal practices to reinforce our shared commitment to sustainability.

These initiatives demonstrate how a disciplined, community-focused approach to waste management can deliver environmental and social impact. By recycling more and sending less to landfill, we take measurable steps to building a circular economy and advancing our long-term sustainability goals.

In our ongoing commitment to reducing waste, we have introduced several key measures to bolster operational efficiency and environmental responsibility. We partner with specialised waste management companies to ensure the proper sorting, recycling and recovery of recyclable materials. To make waste separation convenient and effective, we provide strategically placed recycling bins across all our properties for tenants and employees. We simultaneously promote a paperless business environment by lessening printing and paper use wherever possible to reduce waste generation. These initiatives form a vital part of our strategy to minimise waste, support sustainable practices and contribute positively to the broader community.

Our employees

We value the contributions of our dedicated employees and recognise that our long-term success depends on attracting skilled talent and encouraging a high-performance culture. We cultivate a diverse and inclusive workforce, providing opportunities for professional growth and development at every level. We equip employees with the essential resources, comprehensive training, advanced tools and dedicated leadership they need to make informed decisions and excel in their roles.

We create an environment where employees can continuously develop, feel supported and thrive, recognising that their success drives individual achievement and organisational performance.

Through mentoring, coaching and career progression programmes, we empower our workforce to reach their full potential while reinforcing a culture of collaboration, accountability and innovation.

Maintaining an ethical culture

We anchor our business practices in a strong corporate culture and clearly defined core values. Group executives engage regularly with employees through one-on-one meetings and team interactions to reinforce these values, inspire ethical decision-making and ensure consistent adherence to organisational standards.

We provide a safe, ethical workspace where employees can align their actions with our values and grow professionally. Our zero-tolerance policy for unethical behaviour is supported by comprehensive employee policies, a robust code of ethics and a governance framework that identifies, manages and mitigates ethical risks such as corruption and discrimination. When unethical conduct occurs, our disciplinary procedures outline clear, transparent steps for addressing the issue to ensure that we maintain the highest ethical standards across the organisation.

Through these initiatives, we nurture a skilled, empowered workforce that is guided by integrity and is underpinned by sustainable business success and a culture of trust, respect and accountability.

Integrity

Upholding honesty and strong moral principles in all actions and decisions.

Excellence

Striving for the highest quality and continuous improvement in performance.

Tenant-centricity

Prioritising the needs and satisfaction of tenants to enhance their experience.

Collaboration

Working together effectively with stakeholders to achieve common goals.

Respect

Valuing and honouring the contributions and perspectives of others.

Employee profile

We develop skills and promote internal advancement opportunities to build a workforce that mirrors the diverse demographics of South Africa. By prioritising talent cultivation, we open clear pathways for career growth that are accessible to all employees, empowering them to achieve their full potential in the organisation.

We drive workplace transformation with an increased focus on inclusivity, fairness and equal opportunity. We implement policies and practices that promote a diverse and equitable environment, which ensures that every individual can contribute meaningfully, grow professionally and succeed in their roles. This includes providing targeted training programmes, mentorship and leadership development initiatives designed to support under-represented groups and build capacity across the workforce.

We actively create a more representative and inclusive organisation through these efforts.

We value the unique perspectives, skills and experiences of our employees, recognising that harnessing this diversity strengthens innovation, collaboration and overall organisational performance. By combining skills development with sustained workplace transformation, we aim to cultivate a dynamic workforce that reflects the society we serve and positions our organisation for long-term, sustainable success.

	Black		White	
	Male[1] %	Female[1] %	Male %	Female %
Executive management	–	–	5	–
Senior management	–	3	4	3
Middle management	4	7	1	5
Skilled employees	15	17	4	8
Semi-skilled employees	6	1	–	1
Unskilled employees	7	9	–	–
Percentage of total	**32**	**37**	**14**	**17**

[1] *Black = African, Indian and Coloured.*

	2026	2025
Percentage of permanent employees (%)	**97**	100
Average age of employees (years)	**42**	42
Percentage of employees who are deemed historically disadvantaged (%)	**69**	71
Average tenure (years)	**5,0**	4,8
Female employees (%)	**54**	N/A

Employee turnover

We maintain a notably low annual employee turnover, which reflects the stability, satisfaction and engagement in our workforce. This allows us to operate efficiently, maintain continuity in business processes and build teams with deep institutional knowledge and experience. Experienced employees contribute to higher productivity, greater collaboration and the consistent delivery of high-quality results across our operations.

New appointments introduce diverse viewpoints, stimulate creative problem-solving and enhance our strategies by driving continuous improvement and innovation across all areas of the business.

We remain agile, dynamic and responsive to evolving business challenges and opportunities by balancing workforce stability with the strategic infusion of new talent. This creates a culture of continuous growth, learning and adaptation, which empowers our employees to develop professionally while ensuring that the organisation stays at the forefront of industry best practices and innovation.

	2026	2025
New appointments	**18**	12
Thibault employees	**–**	10
Dismissals	**(6)**	–
Resignations	**(8)**	(12)
Retirements	**–**	–
Other leavers (end of contract, transfer)	**(3)**	–
Net movement in headcount	**1**	10

Training and development

Over the past year, 46% of our employees (2025: 45%) participated in a wide range of training initiatives, which reflects our ongoing commitment to their professional growth and development. Recognising that our employees are central to our organisational success, we invest significant time, resources and financial support into building their skills, ensuring that our workforce remains adaptable, capable and ready to meet future demands and challenges.

We identify training needs through regular performance reviews and conduct annual assessments of our collective skill set. This allows us to pinpoint areas for improvement, prioritise development opportunities and allocate resources effectively to address skills gaps. By delivering targeted training programmes, we enhance our overall talent pool, promote succession planning and reinforce our commitment to employment equity across all levels of the organisation.

Our dedication to continuous learning cultivates a highly skilled, versatile and resilient workforce. Through ongoing development initiatives, employees acquire the expertise to navigate evolving industry trends, implement innovative solutions and contribute meaningfully to organisational goals. This proactive investment in skills development prepares our workforce for future growth and ensures that our organisation maintains a competitive edge, drives sustainable performance and advances a culture of learning, adaptability and excellence.

	2026	2025
Total number of employees trained	**31**	30
Employees who participated in training (%)	**46**	45
Investment in skills development and training (R)	**958 149**	793 525

We simultaneously seek to welcome new talent, recognising the value that fresh perspectives and innovative ideas bring to our organisation.

SOCIAL ENGAGEMENT

Corporate social investment

We are passionate about driving positive change in our local communities. Our approach to social responsibility is rooted in a commitment to people, transformation and meaningful community impact. We believe that long-term value is created not only through property investment but also through genuine social engagement.

With many of our properties located in South Africa's township and rural communities, we are uniquely positioned to promote transformation and inclusive economic growth. Through targeted and sustainable initiatives, we aim to uplift residents while contributing to long-term social and economic development. Our efforts focus particularly on education, as well as empowering young entrepreneurs and small businesses through skills development and networking opportunities.

Entrepreneurial networking

Through targeted partnerships, training initiatives and platform creation, we provided aspiring and established entrepreneurs with the tools and support needed to grow their businesses. This included strategic collaborations with organisations such as the Township Entrepreneurial Alliance ("TEA"), the Small Enterprise Development and Finance Agency ("SEDFA") and Ladies in Business Network SA, as well as ongoing support for impactful spaces like our The Ark@1349 entrepreneurial hub and our Puno Entle@1349 vegetable garden project. From supplier development workshops and business support sessions to work readiness and arts and culture programmes, our efforts were designed to unlock opportunities, encourage innovation and drive sustainable growth across township economies.



Sanitary Drive

To support underprivileged children in the communities surrounding its shopping centres, Heriot sponsored hygiene packs tailored for both girls and boys. Each girl received a drawstring bag containing a face cloth, bar of soap and sanitary pads, while each boy received a drawstring bag containing a roll-on deodorant, face cloth and bar of soap.

The initiative aimed to promote personal hygiene, restore dignity and provide essential hygiene products to learners who may otherwise have limited access to these everyday necessities.

The beneficiaries who were impacted by this project were:

	Boys	Girls	Value
Siyabuswa area	1 686	1 543	R207 566
Rustenburg area	1 014	965	R113 715
Burgersfort area	1 419	1 333	R181 646
Tembisa area	2 210	2 441	R264 816
Total cost			**R767 743**



Ladies In Business Network

Heriot provided space to the Ladies in Business Network ("LBN") at Nkomo Village and Mnandi, establishing key hubs for business meetings, workshops, entrepreneurial markets and expos. The vibrant flea markets at Atlyn Shopping Centre in recent years have also been hosted by LBN, showcasing the work of predominantly female entrepreneurs from Atteridgeville and surrounding areas. Signature events such as the "She is Boss Expo" and annual Christmas markets have each featured more than 100 stalls.

Through this partnership, LBN has grown from a grassroots initiative into a professional, national network. Paid membership increased from 50 to well over 200, social media followers surpassed 58 000, and mall activations expanded across three locations. Today, LBN supports members across the country and is preparing to launch regional chapters to extend its impact even further. Members affirm that this partnership has significantly transformed their businesses and their lives.

LBN officially launched its first Workshop and Office Hub at Nkomo Village on 20 June 2026, becoming a permanent tenant. The hub offers office and boardroom facilities, while also serving as a venue for entrepreneurship and skills development workshops, further supporting small business growth within the community.





Shapers Space

Launched by Shape Café and Heriot, Shapers Space is an entrepreneurship initiative designed to build and strengthen the local business network in Sebokeng and surrounding townships. The programme supports entrepreneurs through networking, workshops, training and access to market opportunities.

In February 2026, we launched a monthly Social Market, where 35 spots were offered for free to local entrepreneurs, with the first market of the year taking place on 28 February 2026. The market received an excellent response on social media both before and after the market. The participating entrepreneurs reported positive sales and expressed their appreciation for the opportunity to be part of this monthly initiative.



The Ark@1349

The entrepreneurial spirit is thriving in Atteridgeville, thanks to a dynamic collaboration between Heriot, Nkomo Village Shopping Centre and Pheliridge NPC. Together, these partners have not only created this vibrant collaborative trading space but also developed a support system and upliftment programme for many local brands and entrepreneurs.

As part of a commitment to securing additional partnerships, funding opportunities and mentorship programmes, the collaboration secured contributions worth R2 026 338 from SEDFA. Sixteen entrepreneurs benefited from the mentorship programme and the collaborative relationships established through this initiative.



Education is our Future

We know that giving is more than donating; it is about making a difference. With this mindset, we embarked on a journey with Education is our Future (NPO 160407), which is involved in the upliftment of literacy in rural schools. Their mission is to encourage and improve education primarily in township and rural areas, intending to develop future leaders for the country. All learners should have a chance at learning. Together, we launched the following intervention programmes:

Bud Mbelle Primary: Atteridgeville

Local artist Bodwa Khuzwayo assisted Heriot in beautifying the school's entrance wall, with most of the paint generously sponsored by Ryobi. Additionally, books donated by the SPCA in Heidelberg were added to the school library, further enhancing the learning environment. Inscape Design College students assisted with enhancing the Junior Phase classrooms and learning spaces and have committed to providing ongoing support in the future.

Nkomo Village has proudly supported Bud Mbelle Primary School's awards and graduation ceremonies for the past three years. This partnership demonstrates the meaningful impact that can be achieved when organisations collaborate with a shared purpose and a common vision to create lasting change within their communities.



Flavius Mareka High School

Flavius Mareka High School serves learners from highly disadvantaged backgrounds and relies on government support to provide many of its basic resources. In July 2025, Heriot, in partnership with Education is our Future, supported Flavius Mareka High School in revitalising its old library.

It was a privilege to spend the day with the matriculants, their teachers and inspirational role models during the school's Motivational Day in October 2025. Nkomo Village's Centre Manager worked closely with a number of stakeholders to deliver a memorable and impactful event.

A key partner was Cartel Event Company, which supplied the sound and audiovisual equipment and transformed the venue into a professional and inspiring space.



Thohoyandou Primary School

On 8 May 2026, Nkomo Village and its partners celebrated the official launch of the new library. It was a fun-filled and inspiring day that highlighted the enthusiasm and potential of the learners. The programme featured book readings and poetry recitals, showcasing the learners' passion for learning, creativity and self-expression.

We contributed paint, labour, Library Champion bars, as well as eight children's chairs and a table to furnish the library. Geobrug generously donated books to the value of R60 000, significantly expanding the school's collection.



Other school support in Sebokeng

At the start of the 2026 school year, the Thabong Shopping Centre team visited several of its partner schools to welcome learners back to school and encourage them as they embarked on a new academic year. During these visits, Thabong distributed branded stationery sets to learners, while Roots Butchery generously donated 112 school bags, which were shared among the participating schools. The schools visited included:

- Siviwe Primary School, Zone 10;
- Boiketlong Christian Primary School; and
- Motlotlo Primary School, Zone 14.

Boiketlong Christian Primary School

Boiketlong Christian Primary School is located in Sebokeng, near Thabong, and currently accommodates approximately 700 learners from the nearby informal settlement along Moshoeshoe Street. The school is in dire need of support. To commemorate Mandela Day 2025, Heriot sponsored a mobile library unit stocked with 200 books and donated toner for the school's photocopier. Tenants from Thabong Shopping Centre have continued to support the initiative by regularly donating reams of photocopy paper, ensuring that teachers have access to essential classroom resources. As part of the Mandela Day activities, the Heriot team, together with local organisations and volunteers, painted the school's entrance wall and gate, creating a brighter and more welcoming environment for learners, staff and visitors.

During May 2026, Boiketlong Christian Primary School demonstrated encouraging progress in teaching quality, learner engagement and school management practices. Noticeable improvements were observed in literacy instruction, classroom support and the effective utilisation of available resources.





Growing the arts in Atteridgeville

Nkomo Village Shopping Centre in Atteridgeville has become a vibrant, creative hub where aspiring and established artists can learn, collaborate, and gain exposure for their work.

The 2025 Arts Competition, themed "The Art of Me," was more than just a competition – it was a celebration of local creativity and self-expression. Artists and schools from across the community were invited to participate, with the finalists exhibiting their artwork in the main court at Nkomo Village Shopping Centre. A judging panel comprising respected South African artists selected the winners across the various categories.

The annual Arts Competition traditionally concludes with an awards ceremony sponsored by Heriot, celebrating the achievements of the participating artists and recognising their dedication and creativity. Beyond the awards, the programme has fostered a strong sense of community among participants.

The programme has also created tangible economic opportunities for local artists. Following the success of the initiative, three participating artists were commissioned to design and paint murals at the newly redeveloped Atlyn Shopping Centre, providing them with valuable professional experience while showcasing local talent within the public environment.



Funda Nathi

The Funda Nathi programme brings learning opportunities to our communities through educational tours, exhibitions, reading and public speaking campaigns, competitions, environmental awareness programmes and by featuring learners on local radio.

Learners first participate at school level, with the final competition hosted at Denlyn Shopping Centre, where each participant proudly receives a medal. Denlyn sponsors trophies for the 1st, 2nd and 3rd place winners in the spelling bee, word raffle, reading impromptu and book review competitions. Feedback from school principals has been overwhelmingly positive, noting that the initiative significantly boosts the confidence and enthusiasm of all participating learners.

Denlyn Shopping Centre proudly hosted the Funda Nathi Public Speaking Competition at the end of 2025, welcoming learners from various schools. The competition aimed to enhance critical thinking, leadership, confidence and creativity among the youth. The event also provided valuable networking opportunities for teachers and learners and served as a vibrant showcase of young talent. In collaboration with the Siyakha Youth Foundation, the Denlyn team holds feedback sessions with teachers who support the programme. These sessions provide an opportunity to reflect on successes, discuss challenges and identify areas where the Denlyn team can improve.

The Funda Nathi programme concludes each year with a Teacher Appreciation initiative, recognising the individuals who generously contributed their time, resources and effort to support the programme. Each teacher was surprised at their school with a hand-picked gift from Denlyn Shopping Centre.

In January 2026, Denlyn Shopping Centre partnered with Voice It In Action under the A Re Tshwaraneng Initiative to host a two-day Back-to-School campaign aimed at preparing learners for the new academic year. It was repeated in March and July 2026. The initiative was designed to restore dignity, improve preparedness and reduce barriers to learning for children from under-resourced communities.



Shoe Drive – Mamelodi West

As part of the Funda Nathi programme, Denlyn Shopping Centre conducted a Back-to-School Shoe Drive aimed at supporting learners in need at partner primary schools. School visits were conducted at Umthombo Primary, Shirinda Primary, FF Ribeiro and Agnes Tshidi Primary School plus additional schools visited on 30 January 2026.

A total of 90 pairs of school shoes were distributed to underprivileged learners who required uniform support at the start of the academic year. The initiative aimed to restore dignity, improve school readiness and ease the financial burden on families.



Curro Chess and Robotics

Hosted by Funda Nathi in collaboration with Curro Academy, this exhibition provided an interactive platform for learners to develop their skills in robotics and chess. Participants showcased their robotics projects through engaging presentations and hands-on demonstrations, highlighting their creativity, technical knowledge and problem-solving abilities.



Little Denlyn Stars

At Denlyn Shopping Centre, the Little Denlyn Stars programme is steadily taking shape. Learners are introduced to the world of shopping, participate in educational games, and, through a partnership with Capital Live FM, explore the exciting field of radio broadcasting. By taking part in "on-air" discussions and live broadcasts, learners gain confidence in public speaking while being exposed to new skills and opportunities.

The team also introduced a unique literacy programme by transforming one of the mall's passages – from McDonald's to Vodacom – into a walkway lined with books. Children are hosted in this space, guided through reading sessions to ensure comprehension, and encouraged to share their experiences through book reviews and storytelling. The programme has since expanded to include a creative writing component.

During February 2026, Denlyn Shopping Centre conducted a Valentine's-themed outreach to local pre-schools, focusing on values-based education. The initiative aimed to teach young children the true meaning of love, emphasising kindness, caring, sharing and helping others. The programme included storytelling, interactive learning sessions and creative activities.

Denlyn Shopping Centre also commemorated World Read Aloud Day through a school visit to FF Ribeiro Primary School, focusing on literacy development and learner engagement. The objective was to encourage a reading culture and improve comprehension skills among young learners.



Puno Entle@1349: Agricultural empowerment

The Puno Entle@1349 community vegetable garden, established at Nkomo Village, is built on the belief that lasting change begins with planting seeds of opportunity. The initiative promotes food security, environmental sustainability, skills development, and entrepreneurship.

During September 2025, the Puno Entle@1349 agricultural team and 12 community participants attended a practical agricultural training session in Hammanskraal, where they gained hands-on experience in home-based farming techniques, organic fertiliser production and the preparation of natural pesticides.

By November 2025, the community garden had flourished, with significant progress made in planting, harvesting and organising the garden. To further strengthen the project, Heriot entered into a partnership with Food & Trees for Africa in February 2026. Through this collaboration, community members participated in an intensive three-month agricultural development programme, which concluded in June 2026. The training combined classroom learning with practical application and engaged more than 85 community members, volunteers and project beneficiaries.



Other relationships built and organisations supported

Halaletsang Safety Home

This shelter is home to 48 abandoned and abused children between the ages of 5 and 18. Previously, they lived in the clubhouse of unused sports facilities, where Jacaranda FM sponsored beds and blankets.

On Mandela Day, 18 July 2025, Absa's Fraud Division, in collaboration with Atlyn Shopping Centre supported Halaletsang with garden and facility clean-ups, while also donating food, blankets and other essentials. In addition, Atlyn Shopping Centre and Mnandi Shopping Centre donated a four-plate stove valued at R5 000. Heriot, in partnership with Royal Butchery at Atlyn Shopping Centre, continues to support Halaletsang with food during the festive seasons. Several contractors associated with Heriot and the Institute of Interior Design have also contributed by supplying baths, showers and wash basins.



Sebokeng Old Age Home

Thabong Shopping Centre established a relationship with the Sebokeng Old Age Home in 2018 when it was selected as one of the beneficiaries of the Reno Redo project.

In December 2025, Steven Herring spent time with the residents of the Sebokeng Old Age Home ahead of the Christmas festivities, treating them to boerewors rolls and sharing in the festive spirit. Roots Butchery generously donated the boerewors and rolls, while Thabong Shopping Centre contributed essential groceries to support the home during the festive season, reinforcing its commitment to caring for vulnerable members of the community.



Heriot Cupcakes of Hope

In September 2025, 14th Avenue District partnered with Cupcakes of Hope as part of the organisation's community fundraising campaigns to support children battling cancer.

Volunteers baked cupcakes, which were sold to shoppers at the centre to raise funds for the cause. Several tenants also supported the initiative by sponsoring lunch and coffee for the volunteers. The campaign made a meaningful contribution to the organisation's fundraising efforts and, due to its success, will form part of 14th Avenue District's CSI strategy going forward.



Patch-Up SA

Denlyn Shopping Centre partnered with Patch-Up South Africa to support 80 families with groceries, clothing and lunch on Mandela Day. The day also featured live entertainment, including music, dancing and vibrant community engagement.





Impilo Tennis Club

Denlyn Shopping Centre's partnership with Impilo Tennis Club began in February 2023 when the club approached the centre for sponsorship. Rather than providing once-off donations, Denlyn focused on building a sustainable relationship centred on youth development and community empowerment.

In December 2025, Impilo Tennis Club hosted a community tennis tournament at the Mamelodi West tennis courts to promote youth development and expose young people to structured sport. The initiative encouraged participation, discipline and talent development among aspiring players, with Denlyn Shopping Centre continuing its role as a proud community partner.

Building on this success, Denlyn Shopping Centre hosted the Impilo Tennis Development activation in the parking bays at the taxi rank's side. The initiative focused on introductory tennis coaching and youth skills development.

Siyahlala Athletics Club

The athletics club is a development-focused athletics organisation based in Atteridgeville, dedicated to nurturing local talent and producing exceptional athletes who excel in athletics. The club is committed to creating opportunities for athletes – particularly those from disadvantaged backgrounds – by providing a pathway for both athletic and personal growth. We visited the club and reached out to a local shoe supplier, Runaway Sports, to request assistance with running and spiked shoes for the sprinters. In September 2025, they generously donated previously owned shoes as well as brand-new demo shoes to the value of R100 000.



Easter Basket of Blessings at Nkomo Village

Our Easter Basket of Blessings initiative was once again a tremendous success. Since its launch in 2021, the initiative has continued to grow, and this year, we achieved a remarkable milestone by supporting more than 50 households through the Greenhouse Centre in Saulsville on 2 April 2026. This achievement was made possible through the generosity of our loyal shoppers, during the months of March and April, and together with the valued support of Boxer Nkomo Village, Roots Butchery Nkomo Village and Pheliridge NPC.



Boulder Journey Pre-school

In 2025, we celebrated Mandela Day by donating 20 waterproof sleeping mattresses, 100 Thornhill activity booklets, and packs of crayons to the learners. At the end of 2025, Thornhill Shopping Centre supported the school with its graduation ceremony. As part of the celebration, the centre spoiled the kids with popcorn and refreshments.

Victorian Village

Victorian Village adopted the interrogation room for abused women and children at the Heidelberg Magistrate's Court as a CSI project.

On Mandela Day in July 2025, a team from Victorian Village visited the court and donated two children's tables with eight chairs, five bean bags and paint. Larger toys collected through the Victorian Village donation bin were also handed over. Victorian Village further contributed colouring crayons and colouring sheets, while Wimpy donated sticker activity books to help keep children entertained.

Our second-hand donation box at Victorian Village is working wonderfully well. Donations have doubled, allowing us to contribute to Lesedi Community Support on a weekly basis. They have also extended their reach by assisting more communities in need in the surrounding rural areas of Heidelberg.



CORPORATE GOVERNANCE OVERVIEW

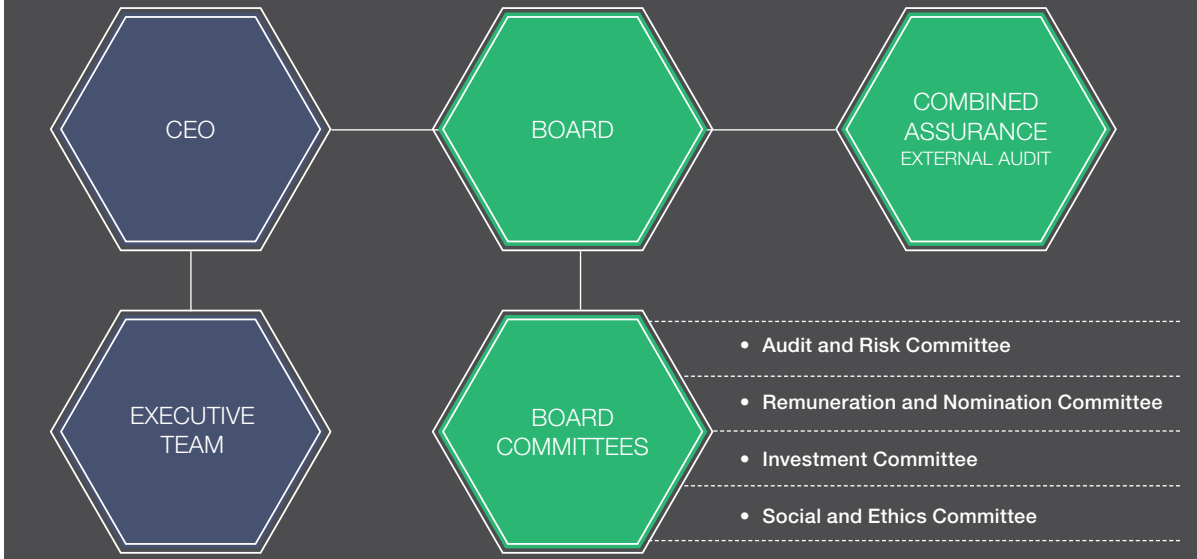
The Board upholds high ethical standards and aligns its practices with global best practices in corporate governance. It drives a culture of integrity, transparency and strategic foresight, ensuring that all organisational activities reflect the Group's core values.

The Board holds executive management accountable for implementing the Group's strategy, creating an ethical workplace and managing risk effectively. It works closely with subcommittees and the executive team to make timely decisions, manage responsibilities efficiently and maintain oversight of operational and strategic performance. While the Board maintains overall control, the executive team (including senior management) takes responsibility for executing the Group's strategy and managing daily operations, including property management.

To guide its work, the Board has established a detailed charter that defines the roles, responsibilities and authority of its members, including the Chairman, Executive Directors and Non-executive Directors. The charter outlines corporate governance practices, Board meeting procedures and protocols for nominating, appointing, inducting, training and assessing Directors. A key feature of this framework is the separation of the Chairman and CEO roles to ensure a balanced distribution of power and to prevent any individual from dominating the decision-making process.

The Chairman facilitates Board discussions, encourages independent input and ensures that all perspectives are considered. The CEO and CFO take responsibility for implementing the Board's strategic direction, managing operations and delivering results. This governance structure fosters accountability, promotes balanced decision-making and reinforces a culture of ethical leadership across the organisation.

Our approach to governance



OUR BOARD OF DIRECTORS

Board of Directors

Heriot is governed by a unitary Board comprising seven Directors, designed to provide a balance of operational expertise, strategic insight and independent oversight. The Board includes two Executive Directors who manage the daily operations of the Company, ensuring that strategic decisions are translated into effective business execution.

The remaining five Non-executive Directors contribute an independent perspective to Board deliberations, bringing external experience, objectivity and strategic guidance that enhance decision-making. Of these five Non-executive Directors, three are classified as independent, reinforcing the Board's ability to exercise unbiased oversight and challenge management decisions when necessary.

The Board's carefully balanced composition, combining Executive and Non-executive Directors with a substantial number of independent members, strengthens governance by promoting accountability, transparency and robust deliberation.

Selwyn Blieden was appointed as the Lead Independent Non-executive Director to strengthen the independence of the Board.

The Board can provide effective leadership, guide strategic direction and maintain rigorous oversight of the Company's operations, risk management and ethical standards in support of sustainable long-term value creation for all stakeholders.

Number of Board members	7
Board members who are non-executive	5
Board members who are deemed independent	3
Board members who are deemed historically disadvantaged South Africans	1
Board members who are women	0

The Directors of the Company for the year under review and at the date of this report are as follows:

Non-executive Directors	• Steven Bernard Herring (Chairman) • Andile Mazwai
Independent Non-executive Directors	• Selwyn Joel Blieden (Lead Independent Director) • Robin Lockhart-Ross • Gregory James Heron
Executive Directors	• Richard Lawrence Herring (Chief Executive Officer) • Daniel Snoyman (Chief Financial Officer)

Board skills

We are satisfied that the Board's composition reflects the appropriate mix of skills, knowledge, qualifications, diversity, experience and independence.

	Steven Bernard Herring	Richard Lawrence Herring	Daniel Snoyman	Gregory James Heron	Selwyn Joel Blieden	Andile Mazwai	Robin Lockhart-Ross
Accounting and auditing	√	√	√	√	√	√	√
Governance and compliance	√	√	√	√	√	√	√
Leadership	√	√	√	√	√	√	√
People management and remuneration	√	√	√	√	√	√	√
Property management	√	√	√	√	√	√	√
Risk management	√	√	√	√	√	√	√
Strategy	√	√	√	√	√	√	√
Sustainability/ESG	√	√	√	√	√	√	√

Board members' curricula vitae



IC SEC

Executive Director
Richard Lawrence Herring (54)
Chief Executive Officer
CA(SA)
Appointed: 2003

Richard is a qualified chartered accountant who began his career with Fisher Hoffman Sithole, where he completed his articles. In 2003, he joined Heriot, where he played a pivotal role in building and expanding the Heriot portfolio. Over the years, Richard has been instrumental in the Company's success and, today, he serves as the CEO of Heriot. In his role, Richard is responsible for overseeing the management, growth and development of the portfolio, steering the Group's strategic direction and ensuring the continued enhancement of its assets and operations.



IC

Executive Director
Daniel Snoyman (39)
Chief Financial Officer
CA(SA), BCom, Higher Diploma (Accounting)
Appointed: 1 December 2022

Daniel earned his degree in Business Accounting Science and a Higher Diploma in Accounting from Witwatersrand University in 2010 and completed his articles at PKF (now BDO). He qualified as a chartered accountant in 2013. On 1 November 2017, he joined Heriot as Financial Manager, bringing with him strong expertise in property and financial management. Before joining Heriot, Daniel managed the financial and operational aspects of a substantial non-listed portfolio of more than 300 residential properties redeveloped in the Johannesburg CBD. He applied his accounting knowledge and hands-on management skills to oversee complex property redevelopments and ensure sustainable performance. At Heriot, Daniel leverages this extensive background and his accounting expertise to strengthen financial management and support the Group's growth. His experience in managing diverse property portfolios continues to add significant value to his role and to the Company's success.



IC RNC

Non-executive Chairman
Steven Bernard Herring (55)
Chairman
Undergraduate Degree in Marketing (University of Johannesburg), Master of Business Administration (Heriot-Watt University)
Appointed: 1998

Steven founded Heriot Properties in South Africa in 1998, starting with a modest office and a clear vision for growth. He focused on acquiring industrial properties with blue-chip covenants, securing stable and long-term cash flows. Through these strategic investments, he expanded Heriot Properties' footprint with numerous industrial assets across South Africa, all anchored by reputable tenants. In 2003, Steven assembled a team of professionals and led the Company's expansion into retail shopping centre development. He targeted CBDs, rural towns and township areas, successfully developing more than 20 malls. By attracting national brands as tenants, he reinforced Heriot's sustainable cash flow model and positioned the Company as a trusted retail developer. The business community recognised Steven's entrepreneurial achievements in 2011, when he received the Johnnie Walker Jewish Entrepreneurial Award. On 18 April 2017, Heriot appointed him as Chairman, formally recognising his vision, leadership and sustained commitment to the Company's long-term success. Heriot now has assets in South Africa of R14 billion.



SEC

Non-executive Director
Andile Mazwai (55)
BCom (Hons), BCom Economics
Appointed: 30 September 2024

Andile is the Chairman of Bidvest Bank Limited and Alexander Forbes Investments Unit Trusts. He is the CEO of and a black shareholder in CBD Investments Proprietary Limited, an affiliate of Heriot, and an indirect shareholder in Katleho, a 75%-held subsidiary of Heriot. Andile is a Chartered Stockbroker and a former director of the JSE, where he chaired the Self-regulatory Organisation Oversight Committee. Heriot appointed Andile to the Board as a Non-executive Director and Chair of the Social and Ethics Committee with effect from 30 September 2024, and recognises his extensive expertise, governance insight and commitment to ethical leadership.

Committees

ARC Audit and Risk Committee
IC Investment Committee
RNC Remuneration and Nomination Committee
SEC Social and Ethics Committee

The Non-executive Directors contribute a diverse range of industry skills, knowledge and experience to the Board, enhancing its decision-making processes. They bring independent perspectives, strategic insight and sector-specific expertise that strengthen governance, guide risk management and support the formulation and execution of the Group's long-term strategy. By providing objective oversight and challenging management constructively, the Non-executive Directors ensure that decisions are well-informed, balanced and aligned with the best interests of stakeholders.



ARC RNC

Independent Non-executive Director

Robin Lockhart-Ross (69)

CA(SA), BCom, Higher Diploma (Accounting), BCom (Hons) (Tax), MAcc (Tax)

Appointed: 18 September 2019

Robin is a chartered accountant who also holds a Masters in Accounting (Tax) from the University of Natal. After completing his articles at Pim Goldby (now Deloitte) in 1982, he worked as Senior Tax Officer at the South African Revenue Service before joining PricewaterhouseCoopers in 1986 as a tax manager. In 1999, Robin became Head of Risk at BoE Corporate: Property and Asset Finance, where he also served as Interim Managing Executive of NBS Home Loans. In 2003, he moved to Nedbank Property Finance as Head of Risk, a role he held for 12 years. During this period, he strengthened the division's risk framework and guided the business through significant market cycles. Robin led Nedbank CIB: Commercial Property Finance as Managing Executive from November 2014 to June 2018. In this capacity, he chaired the divisional management committee, risk committee and investment committee. He also served as a member of the CIB executive committee, risk committee and divisional credit committee, playing a pivotal role in shaping the bank's property finance strategy. Robin also serves as an Independent Non-executive Director of Octodec Investments Limited and Trematon Capital Investments Limited.



ARC RNC

Lead Independent Non-executive Director

Selwyn Joel Blieden (54)

PhD (Cambridge), CFA

Appointed: 7 June 2017

Selwyn co-heads Caleo Private Equity, where he directs private equity investments across South Africa and multiple international markets. From 2015 to mid-2019, he led Absa Bank's (formerly Barclays Africa) commercial property finance division across Africa, excluding South Africa. Before joining Absa, Selwyn spent 12 years at Rand Merchant Bank, where he co-founded and managed the Opportunities in Global Real Estate portfolio, growing it to include international property assets exceeding US$250 million. He also structured and managed large-scale property developments in Nigeria as part of the RMB Westport team, the bank's private equity real estate subsidiary. Earlier, Selwyn consulted for McKinsey & Company's Johannesburg office, advising clients across multiple African countries on strategic and operational initiatives.

Selwyn holds a CFA Charter and a PhD in Mathematics from the University of Cambridge. He combines advanced analytical expertise with extensive experience in financial services and real estate investment.



ARC IC SEC

Independent Non-executive Director

Gregory James Heron (61)

CA(SA)

Appointed: 8 October 2024

Gregory is a chartered accountant with over 30 years of experience in corporate, structured and property finance, which is complemented by extensive operational exposure across a variety of businesses. He also serves as CEO of Infinitus Holdings, an investment company that managed a portfolio primarily focused on fast-moving consumer goods and retail sectors. Previously, Greg led Leaf Property Fund, a prominent unlisted property fund specialising in the office and commercial sectors. At Leaf, he directed the repositioning of the fund, including the strategic disposal of a substantial portfolio of assets to optimise performance. Greg also serves on the boards of various unlisted companies and acts as the Independent Chairman of SA Corporate Real Estate Limited, a JSE-listed REIT. Heriot appointed Greg as a Non-executive Director on 8 October 2024, and recognises his extensive financial expertise, strategic leadership and governance experience.



Committees

- ARC Audit and Risk Committee
- IC Investment Committee
- RNC Remuneration and Nomination Committee
- SEC Social and Ethics Committee

Functions and responsibilities of the Board

The Board's functions and responsibilities, as detailed in the Board charter, encompass a broad range of critical oversight and strategic duties:

- **Adopting strategic plans:** The Board is responsible for formulating and approving strategic plans and ensuring their effective execution by the executive team. This includes setting long-term objectives and priorities for Heriot.
- **Ensuring compliance:** The Board must ensure that Heriot adheres to all relevant laws, regulations and codes of business conduct, thereby promoting ethical practices and legal compliance throughout the organisation.
- **Establishing a governance framework:** The Board is tasked with creating and maintaining a robust governance framework that outlines the delegation of authority and ensures clear lines of responsibility and accountability in the organisation.
- **Managing risk:** The Board oversees the management of risks to support Heriot's strategic goals, identifying potential risks and ensuring that appropriate mitigation strategies are in place.
- **Monitoring operational performance:** The Board monitors Heriot's operational performance by comparing actual results against predetermined budgets and targets to ensure that performance aligns with strategic objectives.
- **Offering strategic guidance:** The Board provides strategic guidance to Heriot, including the appointment of the CEO and the establishment of a succession plan to ensure leadership continuity.
- **Conducting affairs responsibly:** The Board is responsible for ensuring that Heriot's operations are conducted responsibly and professionally and uphold the Company's reputation and ethical standards.
- **Promoting corporate governance:** The Board promotes strong corporate governance practices to maintain transparency, accountability and trust among stakeholders.
- **Reviewing financial objectives:** The Board reviews and approves Heriot's financial objectives, plans and actions, including significant capital allocations and expenditures, to ensure financial stability and growth.
- **Sustaining internal controls:** The Board reviews processes and procedures to maintain the efficacy of Heriot's internal control systems to ensure high levels of decision-making capability and reporting accuracy.
- **Safeguarding investor relations:** The Board safeguards the integrity of the Group's investor relations, ensuring clear and accurate communication with investors and maintaining their confidence.
- **Upholding stakeholder obligations:** The Board upholds its obligations to all stakeholders and ensures that their interests are considered and addressed in the Group's decision-making processes.

Board appointment process

Following the JSE Listings Requirements, all Directors, with the exception of Robin Lockhart-Ross, who received an exemption, completed a formal induction programme provided by the Institute of Directors. The programme is designed to familiarise Directors with Heriot's governance framework and to ensure a clear understanding of their roles, responsibilities and fiduciary duties.

The Board follows a formal and transparent process for the appointment and re-election of Directors, guided by the recommendations of the Remuneration and Nomination Committee. In considering the appointment or re-election of a Director, due regard is given to the appropriate balance of knowledge, skills, experience, diversity, independence and capacity required to support the Group's strategic objectives and the effective functioning of the Board.

In accordance with the Company's memorandum of incorporation ("MOI"), Steven Bernard Herring and Robin Lockhart-Ross will retire by rotation at the forthcoming AGM and, being eligible, have offered themselves for re-election by shareholders.

In accordance with the JSE Listings Requirements, independent fit and proper assessments were conducted in respect of Steven Bernard Herring and Robin Lockhart-Ross recommending their re-election. The assessments included appropriate background checks and the independent verification of their qualifications.

Dealing in securities

Heriot enforces a strict securities trading policy to prevent insider trading and conflicts of interest. The Board activates this policy during closed periods, such as prior to financial results announcements and at other key times it determines.

The Company Secretary administers the policy, while the Chairman grants trading clearance during open periods. If the Chairman is unavailable or a conflict arises, the Lead Independent Director assumes this responsibility.

Directors disclose their shareholdings, additional directorships and potential conflicts of interest to the Chairman and Company Secretary each year. The Board records these disclosures and reconfirms them at every Board and committee meeting to maintain transparency and uphold the integrity of the Company's governance practices.

Directors' personal interests

We maintain a full list of Directors' interests. At the beginning of each Board meeting, Directors are required to confirm that their interests, as previously disclosed, remain current. In line with best practice and Section 75 of the Companies Act, Directors are required to recuse themselves from any discussion and decision in which they have a financial interest.

Board committees

While the Board retains overall responsibility and accountability, its committees assist in discharging responsibilities and duties. The committees operate with full transparency and the minutes of their meetings are made available to all Directors. The Board maintains unrestricted access to the external auditor, professional advisors, executives and employees, and to the services of the Company Secretary. Directors may also seek independent advice, at the Company's expense, to ensure they execute their duties and responsibilities effectively and in the best interests of the Company.

The Board has delegated certain responsibilities to the following Directors:

Audit and Risk Committee	Remuneration and Nomination Committee	Investment Committee	Social and Ethics Committee
Selwyn Joel Blieden[1]	Robin Lockhart-Ross[1]	Steven Bernard Herring[1]	Andile Mazwai[1]
Gregory James Heron	Selwyn Joel Blieden	Richard Lawrence Herring	Richard Lawrence Herring
Robin Lockhart-Ross	Steven Bernard Herring	Gregory James Heron	Gregory James Heron
		Daniel Snoyman	

[1] *Chairman.*

Meeting attendance

Quarterly Board meetings are held, with additional meetings scheduled as necessary. The Company Secretary attends all Board and committee meetings. Executive Directors and invited attendees do not receive attendance fees. External advisors and non-committee Directors may be invited to committee meetings as needed. The attendance register for each Board and committee meeting for the year ended 30 June 2026 is detailed as follows:

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee
Steven Bernard Herring *(Chairman)*	4/4[2]	3/3[1]	2/2	
Richard Lawrence Herring	4/4	3/3[1]		1/1
Daniel Snoyman	4/4	3/3[1]		1/1[1]
Selwyn Joel Blieden	4/4	3/3[2]	2/2	
Robin Lockhart-Ross	4/4	3/3	2/2[2]	
Gregory James Heron	4/4	3/3		1/1
Andile Mazwai	4/4			1/1[2]

[1] *Attended by invitation.*

[2] *Chairman.*

Audit and Risk Committee

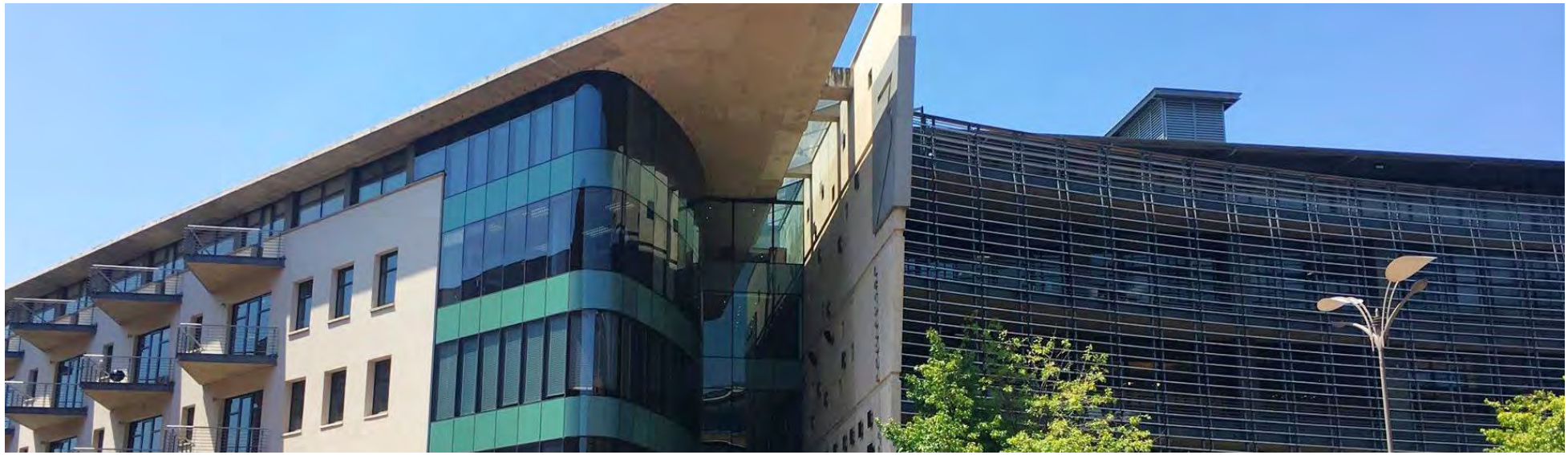
The Board appoints members to serve on the Audit and Risk Committee, with all appointments subject to shareholder approval at the Company's AGM. The committee meets at least three times a year and convenes additional meetings as required. The Board annually reviews and endorses the committee's charter, which governs its operations.

Committee members have unrestricted access to all information, documents and clarifications necessary to perform their duties effectively, including direct access to the external auditor when needed.

The committee's responsibilities include:

- conducting an annual review of the Company's finance function;
- confirming the independence and objectivity of the external auditor and recommending their appointment or reappointment to shareholders;
- ensuring adherence to best practices in corporate governance;
- managing the audit process and maintaining the relationship with the external auditor;
- overseeing the implementation of an effective risk management plan;
- overseeing the preparation of accurate financial reports and statements in compliance with legal requirements and accounting standards; and
- safeguarding assets and maintaining effective internal controls.

The Board is confident that the Audit and Risk Committee members possess the necessary skills and experience to contribute effectively to the committee's responsibilities.



Remuneration and Nomination Committee

The Remuneration and Nomination Committee establishes clear and transparent processes for Board appointments, Directors' remuneration and executive compensation, as defined in its terms of reference. Guided by King V™ principles, an Independent Non-executive Director chairs the committee. The committee carries out its responsibilities according to the Board-approved terms of reference, which include:

Remuneration matters	Nomination matters
• Approving service agreements for the CEO and Executive Directors, including termination payments and compensation commitments; • Determining the total remuneration package for the CEO and each Executive Director, including, where applicable, bonuses, incentive payments and share options or conditional rights, in line with the agreed framework; • Overseeing significant changes to employee benefit structures across the Company; • Preparing a remuneration report for inclusion in the Company's integrated report; • Recommending the Chairman's and Non-executive Directors' fees to the Board for shareholder approval at the AGM; • Reviewing relevant market data on remuneration-related issues; and • Setting and agreeing the remuneration framework for the CEO, CFO and other members of the executive management team.	• Assessing the Board's training and development needs; • Conducting periodic evaluations of the effectiveness and performance of the Board and reviewing the individual contribution of each Non-executive Director; • Considering and making recommendations, at least annually, regarding the composition and membership of the Board, considering the Board's needs and any gaps identified in diversity, including skills, culture, experience, race, gender, age and field of knowledge, in line with the Company's policy on promoting broader diversity at Board level; • Developing a succession plan for the CEO and Executive Directors; • Ensuring that a robust induction programme is in place for new Board appointments; • Identifying, evaluating and recommending appointees to the Board and Board committees; and • Reviewing the performance of the CEO and Executive Directors.

Investment Committee

Each member of the Investment Committee has significant expertise in the property market, which enables the committee to support the Board in making strategic investment decisions that align with Heriot's overall strategy.

The Investment Committee operates under Board-approved terms of reference, which outline its responsibilities and procedures. The committee's focus includes:

- assessing and recommending the disposal of properties that no longer meet the Group's investment criteria or strategic objectives;
- ensuring that investments contribute to sustained income growth and enhance the value of the Group's assets; and
- identifying and recommending acquisitions that increase yield and support future growth.

By adhering to its charter and focusing on these key areas, the Investment Committee helps to drive Heriot's investment strategy and achieve its financial and strategic objectives.

Social and Ethics Committee

The Social and Ethics Committee drives and endorses policies and strategies for managing social, ethical and transformational matters in the Group. Established under Section 72 of the Companies Act and Regulation 43 of the Companies Regulations, 2011, the committee operates according to its official terms of reference, which it and the Board have approved.

The committee's core responsibilities include:

- overseeing CSI initiatives to ensure they deliver benefits for Heriot and the communities or beneficiaries involved;
- promoting and ensuring a commitment to equal opportunity and diversity across the Group; and
- strengthening Heriot's brand and reputation as a socially responsible and ethical organisation.

By focusing on these areas, the Social and Ethics Committee plays a crucial role in cultivating a culture of social responsibility and ethical conduct, while supporting Heriot's commitment to positive social impact.

KING V™ APPLICATION REGISTER

The Board evaluates Heriot's governance practices against the King V™ principles. Although the JSE requires only partial disclosure for Alternative Exchange-listed companies and King V™ only becomes effective for financial years starting on or after 1 January 2026, the Board adopts all its principles early, demonstrating commitment to vigorous and transparent governance.

King V™ principle	Specific disclosures
Principle 1:	**Leadership**
The Board leads ethically and effectively as the focal point of corporate governance in the organisation.	**Characteristics and values of the Board** The Board leads Heriot ethically and effectively. It has approved a code of ethics to align Board and management conduct with the Company's commitment to responsible corporate citizenship. The code upholds obligations under the Companies Act and King V™ principles to emphasise ethical behaviour and corporate responsibility. The Board ensures that members understand Heriot's operations, industry context and relevant laws and standards to enable informed and ethical decision-making. The Board is satisfied that members individually and collectively are cultivating and exemplifying the characteristics of integrity, competence, responsibility, accountability, fairness and transparency. **Overarching governance role and functions** The Board is satisfied that it has covered all its functions and responsibilities, as detailed in the **Board charter** and detailed on **page 80**. The Board met four times during the year with **attendance** tabled on **page 82**. **Performance evaluation of the Board** During the year, the Board conducted a formal self-evaluation to assess its overall effectiveness and performance, as well as that of its committees. The evaluation provided the Board with an opportunity to reflect on its performance, identify areas for improvement and confirm that it continues to discharge its responsibilities effectively. The outcomes of the evaluation were considered by the Board, and any identified areas for improvement will be addressed as part of the Board's ongoing commitment to effective governance and continuous improvement.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 1 have been implemented.	
Principle 2:	**Ethics**
The Board governs the ethics of the organisation in a way that enables an ethical culture and responsible corporate citizenship.	**Organisational ethics** The Board governs ethics to establish and maintain an ethical culture. It has implemented a code of ethics that defines expected business practices and behaviour for all employees. The Board integrates these principles into Heriot's strategy and daily operations, embedding ethical considerations in decision-making and business conduct while upholding integrity and accountability with stakeholders. The Board acts as the central custodian of corporate governance. It implements a Board charter, a code of ethics and has established the following committees: Audit and Risk, Remuneration and Nomination, Investment and Social and Ethics. The Board monitors progress and addresses any gaps. The Board obtains assurance through the Group's internal control, compliance and risk management processes. **Responsible corporate citizenship** The Board ensures Heriot acts and is perceived as a responsible corporate citizen. It reviews remuneration policies, work environment and social initiatives, and supports sustainable transformation aligned with the Broad-based Black Economic Empowerment Act No 53 of 2003 and National Development Plan. The Company promotes employment equity, engages with B-BBEE-compliant suppliers, supports enterprise development and encourages equity ownership. Despite these efforts, Heriot remains non-compliant with B-BBEE requirements.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 2 have been implemented.	
Principle 3:	**Strategy, performance and sustainable value creation**
The Board ensures that the organisation's purpose, strategy and business model support performance that creates sustainable value within the organisation's economic, social and environmental context.	The Board integrates Heriot's purpose, risks, opportunities, strategy, business model, performance and sustainable development into decision-making. It considers the interests of all legitimate stakeholders and acts in the Company's best interests. Management aligns short-, medium- and long-term financial, operational and strategic objectives with the Company's risk appetite. The Board approves policies and operational plans covering finance, ethics, compliance, sustainability, performance and risk management. Refer to **page 27** for the Company's **strategy**, **page 33** for its **risks and opportunities**, **page 29** for its **business model** and **page 38** for its **performance and outlook**.
Exception declaration All the practices recommended in support of Principle 3 have been implemented.	
Principle 4:	**Reporting**
The Board ensures that external reports issued by the organisation enable stakeholders to make informed assessments of how the organisation creates, preserves and erodes value within its economic, social and environmental context over the short, medium and long term.	The Board ensures that Heriot's reports allow stakeholders to assess performance and prospects accurately. It ensures that integrated reports present a balanced view of financial and non-financial outcomes. The Company distributes interim and integrated reports online and in print to maintain transparency, integrity and compliance with legal requirements. Refer to **www.heriotreit.com/investor-relations** for the latest and archived reports.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 4 have been implemented.	
Principle 5:	**Composition of the governing body**
The Board ensures that its composition is balanced with respect to the mix of competencies, diversity and independence that enables it to discharge its obligations objectively and effectively.	**Composition of the Board** The Board is satisfied that it maintains a balanced mix of skills, experience, diversity and independence to fulfil its obligations objectively and effectively. It considers operational needs and aims for an optimal mix of Executive, Non-executive and Independent Non-executive Directors. Currently, the Board has two Executive members, three Independent Non-executive members and two Non-executive members, including the Chairman. The Board recognises the importance of gender and racial diversity in its composition and remains committed to promoting diversity, equity and inclusion. Although no formal numerical targets have been established for gender and race representation at this stage, the Board continues to consider these factors when reviewing its composition, succession planning and future appointments given that no new Board appointments were made during the reporting period. The Board will periodically assess the appropriateness of establishing measurable diversity targets. The **skills, ages, qualifications, experience and other positions** held by Board members are outlined on **pages 77 to 79**. **Nomination and continual development of members of the Board** The Board is satisfied with the process and outcomes of its nomination of suitable candidates to serve as its members and its support of members' ongoing development. The **Board appointment process** is discussed on **page 81**. **Chairman and Lead Independent member of the Board** The Chairman is not independent. Selwyn Blieden has therefore been appointed as Lead Independent Non-executive Director.
Exception declaration All the practices recommended in support of Principle 5 have been implemented.	
Principle 6:	**Committees of the governing body**
The Board ensures that arrangements for delegation to committees and individuals within its own structures promote the objective and effective discharge of its obligations.	The Board ensures that delegation supports independent judgement and effective performance and discharge of its governance obligations. It has established an Audit and Risk Committee, Remuneration and Nomination Committee, Investment Committee and Social and Ethics Committee, each with a Board-approved charter. All the committees of the Board have expressed their satisfaction that they have fulfilled their responsibilities in accordance with their terms of reference. Refer to **page 81** for the **composition of each committee**, their attendance during the year and their responsibilities. Refer to **page 101** for the **Audit and Risk Committee's report**. Refer to **page 92** for the **Remuneration report**. Refer to **page 89** for the **Social and Ethics Committee's report**.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 6 have been implemented.	
Principle 7:	**Appointment and delegation to management**
The Board ensures that the appointment and delegation to management promote operational effectiveness and that the respective roles and decision-making powers of the Board and management are clearly defined.	**Delegation to management** The Board defines functions, responsibilities and performance criteria for itself, its Directors and subcommittees. The Board delegates authority through a formal delegation of authority, defining matters reserved for the Board and those assigned to management. This contributes to operational effectiveness and ensures clear definition of the respective roles and decision-making authority of the Board and management. The Board is satisfied that the CEO has implemented succession planning for executive management and other critical positions, which ensures depth and continuity of leadership. **Chief Executive Officer** The CEO executes strategy and manages daily operations, while preapproved materiality levels and terms of reference guide delegated responsibilities. The notice period is stipulated in the CEO's employment contract including the contractual conditions related to termination. The Board is satisfied that the succession planning in place for the CEO position adequately safeguards leadership continuity and the stability of the organisation. **Professional corporate governance services to the Board** The Company Secretary's role is formalised in line with the Companies Act. The Board is satisfied with its arrangements for access to professional and independent guidance on its legal and corporate governance duties, as well as support for its effective functioning.
Exception declaration All the practices recommended in support of Principle 7 have been implemented.	
Principle 8:	**Risk**
The Board governs risk in a way that enables the organisation to sustain and optimise its strategy and objectives.	The Board sets the Group's risk appetite, identifies strategic risks and opportunities and oversees their management. Daily risk management is delegated to management, which reports to the Audit and Risk Committee. The Investment Committee supports investment decisions and the Audit and Risk Committee ensures funding strategies align with the risk appetite. The Board is satisfied that the risk function, the organisation's risk management system and overall internal control framework are effective and is not aware of any material breakdown in internal controls that resulted in material loss or misstatement during the reporting period. Refer to **page 101** for the **Audit and Risk Committee's report**.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 8 have been implemented.	
Principle 9:	**Compliance**
The Board governs compliance with applicable laws and adopted policies, non-binding rules, codes and standards in a way that promotes ethics and responsible corporate citizenship.	The Board ensures effective compliance with all relevant legislation, the JSE Listings Requirements and King V™ principles, maintaining ethical and responsible corporate conduct. The Company did not receive any significant regulatory penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations during the year.
Exception declaration All the practices recommended in support of Principle 9 have been implemented.	
Principle 10:	**Data, information and technology**
The Board governs data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.	The Board oversees IT governance. The CEO manages IT activities and the Audit and Risk Committee evaluates internal IT controls. **Data and information** The Board is satisfied that: • the management and control of data and information are effective, compliant and ethical; and • the arrangements for the prevention and detection of information privacy breaches are effective. **Technology** The IT infrastructure includes on-site servers with backups and externally hosted email systems, while key processes are outsourced. The Board is satisfied that : • the acquisition, development, use and distribution of technology are effective, compliant and ethical; • the arrangements for the prevention and detection of cyber attacks are effective; • the ethical, legal and operational risks associated with the use of emerging, innovative and disruptive technologies are effectively managed and addressed; and • the accountability for decisions, actions, outputs and outcomes regarding AI is clearly established. Refer to **page 34** for the Company's response to the **risk of potential IT failure**.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 10 have been implemented.	
Principle 11:	**Remuneration**
The Board ensures that the organisation remunerates fairly, responsibly and transparently to promote sustainable value creation by the organisation within its economic, social and environmental context.	The Remuneration and Nomination Committee advises the Board on fair, responsible and transparent remuneration practices. The policy aims to attract, retain and motivate employees to achieve strategic objectives. Detailed information is provided in the committee's report. Refer to **page 92** for the **remuneration report**.
Exception declaration All the practices recommended in support of Principle 11 have been implemented.	
Principle 12:	**Assurance**
The Board ensures that assurance functions and services promote an effective internal control environment and safeguard the integrity of external reports issued by the organisation.	The Board mandates the Audit and Risk Committee to oversee internal controls covering financial, operational, compliance and sustainability matters to ensure an effective control environment. Refer to **page 101** for the **Audit and Risk Committee's report**.

King V™ principle	Specific disclosures
Exception declaration All the practices recommended in support of Principle 12 have been implemented.	
Principle 13:	**Stakeholders**
The Board adopts a stakeholder-inclusive approach in the execution of its duties in the long-term best interests of the organisation within its economic, social and environmental context over time.	The Board adopts a stakeholder-inclusive approach, considering the needs and interests of material stakeholders in strategy decisions. The CEO and CFO engage regularly with shareholders, tenants and financiers. The Board is satisfied with the quality of the relationships with its shareholders. Refer to **page 31** for more information on how we engage with our **stakeholders**.
Exception declaration All the practices recommended in support of Principle 13 have been implemented.	

Compliance with applicable laws and the MOI

The Company is in compliance with the Companies Act and operated in conformity with its MOI during the year under review.

INVESTMENT COMMITTEE'S REPORT

The Investment Committee, chaired by Steven Herring, the founder and Chairman of Heriot, includes Independent Non-executive Director, Greg Heron, along with the CEO, Richard Herring, and CFO, Daniel Snoyman. This committee is tasked with evaluating all investment opportunities and presenting recommendations to the Board for consideration.

The committee meets as needed to make decisions regarding the acquisition, disposal or significant redevelopment of property assets. It also oversees the Group's investment strategy and focuses on opportunities that enhance value in South Africa's industrial and retail property sectors, with a particular emphasis on convenience and small regional retail centres in peri-urban and rural areas. The committee's primary goal is to build a diverse and stable portfolio of property assets that generate secure income streams and support capital growth.

In fulfilling its responsibilities, the committee must:

- ensure that acquisitions are income-enhancing and align with Heriot's target market by carefully evaluating any potential dilutionary effects;
- identify and recommend properties for disposal that no longer meet the Group's investment criteria, geographically or otherwise; and
- approve transactions within its authority limits without requiring further Board approval.



During the year, the committee reviewed and recommended the following strategic transactions, each of which was approved by the Board:

Acquisitions: The acquisition of the remaining 40,8% of Safari for R834,6 million (R8,00 per share) by way of a scheme of arrangement, funded by a R835,0 million facility at three-month JIBAR plus 117 bps; and the acquisition of 75% of Katleho, settled through the issue of 5 605 050 Heriot shares valued at R145,7 million, at an 11,7% discount to NAV;

Developments: The R530,0 million "The Fibonacci" development in Mowbray, supported by pre-sales of 174 units for approximately R200,0 million and a R530,0 million development facility, and the completion of Horizon at a cumulative cost of R200,5 million;

Disposals: Wynberg Mews (through the sale of the 60% interest in 60 Adderley) for proceeds of R76,5 million, the Bushmans Bend plantation for R33,8 million and the final 13 Fixtrade units for R5,4 million, and the classification of Mnandi Shopping Centre, Soweto Day Hospital, the Hinze and Newborough Grange plantations and the Cleveland distribution centre as held for sale (expected proceeds of R233,7 million);

Capital expenditure: R264,7 million, including the R73,3 million Atlyn Shopping Centre refurbishment, the R4,9 million Emmarentia solar plant and new stores at Nkomo Village and Thornhill; and

Post year-end: The acquisition of Bubesi 46 Proprietary Limited (Vanderbijlpark) for R56,0 million and the offer to purchase the Denver distribution centre for R35,0 million. Sold Mnandi for R150,0 million (transferred 19 October 2026) and, in October 2026, signed an agreement to sell Athlone, continuing to recycle non-core assets into core opportunities.

Steven Herring
Investment Committee Chairman

30 October 2026

SOCIAL AND ETHICS COMMITTEE'S REPORT

The Social and Ethics Committee presents its report for the year ended 30 June 2026. The report sets out how the committee discharged its duties under Section 72 of the Companies Act, and Regulation 43 of the Companies Regulations, 2011, having regard to the recommendations of King V™ and the JSE Listings Requirements, and how the Group's social investment contributed to the communities in which it operates.

Role and mandate

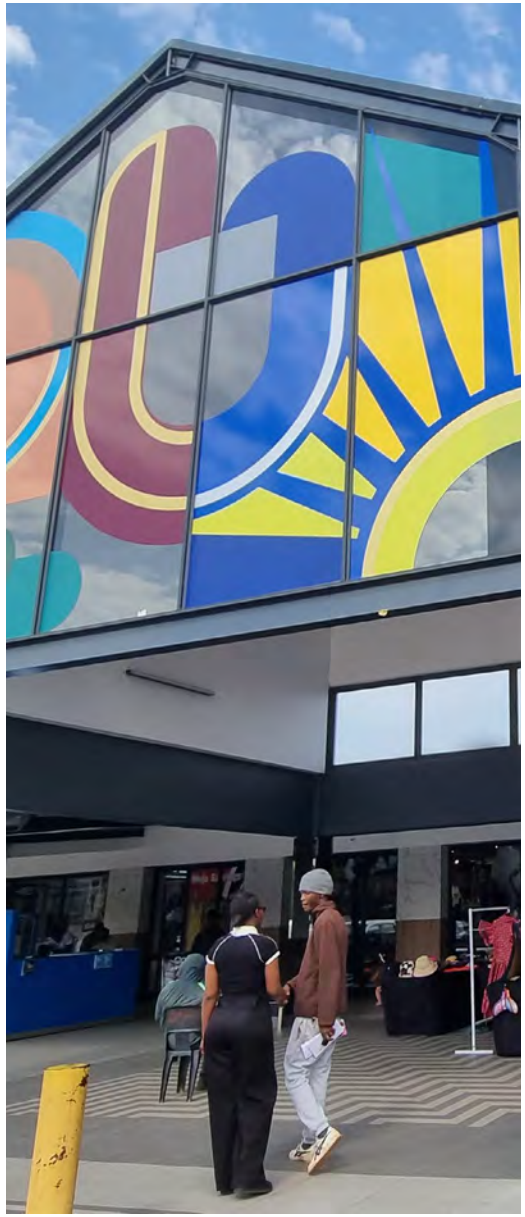
The committee supports the Board in managing social and ethics-related matters. Guided by its terms of reference, which the Board approved and the committee reviewed during the year, it drives and co-ordinates initiatives that cultivate and maintain an ethical culture across the Group. Its charter sets out the following responsibilities:

- Advise the Board on relevant matters to ensure that key issues are addressed promptly and effectively;
- Fulfil the responsibilities defined by the Companies Act, by monitoring social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment practices;
- Instil an ethical culture throughout the Group, integrating ethics into its operations, systems, procedures and practices;
- Oversee the Group's ethical leadership and corporate citizenship, including its CSI programme, and evaluate adherence to ethical standards and positive corporate behaviour; and
- Report to shareholders at the AGM on matters within its mandate, to ensure transparency and accountability.

Composition and meetings

Member	Designation	Meeting attended
Andile Mazwai *(Chairman)*	Non-executive Director	1
Gregory James Heron	Independent Non-executive Director	1
Richard Herring	Chief Executive Officer	1

With effect from 8 December 2025, the majority of the committee's members are Non-executive Directors, as Section 72(7A) of the Companies Act requires for public companies. The Board will propose the members of the committee for re-election by shareholders at the AGM on 9 December 2026, at which this report will also be presented.



Our social focus: four core areas

Unemployment, education and poverty are among the most pressing social challenges facing South Africa. Many of the Group's retail centres are located in township and peri-urban communities where these challenges are most acute, and where the centres are places of trade, employment and community life. As a responsible corporate citizen, the Group seeks to play its part in addressing them.

The Group's contribution begins with its properties. Its centres create local jobs, award contracts to B-BBEE entities, support local businesses and stimulate economic activity, while giving communities convenient access to essential goods and services.

The Board has defined four core areas for the Group's social investment: unemployment, education, poverty and impact. The fourth, impact, governs how the other three are delivered: the committee structures and implements the Group's social engagements so that they reach as many underprivileged communities as possible, assessing local needs first and working through schools, care homes and community organisations close to the Group's properties, and favouring initiatives that can be extended across the portfolio.

Focus area	Why it matters	FY2026 initiatives and reach
Unemployment 830 entrepreneurs and small businesses supported	South Africa's unemployment rate is among the highest in the world and is highest among young people.	• The Ark@1349: Eight entrepreneurs permanently accommodated in the entrepreneurial hub • Township Entrepreneurial Alliance: 129 entrepreneurs took part in the TEA event in Atteridgeville • SEDFA Asset Assist Programme: 16 entrepreneurs received business assets worth about R2,5 million • 37 entrepreneurs assisted to register their businesses formally • Social markets with no exhibition fees: 45 stalls a month at Sebokeng, 30 stalls a month at Denlyn Shopping Centre, Mamelodi, and 50 stalls twice a year at the Ladies in Business market at Atlyn Shopping Centre for women-owned businesses • 548 participants in entrepreneurship development workshops • Work readiness workshops at Nkomo Village: About 250 jobseekers a week for nine months (9 000 attendances). 4 500 jobseekers registered on the Pheliridge NPC database; 2 650 were helped to register with the Department of Labour, and 40 were employed by King Price after one workshop
Education 6 095 learners reached	Under-resourced schools lack basic learning materials, and literacy outcomes remain low.	• New school libraries at Flavius Mareka High School (2 059 learners) and Thohoyandou Primary School (1 270 learners) • Education is our Future workshops for 646 Grade 11 and 12 learners at Flavius Mareka High School • Mobile library and learning programmes for 700 learners at Boiketlong Primary School • Award ceremonies and stationery for learners at Bud Mbelle Primary School (240) and at Siviwe and Motlotlo Primary Schools (360) • Stationery sets and sanitary pouches for 650 learners at four schools in Heidelberg • Funda Nathi programme across 11 schools in Mamelodi: Workshops and development projects for 236 learners, and 90 pairs of school shoes donated • Monthly crèche outreach and early childhood development programmes in Mamelodi and Polokwane for 490 young children
Poverty 12 611 learners received dignity packs	Many households cannot meet basic needs, leaving children and older people most vulnerable.	• Sanitary and hygiene drive: Dignity packs for 12 611 learners in the Siyabuswa (3 229), Rustenburg (1 979), Burgersfort (2 752) and Tembisa (4 651) areas, at a cost of R767 743 • Ongoing support for 48 children at Halaletsang Safety Home and 15 elderly residents at Sebokeng Old Age Home • Cupcakes of Hope at 14th Avenue District Shopping Centre: Shopper fundraising for children with cancer.
Impact 7 communities reached	Resources go furthest when they reach many communities and leave a lasting impact.	• Rent-free space for community organisations: The South African National Blood Service at seven centres in the Pretoria and Johannesburg portfolios, Unjani Clinics at Thabong Shopping Centre and Atlyn Shopping Centre, South African National Civic Organisation offices at Denlyn Shopping Centre and Nkomo Village, and Shape Café at Thabong Shopping Centre • Community radio stations accommodated at Denlyn Shopping Centre (Capital Live FM) and Atlyn Shopping Centre (Pheli FM) • Nkomo Village Community Hub: Dedicated space for Pheliridge NPC's workshops and skills programmes, and boardroom and office facilities for the Ladies in Business Network • Nkomo Village Arts Competition: Three local artists commissioned to paint murals at Atlyn Shopping Centre, Atteridgeville

These initiatives are not isolated, once-off interventions. They form part of a sustainable community development approach that has evolved over several years, with many programmes running weekly, monthly or annually at the same centres, schools and community organisations.

Total CSI expenditure for the year was R2,060 million (2025: R1,993 million). Full details of each initiative are set out in the **social engagement section** on **page 66**.

Oversight of statutory matters

Area of responsibility	Committee oversight in FY2026
Social and economic development	Reviewed the CSI programme against the four core areas, and monitored progress on transformation and employment equity (refer below).
Good corporate citizenship and ethics	Monitored compliance with the code of ethics and the zero-tolerance approach to fraud, corruption and discrimination. No material breaches of the code, and no incidents of fraud or corruption, were reported during the year.
Environment, health and public safety	Solar capacity of 12,95MWp is operational across 14 retail centres (2025: 13,71MWp, including Platz am Meer). A 360kWp plant was commissioned at Shoprite Emmarentia, and a further 2 310kWp is under installation at 14th Avenue District Shopping Centre and Thabong Shopping Centre. Twenty-nine boreholes are operational across 20 properties, including a new borehole at Thornhill Shopping Centre.
Consumer relationships	Monitored engagement with tenants and shoppers and compliance with the Consumer Protection Act No 68 of 2008. No material complaints or regulatory findings were reported.
Labour and employment	69% of employees are from historically disadvantaged groups (2025: 71%), and 54% are women. Eighteen new appointments were made. Investment in skills development and training rose to R958 149 (2025: R793 525), and 46% of employees took part in training (2025: 45%). The Group introduced the CSP, awarding 643 100 conditional shares to 20 participants.

Transformation and B-BBEE

The Group pursues transformation through employment equity, preferential procurement, enterprise and supplier development, and ownership. On the acquisition of 75% of Katleho, the Group preserved the B-BBEE consortium's 25% shareholding, maintaining Katleho's Level 1 B-BBEE rating. Despite these efforts, the Company remains a non-compliant contributor.

The Board recognises the importance of adhering to the Broad-based Black Economic Empowerment Act No 53 of 2003, but its key focus is on reaching as many people as possible through its social engagement projects. The committee will continue to drive initiatives to improve the Company's B-BBEE scorecard rating while balancing cost-effectiveness, strategic asset growth, shareholder participation and diversity in recruitment.

Ethical leadership

The Group's code of ethics applies to all Directors and employees and is reinforced through the Group's core values of integrity, excellence, tenant-centricity, collaboration and respect. Directors declare their interests annually, and related party transactions, including the acquisition of Katleho, were considered and approved in accordance with the Companies Act and the JSE Listings Requirements.

Going forward

Heriot will continue to empower and uplift disadvantaged communities by assessing local needs and implementing sustainable initiatives that improve quality of life. In FY2027, the committee will:

- set measurable targets for each of the four core areas, and report performance against them in the 2027 integrated report;
- extend the education and poverty initiatives to more of the communities served by the Group's retail centres;
- grow enterprise development through The Ark@1349, the social markets and the partnerships with TEA and SEDFA;
- continue to support non-profit organisations by providing rent-free space in the Group's retail centres, enabling them to engage effectively with local communities; and
- adopt the prescribed form for the Social and Ethics Committee report once the amended Companies Regulations are finalised.

Conclusion

The committee is satisfied that it fulfilled its responsibilities under its terms of reference and the Companies Act for the year ended 30 June 2026.

Andile Mazwai
Social and Ethics Committee Chairman

30 October 2026

REMUNERATION REPORT

Introduction

The Remuneration and Nomination Committee is pleased to present its annual remuneration report for the year ended 30 June 2026, in accordance with the requirements of the Companies Act and the principles of King V™.

This report consists of three sections:

- **Part 1:** Background statement, which contains an overview of the guiding philosophy and strategic rationale that underpin the Group's remuneration policy;
- **Part 2:** Remuneration policy report, which outlines the key components of the Group's remuneration policy as it will be applied in FY2027; and
- **Part 3:** Remuneration implementation report, which summarises the Group's implementation of its remuneration policy during FY2026.

This report should be read in conjunction with the commentary on Board committees and meeting attendance in the report on corporate governance and the Directors' report in the FY2026 annual financial statements, as well as **note 9.1**: Loans to participants of the employee share scheme, **note 27**: Directors' emoluments, **note 36**: Related parties and related party transactions and **note 44**: Share-based payments.

In terms of the new Companies Act provisions, both the FY2027 remuneration policy report in part 2 and the FY2026 remuneration implementation report in part 3 will be presented to shareholders for approval by way of binding ordinary resolutions at the Company's AGM to be held on 9 December 2026.

If 25% or more of shareholders vote against either or both these resolutions, existing JSE Listings Requirements still prescribe that the committee must engage with dissenting shareholders to understand their reasons for voting against the reports and address their concerns in the next annual review of the policy. The most appropriate method to engage with such shareholders will be decided by the committee.

There were no dissenting votes at the AGM held on 8 December 2025 against the FY2026 remuneration policy and FY2025 remuneration implementation report. Accordingly, no further engagement was required with shareholders.

PART 1:

BACKGROUND STATEMENT

Remuneration philosophy

The Board recognises that a skilled and motivated workforce drives the achievement of the Group's strategic goal of delivering sustainable growth in shareholder value.

Accordingly, the Group's remuneration policy is founded on the following principles:

- Remuneration policy must be aligned with and supportive of the Group's long-term strategic objectives and overall corporate governance framework;
- Remuneration structures must be framed so as to attract, retain and motivate talented employees and to result in outcomes that are aligned with shareholder interests;
- Remuneration practices must be clear, consistent and compliant with the highest industry standards so as to result in fair, responsible and transparent remuneration of employees; and
- Remuneration reporting must be transparent, comprehensive and understandable in accordance with relevant regulatory requirements and best practice.

Remuneration governance

The committee is responsible for overseeing the formulation, implementation and review of the Group's remuneration policies and practices.

The committee's mandate is governed by formal terms of reference, which are reviewed and approved annually by the Board. Its responsibilities include promoting fair, responsible and transparent remuneration practices, reviewing executive and non-executive remuneration, overseeing share-based incentive schemes and ensuring appropriate disclosure of remuneration matters in compliance with applicable regulatory requirements.

The committee is constituted in accordance with the recommendations of King V™ and comprises three Non-executive Directors, with the Chairman being an Independent Non-executive Director.

An evaluation of the committee's performance has identified no material concerns and the committee is satisfied that it has fulfilled its mandate in respect of the financial year under review.

PART 2:

FY2027 REMUNERATION POLICY REPORT

The committee undertakes an annual review and benchmarking of the Group's remuneration policy, practices and structures to ensure that these remain relevant, competitive and compliant, and recommends such adjustments to the Group's total remuneration offering that it believes are appropriate arising from this exercise.

Remuneration packages of employees are structured on a total cost-to-company basis, depending on the required skills, qualifications and experience at each job level, as well as the employee's level of influence on and contribution to achievement of the Group's strategic deliverables.

Packages comprise a fixed element in the form of a guaranteed cash salary, with no additional benefits and allowances, and a variable element in the form of short-term incentives ("STIs") and, in the case of executives and senior management, long-term incentives in the form of share-based schemes.

Guaranteed pay

The Group's remuneration cycle is aligned with the calendar year rather than the financial year. Salaries are benchmarked to market levels by comparing to similar companies in the listed property sector and adjusted annually with effect from 1 January based on inflation outlook, market trends, individual performance, Company affordability and, where applicable, changes in job content and role responsibilities.

Short-term incentives

All employees, including Executive Directors and senior management, qualify for an STI in the form of a discretionary cash bonus payable in December each year, which is calculated as a multiple of the employee's monthly salary, dependent on individual performance and contribution.

The committee approves an annual bonus pool, which is determined as a function of income available for distribution to shareholders, and thus aligns employee rewards with shareholder outcomes. The committee exercises oversight over the allocation of the bonus pool across and within employee categories so as to ensure appropriate and equitable reward for performance.

In the case of the Executive Directors, the committee assesses their individual performance and approves their respective bonuses. Up until the end of FY2026, the committee has not made use of formal scorecards to determine Executive Directors' performance against pre-agreed KPIs and to calculate their STIs on a formula-driven basis dependent on their respective ratings in terms of such scorecards.

With effect from the commencement of FY2027, the STIs of Executive Directors and executive management will be determined by the committee by reference to their achievement of specific performance objectives (KPIs), including Company profitability, strategic initiatives, operational goals and individual contribution, as approved by the Board on the recommendation of the committee. These KPIs will be captured in formal scorecards that stipulate the applicable weightings, metrics and targets.

Long-term incentive: staff share purchase scheme

Up until the end of FY2025, the only long-term incentive ("LTI") available to Heriot employees was the Heriot staff share purchase scheme, which was established on listing in 2017. In terms of this scheme, loans were granted to employees to acquire shares in the Company at market price. These loans bear interest at the Group's cost of funds, are serviced out of dividends attaching to the shares and are repayable within 10 years from the date of grant (refer to **note 9.1**).

No further awards of shares under this scheme have been made since listing and the number of participants has declined to three, following the exit of certain of the original participants. In order to facilitate these participants' continued holding of their shares in the scheme, the committee has proposed that the originally scheduled expiry date at the end of June 2027 should be extended by a further 10 years, subject to approval of shareholders at the next AGM.

Long-term incentive: Conditional Share Plan

At the Company's AGM on 8 December 2025, shareholders endorsed the introduction of a new LTI scheme, in the form of the Heriot CSP, which was considered by the Board to be a more suitable mechanism to promote long-term incentivisation and retention of executives and senior management.

In terms of its JSE-approved rules, the CSP operates along the lines set out below, subject to compliance with the Group's remuneration policy from time to time and to the committee's discretion as noted in the summary of salient features below – refer to part 3 for parameters attaching to FY2025 and FY2026 CSP awards.

Awards: nature	In terms of the plan, eligible employees are granted annual awards that will vest at a stated future date, provided (1) that the employees are still employees in good standing of the Company at that date (referred to as "retention awards" or "time-based shares") and/or (2) that stipulated performance conditions have been fulfilled as at or over the period up to that date (referred to as "performance awards" or "performance-based shares").
Awards: quantum	These awards are determined as a Rand value, calculated as a function of the employee's total guaranteed package ("TGP") (refer below), then translated into a number of shares at the ruling Heriot share price on a 30-day volume-weighted average price basis. The committee has the discretion to determine the mix of annual awards between retention awards and performance awards, but typically the split will be 80% performance-based shares and 20% time-based shares.
Participants	The committee has the discretion to determine who is eligible to participate in the scheme; subject to approval of individual participants by the Board, the intention being that Executive Directors, executives, senior management and key employees with critical skills required for the Company's strategy execution will participate.
Type of instrument	Participants receive conditional rights to shares, which do not vest until the expiry of the stated vesting period (refer below) and which do not carry voting rights or dividend entitlement prior to their vesting with the stipulated vesting period.
Plan limits	A maximum usage limit of 5% of the Company's issued shares has been approved for the plan, which is anticipated to be sufficient to cater for annual awards for five to 10 years. The maximum number of shares awarded at any one time under the plan to any individual participant shall not exceed 1% of issued shares. Any shares that are awarded to participants but that do not vest and are thus not settled will revert back into the plan and be available to meet future awards.

Vesting period	Awards are made annually of shares that will only vest three years after the date of the award and in the case of the performance shares, dependent on and to the extent of achievement of the stated performance conditions. On vesting, two-thirds of the shares will be restricted from trading, with half of such restricted shares being released from restriction on the first anniversary of the vesting date and the other half being released on the second anniversary of the vesting date. Such tranches of vested but restricted shares will be subject to forfeiture in the event that a participant's services are terminated for "bad leaver" grounds before the end of the restriction period and release of the restriction applicable to each particular tranche.
Allocation bands	Annual allocations made to eligible participants are determined by the committee each year, depending on then prevailing circumstances. The committee takes into account among other factors the seniority, position, tenure, contribution and remuneration of each eligible employee in making the annual awards, and the committee will be guided by market norms. Although allocation criteria for the awards under the plan are set annually by the committee, these will typically be along the following lines: • CEO 40% to 60% of TGP; CFO 30% to 50% of TGP; and • Executives 20% to 40% of TGP; senior management 10% to 30% of TGP.
Performance conditions and measures	Performance conditions (KPIs) applicable to the annual performance awards are set by the committee at the time of making the awards, taking into account the prevailing business environment and the Company's strategic priorities at that time. Although KPIs for the performance awards made under the plan are set annually by the committee, these will typically be along the following lines: • Absolute growth in distributable income per share, measured against internally referenced target 65% • Absolute total return (growth in tangible NAV per share plus dividends) measured against internally referenced target 35%

Vesting targets and levels	In stipulating the performance conditions and measures, the committee sets explicit targets for each KPI, including a threshold below target at which level no vesting of the performance-based shares occurs and a stretch above target where maximum vesting occurs. The committee will be guided in setting these targets by the then prevailing circumstances of the Company and applicable market norms. Although vesting targets for awards under the plan are set annually by the committee, these will typically be along the following lines: • Growth in distributable income per share: target = forecast per three-year plan, threshold = 80% of forecast, stretch = 130% of target; and • Absolute total NAV return: target = forecast return per three-year plan, threshold = 80% of target, stretch = 130% of target. Similarly, although the vesting percentages at these levels are set annually by the committee, these will typically be along the following lines: • 50% vesting at threshold, 100% vesting at target and 125% vesting at stretch; and • Linear vesting will apply to actual performance levels between threshold, target and stretch.
Settlement of shares	The plan allows for settlement of shares to participants on vesting in any of the following manners: • By way of a transfer, including a purchase of shares in the market; • By issue of new shares by the Company; or • In exceptional circumstances, by payment in cash. The committee will determine the exact method of settlement to be utilised for each award at the time of vesting.
Termination of employment	Treatment of the vested but restricted shares on termination of a participant's services before the expiry of the restriction period and release of the restriction shall depend on whether the participant is deemed to be a "good leaver" or a "bad leaver". Termination as a "good leaver" shall include death, retirement, retrenchment, medical boarding or such other circumstances as the committee deems appropriate. "Bad leaver" terminations shall include dismissal, discharge and resignation.
Malus and clawback	Malus and clawback provisions shall apply to all awards made under the plan. The committee has the discretion to invoke the malus provision to reduce the quantum of unvested awards, in whole or part, on the occurrence of a trigger event which in the committee's assessment arose during the relevant award or vesting period. The committee similarly has the power to apply the clawback provision to recover vested awards on a post-tax basis following the occurrence of a trigger event for a period of two years after the vesting (five years from grant) of the awards.

Executive Directors' service conditions

The CEO does not have a formal service contract with the Company but must provide two months' notice of intended resignation, while the CFO must provide one month's notice in terms of his current contract of employment.

In terms of the Group's general conditions of employment, no post-termination restraints of trade or similar restrictions are imposed on employees, so there is no contractual obligation to make any payments on termination of service as compensation for loss of office.

Non-executive Directors' remuneration

Non-executive Directors do not have contracts of employment but are appointed in terms of the Company's MOI by the Board, subject to confirmation by shareholders at the next AGM following their appointment and thereafter to reappointment on a three-yearly basis, in terms of which they must retire but may offer themselves for re-election.

Remuneration of Non-executive Directors consists of an annual fixed retainer per calendar year that is payable on a quarterly basis aligned with the standing calendar of quarterly Board meetings, plus a meeting attendance fee for the committees on which they serve as members. Non-executive Directors do not participate in any of the Group's STI or LTI schemes.

Non-executive Directors' fees are reviewed annually in the context of fees paid by similar companies in the listed property sector and, where appropriate, are adjusted with effect from 1 January, following approval by special resolution of shareholders at the AGM.

PART 3:

FY2026 REMUNERATION IMPLEMENTATION REPORT

GUARANTEED PACKAGES

Annual salary review and adjustments: FY2026

In December 2025, the committee approved an overall like-for-like increase of 7,1% in the Group's total salary bill, with effect from 1 January 2026, taking into account the prevailing inflation rate, the uncertain economic outlook and ongoing cost containment pressures. This increase was applied on a differentiated basis such that lower-graded employees received an average increase of 11,1%, management 6,5%, executives 8,1% and Executive Directors 5,6%. Notwithstanding these increases, the Group's total salary bill decreased by 1,2% year-on-year, following the departure of several high-earning employees during the year.

At its scheduled meeting in December 2026, the committee will again review and adjust employees' salaries, to be effective from 1 January 2027, in the context of both internal factors like the Group's actual performance in FY2026 and projected performance in FY2027, and external factors like the forecast Consumer Price Index and industry trends.

Fair and reasonable remuneration

As part of its oversight of the annual increase process, the committee satisfied itself that there were no evident anomalies or internal inconsistencies in the comparative remuneration of staff on racial, gender or other grounds.

In accordance with the provisions of Section 30B of the Companies Act, the committee provides the required analysis of remuneration actually paid during FY2026.

FY2026 – full-time employees	R
Highest total remuneration	6 535 631
Lowest total remuneration	73 378
Average total remuneration	958 318
Median total remuneration	529 422
Top 5% (five employees) – total remuneration	25 585 458
Bottom 5% (five employees) – total remuneration	484 659
Ratio of top 5% to bottom 5%	52,8:1

Total remuneration in the table above comprises gross earnings (basic salary, bonuses, allowances and leave pay), employer retirement contributions and the IFRS 2 charge for CSP awards. It excludes R4,5 million paid to in-scope employees on the early settlement of the Safari share plan following Safari's delisting.

Short-term incentives

Short-term incentives: FY2025

In December 2025, the committee approved the payment of total bonuses to all staff of R9,06 million in respect of FY2026, representing 2,33% of income available for distribution (FY2025: 2,42%).

Included in this amount were bonuses payable in December 2025 of R1,50 million to Richard Herring and R1,20 million to Daniel Snoyman that were determined on a discretionary basis by the committee and approved by the Board.

Short-term incentives: FY2026

Bonuses of individual employees, including the Executive Directors, in respect of FY2026 will be determined by the committee at its scheduled meeting in early December 2026 and paid in December 2026. The total bonus pool for FY2026 had not been determined by the committee at the date of this report.

Long-term incentives

CSP awards: FY2025

Following shareholder approval at the AGM on 8 December 2025 of the CSP, the Board approved the first awards under this new scheme in respect of FY2025 on 23 December 2025.

In terms of this first-time CSP allocation, the total value of awards made was R13,43 million, which, based on the 30-day volume-weighted average price of R20,88 at award, translated to a total allocation of 643 100 conditional shares to 20 participants.

These FY2025 awards comprised 128 620 (20%) time-based retention shares that will vest after three years and 514 480 (80%) performance shares that will vest depending on fulfilment of the following performance conditions, measured over the three-year period from the start of FY2026 to the end of FY2028.

Performance condition	Weighting %	Target
Growth in distributable income per share	65	Forecast per three-year plan
Absolute total NAV return	35	Forecast return per three-year plan

Included in these awards were the following awards made to the Executive Directors:

Executive Director	Performance shares	Retention shares	Total shares	Expected to vest	FY2026 expense R'000
RL Herring – CEO	88 800	22 200	111 000	114 392	**326**
D Snoyman – CFO	125 000	31 250	156 250	161 025	**458**
Total	213 800	53 450	267 250	275 417	**784**

In terms of the approved CSP rules, the maximum usage under the scheme is limited to 5% of the Company's shares or 15 963 099 shares, so the available capacity remaining in the scheme post the FY2026 awards is 15 319 999 shares (based on 319 261 982 shares in issue, excluding treasury shares, at the date of approval of the plan).

Conditional share awards: FY2026

The next annual round of CSP awards will be made in December 2026 in relation to FY2026.

It is not envisaged that the key parameters, terms and conditions of these FY2026 CSP awards will differ from those that apply to the FY2025 awards.

Executive Directors' total remuneration: FY2026

In line with JSE and King V™ requirements, the total remuneration, presented on a single-figure basis, of the Executive Directors during FY2026 and FY2025 is shown in the tables below. This figure has been calculated on a "paid during the year" basis, whereby the bonus numbers represent FY2025 STIs that were paid in December 2025 and thus fell into FY2026 and similarly the IFRS 2 charge relates to FY2025 CSP awards that were granted in December 2025 and thus were accounted for in FY2026.

	Salaries and allowances R'000	Bonuses R'000	IFRS 2 share expense R'000	Total R'000
FY2026				
RL Herring – CEO	**4 710**	**1 500**	**326**	**6 536**
D Snoyman – CFO	**3 240**	**1 200**	**458**	**4 898**
Total	**7 950**	**2 700**	**784**	**11 434**
FY2025				
RL Herring – CEO	4 512	1 150	–	5 662
D Snoyman – CFO	2 640	1 000	–	3 640
Total	7 152	2 150	–	9 302

Non-executive Directors' remuneration: FY2026

The fees paid to Non-executive Directors for their services to the Group during FY2026 and FY2025 are shown in the table below.

Non-executive Director	FY2026 Heriot R'000	FY2026 Safari R'000	FY2026 Total R'000	FY2025 Total R'000
SB Herring	**399**	**237**	**636**	774
SJ Blieden	**399**	**–**	**399**	332
R Lockhart-Ross	**399**	**–**	**399**	332
A Mazwai	**228**	**–**	**228**	195
GJ Heron	**342**	**183**	**525**	555
JA Finn (resigned 30 September 2024)	**–**	**–**	**–**	54
N Ngale (resigned 30 September 2024)	**–**	**–**	**–**	81
Total	**1 767**	**420**	**2 187**	2 323

Non-executive Directors' remuneration: FY2027

Following an internal benchmarking exercise against a comparator group of small to mid-cap REITs, it is proposed by the Board that the fees payable to Non-executive Directors for FY2027 should be increased as set out in the table below. The above-inflationary increase is in recognition of the assumption by Heriot's Directors of the responsibilities of the Safari board, which was dissolved on its delisting in December 2025.

	2026 fee R	Proposed 2027 fee R	Increase %
Annual fee			
Chairman of the Board	**356 000**	400 000	12,4
Member of the Board	**237 000**	266 000	12,2
Fee per committee meeting			
Audit and Risk Committee	**29 500**	30 000	1,7
Social and Ethics Committee	**29 500**	30 000	1,7
Remuneration and Nomination Committee	**29 500**	30 000	1,7

These proposed fees will be presented to shareholders for approval by way of a special resolution at the Company's AGM on 9 December 2026.

In addition to the above fees, it will be proposed to shareholders that the Company introduce a fee of R3 500 per hour for services rendered by Non-executive Directors outside of the scope of their normal duties on *ad hoc* assignments, special projects, etc.

Robin Lockhart-Ross
Remuneration and Nomination Committee Chairman

30 October 2026

ANNUAL FINANCIAL STATEMENTS



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DIRECTORS' RESPONSIBILITY AND APPROVAL

The Directors are required by the Companies Act of South Africa ("Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and Company as at 30 June 2026 and the results of their operations and cash flows for the year then ended, in conformity with IFRS® Accounting Standards, the JSE Limited ("JSE") Listings Requirements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act. The external auditor is engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate annual financial statements are prepared in accordance with IFRS® Accounting Standards, the South African financial reporting requirements in terms of paragraph 11.36 of the JSE Listings Requirements and the Companies Act, and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company, and management is required to maintain the highest ethical standards in ensuring that the Group's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, the Group and Company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Audit and Risk Committee plays an integral role in risk management and in overseeing the Group's integrated reporting. The principles of the King V Report on Corporate Governance for South Africa, 2025™ have been integrated into the Group's strategy and operations.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's and Company's cash flow forecasts for the year to 30 June 2027 and, in light of this review, the refinancing secured after the reporting date and the current financial position, are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future. The basis for this conclusion is set out in **note 40**.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and its committees. The consolidated and separate financial statements have been audited by the external auditor, whose unmodified report is presented on **pages 107 to 109**.

The consolidated and separate financial statements set out on **pages 110 to 183**, which have been prepared on the going concern basis, were approved by the Board of Directors on 30 October 2026 and are signed on its behalf by:

Steven Herring
Chairman

Daniel Snoyman
Chief Financial Officer

30 October 2026

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

In accordance with paragraph 5.9 of the JSE Listings Requirements, each of the Directors, whose names are stated below, hereby confirms that:

- the annual financial statements set out on **pages 110 to 183** fairly present, in all material respects, the financial position, financial performance and cash flows of the issuer in terms of IFRS® Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as Executive Directors with primary responsibility for the implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditor any deficiencies in the design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving Directors.

Richard Herring
Chief Executive Officer ("CEO")

Daniel Snoyman
Chief Financial Officer ("CFO")

30 October 2026

GROUP COMPANY SECRETARY'S CERTIFICATE

Declaration by the Company Secretary in terms of Section 88(2)(e) of the Companies Act

In accordance with the provisions of Section 88(2)(e) of the Companies Act, I certify that, for the year ended 30 June 2026, the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Pieter van Niekerk
Company Secretary

30 October 2026

Pieter van Niekerk was appointed as Company Secretary with effect from 20 March 2026 (announced on 26 January 2026), replacing CIS Company Secretaries Proprietary Limited.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is an independent statutory committee to which duties are delegated by the Board. Committee members are appointed by the Board, subject to approval by shareholders at the annual general meeting ("AGM").

The committee is chaired by Independent Non-executive Director Selwyn Blieden. The other members are Robin Lockhart-Ross and Greg Heron, both Independent Non-executive Directors. The committee's membership was unchanged during the reporting period.

The CEO, CFO and representatives of the external auditor have a standing invitation to attend meetings of the committee. The committee is governed by a formal charter that is reviewed annually. The committee meets at least three times a year, with additional meetings convened when necessary. Details of members' attendance at meetings for the year ended 30 June 2026 are set out on **page 82**.

The Board has satisfied itself that:

- committee members have the knowledge and experience required by Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulations, 2011;
- committee members act independently;
- committee members have unrestricted access to all information, documents and explanations required to discharge their duties, as well as to the external auditor; and
- the committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities.

The committee performs the functions required in terms of Section 94(7) of the Companies Act. These include nominating and appointing the Group's auditor and ensuring that the auditor is independent of the Group; determining the audit fee and terms of engagement; ensuring that the appointment complies with the Companies Act and other relevant legislation; determining the nature and extent of any non-audit services that the auditor may provide; dealing appropriately with any concerns or complaints relating to the Company's accounting practices, financial statements, internal financial controls or related matters; and performing any other oversight functions determined by the Board.

Other responsibilities of the committee include:

- adopting and implementing an appropriate financial risk management policy in accordance with industry practice and monitoring compliance with that policy (refer to **page 82**);
- reporting in the integrated report that the Group has, in all material respects, complied with the policy during the year; and
- reporting to the JSE in the annual compliance declaration (paragraph 1.13 of the JSE Listings Requirements) that it has monitored compliance with the policy and that the Group has, in all material respects, complied with it during the year.

The committee has satisfied itself that, for the year under review:

- BDO South Africa Incorporated and Vanessa de Villiers, the designated individual audit partner, are independent of the Company, and their suitability for reappointment for FY2027 has been assessed in accordance with paragraph 5.7(h)(iii) of the JSE Listings Requirements;
- the CFO, Daniel Snoyman, has the appropriate experience, competence and qualifications and the finance function has adequate resources and sufficient expertise;
- the Company Secretary, Pieter van Niekerk (appointed with effect from 20 March 2026, replacing CIS Company Secretaries Proprietary Limited), has the requisite competence, qualifications and experience and has maintained an arm's-length relationship with the Board;
- appropriate risk management processes are in place;
- the Company has complied with its risk management policy as regards derivative transactions (no hedging instruments were in place during the year);
- the policies and procedures adopted are adequate and appropriate, having regard to Heriot's size and range of activities;
- the Company has established appropriate financial reporting procedures that are operating effectively; and
- the committee has considered the JSE's proactive monitoring report issued in November 2025 and the enforcement bulletin issued in May 2026, covering the period 1 January 2025 to 31 December 2025, and applied its findings in preparing these annual financial statements.

The committee applies a combined assurance model to assist the Board in assessing whether the significant risks facing the Group are adequately mitigated. The model co-ordinates management and external assurance providers to provide a holistic view of the Group's risk profile.

Matters of particular focus for the committee during the year included the key audit matters reported by the external auditor on **page 108**; the accounting for the acquisition of the Safari Investments RSA Proprietary Limited ("Safari") non-controlling interest and the common control acquisition of Katleho Property Investments Proprietary Limited ("Katleho"); the classification of borrowings maturing within 12 months and the related going concern assessment; and the independent valuation of the property portfolio.

The committee has reviewed the annual financial statements for the year ended 30 June 2026 and is of the view that they comply, in all material respects, with IFRS® Accounting Standards. The committee has also reviewed this integrated report and is satisfied that the information is reliable, consistent and fairly presented, has been prepared in accordance with appropriate reporting standards and conforms to the requirements of the King V Report on Corporate Governance for South Africa, 2025™ and the JSE Listings Requirements. The committee has satisfied itself that all material matters have been dealt with in a balanced manner and has recommended the annual financial statements for the year ended 30 June 2026 to the Board for approval.

The annual financial statements, which the Board has approved, will be presented for discussion and adoption at the AGM to be held on 9 December 2026.

Selwyn Blieden
Audit and Risk Committee Chairman

30 October 2026

DIRECTORS' REPORT

The Directors have pleasure in presenting their report on the consolidated and separate annual financial statements of Heriot REIT Limited ("Heriot" or "the Company") and its subsidiaries ("the Group") for the year ended 30 June 2026.

Nature of business

Heriot is a property holding and investment company and Real Estate Investment Trust ("REIT") listed in the "Diversified REITs" sector on the Alternative Exchange of the JSE. The Group invests primarily in retail and industrial property in nodes with high growth potential, complemented by a Cape Town aparthotel portfolio and a student accommodation development in the pipeline. Its primary objective is to grow distributions and net asset value ("NAV") per share through the acquisition of quality properties at a discount to underlying value, the redevelopment of existing properties and the recycling of capital out of non-core assets.

At the reporting date, the Group held 53 properties (2025: 53) and strategic interests of 100% in Safari (2025: 59,2%) and 21,7% (2025: 21,7%) in Texton REIT Limited ("Texton"), excluding treasury shares.

Accounting policies

The consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards, the South African financial reporting requirements in terms of paragraph 11.36 of the JSE Listings Requirements and the Companies Act. The accounting policies are consistent with those applied in the prior year, except for the share-based payment policy adopted following the introduction of the Conditional Share Plan (**note 1.13**) and the amendments to standards that became effective in the current year (**note 1.29**), set out on **page 123**.

Review of financial results and activities

Heriot delivered a third consecutive record year. The operating results and state of affairs of the Group and Company are set out in the attached annual financial statements and are summarised below.

Key performance measures	2026	2025	Change %
Distributable earnings (R'000)	**458 545**	389 209	17,8
Distribution per share ("DPS") (cents)	**142,29**	121,91	16,7
NAV per share (R)	**24,11**	20,59	17,1
Investment property (R'billion)[1]	**13,998**	12,799	9,4
Net property operating income ("NOI") (R'000)[2]	**1 005 026**	976 349	2,9
Loan-to-value ("LTV") (%)	**41,95**	38,95	
Interest cover ratio ("ICR") (times)	**2,27**	2,04	
Weighted average cost of debt ("WACD") (%)	**8,73**	9,73	
Portfolio vacancy (%)	**1,90**	1,60	

[1] *Includes property under development and non-current assets held for sale.*

[2] *Stated after straight-line rental income accrual.*

Distributable earnings

Distributable earnings increased by 17,8% to R458,545 million (2025: R389,209 million). The growth of R69,336 million came from four sources of broadly equal weight, each of which is repeatable or already contracted into FY2027:

- Full ownership of Safari (R26,545 million): Heriot's share of Safari's earnings rose 23,8% to R137,911 million as its interest increased from 59,2% to 100% on 22 December 2025;
- Lower net finance costs (R18,738 million): The WACD fell 100bps to 8,73% as the 2025 rate reductions passed through Johannesburg Interbank Average Rate ("JIBAR") resets and R1,397 billion of facilities were refinanced at lower margins;
- The Katleho acquisition (R24,026 million): Katleho declared a distribution to Heriot on the effective date, applied to reduce the purchase consideration (**note 41**); and
- Portfolio performance (R20,749 million at Heriot and R17,127 million at Thibault Holdings Proprietary Limited ("Thibault")), led by the aparthotel portfolio and the first full year of the Helderberg Mall phase 2 extension.

These gains absorbed R19,4 million of prior-year income that did not recur, additional expected credit loss ("ECL") provisions of R11,4 million, R8,0 million of costs relating to the Safari buyout and delisting, the loss of R34,8 million of NOI following the disposal of Platz am Meer on 30 June 2025, and R11,6 million lower Texton dividend income.

Distribution per share

The DPS of 142,29 cents grew 16,7% (2025: 121,91 cents), compared with distributable earnings growth of 17,8%. The difference reflects the 5 605 050 shares issued on 30 June 2026 in settlement of the Katleho acquisition, which participate in the final distribution. The Group's cash generation supports the distribution of 100% of distributable earnings: cash generated from operations of R975,625 million produced net cash from operating activities of R496,447 million, which exceeded distributable earnings.

Net property operating income

NOI derived from the statement of profit or loss increased 2,9% to R1 005,026 million (2025: R976,349 million). Stated before depreciation and amortisation, NOI increased 3,4% to R1 038,250 million (2025: R1 003,628 million). On a like-for-like basis, excluding Platz am Meer, 60 Adderley, Bushmans Bend and Horizon from both years, NOI grew 7,7% against like-for-like rental growth of 8,7%.

NAV per share

NAV per share increased R3,52, or 17,1%, to R24,11 (2025: R20,59). Fair value gains on the property portfolio of R738,418 million, the excess of R418,058 million of the carrying amount of the Safari non-controlling interest derecognised over the consideration paid and the bargain gain of R19,306 million on the Katleho acquisition, both recognised directly in equity, added R1,176 billion to shareholders' equity.

Investment and corporate activity

Acquisition of the Safari non-controlling interest

On 22 December 2025, Heriot effectively acquired the remaining 104 320 987 Safari shares it did not own by way of a scheme of arrangement, increasing its interest from 59,2% to 100%. The consideration of R8,00 per share, totalling R834,568 million, was settled as a return of capital of R644,987 million and a cash dividend of R189,581 million. A clean-out distribution of R39,220 million was paid to minority shareholders. As the Group already controlled Safari, the transaction was accounted for as an equity transaction in terms of IFRS 10; the non-controlling interest derecognised of R1,253 billion exceeded the consideration, giving rise to a gain of R418,058 million recognised in the statement of changes in equity. Safari was delisted from the JSE with effect from 23 December 2025. The acquisition was funded by a two-year R835,0 million term facility priced at three-month JIBAR plus 117bps.

Acquisition of Katleho (note 41)

Effective 30 June 2026, Heriot acquired 75% of the issued shares of Katleho in terms of Section 42 of the Income Tax Act No 58 of 1962 ("Income Tax Act"), in exchange for 5 605 050 new Heriot shares measured at R26,00 per share (R145,731 million). Katleho owns three Gauteng office properties valued at R334,0 million. As the transaction is a business combination under common control ("BCUCC"), it falls outside the scope of IFRS 3 *Business Combinations* and has been accounted for at carrying amounts, with the resulting bargain gain of R19,306 million recognised in equity. A distribution of R24,026 million declared by Katleho to Heriot on the effective date was applied to reduce the purchase consideration.

The sellers were related parties. SB Herring, the Non-executive Chairman and a director and owner of Heriot Investments Proprietary Limited ("Heriot Investments"), owned 67,5% of Katleho, and RL Herring, the CEO and a director and owner of Gabenjosh Investments Proprietary Limited ("Gabenjosh"), owned 7,5%. The Heriot shares were allocated in proportion to their shareholdings in Katleho: 5 044 545 shares (R131,158 million) to Heriot Investments and 560 505 shares (R14,573 million) to Gabenjosh (**note 36**).

Investment in Texton (note 9)

The Group's interest in Texton was unchanged at 21,7% (64 594 305 shares), excluding treasury shares. On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital, from which the Group received R41,172 million. Of this amount, R14,447 million was distributed to shareholders as a non-IFRS® Accounting Standards distributable earnings adjustment. At the reporting date, the shares were revalued at the closing market price of R2,64 (2025: R2,95), giving a carrying amount of R170,529 million and a fair value gain of R21,148 million recognised in profit or loss. The Board has reassessed and confirmed that the Group does not exercise significant influence over Texton (**note 1.4**).

Disposals and non-current assets held for sale (note 14)

The Group's 60% interest in 60 Adderley Proprietary Limited ("60 Adderley") was disposed of with effect from 30 November 2025, resulting in a loss on deconsolidation of R2,388 million. The Bushmans Bend plantation was transferred in March 2026, and the final Fixtrade 605 Proprietary Limited ("Fixtrade") sectional title units were sold at fair value. Non-current assets held for sale of R233,700 million (2025: R181,136 million) comprise the Hinze and Newborough Grange plantations and the Cleveland distribution centre (Heriot), and Mnandi Shopping Centre and Soweto Day Hospital (Safari). Proceeds of approximately R233,7 million are expected during the FY2027.

Property portfolio (notes 2, 3 and 14)

On 30 June 2026, Peter Parfitt of Quadrant Properties Proprietary Limited, a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000, independently valued the Group portfolio at R13,998 billion (2025: R12,799 billion) using the discounted cash flow and comparable sales methods. Valuations increased 9,4%, or 6,9% on a like-for-like basis. The average capitalisation rate rose 3bps to 8,83%, and the discount rate was unchanged at 13,58%; the increase in value was therefore earned through contracted income growth rather than yield compression.

Capital expenditure and commitments (note 34)

The Group invested R264,738 million in its portfolio during the year (2025: R284,204 million), principally the completion of the Horizon aparthotel (Heriot), the Atlyn Shopping Centre refurbishment (Safari)and The Fibonacci student accommodation development. Capital commitments at the reporting date amounted to R629,212 million (2025: R246,301 million), of which R479,2 million relates to The Fibonacci.

Property under development (note 3)

Horizon (Finsbury Court, Sea Point) was completed and opened on 1 May 2026 and was transferred to investment property at R205,0 million. The Fibonacci (Mowbray), a mixed-use development comprising Shoprite-anchored retail and 574 student units with a total development cost of R530,0 million, is projected to complete in November 2027. The *pro rata* cost of the 174 units pre-sold has been reclassified to inventories (**note 12**).

Funding and capital management (notes 17 and 38)

Total interest-bearing borrowings increased to R6,075 billion (2025: R5,302 billion), principally as a result of the R835,0 million Safari buyout facility. The WACD reduced by 100bps to 8,73% (2025: 9,73%). The Group's LTV ratio, net of cash, was 41,95% (2025: 38,95%) and the ICR 2,27 times (2025: 2,04 times), both within covenant levels of 50% and 2,0 times, respectively.

Total cash resources, comprising cash and cash equivalents of R103,188 million and unutilised committed facilities of R323,517 million, amounted to R426,705 million (2025: R501,949 million).

The Group is consolidating its debt into a single security special purpose vehicle ("SPV") to create competitive tension between funders and extend tenor. Before the reporting date, the Group obtained credit-approved commitments of R931,5 million for the first tranche of the vehicle. Current liabilities exceeded current assets at the reporting date because R1,922 billion of borrowings were classified as current, comprising facilities maturing within 12 months and facilities refinanced by new lenders only after the reporting date (**note 40**).

Stated capital (note 15)

On 30 June 2026, the Company issued 5 605 050 shares in settlement of the Katleho acquisition. As at 30 June 2026, the Company had 324 867 032 (2025: 319 261 982) shares in issue, excluding the 900 000 (2025: 900 000) treasury shares held by the Group.

Share-based payments (note 44)

The Heriot Conditional Share Plan was approved during the year, and the first awards of 643 100 conditional shares were made on 23 December 2025, vesting on 23 December 2028 subject to service and performance conditions linked to growth in distributable income per share and NAV-based total return per share.

Dividends

In terms of the REIT legislation, a REIT must distribute at least 75% of its distributable earnings each year. Since its listing in July 2017, Heriot has maintained a 100% payout ratio. Group distributions are stated net of the 900 000 treasury shares in issue. The following dividends were paid or declared:

- Dividend number 16 – the final dividend for the six months ended 30 June 2025 of 65,07 cents per share, totalling R207,756 million, was paid to shareholders on 20 October 2025;
- Dividend number 17 – the interim dividend for the six months ended 31 December 2025 of 66,11 cents per share, totalling R211,058 million, was paid to shareholders on 14 April 2026; and
- Dividend number 18 – the final dividend for the six months ended 30 June 2026 of 76,18 cents per share, totalling approximately R247,487 million, was declared on 29 September 2026 and was paid to shareholders on 26 October 2026 (**note 39**).

The dividends have been declared from distributable earnings and meet the requirements of a REIT "qualifying distribution" in terms of Section 25BB of the Income Tax Act.

Distributable earnings

Heriot uses DPS as its measure of trading performance. Distributable earnings is a non-IFRS® Accounting Standards measure and is reconciled below and, in terms of the SA REIT Best Practice Recommendations, on **page 184**.

	Note	Year ended 30 June 2026 R'000	Year ended 30 June 2025 R'000
Contractual rental income and recoveries, excluding straight-line rental income and revenue from the sale of inventory	22	**1 714 002**	1 654 957
Property expenses	26	**(708 976)**	(678 608)
Other income[1]	23	**22 875**	43 121
Administrative expenses and corporate costs[2]	26	**(108 643)**	(94 996)
Net finance costs	28, 29	**(456 151)**	(474 889)
Income tax	31	**(2 179)**	(471)
Profit from disposal of non-current assets held for sale[3]		**–**	15 000
Safari dividend relating to Thibault's pre-acquisition earnings[4]		**–**	4 412
Texton return of capital distributed to shareholders[5]	9	**14 447**	–
Katleho distribution declared to Heriot[6]	41	**24 026**	–
Share-based payment expense	44	**1 887**	–
Non-controlling interests	16	**(42 743)**	(79 317)
Total distributable earnings		**458 545**	389 209
Number of shares in issue at the reporting date – interim[7]	15	**319 261 982**	319 261 982
Number of shares in issue at the reporting date – final[7]	15	**324 867 032**	319 261 982
Interim distribution (R'000)		**211 058**	181 453
Final distribution (R'000)		**247 487**	207 756
Total distribution		**458 545**	389 209
Interim distribution per share (cents)		**66,11**	56,84
Final distribution per share (cents)		**76,18**	65,07
Total distribution per share (cents)		**142,29**	121,91

[1] *2026 excludes the R15,244 million non-cash gain on the modification of borrowings (**note 17**).*

[2] *Excludes depreciation on owner-occupied property of R0,505 million (2025: R0,504 million).*

[3] *The assets sold were recognised at fair value, being equal to their selling price; no accounting profit was recognised. The 2025 amount represents the sale proceeds less the cost of the assets disposed of.*

[4] *Heriot's share of pre-acquisition earnings paid as a dividend to Heriot.*

[5] *On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital, which was not recognised in profit or loss. The Group received R41,172 million, of which R14,447 million was distributed.*

[6] *Katleho's distribution of R24,026 million to Heriot was applied to reduce the cost of the acquisition and is included as a non-IFRS® Accounting Standards distributable earnings adjustment.*

[7] *Excluding the 900 000 treasury shares in issue (2025: 900 000).*

Directors

The Directors of the Company during the year and at the date of this report were:

Executive	Non-executive
RL Herring *Chief Executive Officer*	SB Herring *Chairman*
D Snoyman *Chief Financial Officer*	SJ Blieden *Lead Independent*
	GJ Heron *Independent*
	R Lockhart-Ross *Independent*
	A Mazwai

There were no changes to the Board during the reporting period.

Directors' interests in shares

As at 30 June 2026 and 30 June 2025, the Directors held the following direct and indirect interests in shares in the Company:

	Beneficial direct	Beneficial indirect	Non-beneficial	Total	%[1]
2026					
RL Herring	**–**	**15 309 794**	**–**	**15 309 794**	**4,7**
SB Herring	**–**	**290 208 295**	**–**	**290 208 295**	**89,1**
D Snoyman	**5 000**	**–**	**–**	**5 000**	**–**
Total	**5 000**	**305 518 089**	**–**	**305 523 089**	**93,8**
2025					
RL Herring	3 371 950	11 377 339	–	14 749 289	4,6
SB Herring	–	285 163 750	–	285 163 750	89,1
Total	3 371 950	296 541 089	–	299 913 039	93,7

[1] *Percentage of the 325 767 032 (2025: 320 161 982) shares in issue, including the 900 000 treasury shares, consistent with the 2025 basis.*

In December 2025, RL Herring transferred his 2 800 000 employee share scheme shares and the 571 950 shares held in his personal name to Ben Av Investments Proprietary Limited ("Ben Av"), his company, in terms of Section 42 of the Income Tax Act. On 30 June 2026, 5 044 545 and 560 505 Heriot shares were issued to the interests of SB Herring and RL Herring, respectively, in settlement of the Katleho acquisition (refer to **note 41**).

Amounts owed under the employee share scheme by Ben Av amounted to R28,301 million as at 30 June 2026 (2025: R28,920 million, owed by RL Herring). On the transfer of the scheme shares to Ben Av in December 2025, the related loan and the pledge of the 2 800 000 scheme shares as security were transferred to Ben Av on the same terms. There were no changes in Directors' interests between 30 June 2026 and the date of approval of the annual financial statements. Conditional share awards to Executive Directors are set out in **note 44**.

Directors' interests in contracts

SB Herring, as a director of Heriot Investments, has an interest in the Hagley 3865 Proprietary Limited loan (**note 9.2**). SB Herring (67,5%) and RL Herring (7,5%) had interests in Katleho, which was acquired by the Company on 30 June 2026 (**notes 36** and **41**). None of the Directors had any other material direct or indirect beneficial interest in contracts with the Company or its subsidiaries during the year.

Events after the reporting period

The material events after the reporting period, being the declaration of the final dividend, the progress of the Group debt restructuring, the refinancing of the Sun Valley facility, the implementation of The Fibonacci development facility, the acquisition of Bubesi 46 Proprietary Limited, the offer to acquire the Denver distribution centre, the transition from JIBAR to the South African Rand Overnights Index Average ("ZARONIA"), the sale of Mnandi Shopping Centre and signing a sale agreement for the sale of Shoprite Athlone, are set out in **note 39**. The Directors are not aware of any other material events after the reporting period.

Going concern

The Directors are of the opinion that the Group and Company have adequate financial resources to continue in operation for at least 12 months from the date of approval of the annual financial statements, and accordingly, the annual financial statements have been prepared on the going concern basis. This opinion is based on:

- the Group's strong current and projected cash flows, with net cash from operating activities exceeding distributable earnings;
- compliance with all debt covenants at the reporting date;
- the Group's solvency, with total assets exceeding total liabilities by R8,094 billion;
- unutilised committed facilities of R323,517 million and cash of R103,188 million at the reporting date; and
- the Group's demonstrated ability to refinance facilities, evidenced by R1,397 billion of facilities refinanced during the year, credit-approved commitments of R931,5 million obtained before the reporting date and further facilities secured after the reporting date. Although current liabilities exceeded current assets by R1,925 billion at the reporting date (R1,691 billion after including non-current assets held for sale of R233,7 million, which are expected to be realised within 12 months), this arises from the timing of the refinancing programme (**note 40**).

Auditor

Subject to shareholder approval at the forthcoming AGM, BDO South Africa Incorporated will continue in office in accordance with Section 90 of the Companies Act, with Vanessa de Villiers as the designated audit partner for the FY2027.

Litigation statement

The Directors are not aware of any legal or arbitration proceedings, pending or threatened, that may have had, in the previous 12 months, a material effect on the Group's financial position.

Performance measures

In compliance with paragraphs 6.27 and 6.28 of the JSE Listings Requirements, and owing to the nature of Heriot's business as a REIT, the Board has adopted DPS and NAV per share as the Group's key performance measures. These are considered more appropriate measures of Heriot's performance than earnings per share and headline earnings per share, and are the basis on which the performance conditions of the Conditional Share Plan are assessed.

Company Secretary

On 26 January 2026, Heriot announced the appointment of Pieter van Niekerk as Company Secretary with effect from 20 March 2026, replacing CIS Company Secretaries Proprietary Limited. The Board has satisfied itself that the Company Secretary has the appropriate qualifications, expertise and experience and that an arm's-length relationship is maintained, the Company Secretary not being a Director of the Company.

Business and postal address of the Company Secretary

410 Lynnwood Road, Lynnwood, Pretoria 0081.

Preparer

The annual financial statements were prepared under the supervision of Daniel Snoyman, CA(SA), Chief Financial Officer.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Heriot REIT Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Heriot REIT Limited and its subsidiaries ("the group and company") set out on **pages 110 to 183**, which comprise the consolidated and separate statements of financial position as at 30 June 2026; and the consolidated and separate statements of profit or loss and other comprehensive income; the consolidated and separate statements of changes in equity; and the consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Heriot REIT Limited and its subsidiaries as at 30 June 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

	Consolidated financial statements	Separate financial statements
Overall materiality	R188 800 000, which represents 1.3% of consolidated total assets. The percentage applied falls within the range of percentages generally used where total assets is the applicable benchmark.	R56 300 000, which represents 1.5% of separate total assets. The percentage applied falls within the range of percentages generally used where total assets is the applicable benchmark.
Rationale for benchmark applied	Consolidated total assets has been identified as an appropriate benchmark as the assets drive the income-earning ability of the group.	Separate total assets has been identified as an appropriate benchmark as the assets drive the income-earning ability of the company.

Group Audit Scope

Our group audit was scoped by obtaining an understanding of the group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement at the group level.

We also considered the corporate organisation, location and business operations of each entity within the group, as well as changes in the business environment, when we formed our view as to the grouping of components. Our process focused on identifying and assessing the risks of material misstatement in respect of the consolidated financial statements as a whole, in order to assist us in forming our approach to the group audit. This process assisted us in determining the audit work that needed to be undertaken at each of the components. We identified four components and performed full scope audits on all these components based on their contribution to the group, and/or specific risk characteristics of the entities within these components.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property – Group – Note 2 The group's investment properties represent the majority of its consolidated assets and are accounted for using the fair value model. The portfolio is valued annually by an external independent valuator – Quadrant Properties Proprietary Limited. The valuations are based on a discounted cash flow model. **Note 2** sets out the most significant inputs into the valuations, all of which are unobservable. We considered the valuation of investment property as a matter of most significance to our current year audit of the consolidated financial statements due to the significance of the balance, the significant judgements and estimates associated with determining fair value, and the sensitivity of the valuations to changes in assumptions.	Our procedures included, amongst others, the following: • We assessed the design and implementation of relevant controls in the valuation process as operated by the directors; • We evaluated management's calculations used in the external valuations for consistency with the prior year methodology. We did not note any inconsistency in this regard which required further consideration; • We evaluated the competence, capabilities, and objectivity of the external independent valuator. This included assessing professional qualifications, membership and standing with professional bodies. We also obtained a signed declaration of the external independent valuator's independence with regard to dealings with management and performance of the valuations; • Through discussions with the external independent valuator, we obtained an understanding of the work performed, which included the valuation methodology adopted, the significant assumptions used, and critical judgement areas applied, such as discount rates and capitalisation rates. We further assessed whether the valuation approach had been applied consistently. We did not note any inconsistency in this regard which required further consideration; • For all of the valuations, we verified the mathematical accuracy of the models applied and assessed the reasonability of forecasts by comparing the forecast to the actual historical results, taking into account our knowledge of the properties and relevant market data. We also assessed the reasonableness of the capitalisation rates, discount rates, and rental income and operating expense growth rates used with reference to the most recent SAPOA and Rode reports; • Making use of our internal corporate finance expertise, we assessed whether the valuation methodology was appropriate and compared the significant assumptions and judgements used by the external independent valuator against historical inputs and market data, where available, and investigated unexpected movements on all properties. Based on the results of our work performed, we did not identify any matters which required further consideration; and • We assessed the adequacy of the disclosure in the consolidated financial statements, including disclosure regarding the significant inputs and sensitivity analysis, against the requirements of IFRS Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Heriot REIT Integrated Report for the year ended 30 June 2026", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Group Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Heriot REIT Limited for nine years.

BDO South Africa Incorporated
Registered Auditors

VR de Villiers
Director
Registered Auditor

30 October 2026

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2026

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Assets					
Non-current assets		**14 037 701**	12 919 204	**3 454 337**	3 371 488
Investment property at fair value	2	**13 589 500**	12 379 190	**–**	–
Investment property	2	**13 298 010**	12 103 269	**–**	–
Straight-line rental income accrual	2	**291 490**	275 921	**–**	–
Property under development	3	**175 000**	238 412	**–**	–
Property, plant and equipment	4	**62 608**	56 115	**–**	–
Investment in subsidiaries	5	**–**	–	**3 454 337**	3 337 499
Investment in associates and joint ventures	6	**13 980**	318	**–**	–
Right-of-use assets	8	**505**	1 010	**–**	–
Financial assets	9	**196 108**	244 159	**–**	33 989
Current assets		**256 272**	507 735	**320 869**	209 954
Trade and other receivables	10	**76 910**	375 833	**–**	–
Dividends receivable from subsidiaries	11	**–**	–	**214 072**	160 331
Financial assets	9	**43 256**	10 000	**75 341**	–
Inventories	12	**32 493**	–	**–**	–
Current taxation receivable		**425**	457	**–**	–
Cash and cash equivalents	13	**103 188**	121 445	**31 456**	49 623
Non-current assets held for sale	14	**233 700**	181 136	**–**	–
Total assets		**14 527 673**	13 608 075	**3 775 206**	3 581 442

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Equity and liabilities					
Total equity		**8 094 003**	7 979 403	**3 710 369**	3 553 101
Shareholders' interest		**7 980 683**	6 689 636	**3 710 369**	3 553 101
Stated capital	15	**3 590 370**	3 468 665	**3 660 623**	3 514 892
Reserves		**4 388 426**	3 220 971	**47 859**	38 209
Share-based payment reserve	44	**1 887**	–	**1 887**	–
Non-controlling interests	16	**113 320**	1 289 767	**–**	–
Liabilities					
Non-current liabilities		**4 252 651**	5 083 397	**–**	–
Interest-bearing borrowings	17	**4 152 750**	4 989 318	**–**	–
Lease liabilities	8	**–**	1 171	**–**	–
Deferred taxation	18	**99 901**	92 908	**–**	–
Current liabilities		**2 181 019**	545 275	**64 837**	28 341
Interest-bearing borrowings	17	**1 921 856**	312 745	**–**	–
Trade and other payables	20	**231 869**	216 082	**64 837**	28 341
Dividend payable to non-controlling shareholders	21	**26 123**	15 466	**–**	–
Lease liabilities	8	**1 171**	982	**–**	–
Total equity and liabilities		**14 527 673**	13 608 075	**3 775 206**	3 581 442

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Revenue	22	**1 728 205**	1 706 944	**428 271**	382 419
Contractual rental income		**1 238 377**	1 183 361	**–**	–
Dividends received from subsidiaries	11, 22	**–**	–	**428 271**	382 419
Operating cost recoveries		**475 625**	471 596	**–**	–
Revenue from sale of inventory	12	**–**	10 033	**–**	–
Straight-line rental income accrual		**14 203**	41 954	**–**	–
Operating costs		**(708 976)**	(678 608)	**–**	–
Cost of inventory sold	12	**–**	(11 132)	**–**	–
Net property income		**1 019 229**	1 017 204	**428 271**	382 419
Investment and other income	23	**38 119**	43 121	**–**	–
Administration costs		**(109 148)**	(95 500)	**(3 660)**	(1 490)
Loss on sale of property, plant and equipment	4	**–**	(392)	**–**	–
Net impairment (losses)/reversals of investment in subsidiaries	24	**–**	–	**(4 868)**	35 708
(Loss)/profit on sale of subsidiary	25	**(2 388)**	12 283	**–**	–
Profit from operations	26	**945 812**	976 716	**419 743**	416 637
Finance charges	28	**(475 603)**	(489 961)	**–**	–
Finance income	29	**19 452**	15 072	**9 902**	8 283
Profit before fair value adjustments		**489 661**	501 827	**429 645**	424 920
Fair value adjustments		**759 566**	1 120 688	**–**	–
Investment properties and property under development	30	**776 252**	1 109 908	**–**	–
Investment properties held for sale	30	**(37 834)**	(16 754)	**–**	–
Fair value adjustment on listed shares	30	**21 148**	27 697	**–**	–
Derivative financial instrument	30	**–**	(163)	**–**	–
Profit before taxation		**1 249 227**	1 622 515	**429 645**	424 920
Taxation	31	**(9 172)**	(5 442)	**–**	–
Total comprehensive income for the year		**1 240 055**	1 617 073	**429 645**	424 920

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Total comprehensive income attributable to:					
Heriot shareholders		**1 122 393**	1 379 124	**–**	–
Non-controlling shareholders	16	**117 662**	237 949	**–**	–
Total comprehensive income for the year		**1 240 055**	1 617 073	**–**	–
Basic earnings per share (cents)	32	**351,54**	431,97	**–**	–
Diluted earnings per share (cents)	32	**351,54**	431,97	**–**	–

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2026

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Net cash flows generated from operating activities		**496 447**	455 459	**440 201**	338 457
Cash generated from operations	33.2	**975 625**	958 727	**45 673**	97 121
Finance charges	28	**(492 169)**	(510 851)	**–**	–
Finance income	29	**15 138**	8 576	**6 923**	4 965
Dividends received	11	**–**	–	**387 605**	236 371
Taxation paid	33.5	**(2 147)**	(993)	**–**	–
Net cash generated from/(used in) investing activities		**105 423**	(146 443)	**(38 373)**	39 672
Acquisitions/improvements to investment property	33.6	**(264 738)**	(284 204)	**–**	–
Acquisition of property, plant and equipment	4	**(15 963)**	(10 932)	**–**	–
Proceeds from disposal of investment property held for sale	14	**39 273**	18 177	**–**	–
Proceeds from disposal of property, plant and equipment	4	**–**	1 456	**–**	–
Proceeds from disposal of Safari Namibia[1]	33.3	**290 000**	–	**–**	–
Acquisition of shares in associate and joint ventures	6	**(13 662)**	(318)	**–**	–
Acquisition of additional shares in subsidiary	5	**–**	–	**–**	(1 125)
Acquisition of listed shares	9	**–**	(1 579)	**–**	–
Return of capital from listed shares	9	**41 172**	51 591	**–**	–
Loans advanced to subsidiaries	9	**–**	–	**(42 085)**	–
Dividend received from listed investments	23	**–**	26 004	**–**	–
Cash received from Thibault	SOCIE	**–**	–	**–**	37 203
Thibault acquisition adjustment	SOCIE	**6 988**	–	**–**	–
Loan repaid by related party	9	**42 070**	103 170	**–**	–
Loan advanced to related party	9	**(46 697)**	(52 784)	**–**	–
Cash disposed of on deconsolidation of subsidiary (Safari Namibia)	14	**–**	(618)	**–**	–
Cash received on disposal of subsidiary (60 Adderley)	14	**7 721**	–	**–**	–
Cash disposed of on deconsolidation of subsidiary (60 Adderley)	14	**(2 707)**	–	**–**	–
Cash acquired on business combination (Katleho)	41	**18 254**	–	**–**	–
Share scheme debt repaid	9	**3 712**	3 594	**3 712**	3 594
Net cash used in financing activities		**(620 127)**	(256 596)	**(419 995)**	(370 848)
Dividends paid to Heriot shareholders	SOCIE	**(418 815)**	(362 837)	**(419 995)**	(363 860)
Dividends paid to non-controlling shareholders	21	**(43 129)**	(87 129)	**–**	–
Safari share buyback (return of capital and dividend)	16, SOCIE	**(834 568)**	–	**–**	–
Safari share buyback (clean-out distribution)	16, SOCIE	**(39 220)**	–	**–**	–
Settlement of Safari's share-based payment scheme	SOCIE	**(4 501)**	–	**–**	–
Subscription by minority for additional shares in subsidiary	16, SOCIE	**–**	1 125	**–**	–
Loans repaid to subsidiaries	19	**–**	–	**–**	(6 988)
Payment of lease liabilities	8	**(981)**	(815)	**–**	–
Interest-bearing borrowings raised	33.7	**1 127 000**	914 615	**–**	–
Interest-bearing borrowings repaid	33.7	**(405 913)**	(721 555)	**–**	–
Net movement in cash and cash equivalents		**(18 257)**	52 420	**(18 167)**	7 281
Cash and cash equivalents at the beginning of the year		**121 445**	69 025	**49 623**	42 342
Cash and cash equivalents at the end of the year		**103 188**	121 445	**31 456**	49 623

[1] *The Group disposed of its interest in Safari Investments Namibia Proprietary Limited ("Safari Namibia") in the prior year. In accordance with IAS 7* Statement of Cash Flows*, the consolidated statement of cash flows reflects the net cash impact of the transaction within investing activities. This comprised the cash proceeds receivable from the disposal, net of the subsidiary's cash and cash equivalents at the date control was lost. As the R290,0 million cash proceeds were only received on 1 July 2025, the cash flow impact for the prior year relates solely to the deconsolidation of the subsidiary's cash balance, representing the reduction in cash and cash equivalents under the Group's control.*

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2026

	Note	Group				
		Stated capital R'000	Reserves R'000	Non-controlling interests R'000	Share-based payment reserve R'000	Total R'000
Balance as at 30 June 2024		3 468 665	2 204 684	1 107 228	–	6 780 577
Total comprehensive income for the year		–	1 379 124	237 949	–	1 617 073
Subscription by minority for additional shares in subsidiary[1]	16, Cash flow	–	–	1 125	–	1 125
Dividends[2]		–	(362 837)	(56 535)	–	(419 372)
Balance as at 30 June 2025		**3 468 665**	**3 220 971**	**1 289 767**	**–**	**7 979 403**
Total comprehensive income for the year		**–**	**1 122 393**	**117 662**	**–**	**1 240 055**
Safari share buyback – return of capital and dividend components[3]	16, Cash flow	**–**	**418 058**	**(1 252 626)**	**–**	**(834 568)**
Safari share buyback – clean-out distribution[3]	16, Cash flow	**–**	**–**	**(39 220)**	**–**	**(39 220)**
Safari share buyback – settlement of share-based payment scheme[3]		**–**	**(4 501)**	**–**	**–**	**(4 501)**
Sale of subsidiary (60 Adderley)[4]	14	**–**	**–**	**(3 066)**	**–**	**(3 066)**
Shares issued for Katleho acquisition[5]	41	**145 731**	**19 306**	**55 013**	**–**	**220 050**
Dividend declared in lieu of shares bought in Katleho (non-cash)[5]	41	**(24 026)**	**24 026**	**(8 009)**	**–**	**(8 009)**
Dividends[6]		**–**	**(418 815)**	**(46 201)**	**–**	**(465 016)**
Thibault acquisition adjustment[7]	Cash flow	**–**	**6 988**	**–**	**–**	**6 988**
Share-based payment expense[8]	44	**–**	**–**	**–**	**1 887**	**1 887**
Balance as at 30 June 2026		**3 590 370**	**4 388 426**	**113 320**	**1 887**	**8 094 003**
Note		15		16	44	

30 June 2025 Group footnotes:

[1] ***Subscription by minority for additional shares in subsidiary***

- *During the previous reporting period, Moditouch Proprietary Limited ("Moditouch"), a subsidiary of Heriot, issued additional shares equally to both of its shareholders. The ownership percentage therefore remained unchanged. The minority shareholder paid R1,125 million in cash to acquire the additional shares issued.*

[2] ***Dividends***

- *On 23 October 2024, Heriot paid its final distribution to shareholders of R181,384 million, or 56,81 cents per share, for the six months ended 30 June 2024.*
- *On 22 April 2025, Heriot paid its interim distribution to shareholders of R181,453 million, or 56,84 cents per share, for the six months ended 31 December 2024.*
- *On 18 October 2024, Safari paid its final distribution to shareholders of R43,464 million, or 17,0 cents per share, for the six months ended 30 June 2024. At Group level, R17,719 million was paid to minority shareholders.*
- *On 24 March 2025, Safari paid its interim distribution to shareholders of R86,928 million, or 34,0 cents per share, for the six months ended 31 December 2024. At Group level, R35,439 million was paid to minority shareholders.*

30 June 2026 footnotes:

[3] ***Safari share buyback — return of capital, distribution and clean-out distribution components***

- *On 22 December 2025, Safari concluded a scheme of arrangement to acquire the remaining issued share capital held by minority shareholders. Safari acquired 104,321 million shares at R8,00 per share, for a total consideration of R834,568 million, allocated and settled as follows:*
- *R6,18271 per share, totalling R644,987 million, paid to minority shareholders as a return of capital; and*
- *R1,81729 per share, totalling R189,581 million, paid as a cash dividend.*
- *On this basis, the Group realised a bargain gain of R418,058 million, as the value of the Safari non-controlling interest of R1,253 billion exceeded the consideration paid of R834,568 million.*
- *In addition, under the terms of the scheme of arrangement, a clean-out distribution of 37,6 cents per share, amounting to R39,220 million, was paid to shareholders on 22 December 2025.*
- *As a consequence of the scheme of arrangement, Safari's existing share-based payment scheme was settled early. The resulting charge of R4,501 million has been recognised directly in equity, as the settlement relates to an equity-settled arrangement extinguished as part of the transaction with minority shareholders.*

[4] ***Sale of subsidiary (60 Adderley)***

- *On 30 November 2025, the Group disposed of its 60% interest in 60 Adderley through the sale of the shares in, and claims against, the company. On loss of control, the non-controlling interests' share of the net assets of R3,066 million, representing the 40% interest held by the non-controlling shareholders, was derecognised through the statement of changes in equity. Refer to **notes 14** and **16** for further details on the disposal.*

[5] ***Katleho acquisition — business combination under common control***

- *On 30 June 2026, Heriot acquired a 75% interest in Katleho. As the transaction was a BCUCC, it falls outside the scope of IFRS 3* Business Combinations *and has accordingly been accounted for directly in equity, with no effect on the statement of comprehensive income.*

Calculation of the purchase consideration

- *The purchase consideration comprised 5 605 050 ordinary shares issued by Heriot, measured at the market value of R26,00 per share on the acquisition date, amounting to R145,731 million, which has been recognised in stated capital.*

Calculation of the non-controlling interest

- *The non-controlling interest was measured at its proportionate share of the identifiable net assets acquired. Based on Katleho's NAV at acquisition of R220,050 million, the 25% interest retained by the non-controlling shareholders amounted to R55,013 million.*

30 June 2026 footnotes: continued

[5] ***Katleho acquisition — business combination under common control*** *continued*

Calculation of the bargain gain

- *The excess of Heriot's 75% share of Katleho's NAV of R165,037 million over the purchase consideration of R145,731 million resulted in a bargain gain of R19,306 million, representing a discount of 11,7% to NAV. As the acquisition was a common control transaction outside the scope of IFRS 3, the gain has been recognised directly in the statement of changes in equity.*
- *On 30 June 2026, Katleho declared a dividend of R24,026 million to Heriot in respect of its 75% shareholding. Rather than being settled in cash, the dividend was applied in reduction of the purchase consideration, with a corresponding reduction in stated capital, and is accordingly excluded from the statement of cash flows as a non-cash transaction.*
- *On 30 June 2026, dividends of R8,009 million were declared to the 25% non-controlling shareholders of Katleho.*

*Refer to **note 41** for further details on the acquisition.*

[6] ***Dividends***

- *On 20 October 2025, Heriot paid its final distribution to shareholders of R207,756 million, or 65,07 cents per share, for the six months ended 30 June 2025.*
- *On 14 April 2026, Heriot paid its interim distribution to shareholders of R211,058 million, or 66,11 cents per share, for the six months ended 31 December 2025. Both distributions are stated net of the 900 000 treasury shares in issue.*
- *On 13 October 2025, Safari paid its final distribution to shareholders of R102,268 million, or 40,0 cents per share, for the six months ended 30 June 2025. At Group level, R41,728 million was paid to minority shareholders.*
- *Dividends of R4,473 million were declared to the non-controlling interests of other subsidiaries during the year, bringing total distributions to non-controlling interests to R46,201 million.*

[7] ***Thibault acquisition adjustment***

- *The Thibault acquisition was a common control transaction accounted for in the 2024 reporting period. During the current period, the Group finalised the determination of the carrying amounts of the net assets acquired, resulting in an increase of R6,988 million in reserves. As a common control transaction falls outside the scope of IFRS 3* Business Combinations*, the adjustment has been recognised directly in equity and does not affect profit or loss for the year.*

[8] ***Share-based payment expense***

- *Heriot operates an equity-settled share-based payment arrangement under which conditional awards are granted to qualifying employees. In accordance with IFRS 2* Share-based Payment*, the fair value of the awards at grant date is recognised as an expense over the vesting period, with a corresponding credit to the share-based payment reserve within equity. The expense recognised for the year amounted to R1,887 million. Refer to **note 44** for the detailed terms and assumptions applied in determining the fair value of the awards.*
- *Refer to **note 1.12** for the description of the nature and purpose of each reserve within equity.*

	Note	Company			
		Stated capital R'000	Reserves R'000	Share-based payment reserve R'000	Total R'000
Balance as at 30 June 2024		3 477 689	(22 851)	–	3 454 838
Total comprehensive income for the year		–	424 920	–	424 920
Cash received from Thibault[1]		37 203	–	–	37 203
Dividends		–	(363 860)	–	(363 860)
Balance as at 30 June 2025		3 514 892	38 209	–	3 553 101
Total comprehensive income for the year		**–**	**429 645**	**–**	**429 645**
Shares issued for Katleho acquisition[2]	41	**145 731**	**–**	**–**	**145 731**
Share-based payment reserve expense		**–**	**–**	**1 887**	**1 887**
Dividends		**–**	**(419 995)**	**–**	**(419 995)**
Balance as at 30 June 2026		**3 660 623**	**47 859**	**1 887**	**3 710 369**
Note		15			

Company notes:

[1] ***Cash received from Thibault***

- *In the FY2024, the R37,203 million dividend declared to Heriot reduced the purchase consideration, or cost of shares, issued to acquire Thibault. On this basis, instead of raising a receivable, the stated capital was reduced. The receivable of R37,203 million was not deemed to be material. In the prior reporting period, Thibault paid the R37,203 million, which has been recognised through the statement of changes in equity to correct stated capital.*

[2] ***Katleho acquisition — business combination under common control***

- *The Company acquired a 75% interest in Katleho, settled through the issue of 5 605 050 shares at the market value of R26,00 per share on the acquisition date, amounting to R145,731 million. At Company level, the full consideration is recognised in stated capital.*

Accounting policies

1. Material accounting policies

The material accounting policies applied in the preparation of these Group and Company financial statements are set out below.

1.1 Basis of preparation

The consolidated and separate financial statements are prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair value, and incorporate the material accounting policies set out below. These accounting policies are consistent with those applied in the previous period other than for the share-based payment policy adopted in the current period, set out in **note 1.13**, and the new and revised accounting standards outlined in **note 1.29** to the financial statements, which had no material impact on the results.

Katleho

Effective 30 June 2026, Heriot acquired 75% of the issued shares in Katleho from Heriot Investments (67,5%) and RL Herring (7,5%) in exchange for 5 605 050 new Heriot shares. As Heriot and Katleho were controlled by the same ultimate controlling party, SB Herring (through Heriot Investments), both before and after the transaction, and that control is not transitory, the acquisition is a BCUCC that falls outside the scope of IFRS 3 *Business Combinations* (IFRS 3.2(c)). It has been accounted for using the predecessor value method in terms of the Group's accounting policy for business combinations under common control (**note 1.6)**. The assets acquired and liabilities assumed were recognised at their carrying amounts in Katleho's financial statements, the non-controlling interest was measured at its proportionate share of those carrying amounts, comparative information has not been restated, and the excess of the net carrying amount acquired over the consideration transferred of R19,306 million has been recognised directly in equity (refer to the statement of changes in equity and **note 41**). As the acquisition was effective on the last day of the reporting period, no income or expenses of Katleho are included in the Group's results for the year ended 30 June 2026, while the statement of financial position as at 30 June 2026 includes the assets and liabilities acquired. Accordingly, the financial information is not directly comparable between the current and prior periods.

Share-based payments

The Heriot Conditional Share Plan was approved during the current reporting period, and the first conditional share awards were granted on 23 December 2025. The accounting policy for share-based payments has accordingly been adopted in the current reporting period and is set out in **note 1.13**. As no awards were in issue in the prior reporting period, there are no comparative amounts (refer to **note 44**).

The financial statements are prepared on the going concern basis and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

1.2 Statement of compliance

The consolidated and separate financial statements are prepared in accordance with IFRS® Accounting Standards, the requirements of the Companies Act and the JSE Listings Requirements.

1.3 Foreign currency translation

The Company's functional currency and the Group's presentation currency is South African Rand ("Rand"). Items included in the financial statements of each entity in the Group are measured using the functional currency of that entity.

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are retranslated at the exchange rate ruling at the reporting date. Exchange differences arising on translation are recognised in profit or loss in the period in which they arise.

On consolidation, the assets and liabilities of foreign operations are translated into Rand at the exchange rate ruling at the reporting date, and their income and expenses at the exchange rates ruling at the dates of the transactions. Exchange differences arising on the translation of foreign operations are recognised in other comprehensive income and accumulated in a foreign currency translation reserve within equity.

The Group's only foreign operation is Chasie Investments Proprietary Limited ("Chasie"), a wholly owned Namibian subsidiary whose functional currency is the Namibian Dollar. The Namibian Dollar is pegged to the Rand at a rate of one Namibian Dollar to one Rand. As the pegged rate was applied throughout the current and prior reporting periods, the translation of Chasie's results and financial position into Rand gives rise to no exchange differences, and accordingly no foreign currency translation reserve has been recognised.

1.4 Use of estimates and judgements

In preparing the consolidated and separate financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated and separate financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the consolidated and separate financial statements.

Significant judgements and sources of estimation uncertainty

Significant judgements

Expected credit loss

Impairment of trade receivables – Note 10

An entity has a policy choice to apply either the simplified approach or the general approach for all trade and lease receivables that result from transactions that are within the scope of IFRS 16. The simplified approach does not require an entity to track the changes in credit risk, but instead, requires the entity to recognise a loss allowance based on lifetime ECLs at each reporting date from origination.

The Group applies the IFRS 9 simplified approach to measuring ECLs using a lifetime ECL allowance for trade receivables. To measure ECLs on an individual basis, these receivables are assessed net of the value-added tax clawback and deposit or guarantee held.

Arrears aged 90 days and over are in most instances deemed to be irrecoverable and provided for. The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period-end and are reassessed at each reporting date.

The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, as well as potential changes in the debtors' risk profiles.

The Group has identified the gross domestic product, unemployment rate and the inflation rate as the key macroeconomic factors.

Trade receivables are written off when internal and initial legal collection processes have been exhausted and a judgement is made that the amount is likely not recoverable. Factors considered when monitoring credit risk and determining write-offs include the financial status of the debtor or counterparty, existence and quality of security, disputes and failure of the debtor to engage on payment plans or untraceable debtors. ECL allowances for trade receivables are

based on assumptions about risk of default and expected loss rates. Judgement, based on past history, existing market conditions and forward-looking estimates of economic growth and forecast of retail sales, is used in making these assumptions.

Impairment of financial assets, dividends receivable from subsidiaries and other receivables – Notes 9 and 11

In terms of the provisions of IFRS 9 *Financial Instruments*, which requires a loss allowance to be recognised for all exposures to credit risk, the Group and Company apply the general approach to measuring ECLs in respect of related party loans, share scheme loans, amounts receivable from subsidiaries and other receivables.

The loss allowance for these receivables is calculated based on 12-month expected losses i.e. default events that are possible within 12 months if there has not been any significant increase in credit risk since initial recognition.

In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime ECLs.

The loss allowance is updated to either 12-month or lifetime ECLs at each reporting date based on changes in the credit risk since initial recognition. If the receivable is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

These receivables were analysed in terms of IFRS 9 by assessing the credit risk and expected default rate, taking into account mitigating factors including collateral held per receivable. Credit risk and the expected default rate are assessed based on a three-stage risk approach.

Stage 1 – Financial assets that have a low credit risk at the reporting date; 12-month ECLs are recognised.

Stage 2 – Assess if there has been a significant increase in credit risk and quality of the financial asset since initial recognition but it does not show objective evidence of impairment; lifetime ECLs are recognised.

Stage 3 – If there is objective evidence of impairment at the reporting date, lifetime ECLs are recognised.

A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand.

The risk that the borrower will default on a demand loan depends on whether the subsidiary has sufficient cash or other liquid assets to repay the loan immediately (meaning that the risk of default is very low, possibly close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%). A loan is considered to be credit-impaired if it meets the definition of a defaulted loan.

In determining the loss allowance and whether the credit risk has increased significantly, the following inputs and assumptions are used for related party and employee share scheme loans:

- Repayment dates of the loans;
- Growth projections of the properties owned by the borrowers and sureties provided on the loans. Further, the net equity position of a loan is assessed, along with the income-generating abilities of the properties, from day-to-day trading conditions and the surrounding areas;
- The employee share scheme loans are compared to the year-end market price to assess recoverability; and
- An interest rate sensitivity analysis to stress test loan repayment tenures.

Other receivables mainly comprise deposits paid to Eskom and major municipalities. In determining the loss allowance and whether the credit risk has increased significantly, the following inputs and assumptions are used:

- Location of the municipality; and
- Financial status of the municipality and/or state-owned entity.

Write-off policy

The Group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no prospect of recovery e.g. when the counterparty has been placed in liquidation or has entered into business rescue proceedings. Loans written off may still be subject to enforcement, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Taxation – Note 31

Due to the complexity of the tax legislation, judgement is required in determining the provision for income taxes.

Heriot is a REIT and tax and deferred tax are accounted for accordingly. The significant judgement applied is in determining the extent to which the REIT tax dispensation applies to each entity in the Group and, consequently, the extent to which deferred tax is required to be recognised. The related accounting policy is set out in **note 1.19**.

Investment in Texton – Note 9

While Heriot, through its wholly owned subsidiary Thibault, has a 21,7% (2025: 21,7%) shareholding in Texton excluding treasury shares, the following significant judgements were applied in order to conclude that neither Heriot nor Thibault had significant influence over the company due to the following factors:

- Neither Heriot nor Thibault has the ability to appoint a director to the Texton board;
- Neither Heriot nor Thibault is permitted to participate in any policy-making processes, including decisions about dividends or other distributions;
- The only material transactions between the entities are the Texton shares acquired by Thibault and the dividends received from Texton;
- There is no interchange of managerial personnel between the companies; and
- Heriot and Thibault only have access to publicly available information as released by Texton.

On this basis, the investment in Texton has been classified under non-current financial assets and accounted for at fair value through profit or loss in terms of IFRS 9 at the reporting date (refer to **note 9.3**).

Investment in Katleho – Note 41

The acquisitions of Katleho in the current reporting period and of Thibault in a previous reporting period were accounted for as BCUCC, as Heriot and the acquired entity were controlled by the same ultimate controlling party, SB Herring (including through Heriot Investments), before and after each transaction and that control was not transitory. As IFRS® Accounting Standards do not provide guidance on the accounting for a BCUCC, Heriot applied significant judgement in developing an accounting policy in terms of IAS 8.10-12 and applied the predecessor value method, consistent with the accounting for the Thibault acquisition (refer to **note 1.6**).

Sources of estimation uncertainty

Investment properties – Note 2

The property portfolio is valued externally by a professional valuer on an annual basis using discounted cash flow projections. Cash flow projections are based on estimates of future net rental cash flows, discounted using rates that reflect current market assessments, together with external evidence such as current market rentals for similar properties in the same location.

Future rentals are estimated taking into account existing lease contracts and escalations, location, the condition of the property, lease covenants, current market rentals, conditions and the economy.

Fair value measurement of contingent consideration – Note 9
The fair value of contingent consideration is based on an estimation of the probability of achieving certain performance targets. The judgements applied are disclosed in **note 9.5**.

Impairments of investments in subsidiaries – Note 5
The Group tests whether assets have suffered any impairment in accordance with the accounting policy stated in **note 1**. The recoverable amounts of cash-generating units have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry-based market forecasts.

Expected credit loss – Note 10
The Group applies the IFRS 9 simplified approach to measuring ECLs using a lifetime ECL allowance for trade receivables.

To measure ECLs on an individual basis, these receivables are assessed net of value-added tax and deposits or guarantees held.

Details of the forward-looking information incorporated in the measurement of ECL allowances for trade receivables are provided in **note 10**.

Share-based payments – Note 44
The share-based payment expense depends on management's estimate of the number of conditional share awards expected to vest, including the expected outcome of the non-market performance conditions (growth in distributable income per share and NAV-based total return). The estimate is reassessed at each reporting date and changes are recognised in profit or loss (refer to **note 44**).

1.5 Basis of consolidation

Subsidiaries – Note 5

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. The Group has control of an investee when it has power over the investee and has the ability to use its power to affect the amount the investee returns to the investor.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued and excludes transaction costs.

Investments in subsidiaries in the separate financial statements of the Company are reflected at cost less accumulated impairment losses.

The accounting policies of the subsidiaries are consistent with those of the Group.

Disposal of subsidiaries – Notes 14 and 25

On loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, together with any related non-controlling interest, at their carrying amounts on the date control is lost. The gain or loss on disposal is recognised in profit or loss and is measured as the difference between the fair value of the consideration received, including the fair value of any contingent consideration, and the carrying amount of the net assets disposed of. Where a subsidiary or investment property is classified as held for sale prior to disposal, it is accounted for in terms of the policy set out in **note 1.22**. Where a disposal does not represent a separate major line of business or geographical area of operations, it is not presented as a discontinued operation.

Associates and joint ventures – Note 6

An associate is an entity over which the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for at cost less accumulated impairment losses in the Company's separate financial statements. At Group level, these investments are initially measured at cost, subsequently using the equity method. The Group's investment in associates and joint ventures includes goodwill identified on acquisition (net of any accumulated impairment loss).

The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses equals or exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued, except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Unrealised gains on transactions between the Group and equity-accounted investments are eliminated to the extent of the Group's interest in the associates. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

1.6 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are measured at their fair values at the acquisition date. On each acquisition, the Group elects to measure non-controlling interest either at fair value or at the non-controlling interest's proportionate share of the identifiable net assets acquired.

Where the net recognised amount of the identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the excess is recognised as a bargain purchase gain. Where the acquisition is accounted for under the acquisition method, the gain is recognised in profit or loss. Where the acquisition is a BCUCC accounted for under the predecessor value method, the gain is recognised in the statement of changes in equity.

Katleho acquisition – Note 41

Effective 30 June 2026, Heriot entered into exchange agreements with Katleho and its shareholders, Heriot Investments and RL Herring (related parties – **note 36**), for the acquisition of 75% of the issued shares in Katleho in terms of Section 42 of the Income Tax Act. Heriot acquired 3 000 of Katleho's 4 000 issued shares in exchange for 5 605 050 new Heriot shares, which were issued on 30 June 2026, being the effective date of the acquisition. From that date, Heriot controls Katleho by virtue of the majority of voting rights held.

Purchase consideration

The 5 605 050 new Heriot shares were issued at a market value of R26,00 per share, equating to a market value of shares issued of R145,731 million. A distribution of R24,026 million declared by Katleho to Heriot reduced the total purchase consideration to R121,705 million. As the acquisition is a BCUCC accounted for under the predecessor value method, the excess of Heriot's share of the net carrying amount of Katleho's assets and liabilities (R141,011 million) over the purchase consideration, being R19,306 million, was recognised as a bargain gain in the statement of changes in equity (refer to the **SOCIE** and **note 41**).

Net assets acquired and non-controlling interest

The carrying amount of the net assets acquired at the effective date was R220,050 million. The non-controlling interest's 25% share of the net assets before distribution amounted to R55,013 million, adjusted by a distribution of R8,009 million declared to the non-controlling shareholder, resulting in a total non-controlling interest of R47,004 million. Heriot's 75% share of the net assets acquired accordingly amounted to R165,037 million, or R141,011 million after taking into account the distribution of R24,026 million declared to Heriot. (Refer to **notes 16** and **41**.)

Bargain gain

As the net carrying amount of the net assets acquired attributable to Heriot of R141,011 million exceeded the purchase consideration of R121,705 million, a bargain gain of R19,306 million arose and was recognised directly in equity. (Refer to the **SOCIE** and **note 41**.)

Business combinations under common control

IFRS® Accounting Standards do not provide guidance on the accounting for a BCUCC. Where a business combination occurs between entities under the control of the same ultimate controlling party both before and after the transaction, and that control is not transitory, Heriot applies significant judgement and accounts for the transaction using the predecessor value method. In terms of this method: (i) the purchaser recognises the assets acquired and liabilities assumed at their carrying amounts in the financial statements of the acquired entity on the date on which it assumes control, and no goodwill is recognised; (ii) non-controlling interests are measured at their proportionate share of those carrying amounts; (iii) the consideration transferred is measured at the fair value of the equity instruments issued, reduced by any distribution declared by the acquired entity to Heriot that forms part of the transaction; (iv) any excess of the carrying amounts over the consideration transferred is recognised as a bargain purchase gain directly in the statement of changes in equity (any shortfall is recognised as a reduction in equity); (v) the results of the acquired entity are included from the date on which control is assumed and comparative information is not restated; and (vi) transaction costs are expensed as incurred.

The acquisition of Katleho, effective 30 June 2026, was accounted for as a BCUCC under the predecessor value method, as SB Herring, through Heriot Investments, controlled both Heriot and Katleho before and after the acquisition. A bargain gain of R19,306 million was recognised in the statement of changes in equity in the current reporting period (**note 41**).

1.7 Investment property

1.7.1 Investment property – Note 2

Investment property is property held to earn rental income or for capital appreciation, or both.

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually by external independent registered valuers on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine fair value.

The vacant land has been valued on the "direct comparable basis".

Gains or losses arising from changes in the fair values of investment property are included in profit or loss for the year in which they arise.

Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss in the period during which it occurs.

When the Group begins to redevelop an existing investment property, consideration is given to whether or not the property needs to be reclassified as investment property under development or should remain as investment property, which is measured based on the fair value model.

Tenant installations and lease commissions are capitalised and amortised over the period of the lease. The carrying values of lease commissions and tenant installations are included with investment properties.

Solar plant costs are capitalised and amortised over the useful life of the various components. The carrying values of the solar plants are included with investment properties and income generated through savings has been taken into account when calculating the fair value of investment properties.

1.7.2 Investment property under development – Note 3

Investment property under development is stated at fair value. Fair values are determined annually by external independent registered valuers. The valuers apply either the discounted cash flow or the capitalisation of net income method to projected cash flows for the completed development to determine fair value. If the fair value of the developments cannot be reliably measured, the property will be carried at cost.

On completion, investment property under development is transferred to investment property.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditure for the development qualifying as acquisition costs, are capitalised.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the asset is substantially ready for its intended use. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, the weighted average cost of borrowings.

1.8 Property, plant and equipment – Note 4

Properties that are occupied by the Company for internal purposes are recognised in terms of the accounting policy for property, plant and equipment.

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment, if any.

Depreciation is calculated using the straight-line method to write off costs to their residual values over their estimated useful lives. The depreciation rates applicable are as follows:

Buildings (land is not depreciated)	50 years
Computer equipment	3 years
Furniture, fittings and equipment	10 years
Motor vehicles	5 years

The useful lives and residual values of property, plant and equipment are assessed annually.

1.9 Financial instruments

The Group's financial instruments consist of equity instruments, loans receivable and payable, trade and other receivables, trade and other payables, cash, borrowings and derivative financial instruments.

Financial instruments are initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

Cash and cash equivalents – **Note 13**	Carried at amortised cost
Financial assets including related party loans, share scheme loans and amounts receivable from subsidiaries – **Notes 9** and **11**	Stated at amortised cost using the effective interest method less accumulated impairment losses
Financial assets including investments in listed shares – **Note 9**	Investments in listed shares are recognised at fair value through profit or loss
Trade and other receivables – **Note 10**	Stated at amortised cost using the effective interest method less the ECL allowance
Trade and other payables – **Note 20**	Stated at amortised cost using the effective interest method
Related party loans payable – **Note 19**	Stated at amortised cost using the effective interest method
Financial liabilities – **Note 17**	Non-derivative financial liabilities not at fair value through profit or loss are recognised at amortised cost using the effective interest method
Derivative financial instruments – **Note 7**	Derivative financial instruments are recognised at fair value through profit or loss

The gain or loss on remeasurement to fair value of financial instruments at fair value through profit or loss is recognised immediately in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

For all financial instruments carried at amortised cost, where the financial effect of the time value of money is not considered to be material, discounting is not applied as the fair values of these instruments approximate their carrying values.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Expected credit loss

The Group recognises a loss allowance for ECLs on trade and other receivables and loan receivables.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised for all trade receivables from initial recognition. Defaulting trade receivables are generally those receivables for which there have been no collections for more than 90 days. Trade receivables are derecognised when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

For related party loans, employee share scheme loans and other receivables, credit risk is assessed based on the borrower's ability to service its debt as it falls due. The Group and Company apply the IFRS 9 general approach to measuring ECLs. The loss allowance for these financial assets is calculated with reference to ECLs for the next 12 months where credit risk has not increased significantly since initial recognition. Where credit risk has increased significantly, the loss allowance is calculated based on lifetime ECLs.

1.10 Leases – Note 8

All leases with tenants are classified as operating leases.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term.

The accrued operating lease income straight-lining adjustment is recognised as an asset in the statement of financial position. Income from leases is disclosed within revenue in profit or loss.

Contingent rentals

Where applicable, turnover rent is negotiated with tenants on an individual basis. Turnover rent is recognised when it is due in terms of the lease agreement.

Leases – Group as lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item in the statement of financial position.

The Group would remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset), even though this is not applicable in the current financial year, when:

- there has been a change in the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item in the statement of financial position.

Right-of-use assets are measured at cost at the commencement date and comprise the following:

- The initial amount of the corresponding lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs incurred; and
- Less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

Depreciation starts at the commencement date of a lease. For right-of-use assets which are depreciated over their useful lives, if ownership does not transfer, the useful life is restricted to the lease term.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.11 Contingent consideration – financial assets – Note 9

Contingent consideration arising on the disposal of subsidiaries, businesses or assets is recognised as a financial asset when the Group has a contractual right to receive cash (IAS 32.11).

Such assets are initially recognised at fair value at the date of disposal and are subsequently remeasured at fair value at each reporting date, with changes in fair value recognised in profit or loss (IFRS 9).

Where the contractual terms of the contingent consideration do not meet the "solely payments of principal and interest" criterion under IFRS 9, the asset is classified as measured at fair value through profit or loss. This typically arises when the return is linked to the future performance of the disposed entity.

Fair value is determined based on the probability-weighted expected cash flows and reflects management's best estimate of the outcome of the relevant performance conditions.

1.12 Stated capital and equity

Share capital – Note 15

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity and those paid for and issued are recognised as stated capital.

The ordinary shares fully paid for but not yet issued are classified as equity within the statement of changes in equity.

Company shares held by subsidiaries are classified as treasury shares on consolidation and presented as a deduction from equity. These shares are held at cost in the consolidated financial statements.

Non-controlling interest – Note 16

The non-controlling interest reserve relates to the portion of equity ownership in a subsidiary not attributable to the parent company. The Group elects on each acquisition to initially measure non-controlling interest on the acquisition date at either fair value or at the non-controlling interest's proportionate share of the investees' identifiable net assets.

Reserves

Reserves comprise retained earnings and the share-based payment reserve.

- Retained earnings comprise the following components recognised directly through the statements of profit or loss and other comprehensive income:
  - **Profit from operations** – Comprises Group earnings generated from operations;
  - **Fair value adjustments on investment properties** – Comprise changes in the fair values of investment properties, property under development and investment property held for sale (refer to **note 30**);
  - **Other fair value and accounting adjustments** – The other fair value and accounting adjustments relate to all other items accounted for in profit or loss, such as the fair value adjustments (excluding the non-controlling interests' portion of the fair value adjustments), straight-line lease income adjustments, non-cash charges, capital items and deferred taxation (refer to **notes 16, 18, 22** and **30**); and
  - **Bargain gains** – Where the net recognised amount of the identifiable assets acquired and liabilities assumed exceeds the fair value of the consideration transferred (including the recognised amount of any non-controlling interest in the acquiree and the fair value of any existing equity interest), this excess is recognised immediately in profit or loss as a gain on bargain purchase. The bargain purchase reserve relates to the cumulative gain on bargain purchases.
- Retained earnings comprise the following components recognised directly through the statement of changes in equity:
  - **Gains and losses recognised on acquisition of minority interest** – On the basis the Group already has a controlling stake in the company and where the fair value of the minority interest acquired exceeds the consideration transferred, this excess is recognised immediately in equity as a gain on purchase. Where the fair value of the minority interest acquired is less than the consideration transferred, this loss is recognised immediately in equity as a loss on purchase; and
  - **Bargain gain recognised on a BCUCC** – Where the net recognised amount, or in the case of a BCUCC the net carrying amount, of the identifiable assets acquired and liabilities assumed exceeds the consideration transferred, this excess is recognised immediately in equity as a gain on bargain purchase. (Refer to **notes 1.6, SOCIE** and **41**).

Share-based payment reserve – Note 44

The share-based payment reserve comprises the cumulative expense recognised in respect of equity-settled conditional share awards granted to employees that have not yet vested. The reserve is transferred to stated capital on settlement of the awards by the issue of shares. The related accounting policy is set out in **note 1.13**.

Dividends

Dividends or other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the declaration date.

1.13 Share-based payments – Note 44

The Group operates an equity-settled Conditional Share Plan under which conditional rights to Heriot REIT Limited ordinary shares are granted to qualifying employees. This accounting policy was adopted in the current reporting period, being the period in which the first awards were granted.

In accordance with IFRS 2 *Share-based Payment*, the fair value of the awards is measured at grant date and recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve within equity.

The grant date fair value is not subsequently remeasured. Non-market vesting conditions, comprising the service condition and the performance conditions, are not taken into account in determining fair value; instead, they are reflected in the estimated number of awards expected to vest, which is revised at each reporting date until the vesting date. The cumulative expense recognised reflects the revised estimate, with the adjustment recognised in profit or loss for the period.

The awards are conditional rights to whole shares and contain no market performance condition. Fair value is accordingly measured directly from the grant date share price, adjusted for the present value of the distributions that participants forgo during the vesting period, as participants have no entitlement to distributions before settlement.

The share-based payment expense is a non-cash charge and is added back in determining distributable earnings. Awards are settled by the issue of new shares and no cash flow arises on recognition of the expense.

1.14 Joint operations – Note 43

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises the following in relation to its interests in joint operations:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its share of expenses, including its share of any expenses incurred jointly.

1.15 Revenue – Notes 11 and 22

Revenue comprises gross rental revenue and recoveries from tenants, excluding value-added taxation. The Group recognises revenue in accordance with:

- IFRS 16 – Contractual rental income; and
- IFRS 15 – Revenue from cost recoveries.

Rental revenue from investment property is recognised on a straight-line lease basis when a lease is signed and the tenant has taken occupation of the premises. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Turnover rentals are recognised as revenue in the period in which the underlying tenant sales occur.

Operating cost recoveries, comprising the Group's recovery of costs for providing the tenant with services as determined by the lease agreement, are levied monthly in arrears. Operating cost recoveries are based on consumption and actual expenses incurred and are accounted for in accordance with IFRS 15. Recovery income is allocated between the Group's operating segments in order to depict how the nature, timing, amount and uncertainty of revenue and cash flows are affected by economic factors. Operating cost recoveries are recognised over time.

Rentals and recoveries are billed on a monthly basis and payment is due by the first of the month.

At Company level, revenue comprises dividend income received from subsidiaries.

1.16 Property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

1.17 Financing costs – Note 28

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.18 Finance income – Note 29

Finance income comprises interest income, which is recognised as it accrues, taking into account the effective yield on the asset.

1.19 Income tax – Note 31

As the Group is a REIT, no provision has been made for current tax in respect of South African subsidiaries as the Group's distributable income is paid to shareholders. No deferred tax has been provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties due to REIT legislation. Deferred tax has been provided for capital allowances claimed in respect of investment property acquired in terms of a business combination, where allowances were claimed before obtaining REIT status and will be recouped on the disposal of such assets.

1.20 Investment and other income – Note 23

Investment income: Investment income comprises dividends received from the investment in Texton, a listed REIT on the JSE. Dividends received from Texton are recognised on the declaration date through the statement of comprehensive income.

Other income: Other income is income from activities unrelated to the Group's and Company's core business, such as *ad hoc* rental on non-gross lettable area ("GLA") space within and outside of the shopping centres and management fees received for providing property management services to third parties. Other income is recognised when it is probable that future economic benefits will flow to the Group and/or the Company and when the amount can be measured reliably.

Loan modifications

Where the contractual cash flows of a financial liability measured at amortised cost are renegotiated or otherwise modified and the modification does not result in derecognition, the gross carrying amount is recalculated as the present value of the modified contractual cash flows discounted at the original effective interest rate. The resulting modification gain or loss is recognised in profit or loss and amortised through finance costs over the remaining term of the facility.

1.21 Segmental reporting – Note 42

An operating segment is a component of an entity that engages in business activities from which it may earn revenues or incur expenses for which discrete financial information is available. The segments are determined based on the Group's management and internal reporting structure, as determined by the Group's Executive Directors.

The Group's portfolio is organised into three operating categories: Sectoral, Group components and Geographical. These categories are aligned with the Group's operating segments, which are consistent with the internal reporting reviewed by management and the Board. This structure enables management to evaluate performance, allocate resources and assess each segment's contribution to the Group as a whole. The Sectoral and Group components categories represent the Group's primary reportable segments, for which discrete financial information is available and regularly assessed by management and the Board.

The Group's primary segments are as follows:

Sectoral	Group components
• Retail	• Heriot
• Industrial	• Safari
• Office	• Thibault
• Specialised	
• Residential/aparthotel	
• Other	

The Group will from time to time invest in or divest from certain primary segments, in which case segmental reporting will be adjusted to reflect only the relevant operating segments.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Unallocated items comprise mainly head office expenses and income tax assets and liabilities.

1.22 Investment property and disposal groups held for sale – Note 14

Non-current assets (and disposal groups) are classified as held for sale and measured at the lower of their carrying amount or fair value less costs to sell when the value of the asset will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Investment property classified as held for sale continues to be measured at fair value in terms of IAS 40 (IFRS 5.5(d)).

The Group is committed to the sale of the non-current asset, with the likelihood of the transaction expected to qualify for recognition as a completed sale within one year from the date of classification. In the event a sale is not concluded within one year, management will assess whether the non-current asset still meets the criteria to be held for sale.

In its assessment, management will consider if the delay in sale is due to developments outside the entity's control and if management still considers the sale as highly probable and the asset continues to be available for immediate sale in its current condition. Interest and other expenses attributable to the liabilities of an asset classified as held for sale are recognised in profit or loss.

Interest and other expenses attributable to the liabilities of an asset classified as held for sale are recognised in profit or loss.

1.23 Impairment of non-financial assets

At the end of each reporting period, an assessment is made as to whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount for the individual asset is estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by way of an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

At each reporting date, an assessment is made as to whether an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

For investments in subsidiaries, the carrying value of each investment is assessed for impairment in terms of IAS 36 and in instances where the investment is considered to be impaired, the investment was written down to its estimated recoverable amount by way of an impairment loss. The estimated recoverable amount of each subsidiary is calculated by reference to its NAV which represents the fair value.

1.24 Inventories – Note 12

Inventories comprise property held for sale in the ordinary course of business. Inventories are measured at the lower of cost and net realisable value. Cost comprises the purchase price and all costs directly attributable to bringing the inventory to its present location and condition, including development and holding costs capitalised during the development period. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Where the net realisable value of inventory is less than its carrying amount, the inventory is written down and the write-down recognised in profit or loss.

Where the Group commences development of investment property with a view to sell in the ordinary course of business rather than for capital appreciation or rental income, the change in use is evidenced by the commencement of development for sale. In terms of IAS 40, the fair value of the relevant portion of the property at the date of the change in use is transferred from investment property to inventory, and that fair value becomes the initial cost of the inventory. Revenue from the sale of inventory is recognised in accordance with IFRS 15 when control transfers to the purchaser (refer to **notes 1.15, 12** and **22**).

1.25 Earnings, headline earnings and distributable earnings – Note 32

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares for the effect of all dilutive potential ordinary shares, including conditional share awards granted under the Heriot Conditional Share Plan.

Headline earnings per share is calculated in accordance with Circular 1/2023 Headline Earnings issued by the South African Institute of Chartered Accountants, as required by the JSE Listings Requirements, by adjusting basic earnings for the separately identifiable remeasurements specified in that circular, net of related tax and non-controlling interest.

Distributable earnings is a non-IFRS® Accounting Standards measure determined in accordance with the SA REIT Association Best Practice Recommendations and represents the earnings available for distribution to shareholders. It is derived by adjusting profit for the period for non-cash and capital items, including fair value adjustments, straight-line rental income accruals, share-based payment expenses, deferred taxation and bargain gains.

1.26 Related parties and key management compensation – Notes 27 and 36

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions, or if both parties are subject to common control or significant influence. Related parties include the ultimate controlling party, subsidiaries, associates and joint arrangements, the Directors and other key management personnel of the Group and the Company, and entities controlled or significantly influenced by those parties or by their close family members.

Key management personnel comprise the Executive and Non-executive Directors of the Company, being those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Compensation paid to key management personnel, comprising short-term employee benefits, Directors' fees and share-based payments, is disclosed in **note 27**. Transactions and outstanding balances with related parties are disclosed in **note 36**, and are conducted on terms no more favourable than those available in arm's-length transactions unless otherwise stated.

1.27 Financial risk and capital management – Notes 37 and 38

The Group's exposure to credit risk, liquidity risk, interest rate risk and market risk, together with the objectives, policies and processes applied in managing those risks, is set out in **note 37**. The Group's objectives, policies and processes for managing capital, including the borrowing limits imposed by the memorandum of incorporation ("MOI") and the Board, are set out in **note 38**.

1.28 Commitments, lease payments receivable and subsequent events – Notes 34, 35 and 39

Capital commitments comprise amounts authorised and contracted for in respect of improvements to and the development of investment property that are not recognised as liabilities at the reporting date, and are disclosed in **note 34**. Minimum lease payments receivable comprise contractual rental income and operating lease recoveries due under signed lease agreements that are not recognised in the financial statements, and are disclosed in **note 35**.

Events after the reporting period are evaluated to determine whether they provide evidence of conditions that existed at the reporting date, in which case the financial statements are adjusted, or whether they are indicative of conditions that arose after the reporting date, in which case they are disclosed but not recognised. Subsequent events are set out in **note 39**.

1.29 New standards, interpretations and amendments

1.29.1 Standards and interpretations effective and adopted in the current period

The following amendments to standards became effective for the Group's annual reporting period beginning 1 July 2025 and have been adopted in the current period. None of these changes had a material impact on the results or position of the Group or the Company.

Amendments to IAS 21 – Lack of exchangeability

Effective for annual reporting periods beginning on or after 1 January 2025, and accordingly first applied by the Group in the current reporting period, the amendments specify when a currency is exchangeable into another currency, require an entity to estimate the spot exchange rate when a currency is not exchangeable, and introduce additional disclosure in those circumstances.

The Company's functional currency and the Group's presentation currency is South African Rand. The Group holds one wholly owned Namibian subsidiary, Chasie, whose functional currency is the Namibian Dollar and which owns Metro Hyper Windhoek with a carrying value of R218,0 million at the reporting date (refer to **note 42**). The Namibian Dollar is pegged to the South African Rand at parity and was freely exchangeable into Rand throughout the reporting period. No currency to which the Group is exposed lacked exchangeability during the period, and the amendments accordingly had no effect on the results or position of the Group or the Company.

1.29.2 Standards and interpretations not yet effective

The following standards, amendments to standards and interpretations have been issued by the International Accounting Standards Board ("IASB") but are not yet effective for the year ended 30 June 2026. The Group and Company have elected not to early adopt any of them.

With the exception of IFRS 18 *Presentation and Disclosure in Financial Statements*, none of these pronouncements is expected to have a material impact on the Group's or the Company's financial results or position. IFRS 18 is not expected to affect the recognition or measurement of any item, but is expected to materially change the manner in which the results are presented and disclosed in future reporting periods.

Standard/interpretation	Effective date – years beginning on or after	Impact on financials
Annual Improvements to IFRS® Accounting Standards The annual improvements comprise narrow-scope amendments that clarify wording or correct relatively minor unintended consequences, oversights or conflicts between the requirements of IFRS® Accounting Standards. Volume 11 comprises the following amendments: • Derecognition of Lease Liabilities (Amendments to IFRS 9); • Transaction Price (Amendments to IFRS 9); • Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to the guidance on implementing IFRS 7); • Gain or Loss on Derecognition (Amendments to IFRS 7); • Introduction and Credit Risk Disclosures (Amendments to the guidance on implementing IFRS 7); • Determination of a "De Facto Agent" (Amendments to IFRS 10); and • Cost Method (Amendments to IAS 7).	1 January 2026	The amendments are narrow in scope and are not expected to have a material impact on the Group or the Company.
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) The amendments clarify the requirements for the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments also provide further guidance on assessing whether a financial asset meets the solely payments of principal and interest criterion. The amendments require additional disclosure for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance targets) as well as equity instruments designated at fair value through other comprehensive income.	1 January 2026	The Group's financial assets and liabilities are predominantly measured at amortised cost, other than the investment in listed shares and derivative financial instruments which are measured at fair value through profit or loss. The Group has no financial instruments with contractual terms linked to environmental, social and governance targets and no equity instruments designated at fair value through other comprehensive income. The amendments are accordingly not expected to have a material impact.
IFRS 18 *Presentation and Disclosure in Financial Statements* IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It requires additional defined subtotals in the statement of profit or loss, being operating profit and profit before financing and income tax, and the classification of income and expenses into operating, investing and financing categories. It requires disclosure of management-defined performance measures, being subtotals of income and expenses used in public communications outside the financial statements that are not specified by IFRS® Accounting Standards, together with a reconciliation to the most directly comparable specified subtotal. It also introduces enhanced principles for the aggregation and disaggregation of information in the primary financial statements and the notes.	1 January 2027	IFRS 18 will change the structure and presentation of the Group's statement of profit or loss and require additional disclosure, but is not expected to change the recognition or measurement of any item, and accordingly is not expected to affect reported profit, NAV or distributable earnings. The Group's distributable earnings measure, and the SA REIT Association Best Practice Recommendation measures, are expected to meet the definition of management-defined performance measures requiring reconciliation in the notes. Comparative information will be restated on adoption. The Group is assessing the presentation of fair value adjustments on investment property and of finance costs against the required categories.

Standard/interpretation	Effective date – years beginning on or after	Impact on financials
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how an entity translates financial information into a hyperinflationary presentation currency where the functional currency is not hyperinflationary, and provide related application guidance alongside IAS 29 *Financial Reporting in Hyperinflationary Economies*.	1 January 2027	The Group's presentation currency is South African Rand, which is not a hyperinflationary currency. The Group's only foreign asset is located in Namibia, which is not a hyperinflationary economy, and the Group has no operations in hyperinflationary economies at the reporting date. The amendments are accordingly not expected to have any impact on the Group or the Company.
ZARONIA – Global benchmark interest rate reform The IASB published amendments as a result of the second phase of its project on the IBOR reform. The amendments address issues that might affect financial reporting following the reform of an interest rate benchmark, including its replacement with an alternative benchmark rate. JIBAR will be replaced by the ZARONIA, which will be implemented by Heriot on 30 October 2026. As the implementation date falls after the reporting date, there is no impact on the results for the year ended 30 June 2026.	ZARONIA will be implemented by Heriot on 30 October 2026, being the date from which JIBAR is replaced as the reference rate.	The Group's interest-bearing borrowings are predominantly priced off three-month JIBAR and will transition to ZARONIA with effect from 30 October 2026. Management has agreed a credit adjustment spread of 16,5bps with the Group's lenders, which when added to the ZARONIA rate equates exactly to the JIBAR rate previously charged. The effective interest rate on each facility will therefore remain unchanged and the lenders and the Group will remain in the same economic position after the transition. Management has accordingly confirmed that the transition will have no impact on the Group's financial results or position. The amendments to IFRS 9 and IFRS 7 permit changes in the basis for determining contractual cash flows that are required by the reform, and that are economically equivalent, to be accounted for prospectively by revising the effective interest rate, with no gain or loss recognised on transition.

2. Investment property

	Note	Group 2026 R'000	Group 2025 R'000
Investment property		**13 589 500**	12 379 190
Comprising:			
Investment property		**13 298 010**	12 103 269
Cost		**10 252 176**	9 777 760
Fair value surplus		**3 045 834**	2 325 509
Straight-line rental income accrual		**291 490**	275 921
Total investment property at fair value		**13 589 500**	12 379 190
Movement in investment property for the year			
Investment properties at the beginning of the year		**12 379 190**	11 343 750
Improvements capitalised to investment property	33.6	**128 350**	164 835
Straight-line rental income accrual for the year	22	**14 232**	41 954
Acquired on acquisition of subsidiary (Katleho)	41	**334 000**	–
Capitalised borrowing costs[1]		**–**	3 870
Transfer from property under development	3	**205 000**	–
Transfer to non-current assets held for sale (60 Adderley)	14	**(76 500)**	–
Transfer to non-current assets held for sale (two farms)	14	**(127 000)**	–
Transfer to non-current assets held for sale (Safari Namibia)	14	**–**	(290 000)
Transfer to non-current assets held for sale (Fixtrade)	14	**–**	(26 300)
Change in fair value	30	**720 325**	1 092 020
Solar installations		**(4 988)**	9 080
Capitalised	33.6	**745**	13 488
Amortised		**(5 733)**	(4 408)
Tenant installations		**16 891**	39 981
Capitalised	33.6	**33 517**	52 234
Amortised		**(16 626)**	(12 253)
Balance at the end of the year		**13 589 500**	12 379 190
Movement in straight-line rental income accrual			
Balance at the beginning of the year		**275 921**	233 967
Arising during the year		**14 232**	41 954
Acquired on acquisition of subsidiary	41	**1 337**	–
Balance at the end of the year		**291 490**	275 921

	Group 2026 R'000	Group 2025 R'000
Reconciliation to independent valuation		
Cost plus fair value surplus	**13 298 010**	12 103 269
Straight-line rental income accrual	**291 490**	275 921
Investment property as per valuation	**13 589 500**	12 379 190
Investment property summary per company	**13 589 500**	12 379 190
Heriot	**7 041 800**	6 225 190
Safari	**4 289 700**	4 019 000
Thibault	**2 258 000**	2 135 000

[1] *In the prior period, interest was capitalised to investment property as a result of the 2 300m² extension of Helderberg Mall and refurbishments at the Atlyn, Thabong and Nkomo shopping centres.*

For rental income and direct property expenses arising from investment property that generated rental income during the period, refer to **note 42**.

First mortgage bonds have been registered over investment property (including properties held for sale and under development) valued at R13,958 billion (2025: R12,753 billion) as security for interest-bearing borrowings of R6,075 billion (2025: R5,302 billion).

The properties were valued by Peter Parfitt of Quadrant Properties Proprietary Limited, who is a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000. The properties were valued using the discounted cash flow method, which method values the properties by discounting the cash flows of future income streams of the properties, taking into account 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 future earnings potential of the properties. The capitalisation rates are dependent on a number of factors such as location, the condition of the property, lease covenants and current market conditions.

Investment property is categorised as Level 3 in the hierarchy whereby the fair value is determined through the use of valuation techniques using significant unobservable inputs. Refer to **note 37.6**. Assumptions applied to the valuation of investment property are noted as follows.

2. Investment property continued

Significant unobservable inputs

Significant unobservable inputs include the financial information used to calculate the forecast net income, including exit capitalisation rates, future growth in revenue, operating costs and discount rates.

	Group			
Average per sector	Capitalisation rates %	Rental growth rates %	Operating expense growth rates %	Discount rates %
2026				
Industrial	**9,33**	**5,79**	**4,75**	**14,08**
Retail	**8,71**	**5,27**	**4,75**	**13,46**
Office	**9,04**	**6,04**	**4,75**	**13,79**
Specialised[1]	**8,50**	**4,75**	**4,75**	**13,25**
Residential/aparthotel	**8,79**	**6,07**	**4,70**	**13,49**
Portfolio average	**8,83**	**5,46**	**4,75**	**13,58**
2025				
Industrial	9,00	5,14	4,75	14,03
Retail	8,80	5,67	4,75	13,55
Office	8,59	7,39	4,75	13,34
Specialised	8,50	1,14	4,00	12,50
Residential/aparthotel	9,00	6,06	4,75	12,50
Portfolio average	8,81	5,64	4,74	13,54

[1] *The revenue growth rate for the specialised sector increased to 4,75% (2025: 1,14%) as a result of the sale of the Bushmans Bend farm during the year, which changed the composition of the plantations valued.*

During the reporting period, the portfolio average capitalisation rate increased by 2bps to 8,83% (2025: 8,81%), the average discount rate increased by 4bps to 13,58% (2025: 13,54%) and forward-looking operating expense growth remained stable at approximately 4,75% (2025: 4,74%). The increase in valuations was therefore earned through contracted income growth rather than yield compression.

	Group			
Range of inputs per sector	Capitalisation rates %	Rental growth rates %	Operating expense growth rates %	Discount rates %
2026				
Industrial	**9,00 – 11,00**	**3,87 – 8,94**	**4,75**	**13,75 – 15,75**
Retail	**8,00 – 12,25**	**3,76 – 6,30**	**4,75**	**12,75 – 17,00**
Office	**8,00 – 11,00**	**2,63 – 9,00**	**4,75**	**13,50 – 15,75**
Specialised	**8,50**	**4,75**	**4,75**	**13,25**
Residential/aparthotel	**8,00 – 9,50**	**5,68 – 7,97**	**4,75**	**12,75 – 14,25**
2025				
Industrial	8,75 – 11,00	2,63 – 8,13	4,75	13,50 – 15,75
Retail	8,00 – 11,50	3,64 – 13,04	4,75	12,75 – 16,25
Office	8,00 – 10,50	3,67 – 10,16	4,75	12,75 – 15,25
Specialised	8,50	0,00 – 3,55	4,00	12,50
Residential/aparthotel	8,00 – 11,50	4,70 – 7,58	4,75	12,75 – 16,25

2. Investment property continued

Inter-relationship between key unobservable inputs and fair value measurement

The fair value of investment properties would be affected by:

- change in expected market rental growth;
- change in expected expense growth; and
- change in discount and capitalisation rates.

The table below illustrates the sensitivity to key unobservable inputs in determining the valuation of investment property for those properties that were valued utilising the discounted cash flow method.

	0,5% decrease in capitalisation rate R'000	0,5% increase in capitalisation rate R'000	0,5% decrease in discount rate R'000	0,5% increase in discount rate R'000
2026				
Industrial	**74 597**	**(67 244)**	**39 231**	**(38 298)**
Retail	**363 462**	**(325 236)**	**175 819**	**(171 593)**
Office	**31 936**	**(27 851)**	**17 340**	**(15 749)**
Specialised[1]	**–**	**–**	**476**	**(466)**
Residential/aparthotel	**39 361**	**(27 011)**	**22 820**	**(14 489)**
Total	**509 356**	**(447 342)**	**255 686**	**(240 595)**
2025				
Industrial	71 356	(64 308)	37 429	(36 539)
Retail	337 312	(300 701)	168 065	(164 146)
Office	16 362	(15 289)	12 054	(11 763)
Specialised[1]	–	–	4 663	(4 459)
Residential/aparthotel	24 753	(22 842)	16 320	(15 925)
Total	449 783	(403 140)	238 531	(232 832)

	5% increase in revenue R'000	5% decrease in revenue R'000	5% decrease in expenses R'000	5% increase in expenses R'000
2026				
Industrial	**147 218**	**(147 218)**	**50 296**	**(50 296)**
Retail	**710 943**	**(710 943)**	**276 279**	**(276 279)**
Office	**80 611**	**(80 611)**	**32 472**	**(32 472)**
Specialised[1]	**3 909**	**(3 909)**	**342**	**(342)**
Residential/aparthotel	**105 639**	**(105 639)**	**55 465**	**(55 465)**
Total	**1 048 320**	**(1 048 320)**	**414 854**	**(414 854)**
2025				
Industrial	140 106	(140 106)	45 719	(45 719)
Retail	668 989	(668 989)	267 808	(267 808)
Office	50 691	(50 691)	21 959	(21 959)
Specialised[1]	7 048	(7 048)	883	(883)
Residential/aparthotel	56 282	(56 282)	19 285	(19 285)
Total	923 116	(923 116)	355 654	(355 654)

[1] *There is no terminal value for these properties. This sector comprises paper plantations that are underpinned by long-term leases with Mondi. The valuation of these properties has been based on the value of the land together with the value of the timber on lease expiry, discounted to present value.*

2. Investment property continued

The table below illustrates the sensitivity to key unobservable inputs in determining the valuation of the paper plantations, which utilised comparable sales values for the land together with the value of the timber on lease expiry, discounted to present value. The reduction from 2025 arises mainly from the sale of the Bushmans Bend farm during the year; Hinze and Newborough Grange are classified as held for sale and are excluded from the sensitivity.

	5% increase in land values R'000	5% decrease in land values R'000	5% increase in net value per tonne handed back R'000	5% decrease in net value per tonne handed back R'000
2026				
Paper plantation values	**3 817**	**(3 817)**	**5 848**	**(5 848)**
Total	**3 817**	**(3 817)**	**5 848**	**(5 848)**
2025				
Paper plantation values	5 548	(5 548)	9 006	(9 006)
Total	5 548	(5 548)	9 006	(9 006)

3. Property under development

	Note	Group 2026 R'000	Group 2025 R'000
Property under development at fair value		**175 000**	238 412
Movement in property under development for the year			
Balance at the beginning of the year		**238 412**	92 525
Property acquired		**–**	68 390
Development costs	33.6	**98 526**	32 788
Capitalised borrowing costs	28	**10 269**	9 067
Transfer to inventory (The Fibonacci)	12	**(23 134)**	–
Transfer from trade and other receivables	10	**–**	17 754
Transfer to investment property (Horizon)	2	**(205 000)**	–
Change in fair value	30	**55 927**	17 888
Total property under development		**175 000**	238 412
Property under development summary per company		**175 000**	238 412
Heriot		**175 000**	238 412

During the year, property under development comprised two properties:

Mowbray – The Fibonacci

The Fibonacci is a seven-storey mixed-use development on the corner of Main Road and Rhodes Avenue, Mowbray, Cape Town. It comprises a ground-floor retail component anchored by Shoprite and 574 predominantly one-bedroom student accommodation units. The total development cost is R530,0 million and the projected initial yield is 13,49%. The Board approved the development on 18 September 2025 and construction commenced in October 2025. Completion is targeted for November 2027, ahead of the 2028 academic year.

Before construction commenced, 174 units were pre-sold for approximately R200,0 million. The *pro rata* portion of the property attributable to these units is held for sale in the ordinary course of business. Accordingly, R23,134 million was transferred from property under development to inventories when development commenced. A further R9,359 million of development costs attributable to the pre-sold units was capitalised to inventories during the year, bringing inventories to R32,493 million (refer to **note 12**).

Development expenditure of R39,8 million was incurred during the reporting period, mainly on foundations and on professional and marketing fees. Of this, R30,526 million was capitalised to property under development. At the reporting date, the property was valued at R175,0 million, resulting in a fair value gain of R69,266 million recognised in profit or loss. Capital commitments of R479,2 million relate to the development (refer to **note 34**). Direct operating expenses arising from this property amounted to R948 294 (2025: R866 302) during the reporting period.

The development is funded by a R530,0 million development facility from Absa at prime less 180bps, implemented on 8 July 2026, after the reporting date. When the pre-sold units transfer, the R200,0 million of sale proceeds will be applied to the facility, which will then convert to a R330,0 million three-year term loan at three-month JIBAR plus 147,5bps (refer to **note 39**).

The property has been bonded in favour of Absa Limited as security for interest-bearing borrowings.

The property was valued by Peter Parfitt of Quadrant Properties Proprietary Limited who is a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000. The property was valued using the capitalised cash flow method. The capitalised cash flow values are calculated by applying appropriate capitalisation rates to the future earnings potential of the property. The capitalisation rates are dependent on a number of factors such as location, the condition of the property, lease covenants and current market conditions. The property under development is reported at fair value.

Finsbury Court – Horizon

On 3 July 2024, Heriot acquired Finsbury Court for R76,1 million. It was a 19-unit, five-storey residential building on Beach Road, Sea Point, Cape Town. Using the unused bulk on the site, six floors were added to create an 11-storey, 36-unit aparthotel with 50 keys.

During the reporting period, development costs of R68,0 million and borrowing costs of R10,269 million were capitalised (refer to **note 28**). This brought the cumulative development cost, including capitalised interest, to R128,6 million. The development was funded from existing unutilised debt facilities.

Horizon opened on 1 May 2026 and is operated by Totalstay. On completion, the property was transferred to investment property at its fair value of R205,0 million (refer to **note 2**).

3. Property under development continued

Significant unobservable inputs

Significant unobservable inputs include the financial information used to calculate the forecast net income, including exit capitalisation rates, future growth in revenue and operating costs.

	Group		
Average inputs	**Capitalisation rates %**	**Rental growth rates %**	**Operating expense growth rates %**
Property under development as at 30 June 2026	**9,25**	**5,50**	**4,75**
Property under development as at 30 June 2025	9,40	6,43	4,75

	Group		
Range of inputs	**Capitalisation rates %**	**Rental growth rates %**	**Operating expense growth rates %**
Property under development as at 30 June 2026	**9,25**	**5,50**	**4,75**
Property under development as at 30 June 2025	9,25 – 9,50	6,03 – 7,02	4,75

Inter-relationship between key unobservable inputs and fair value measurement

The fair value of property under development would be affected by:

- change in capitalisation rates;
- change in expected market rental growth; and
- change in expected expense growth.

The table below illustrates the sensitivity to key unobservable inputs in determining the valuation of property under development for those properties that were valued utilising the capitalised cash flow method.

	0,5% decrease in capitalisation rate R'000	**0,5% increase in capitalisation rate R'000**
Property under development as at 30 June 2026	**32 480**	**(29 149)**
Property under development as at 30 June 2025	44 663	(40 107)

	5% increase in revenue R'000	**5% decrease in revenue R'000**	**5% decrease in expenses R'000**	**5% increase in expenses R'000**
Property under development as at 30 June 2026	**37 428**	**(37 428)**	**9 008**	**(9 008)**
Property under development as at 30 June 2025	57 836	(57 836)	18 514	(18 514)

4. Property, plant and equipment

	Group	
	2026 R'000	2025 R'000
Property	**20 784**	21 174
Cost	**25 344**	25 229
Accumulated depreciation	**(4 560)**	(4 055)
Computer equipment	**176**	50
Cost	**3 292**	2 415
Accumulated depreciation	**(3 116)**	(2 365)
Motor vehicles	**272**	185
Cost	**362**	200
Accumulated depreciation	**(90)**	(15)
Furniture, fittings and equipment	**41 376**	34 706
Cost	**62 940**	48 141
Accumulated depreciation	**(21 564)**	(13 435)
Total property, plant and equipment	**62 608**	56 115

Property comprises the owner-occupied property situated at unit 32 of Sectional Scheme 1 and 3 Melrose Boulevard. The property has been bonded in favour of Nedbank Limited as security for interest-bearing borrowings (refer to **note 17**).

	Note	Group	
		2026 R'000	2025 R'000
Movement for the year			
Balance at the beginning of the year		**56 115**	56 763
Additions	Cash flow	**15 963**	10 932
Owner-occupied property		**115**	–
Computers		**877**	328
Furniture, fittings and equipment		**14 809**	10 434
Motor vehicles		**162**	170
Depreciation for the year		**(9 460)**	(8 920)
Owner-occupied property		**(505)**	(504)
Computers		**(751)**	(787)
Furniture, fittings and equipment		**(8 129)**	(7 563)
Motor vehicles		**(75)**	(66)
Carrying amount of furniture, fittings and equipment sold		**–**	(1 848)
Loss on sale of furniture, fittings and equipment		**–**	(392)
Proceeds from sales of furniture, fittings and equipment	Cash flow	**–**	(1 456)
Carrying amount of furniture, fittings and equipment transferred to held for sale[1]	14	**(10)**	(812)
Cost		**(10)**	(946)
Accumulated depreciation		**–**	134
Balance at the end of the year		**62 608**	56 115
Property, plant and equipment summary per company		**62 608**	56 115
Heriot		**50 162**	42 805
Safari		**1 703**	2 162
Thibault		**10 743**	11 148

[1] *This includes property, plant and equipment reclassified to non-current assets held for sale and subsequently disposed of on 30 June 2025 as part of the Safari Namibia transaction. Refer to **note 14** for further details.*

5. Investment in subsidiaries

	Note	Company Holding 2026 %	Company Holding 2025 %	Company Carrying amount 2026 R'000	Company Carrying amount 2025 R'000
Bait Away Trading Proprietary Limited[1]		**100**	100	**44 759**	38 618
Beneficial Interest in Heriot Trust No. 1[1]		**100**	100	**99 659**	99 659
Beneficial Interest in Heriot Trust No. 3[1]		**100**	100	**71 625**	71 625
Chasie Investments Proprietary Limited[2] ("Chasie")		**100**	100	**49 085**	49 085
Crosize Proprietary Limited[1] ("Crosize")		**67**	67	**5 320**	5 320
Fin Properties 107 Proprietary Limited[1] ("Fin 107")		**100**	100	**36 524**	36 798
Heriot Properties International Proprietary Limited[1] ("HPI")	16	**90**	90	**158 135**	158 135
Heriot Properties Proprietary Limited[1] ("Heriot Properties")		**100**	100	**1 515 451**	1 515 451
Heriot Properties West Proprietary Limited[1]		**100**	100	**75 938**	86 504
Moditouch Proprietary Limited[1] ("Moditouch")	16	**50**	50	**21 476**	21 515
Phokeng Mall Proprietary Limited[1]		**100**	100	**133 134**	133 134
Terrace Drive Properties 34 Proprietary Limited[1]		**100**	100	**200 736**	200 736
Tiger Stripes Investments 31 Proprietary Limited[1]		**100**	100	**–**	130
Thibault Holdings Proprietary Limited ("Thibault")[1]		**100**	100	**920 789**	920 789
Katleho Property Investments Proprietary Limited ("Katleho")[1]	41	**75**	–	**121 706**	–
Total investment in subsidiaries				**3 454 337**	3 337 499

[1] *Registered and operational in the Republic of South Africa.*

[2] *Registered and operational in Namibia.*

	Company 2026 %	Company 2025 %
Heriot Properties has the following subsidiaries:		
HP 10 Investments Proprietary Limited	**100**	100
Tembisa Mall Proprietary Limited	**100**	100
Fixtrade 605 Proprietary Limited ("Fixtrade")	**100**	100
60 Adderley Proprietary Limited ("60 Adderley")	**–**	60
Safari Investments RSA Proprietary Limited	**83**	49,20
Crosize Proprietary Limited ("Crosize")	**33**	33
Thibault has the following subsidiaries:		
14th Avenue Investments Proprietary Limited	**100**	100
Helderberg Property Investments Proprietary Limited	**100**	100
Sun Valley Property Investment Proprietary Limited	**100**	100
Thibault Investments Proprietary Limited	**100**	100
Airport Industria Investments Proprietary Limited	**100**	100
Safari Investments RSA Proprietary Limited	**17**	10
Safari has the following subsidiaries:		
Thabong Shopping Centre Proprietary Limited	**100**	100
Atlyn Shopping Centre Proprietary Limited	**100**	100

5. Investment in subsidiaries continued

	Note	Company 2026 R'000	Company 2025 R'000
Movement for the year			
Balance at the beginning of the year		**3 337 499**	3 300 666
Acquisition of Katleho Property Investments Proprietary Limited[1]		**121 706**	–
Cost of shares acquired in Moditouch Proprietary Limited		**–**	1 125
Net impairment (losses)/reversals	24	**(4 868)**	35 708
Bait Away Trading Proprietary Limited		**6 141**	6 820
Beneficial Interest in Heriot Trust No. 1		**–**	6 446
Fin Properties 107 Proprietary Limited		**(274)**	7 807
Heriot Properties West Proprietary Limited		**(10 566)**	14 447
Moditouch Proprietary Limited		**(39)**	979
Tiger Stripes Investments 31 Proprietary Limited		**(130)**	(791)
		3 454 337	3 337 499

[1] *With effect from 30 June 2026, Heriot concluded exchange agreements with Katleho and its shareholders in terms of which Heriot acquired 3 000 of Katleho's 4 000 issued shares, representing a 75% shareholding, thereby obtaining control of Katleho. The transaction was implemented in terms of Section 42 of the Income Tax Act.*

The purchase consideration was settled through the issue of 5 605 050 new Heriot shares, which were formally issued on 30 June 2026, being the effective date of the acquisition. In these separate financial statements, the investment in Katleho is recognised at cost, measured as the market value of the Heriot shares issued on that date, less the dividend declared by Katleho to Heriot on the date of the acquisition. Refer to **note 41** for the effect of the acquisition on the consolidated financial statements.

	Company 2026
Settled by issuing 5 605 050 shares to acquire the company	
Shares issued as follows:	
Number of shares issued	**5 605 050**
Market value per share on acquisition date (Rand)	**26**
Market value of shares issued (R'000)	**145 731**
Less: Dividend declared reducing cost of investment (R'000)	**(24 026)**
Net cost of investment (R'000)	**121 705**

At the reporting date, the carrying value of each investment was assessed for impairment in terms of IAS 36 and, in instances where the investment was considered to be impaired, the investment was written down to its estimated recoverable amount by way of an impairment loss. The estimated recoverable amount of each subsidiary was calculated with reference to its value in use. As the investment properties owned by each subsidiary are fair valued at each reporting date, the NAV of the subsidiary equates to its value in use. Any increase or decrease in impairment losses for the year is as a result of a change in the fair value of the investment properties owned by the subsidiaries. The movement in the fair value of the investment property held by each subsidiary was the main reason for the impairment reversals and impairment losses recognised on the investments in subsidiaries during the year.

6. Investment in associates and joint ventures

	Group Effective shareholding 2026 %	Group Effective shareholding 2025 %	Group 2026 R'000	Group 2025 R'000
Maluti Mall Proprietary Limited ("Maluti Mall")	**50,00**	50,00	**13 980**	318
Total investment in associates and joint ventures			**13 980**	318

6. Investment in associates and joint ventures continued

	Note	Maluti Mall R'000	Total R'000
2026			
Opening balance		**318**	**318**
Acquisition costs of associates and joint ventures	Cash flow	**13 662**	**13 662**
Balance as at 30 June 2026		**13 980**	**13 980**
2025			
Acquisition costs of associates and joint ventures	Cash flow	318	318
Balance as at 30 June 2025		318	318

Investment in associates and joint ventures

50% interest in Maluti Mall Proprietary Limited

Maluti Mall, incorporated in South Africa, owns land measuring 3,8ha in Phuthaditjhaba, Free State. The land was acquired during the year ended 30 June 2026 and the entity's principal activity is the intended development of a 30 000m² retail shopping centre on the land. Maluti Mall's principal place of business is South Africa and its reporting date is coterminous with that of the Group.

The Group, through Safari, holds 50% of the issued share capital and voting rights of Maluti Mall. The remaining 50% is held by Winckler Family Trust ("WFT"). Safari and WFT have equal voting rights, and decisions about the relevant activities of Maluti Mall require the consent of both. Neither party can direct the relevant activities on its own. The Group has therefore concluded that it has joint control of Maluti Mall with WFT, and that the arrangement is a joint arrangement in terms of IFRS 11 *Joint Arrangements*.

The arrangement is structured through a separate legal entity. Safari and WFT are exposed to the risks and returns of Maluti Mall's net assets, including any future distributions. They do not have rights to the assets of Maluti Mall or obligations for its liabilities. The planned joint development of the property is carried out for the benefit of Maluti Mall and is expected to increase the value of its net assets. It does not give either party rights to specific assets or obligations for specific liabilities. The arrangement is therefore classified as a joint venture.

The investment is accounted for using the equity method in terms of IAS 28 *Investments in Associates and Joint Ventures*. It was initially recognised at cost and is adjusted for the Group's share of Maluti Mall's profit or loss and other comprehensive income after the acquisition date. Distributions received from Maluti Mall reduce the carrying amount of the investment.

This assessment is based on the terms of the memorandum of understanding between Safari and WFT and the information currently available. Maluti Mall's MOI and the shareholders' agreement have not yet been finalised. If the final terms change the parties' rights, obligations or decision-making arrangements, the classification will be reassessed. Any change would be applied prospectively from the date the revised terms take effect and would not affect earlier periods.

The investment is not individually material to the Group. Accordingly, summarised financial information has not been presented.

7. Derivative financial instrument

In August 2024, Safari's final interest rate swap, with a notional value of R50,0 million, expired. The Group has, for the time being, elected not to hedge any of its debt through interest rate swaps.

	Note	Group 2026 R'000	Group 2025 R'000
Movement for the year			
Balance at the beginning of the year		**–**	163
Fair value adjustment movement for the year	**30**	**–**	(163)

The Group currently has no hedging instruments in place, but the Board does continue to monitor this position on a regular basis.

8. Right-of-use assets

	Group 2026 R'000	Group 2025 R'000
Right-of-use assets – non-current assets	**505**	1 010
Reconciliation of right-of-use asset		
Carrying amount at the beginning of the year	**1 010**	1 515
Depreciation	**(505)**	(505)
Carrying amount at the end of the year	**505**	1 010

Depreciation is recognised on the right-of-use asset which relates to buildings and is presented as follows. It includes depreciation which has been expensed in the total depreciation charge in profit or loss as part of operating expenses of the Group.

8. Right-of-use assets continued

	Note	Group 2026 R'000	Group 2025 R'000
Lease liabilities		**1 171**	2 153
Balance at the beginning of the year		**2 153**	2 969
Non-cash modification		**(1)**	(1)
Capital repayment of lease liabilities (per statement of cash flows)	Cash flow	**(981)**	(815)
Lease payments		**(1 145)**	(1 070)
Interest expense		**164**	255
Balance at the end of the year		**1 171**	2 153
Non-current liabilities		**–**	1 171
Current liabilities		**1 171**	982
Total lease liabilities		**1 171**	2 153
Undiscounted maturity analysis of lease liabilities		**1 226**	2 372
Within one year		**1 226**	1 146
Within two years		**–**	1 226
Right-of-use assets summary per company		**505**	1 010
Safari		**505**	1 010
Lease liabilities summary per company		**1 171**	2 153
Safari		**1 171**	2 153

Safari leases its head office premises under a lease agreement which terminates on 30 June 2027. The lease term was extended in a prior year and the extension was accounted for as a lease modification in terms of IFRS 16, by remeasuring the lease liability using the original discount rate, with a corresponding adjustment to the carrying amount of the right-of-use asset. No lease modifications or reassessments of the lease term occurred during the current year. As the lease expires within 12 months of the reporting date, the lease liability is presented in full as a current liability and the related undiscounted contractual cash flows fall due within one year.

9. Financial assets

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Loans to participants of the employee share scheme	9.1	**33 256**	33 989	**33 256**	33 989
Loan to related party	9.2	**25 579**	19 617	**–**	–
Investment in listed shares	9.3	**170 529**	190 553	**–**	–
Loan to subsidiaries (net of allowance for impairment)	9.4	**–**	–	**42 085**	–
Contingent consideration	9.5	**10 000**	10 000	**–**	–
Total financial assets		**239 364**	254 159	**75 341**	33 989
Split between non-current and current portions:					
Current assets		**43 256**	10 000	**75 341**	–
Non-current assets		**196 108**	244 159	**–**	33 989
Total financial assets		**239 364**	254 159	**75 341**	33 989
Movement for the year:					
9.1 Loans to participants of the employee share scheme					
Balance at the beginning of the year		**33 989**	34 265	**33 989**	34 265
Loans repaid during the year	Cash flow	**(3 712)**	(3 594)	**(3 712)**	(3 594)
Interest received	29	**2 979**	3 318	**2 979**	3 318
Balance at the end of the year		**33 256**	33 989	**33 256**	33 989
9.2 Loan to related parties					
Vendor loan – Heriot Investments					
Opening balance		**19 617**	66 825		
Advanced during the year	Cash flow	**46 697**	52 784		
Repaid during the year	Cash flow	**(42 070)**	(103 170)		
Interest received	29	**1 335**	3 178		
Balance at the end of the year		**25 579**	19 617		

9. Financial assets continued

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
9.3 Investment in listed shares					
Balance at the beginning of the year		**190 553**	212 868		
Acquisition of listed shares		**–**	1 579		
Return of capital		**(41 172)**	(51 591)		
Fair value adjustment	30	**21 148**	27 697		
Balance at the end of the year		**170 529**	190 553		
9.4 Loan to subsidiaries					
Loan advanced to Heriot Trust No. 3				**42 085**	–
Balance at the end of the year				**42 085**	–
9.5 Contingent consideration					
Balance at the beginning of the year		**10 000**	–		
Raised during the reporting period		**–**	10 000		
Balance at the end of the year		**10 000**	10 000		

9.1 Loans due from participants of the employee share scheme arose on the acquisition of Heriot shares by employees at the listing price of R10 per share. The loans are subject to the following conditions:

- The loans bear interest at Heriot's average cost of borrowings of 8,73% (2025: 9,73%) for the year;
- If the interest payable on the loans exceeds the dividends in respect of the year for which such dividends are declared, then such excess shall be added to and shall be deemed to form part of the loans;
- If the dividends payable on the plan shares in respect of the year for which such dividends are declared exceed the interest payable for such year, then such excess shall be made available to the participant unless the participant has indicated that such excess is to be applied in reducing the loan;
- The loans are secured by a pledge of shares to the Company;
- The Company is entitled to demand payment of the debt outstanding in respect of any plan shares at any time after the expiration of 10 years from the date of the agreement; and
- The employees to whom the shares have been issued remain liable for the relevant outstanding scheme debt, irrespective of the value of the underlying shares, i.e. the employee is unconditionally bound to repay the loan, notwithstanding any decrease in the underlying value of the shares.

At the reporting date, the ECL considerations relating to the loans were the share price, interest rates and historical and projected dividends. Because the market value of each Heriot share of R26,00 exceeds the carrying amount of R10,08 owed by each participant in the employee share scheme, and projected dividends exceed expected interest repayments, credit risk relating to the loans has not increased. Accordingly, on the basis of a 12-month ECL assessment, credit risk has been assessed as stage 1, with a low risk of default, resulting in no credit loss allowance provision being raised.

9.2 The loan to Heriot Investments, held at amortised cost, is unsecured. It accrues interest at the three-month JIBAR rate plus 185bps and is repayable within 60 months of the advance date, as the tenure was extended by 24 months to 31 December 2027 in the prior financial year. During the reporting period, Heriot's net advances to Heriot Investments of R4,7 million increased the balance from R19,6 million to R25,6 million while earning R1,3 million in interest.

The purchaser's statement of financial position, historical and projected income has been assessed, which confirms it has the necessary funds to settle the amount due.

At year-end, the expected credit risk relating to the loan has not increased significantly. This assessment has been based on the fact that the ultimate majority shareholder of the company is in a sound financial position and has the funds available to settle the loan. Accordingly, on the basis of a 12-month ECL assessment, credit risk has been assessed as stage 1, low risk of default resulting in no credit loss allowance provision being raised.

9.3 The fair value of listed investments is determined using the closing market price on the relevant exchange. The investment in Texton comprises 64 594 305 shares valued at the closing market price of R2,64 per share as at 30 June 2026. The fair value is based on a Level 1 fair value measurement hierarchy, in which the fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities. Refer to accounting policies **note 1.4** for significant judgements applied to the investment in Texton.

9.4 Loans to subsidiaries are interest-free and settled after the reporting period.

9.5 In the prior financial period, the Group recognised a financial asset relating to contingent consideration arising from the disposal of loan claims and shareholding in Safari Namibia.

Under the sale agreement, the contingent consideration will be realised after 12 months, once certain conditions are met. This meets the definition of a financial asset under IAS 32.11. In accordance with IFRS 9, the contingent consideration forms part of the disposal proceeds in determining any gain or loss on disposal.

The asset does not meet the "solely payments of principal and interest" test under IFRS 9, as the return is linked to meeting certain conditions, which is not consistent with a basic lending arrangement (IFRS 9, B4.1.7–B4.1.9). Consequently, the contingent consideration is classified and measured at fair value through profit or loss.

Fair value measurement reflects management's estimate of the probability-weighted outcomes of achieving specified performance targets. Changes in fair value are recognised in profit or loss in the period in which they arise.

9. Financial assets continued

The table below presents the ECL rates applied to each loan as at 30 June 2026.

	Group			
	Basis of ECLs R'000	Gross carrying value of loans R'000	Loss allowance (lifetime ECL) R'000	Net carrying value of loans R'000
2026				
Heriot Investments Proprietary Limited	**12-month ECL**	**25 579**	**–**	**25 579**
Loans to participants of the employee share scheme	**12-month ECL**	**33 256**	**–**	**33 256**
Balance as at 30 June 2026		**58 835**	**–**	**58 835**
2025				
Heriot Investments Proprietary Limited	12-month ECL	19 617	–	19 617
Loans to participants of the employee share scheme	12-month ECL	33 989	–	33 989
Balance as at 30 June 2025		53 606	–	53 606

	Company			
	Basis of ECLs R'000	Gross carrying value of loans R'000	Loss allowance (lifetime ECL) R'000	Net carrying value of loans R'000
2026				
Loans to participants of the employee share scheme	**12-month ECL**	**33 256**	**–**	**33 256**
Heriot Trust No. 3	**12-month ECL**	**42 085**	**–**	**42 085**
Balance as at 30 June 2026		**75 341**	**–**	**75 341**
2025				
Loans to participants of the employee share scheme	12-month ECL	33 989	–	33 989
Balance as at 30 June 2025		33 989	–	33 989

10. Trade and other receivables

	Note	Group 2026 R'000	Group 2025 R'000
Financial instruments	37	**58 174**	352 181
Gross trade receivables		**59 104**	56 140
ECL – allowance for credit losses		**(34 249)**	(22 887)
Net trade receivables		**24 855**	33 253
Municipal deposits[1]		**14 033**	12 902
Other receivables[2]		**19 286**	16 026
Disposal consideration receivable[3]		**–**	290 000
Non-financial instruments		**18 736**	23 652
Prepayments		**16 697**	23 245
Value-added taxation		**2 039**	407
Total trade and other receivables		**76 910**	375 833

[1] *Municipal deposits mainly comprise deposits held with large municipalities and state-owned entities such as the City of Cape Town, Ekurhuleni, Tshwane, Polokwane and Eskom in the form of cash and/or bank guarantees issued. The financial positions have been assessed as stable. On this basis, the assessment of the credit risk relating to this receivable is that the risk has not increased significantly. Accordingly, based on a 12-month ECL assessment, credit risk has been assessed as stage 1, with a low risk of default, resulting in no credit loss allowance provision being raised.*

[2] *Safari internalised the electricity recovery function during FY2024, resulting in a utility recovery billing timing difference. The income accrual arose from aligning electricity recoveries, which are billed in arrears, with the expense incurred during the reporting period. The income accrual balance increased from R10,0 million to R12,0 million as at the reporting date. On the basis of a 12-month ECL assessment, no credit loss allowance has been provided for. Further, all recoveries were collected post year-end.*

[3] *Disposal consideration receivable included an amount due from Oryx Property Limited ("Oryx") in respect of the purchase price relating to the sale of shares and loan claims in Safari Namibia. The effective date of the transaction was 30 June 2025, with the proceeds received on 1 July 2025.*

10. Trade and other receivables continued

	Group 2026 R'000	Group 2025 R'000
The year-end balance includes trade and other receivables from the following entities amounting to:		
Heriot		
Financial instruments	**22 702**	24 147
Gross trade receivables	**26 213**	24 119
ECL – allowance for credit losses	**(17 611)**	(11 984)
Net trade receivables	**8 602**	12 135
Municipal deposits	**9 732**	8 652
Other receivables	**4 368**	3 360
Non-financial instruments	**8 928**	10 294
Prepayments	**6 962**	9 958
Value-added taxation	**1 966**	336
Total trade and other receivables: Heriot	**31 630**	34 441
Safari		
Financial instruments	**22 250**	319 386
Gross trade receivables	**24 817**	28 986
ECL – allowance for credit losses	**(16 070)**	(10 800)
Net trade receivables	**8 747**	18 186
Municipal deposits	**1 201**	1 150
Disposal consideration receivable	**–**	290 000
Other receivables	**12 302**	10 050
Non-financial instruments	**8 808**	10 254
Prepayments	**8 808**	10 254
Total trade and other receivables: Safari	**31 058**	329 640
Thibault		
Financial instruments	**13 222**	8 648
Gross trade receivables	**8 074**	3 035
ECL – allowance for credit losses	**(568)**	(103)
Net trade receivables	**7 506**	2 932
Municipal deposits	**3 100**	3 100
Other receivables	**2 616**	2 616
Non-financial instruments	**1 000**	3 104
Prepayments	**927**	3 033
Value-added taxation	**73**	71
Total trade and other receivables: Thibault	**14 222**	11 752
Consolidated total trade and other receivables	**76 910**	375 833

Trade receivables

In order to mitigate the risk of financial loss from defaults, the Group mainly deals with reputable tenants with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each tenant is analysed individually for creditworthiness, based on information submitted by the tenants as well as external bureau data, before terms and conditions are offered. Tenant credit limits are in place and are reviewed and approved by management. The exposure to credit risk and the creditworthiness of tenants is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting year.

10.1 Credit quality of trade receivables

The Group applies the IFRS 9 simplified approach to measuring ECLs using a lifetime ECL provision for trade receivables. To measure ECLs on an individual basis, trade receivables are assessed net of the value-added tax clawback and deposit or guarantee held. Arrears aged 90 days and over are in most instances deemed to be irrecoverable and provided for. The expected loss rates are based on the Group's historical credit losses experienced over the period prior to the period-end and are reassessed at each reporting date.

Trade receivables are categorised by tenant type to determine the risk related to the receivable, and therefore the probability of default. Tenant collateral in the form of tenant deposits or bank guarantees has also been taken into account in calculating the ECL. In addition, consideration is given to the fact that certain entities, particularly the South African government, may be slow or irregular payers and therefore, a typical arrears or default provision is not necessarily held in such cases. ECLs are estimated using a provision matrix that has been developed by making use of past default experience of debtors and also incorporates forward-looking information and general economic conditions of the industry.

10. Trade and other receivables continued

10.1 Credit quality of trade receivables continued

In considering past default events, the following is taken into account:

- The probability that future rental will be paid considering the payment history;
- Collateral held in the form of deposits or guarantees held; and
- Historical information relating to legal proceedings.

In considering forward-looking information, consideration is given to the segments in which the tenants operate and the broader economic environment, both locally and internationally.

In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for instance, when a debtor has been placed under liquidation.

The historical credit loss experience does not show significantly different loss patterns for different tenant segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in the credit loss allowance. The loss allowance provision is determined as follows:

	2026		2025	
	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000
Group				
Not past due: 2% (2025: 6%)	**11 366**	**(217)**	11 246	(627)
30 days past due: 11% (2025: 21%)	**6 115**	**(676)**	2 926	(612)
60 days past due: 65% (2025: 38%)	**919**	**(596)**	1 621	(616)
More than 90 days: 80% (2025: 52%)	**40 704**	**(32 760)**	40 347	(21 032)
Totals: Group	**59 104**	**(34 249)**	56 140	(22 887)

The following tables reflect each Group component's loss allowance provision:

	2026		2025	
	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000
Heriot				
Not past due: 4% (2025: 8%)	**5 357**	**(217)**	2 285	(191)
30 days past due: 33% (2025: 31%)	**621**	**(202)**	674	(209)
60 days past due: 65% (2025: 48%)	**402**	**(260)**	566	(273)
More than 90 days: 85% (2025: 55%)	**19 833**	**(16 932)**	20 594	(11 311)
Totals: Heriot	**26 213**	**(17 611)**	24 119	(11 984)

Heriot's debtors are predominantly arrears due from Choppies, which stood at R17,5 million at year-end. Choppies previously occupied the Denver distribution centre and vacated it in January 2024 after their lease was cancelled on the same date. Heriot is reasonably confident it will recover the arrears and damages under the Choppies lease. Heriot has nevertheless taken a conservative approach, as the outcome of the court case is unknown, and increased the ECL provision from R10,0 million to R15,2 million during the reporting period.

	2026		2025	
	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000
Safari				
Not past due: 0% (2025: 7%)	**3 325**	**–**	6 197	(436)
30 days past due: 63% (2025: 19%)	**756**	**(474)**	2 163	(403)
60 days past due: 63% (2025: 33%)	**470**	**(295)**	1 025	(343)
More than 90 days: 76% (2025: 49%)	**20 266**	**(15 301)**	19 601	(9 618)
Totals: Safari	**24 817**	**(16 070)**	28 986	(10 800)

Safari increased the ECL provision from R10,8 million to R16,1 million during the reporting period due to the uncertain outcomes of various legal matters, which make up the majority of debtors in excess of 90 days.

10. Trade and other receivables continued

10.1 Credit quality of trade receivables continued

	2026		2025	
	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000	Estimated gross carrying value at default R'000	Loss allowance (lifetime ECL) R'000
Thibault				
Not past due: 0% (2025: 0%)	**2 684**	**–**	2 764	–
30 days past due: 0% (2025: 0%)	**4 738**	**–**	89	–
60 days past due: 87% (2025: 0%)	**47**	**(41)**	29	–
More than 90 days: 87% (2025: 67%)	**605**	**(527)**	153	(103)
Totals: Thibault	**8 074**	**(568)**	3 035	(103)

All debtors in the current and 30-day categories settled their arrears post year-end.

	Note	Group 2026 R'000	Group 2025 R'000
Reconciliation of loss allowances			
Balance at the beginning of the year		**(22 887)**	(11 647)
Recognised in profit or loss for the year		**(11 362)**	(11 240)
Loss allowances utilised		**574**	522
Loss allowance raised		**(11 936)**	(11 762)
Balance at the end of the year		**(34 249)**	(22 887)
ECL provision movement	33	**11 362**	11 240

11. Dividends receivable from subsidiaries

	Note	Company 2026 R'000	Company 2025 R'000
Dividends receivable from subsidiaries		**214 072**	160 331
Movement for the year			
Balance at the beginning of the year		**160 331**	85 089
Dividends declared by subsidiaries	22	**428 271**	382 419
Dividends declared by Katleho	41	**24 026**	–
Advance payments from subsidiaries – transferred to trade and other payables	33.4	**(10 951)**	(70 806)
Cash received	Cash flow	**(387 605)**	(236 371)
Balance at the end of the year		**214 072**	160 331

The increase in dividends receivable during the reporting period is attributable to higher distributions declared by subsidiaries, primarily from Heriot Properties.

The credit risk relating to dividends receivable from subsidiaries has not increased significantly. The subsidiaries own income-generating properties, are solvent, and based on past experience, dividends declared to the Company are paid annually. Accordingly, on the basis of a 12-month ECL assessment, credit risk has been assessed as stage 1, low risk of default resulting in no credit loss allowance provision being raised.

11. Dividends receivable from subsidiaries continued

The table below presents the ECL rates applied to each dividend receivable as at 30 June 2026:

	Company			
	Basis of ECLs	Gross carrying value of receivables R'000	Loss allowance (12-month ECL) R'000	Net carrying value of receivables R'000
2026				
Bait Away Trading Proprietary Limited	**12-month ECL**	**2 921**	**–**	**2 921**
Fin Properties 107 Proprietary Limited	**12-month ECL**	**1 075**	**–**	**1 075**
Heriot Properties Proprietary Limited	**12-month ECL**	**152 598**	**–**	**152 598**
Heriot Properties West Proprietary Limited	**12-month ECL**	**5 691**	**–**	**5 691**
Moditouch Proprietary Limited	**12-month ECL**	**431**	**–**	**431**
Phokeng Mall Proprietary Limited	**12-month ECL**	**16 379**	**–**	**16 379**
Terrace Drive Properties 34 Proprietary Limited	**12-month ECL**	**10 296**	**–**	**10 296**
Tiger Stripes Investments 31 Proprietary Limited	**12-month ECL**	**655**	**–**	**655**
Katleho Property Investments Proprietary Limited	**12-month ECL**	**24 026**	–	**24 026**
Total dividends receivable		**214 072**	**–**	**214 072**
2025				
Bait Away Trading Proprietary Limited	12-month ECL	4 050	–	4 050
Fin Properties 107 Proprietary Limited	12-month ECL	2 906	–	2 906
Heriot Properties Proprietary Limited	12-month ECL	124 387	–	124 387
Heriot Properties West Proprietary Limited	12-month ECL	5 536	–	5 536
Heriot Trust No. 1	12-month ECL	365	–	365
Moditouch Proprietary Limited	12-month ECL	738	–	738
Phokeng Mall Proprietary Limited	12-month ECL	14 328	–	14 328
Terrace Drive Properties 34 Proprietary Limited	12-month ECL	7 982	–	7 982
Tiger Stripes Investments 31 Proprietary Limited	12-month ECL	39	–	39
Total dividends receivable		160 331	–	160 331

12. Inventories

	Note	Group 2026 R'000	Group 2025 R'000
Inventories		**32 493**	–
Balance at the beginning of the year		**–**	11 593
Transfer from property under development	3	**23 134**	–
Capital movements during the year	33.2	**9 359**	–
Carrying value of inventory sold		**–**	(11 593)
Cost of inventory sold – per statement of comprehensive income		**–**	(11 132)
Less: Expenses incurred in the sale of inventory		**–**	(461)
Balance at the end of the year		**32 493**	–

The Fibonacci development

Following the successful pre-sale of 174 of the 574 residential units and the commencement of construction of the development, the Group determined that the *pro rata* portion of the property attributable to the units sold is held for sale in the ordinary course of business rather than for capital appreciation or rental income. Accordingly, in terms of IAS 40, the fair value of that portion, amounting to R23,1 million, was transferred from property under development to inventory on the date of the change in use. Together with development expenditure of R9,4 million capitalised during the year, the carrying value of inventory at the reporting date amounts to R32,5 million. Inventory is measured at the lower of cost and net realisable value in terms of IAS 2. Net realisable value, determined with reference to the contracted selling prices of the units less the estimated costs to complete and the costs necessary to make the sale, exceeds the carrying value and no write-down to net realisable value was therefore recognised. The units will transfer to the purchasers on completion of the development.

13. Cash and cash equivalents

For purposes of the cash flow statement, cash and cash equivalents comprise:

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Total cash and cash equivalents	**103 188**	121 445	**31 456**	49 623
The year-end balance above includes cash and cash equivalents from the following entities amounting to:	**103 188**	121 445		
Heriot	**68 091**	67 920		
Safari	**31 365**	49 035		
Thibault	**3 732**	4 490		

Cash is invested with Absa Bank Limited, Nedbank Limited and First National Bank Limited, a division of FirstRand Bank Limited. In terms of Fitch Ratings and S&P's Ratings, all banks are rated as BB- and as such, the risk of default is low.

Due to the short-term nature of cash and cash equivalents, the carrying amount is deemed to approximate the fair value.

Absa Bank Limited, First National Bank Limited, and Nedbank Limited have issued bank guarantees totalling R9,385 million (2025: R9,385 million) as security for various municipal deposits in their portfolios.

14. Non-current assets and liabilities held for sale

	Group	
	2026 R'000	2025 R'000
Assets held for sale – Investment properties	**233 700**	181 136
Total non-current assets held for sale	**233 700**	181 136

Investments in subsidiaries and/or investment property are classified as held for sale at the time the Directors decide that these will be recovered through sale rather than through continuing use.

	Note	Group	
		2026 R'000	2025 R'000
Movement for the year			
Balance at the beginning of the year		**181 136**	180 100
Change in fair value	30	**(37 834)**	(16 754)
Straight-line rental income accrual for the year		**(29)**	–
Tenant installations amortised		**(900)**	(1 191)
Capital expenditure incurred on assets held for sale	33.6	**3 600**	20 859
Disposal (cash) – investment property	Cash flow	**(39 273)**	(18 177)
Transferred from investment property	2	**127 000**	26 300
Sale of 60 Adderley			
60 Adderley assets and liabilities transferred to held for sale[1]		**13 175**	–
Assets held for sale		**80 720**	–
Liabilities held for sale		**(67 545)**	–
60 Adderley assets and liabilities disposed[2]		**(13 175)**	–
Assets held for sale		**(80 720)**	–
Liabilities held for sale		**67 545**	–
Sale of Safari Namibia			
Safari Namibia assets and liabilities transferred to held for sale[1]		**–**	277 716
Assets held for sale		**–**	296 442
Liabilities held for sale		**–**	(18 726)
Safari Namibia assets and liabilities disposed – non-cash[2]		**–**	(287 717)
Assets held for sale		**–**	(306 443)
Liabilities held for sale		**–**	18 726
Balance at the end of the year		**233 700**	181 136
Cash flow movements summary			
Disposal of Fixtrade units	Cash flow	**5 439**	18 177
Disposal of Bushmans Bend farm	Cash flow	**33 834**	–
Disposal of 60 Adderley (Heriot share)	Cash flow	**7 721**	–
Capital expenditure incurred on assets held for sale	33.6	**(3 600)**	(20 859)

[1] *Refer to the footnote on the following page.*

[2] *Refer to the footnote on the following page.*

14. Non-current assets and liabilities held for sale continued

[1] *Assets and liabilities transferred to held for sale comprise:*

	Note	Group 2026 R'000	Group 2025 R'000
Assets			
Investment property	*2*	***76 500***	*290 000*
Property, plant and equipment	*4*	***10***	*812*
Trade receivables	*33.3*	***1 503***	*5 012*
Cash and cash equivalents	*Cash flow*	***2 707***	*618*
Assets held for sale		***80 720***	*296 442*
Liabilities			
Deferred taxation	*18*	***–***	*16 129*
Interest-bearing borrowings	*33.7*	***61 804***	*–*
Dividend payable to non-controlling interests	*21*	***424***	*–*
Trade and other payables	*33.4*	***5 317***	*2 597*
Liabilities held for sale		***67 545***	*18 726*

[2] *Assets and liabilities sold comprise:*

	Note	Group 2026 R'000	Group 2025 R'000
Assets		***80 720***	*306 443*
Non-controlling interests	*SOCIE, 16*	***(3 066)***	*–*
Liabilities		***(67 545)***	*(18 726)*
Net assets disposed		***10 109***	*287 717*
Proceeds on disposal		***7 721***	*300 000*
Proceeds received/receivable	*Cash flow, 10*	***7 721***	*290 000*
Contingent consideration	*9*	***–***	*10 000*
(Loss)/profit on disposal	*25*	***(2 388)***	*12 283*

In the prior reporting period, the Platz am Meer property was recognised at its fair value of R300,0 million in accordance with IAS 40 immediately prior to disposal, reflecting a R10,0 million increase from its 31 December 2024 valuation of R290,0 million.

Wynberg Mews property was recognised at its fair value of R76,5 million in accordance with IAS 40 immediately prior to disposal.

	Group 2026 R'000	Group 2025 R'000
Non-current assets and liabilities held for sale summary per company	**233 700**	181 136
Heriot	**74 700**	8 136
Safari	**159 000**	173 000

Summary of movements per company

	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Balance at the beginning of the year	8 136	173 000	–	**181 136**
Net assets and liabilities transferred to held for sale	127 000	–	–	**127 000**
Straight-line lease accrual	(29)	–	–	**(29)**
Tenant installations amortised	–	(900)	–	**(900)**
Change in fair value	(23 030)	(14 804)	–	**(37 834)**
Capital expenditure incurred on assets held for sale	1 896	1 704	–	**3 600**
Net assets and liabilities disposed	(39 273)	–	–	**(39 273)**
Balance at the end of the year	74 700	159 000	–	**233 700**

Fixtrade

During the reporting period, the remaining Fixtrade 14 sectional title units held for sale were sold for R5,4 million. The proceeds were retained within the Group and were not distributed to shareholders.

Immediately prior to their sale, the units were carried at fair value, which was equal to the selling price achieved. Accordingly, no profit or loss on disposal was recognised in profit or loss for the period, and the assets held for sale were derecognised on transfer of the units to the purchasers.

60 Adderley

On 30 November 2025, the Group disposed of its 60% interest in 60 Adderley by selling the shares in, and the claims against, the company, and lost control on that date. Immediately before the disposal, the investment was classified as a disposal group held for sale under IFRS 5, as the directors had committed to recovering the investment's carrying amount through sale rather than continued use. On loss of control, assets held for sale of R80,7 million and liabilities held for sale of R67,5 million were derecognised, together with the non-controlling interests' share of the net assets of R3,1 million, representing the 40% interest held by the non-controlling shareholders, which was derecognised through the statement of changes in equity. The resulting net assets disposed of, R10,1 million, measured against the cash consideration of R7,7 million received by Heriot, resulted in a loss on disposal of R2,4 million recognised in profit or loss. Refer to **notes 16** and **25** and to the statement of changes in equity for further details on the disposal.

14. Non-current assets and liabilities held for sale continued

Safari Namibia

In the prior reporting period, Safari disposed of its entire interest in Safari Namibia to Oryx, a third-party purchaser, through the sale of the shares in, and the loan claims against, that company. Following the fulfilment of all conditions precedent, the transaction became effective on 30 June 2025, being the date on which control was lost, and the profit on disposal of N$12,3 million was recognised in the prior period, being the excess of the total purchase consideration of N$300,0 million over the net assets disposed of N$287,7 million. As Safari Namibia did not constitute a separate major line of business or geographical area of operations, its results were not presented as a discontinued operation.

The total consideration of N$300,0 million comprised N$290,0 million payable in cash and a further N$10,0 million conditional upon the occurrence of specified conditions. Both amounts were recognised as receivable in the prior period, as the transaction became effective on the last day of that period. The N$290,0 million was received from Oryx on 1 July 2025, thereby settling that portion of the consideration in full during the current reporting period.

Safari satisfied all of the specified conditions attaching to the further consideration of N$10,0 million during the current reporting period. The amount remained outstanding at the reporting date, the finalisation of payment by the purchaser being in progress, and continues to be recognised as a financial asset as disclosed in **note 9**. No adjustment to the amount recognised, and no gain or loss, arose in the current period in respect of the disposal consideration.

Disposal groups and non-current assets held for sale

The Board remains committed to selling the Group's non-core assets. These sales support the Group's strategy of reducing gearing after the Safari buyout and recycling capital into higher-yielding retail opportunities. As at 30 June 2026, the following properties were classified as held for sale:

Property	Component and segment	Expected proceeds R'000	Status at the date of approval
Mnandi Shopping Centre	Safari – Retail	**150 000**	Transferred on 19 October 2026. (Refer to **note 39**)
Soweto Day Hospital	Safari – Retail	**9 500**	Sale agreement signed, subject to the purchaser's due diligence
Hinze plantation	Heriot – Specialised	**29 000**	Sale agreement signed; transfer expected November 2026
Cleveland distribution centre	Heriot – Industrial	**24 000**	Sale agreement signed; transfer expected November 2026
Newborough Grange plantation	Heriot – Specialised	**21 200**	Purchaser's due diligence concluded; formal offer awaited
Total		233 700	

Mnandi Shopping Centre and Soweto Day Hospital were first classified as held for sale as at 30 June 2025. Their sale has therefore taken more than 12 months from that date. The original sales did not proceed because the purchasers were unable to obtain funding. These circumstances were outside the Group's control.

During the year, the Group actively marketed both properties at prices that are reasonable in relation to their fair value. A new sale agreement was concluded for Mnandi Shopping Centre and the property transferred to the purchaser on 19 October 2026 (refer to **note 39**). The selling price of R150,0 million equals its carrying amount as at 30 June 2026; accordingly, no profit or loss arises on the disposal. A new sale agreement has been signed for Soweto Day Hospital, subject to the purchaser's due diligence. The Board therefore remains committed to the sales, and both properties continue to meet the criteria for classification as held for sale (IFRS 5.9 and B1(c)).

The Hinze and Newborough Grange plantations and the Cleveland distribution centre were classified as held for sale during the current year. They are expected to transfer within 12 months of classification.

Investment property classified as held for sale continues to be measured at fair value in terms of IAS 40 *Investment Property* (IFRS 5.5(d)). The fair value of each property was aligned to the agreed or expected selling price. This resulted in a fair value loss of R37,834 million on assets held for sale (Heriot: R23,030 million; Safari: R14,804 million), recognised in profit or loss (refer to **note 30**).

The proceeds from disposals are expected to be in line with the fair value of the related investment properties.

15. Stated capital

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Authorised					
2 000 000 000 ordinary shares of no par value					
Issued					
325 767 032 (2025: 320 161 982) ordinary shares of no par value		**3 468 665**	3 468 665	**3 514 892**	3 477 689
Add: 5 605 050 new shares issued (net cost)		**121 705**	–	**145 731**	–
Cash received from Thibault[2]		**–**	–	**–**	37 203
Total stated capital		**3 590 370**	3 468 665	**3 660 623**	3 514 892
Reconciliation of issued stated capital					
In issue at the beginning of the year		**3 468 665**	3 468 665	**3 514 892**	3 477 689
Shares issued to acquire company (Katleho)[1]	41, SOCIE	**145 731**	–	**145 731**	–
Dividend declared in lieu of shares bought in Katleho (non-cash)	41, SOCIE	**(24 026)**	–	**–**	–
Cash received from Thibault[2]	SOCIE	**–**	–	**–**	37 203
In issue at the end of the year		**3 590 370**	3 468 665	**3 660 623**	3 514 892

[1] *Effective 30 June 2026, Heriot entered into an exchange agreement, in terms of Section 42 of the Income Tax ("Exchange Agreement"), with Katleho shareholders, in terms of which Heriot acquired 75% of the issued shares in exchange for the issue of 5 605 050 shares in the Company.*

[2] *In FY2024, the R37,203 million dividend declared to Heriot reduced the purchase consideration, or cost of shares, issued to acquire Thibault. On this basis, instead of raising a receivable, the stated capital was reduced. The receivable of R37,203 million was not deemed to be material. In the prior reporting period, Thibault paid the R37,203 million, which was recognised through the statement of changes in equity to correct stated capital.*

	Note	Group Number of shares[2] '000	Group Number of shares[2] '000	Company Number of shares '000	Company Number of shares '000
Reconciliation of issued number of shares					
In issue at the beginning of the year		**319 262**	319 262	**320 162**	320 162
Shares issued to acquire company (Katleho)[1]	41	**5 605**	–	**5 605**	–
In issue at the end of the year		**324 867**	319 262	**325 767**	320 162

[1] *Effective 30 June 2026, Heriot entered into an exchange agreement, in terms of Section 42 of the Income Tax ("Exchange Agreement"), with Katleho shareholders, in terms of which Heriot acquired 75% of the issued shares in exchange for the issue of 5 605 050 shares in the Company.*

[2] *Net of 900 000 treasury shares.*

The unissued shares are under the control of the Directors. This authority remains in force until the next AGM of the Company.

16. Non-controlling interests

	Group			
	2026 Effective voting rights of the non-controlling interests %	2025 Effective voting rights of the non-controlling interests %	2026 R'000	2025 R'000
Heriot Properties International Proprietary Limited	**10,00**	10,00	**44 788**	40 316
Moditouch Proprietary Limited	**50,00**	50,00	**21 528**	21 566
60 Adderley Proprietary Limited	**–**	40,00	**–**	629
Katleho Property Investments Proprietary Limited	**25,00**	–	**47 004**	–
Safari Investments RSA Proprietary Limited	**–**	40,78	**–**	1 227 256
Total non-controlling interest			**113 320**	1 289 767

Heriot Properties International Proprietary Limited

With effect from 5 June 2017, the Group acquired a 90% equity interest in HPI, a company registered and operational in South Africa. Heriot controls HPI by virtue of the voting rights held.

Moditouch Proprietary Limited

With effect from 5 June 2017, the Group acquired a 50% equity interest in Moditouch, a company registered and operational in South Africa. Moditouch is controlled by Heriot by virtue of Heriot's right to hold the majority of director positions on the board.

60 Adderley Proprietary Limited

With effect from 1 November 2018, the Group acquired a 60% equity interest in 60 Adderley, a shelf company registered and operational in South Africa, for no value. Heriot controlled 60 Adderley by virtue of the voting rights held.

On 30 November 2025, the Group disposed of its entire 60% interest in 60 Adderley through the sale of the shares in, and the claims against, the company, and control was lost on that date. On loss of control, the non-controlling interests' share of the net assets of R3,066 million, representing the 40% interest held by the non-controlling shareholders, was derecognised through the statement of changes in equity. The non-controlling interests were allocated their 40% share of the profits of R2,437 million up to the date of loss of control, and no non-controlling interest balance remains at the reporting date. Refer to **note 14** for further details on the disposal.

Katleho Property Investments Proprietary Limited

With effect from 30 June 2026, the Group acquired a 75% equity interest in Katleho, a company registered and operational in South Africa, in exchange for the issue of 5 605 050 Heriot shares. Heriot controls Katleho by virtue of the voting rights held, and the remaining 25% of the issued shares are held by non-controlling shareholders.

The non-controlling interests were measured at their proportionate share of the identifiable net assets of Katleho at the date of acquisition. Based on Katleho's NAV at that date of R220,050 million, the 25% non-controlling interest was recognised at R55,013 million. As the acquisition was a common control transaction falling outside the scope of IFRS 3, the resulting bargain gain was recognised directly in the statement of changes in equity.

On 30 June 2026, dividends of R8,009 million were declared to the non-controlling shareholders of Katleho. As the acquisition was effective on the last day of the reporting period, no profits or losses were allocated to the non-controlling interests during the year, and the non-controlling interest balance at the reporting date amounts to R47,004 million. Refer to **note 41** for further details on the acquisition.

Safari Investments RSA Proprietary Limited

In a previous reporting period, Heriot increased its interest in Safari from 46,5% to 59,2% through the acquisition of 5 470 088 Safari shares at a cost of R30,722 million, Safari's acquisition of 1 915 153 treasury shares for R10,551 million and the acquisition of a further 25 952 710 Safari shares as a result of the Thibault acquisition. Heriot controlled Safari by virtue of the voting rights held.

On 22 December 2025, Safari implemented a scheme of arrangement in terms of which it acquired the entire remaining issued share capital held by the non-controlling shareholders, being 104,321 million shares, at R8,00 per share for a total consideration of R834,568 million. The consideration was settled as a return of capital of R6,18271 per share, amounting to R644,987 million, and a cash dividend of R1,81729 per share, amounting to R189,581 million. In addition, and in terms of the scheme of arrangement, a clean-out distribution of 37,6 cents per share, amounting to R39,220 million, was paid to the non-controlling shareholders.

As the transaction did not result in a loss of control, it has been accounted for as an equity transaction in accordance with IFRS 10. The non-controlling interests were allocated their share of profits of R106,318 million up to the date of the buyback, whereafter the remaining carrying amount of the non-controlling interests of R1,252 billion was derecognised. As the carrying amount of the non-controlling interests derecognised exceeded the consideration paid of R834,568 million, a gain of R418,058 million was recognised directly in the statement of changes in equity, and no gain or loss was recognised in profit or loss.

Following the buyback, Safari became a wholly owned subsidiary of the Group and no non-controlling interest balance remains at the reporting date. Refer to the statement of changes in equity for further details.

16. Non-controlling interests continued

The non-controlling interest balance is reconciled as follows:

	Note	HPI R'000	Moditouch R'000	Katleho R'000	60 Adderley R'000	Safari R'000	Total R'000
2026							
Opening balance		**40 316**	**21 566**	**–**	**629**	**1 227 256**	**1 289 767**
Share of profits/(losses) for the year		**7 852**	**1 055**	**–**	**2 437**	**106 318**	**117 662**
Distributable profits		**3 233**	**1 055**	**–**	**(169)**	**38 624**	**42 743**
Non-distributable profit/(losses)		**4 619**	**–**	**–**	**2 606**	**67 694**	**74 919**
Safari share buyback – total	SOCIE	**–**	**–**	**–**	**–**	**(1 252 626)**	**(1 252 626)**
Safari share buyback – clean-out distribution[1]	SOCIE	**–**	**–**	**–**	**–**	**(39 220)**	**(39 220)**
60 Adderley sold	SOCIE	**–**	**–**	**–**	**(3 066)**	**–**	**(3 066)**
Katleho acquisition	SOCIE	**–**	**–**	**55 013**	**–**	**–**	**55 013**
Dividends declared to minorities	21	**(3 380)**	**(1 093)**	**(8 009)**	**–**	**(41 728)**	**(54 210)**
Balance as at 30 June 2026		**44 788**	**21 528**	**47 004**	**–**	**–**	**113 320**
2025							
Opening balance		34 769	19 462	–	(720)	1 053 717	1 107 228
Share of profits/(losses) for the year		8 333	1 540	–	1 349	226 727	237 949
Distributable profits		2 719	540	–	(637)	76 695	79 317
Non-distributable profit/(losses)		5 614	1 000	–	1 986	150 032	158 632
Issue of additional shares in Moditouch Proprietary Limited	SOCIE	–	1 125	–	–	–	1 125
Dividends declared to minorities	21	(2 786)	(561)	–	–	(53 188)	(56 535)
Balance as at 30 June 2025		40 316	21 566	–	629	1 227 256	1 289 767

		Note	*Safari 2026 R'000*
[1]	***Safari share buyback***		
	NAV of shares acquired		***1 252 626***
	Cost of shares acquired – cash	*Cash flow*	***(834 568)***
	Gain on acquisition of shares (equity)		***418 058***

16. Non-controlling interests continued

Summarised financial information is presented below for each subsidiary that has a non-controlling interest. The financial information is prepared by the respective entities in accordance with IFRS® Accounting Standards.

	2026			
	HPI R'000	Moditouch R'000	Katleho R'000	Safari R'000
Non-controlling interests' effective interest/voting rights (%)	10,00	50,00	25,00	–
Summarised statement of financial position				
Non-current assets	637 000	103 000	334 000	4 307 388
Investment property	637 000	103 000	334 000	4 289 700
Other non-current assets	–	–	–	17 688
Current assets	8 125	1 943	22 806	72 423
Trade and other receivables	1 330	91	4 552	31 058
Other current assets	–	–	–	10 000
Cash and cash equivalents	6 795	1 852	18 254	31 365
Non-current assets held for sale	–	–	–	159 000
Total assets	645 125	104 943	356 806	4 538 811
Non-current liabilities	175 304	60 000	128 504	1 961 848
Interest-bearing borrowings	–	60 000	128 504	1 938 000
Loans from Group companies	171 053	–	–	–
Other non-current liabilities	4 251	–	–	23 848
Current liabilities	19 986	1 990	40 287	347 957
Interest-bearing borrowings	–	–	–	160 028
Dividend payable	15 735	686	32 035	86 029
Other current liabilities	4 251	1 304	8 252	101 900
Total liabilities	195 290	61 990	168 791	2 309 805
Net assets	449 835	42 953	188 015	2 229 006
Net assets attributable to non-controlling interests	44 984	21 477	47 004	–

	2026		
	HPI R'000	Moditouch R'000	Safari R'000
Summarised statement of comprehensive income			
Revenue	81 887	8 256	581 174
Other income	–	–	11 393
Operating costs	(34 881)	(880)	(265 268)
Profit on sale of assets	–	–	–
Fair value adjustments	46 710	(133)	155 217
Interest income	520	96	6 488
Interest expense	(15 720)	(5 230)	(145 423)
Taxation	–	–	(1 140)
Total comprehensive income	78 516	2 109	342 441
Attributable to non-controlling shareholders:			
Distributable profits/(losses)	3 233	1 055	38 624
Non-distributable profits/(losses)	4 619	–	67 694
Total attributable to non-controlling shareholders	7 852	1 055	106 318
Summarised statement of cash flows			
Cash flows from operating activities	30 569	2 109	(193 969)
Cash flows from investing activities	(1 377)	–	177 900
Cash flows from financing activities	(27 861)	(2 817)	(1 601)
Net increase/(decrease) in cash and cash equivalents	1 331	(708)	(17 670)
Cash and cash equivalents at the beginning of the year	5 464	2 560	49 035
Cash and cash equivalents at the end of the year	6 795	1 852	31 365

16. Non-controlling interests continued

	2025			
	HPI R'000	Moditouch R'000	60 Adderley R'000	Safari R'000
Non-controlling interests' effective interest/ voting rights	10,00%	50,00%	40,00%	40,78%
Summarised statement of financial position				
Non-current assets	590 000	103 000	70 016	4 023 990
Investment property	590 000	103 000	70 000	4 019 000
Other non-current assets	–	–	16	4 990
Current assets	6 729	2 602	3 950	388 675
Trade and other receivables	1 265	42	832	329 640
Other current assets	–	–	–	10 000
Cash and cash equivalents	5 464	2 560	3 118	49 035
Non-current assets held for sale	–	–	–	173 000
Total assets	596 729	105 602	73 966	4 585 665
Non-current liabilities	175 304	60 000	–	1 478 965
Interest-bearing borrowings	–	60 000	–	1 453 000
Loans from Group companies	171 053	–	–	–
Other non-current liabilities	4 251	–	–	25 965
Current liabilities	18 730	2 571	72 400	96 650
Interest-bearing borrowings	–	–	–	662
Dividend payable	14 479	1 300	–	–
Other current liabilities	4 251	1 271	72 400	95 988
Total liabilities	194 034	62 571	72 400	1 575 615
Net assets	402 695	43 031	1 566	3 010 050
Net assets attributable to non-controlling interests	40 270	21 516	626	1 227 498

	2025			
	HPI R'000	Moditouch R'000	60 Adderley R'000	Safari R'000
Summarised statement of comprehensive income				
Revenue	76 130	8 788	12 253	617 746
Other income	–	–	–	7 877
Other costs	–	–	–	(11 132)
Operating costs	(30 618)	(1 364)	(7 615)	(281 010)
Profit on sale of subsidiary	–	–	–	12 283
Fair value adjustments	54 734	1 446	5 353	352 487
Interest income	405	79	7	1 879
Interest expense	(17 328)	(5 870)	(6 625)	(134 130)
Taxation	–	–	–	(11 149)
Total comprehensive income	83 323	3 079	3 373	554 851
Attributable to non-controlling shareholders				
Distributable profits/(losses)	2 719	540	(637)	76 695
Non-distributable profits/(losses)	5 614	1 000	1 986	150 032
Total attributable to non-controlling shareholders	8 333	1 540	1 349	226 727
Summarised statement of cash flows				
Cash flows from operating activities	27 481	(590)	(621)	13 676
Cash flows from investing activities	(1 608)	–	(225)	(93 007)
Cash flows from financing activities	(25 584)	2 250	2 400	114 585
Net increase in cash and cash equivalents	289	1 660	1 554	35 254
Cash and cash equivalents at the beginning of the period	5 175	900	1 564	13 781
Cash and cash equivalents at the end of the period	5 464	2 560	3 118	49 035

17. Interest-bearing liabilities

	Group 2026 R'000	Group 2025 R'000
Heriot		
Nedbank Limited	**1 468 583**	1 453 666
Facility 1		
The interest-only term facility bore interest at 50bps below the prime bank overdraft rate and was secured by a first mortgage bond over investment property valued at R76,5 million (2025: R70,0 million). The facility was settled as part of the disposal of the 60 Adderley subsidiary. Refer to **notes 14** and **16** for further details.	**–**	62 083
Facility 2		
Interest-only revolving credit facility of R280,0 million bearing interest at three-month JIBAR plus 164bps and repayable on 30 November 2028.	**149 576**	72 576
Facility 3		
Interest-only term facility of R400,0 million bearing interest at three-month JIBAR plus 159bps and repayable on 30 November 2027.	**400 000**	400 000
Facility 4		
Interest-only term facility of R500,0 million bearing interest at three-month JIBAR plus 154bps and repayable on 30 September 2029. The facility was renewed for a further three years during June 2026 and reprices to three-month ZARONIA plus 130bps under the new security SPV with effect from 30 October 2026.	**496 907**	496 907
Facility 5		
Interest-only term facility of R184,2 million bearing interest at three-month JIBAR plus 164bps and repayable on 30 November 2028.	**184 200**	184 200
Facility 6		
Interest-only term facility of R100,0 million bearing interest at three-month JIBAR plus 159bps and repayable on 30 November 2027.	**100 000**	100 000
Facility 7		
Interest-only term facility of R137,9 million bearing interest at three-month JIBAR plus 164bps and repayable on 30 November 2028.	**137 900**	137 900

Facilities 2 to 7 are secured by first mortgage bonds over investment property valued at R3,934 billion (2025: R3,537 billion).

	Group 2026 R'000	Group 2025 R'000
Standard Bank	**1 227 504**	1 099 000
Facility 8		
Interest-only term facility of R400,0 million bearing interest at a rate of three-month JIBAR plus 158bps.	**400 000**	400 000
Interest-only revolving credit facility of R50,0 million bearing interest at a rate of prime less 188bps.	**50 000**	50 000
Both facilities are repayable on 31 March 2027.		
Facility 9		
Interest-only term facility of R164,0 million bearing interest at a rate of three-month JIBAR plus 164bps and repayable on 31 March 2028.	**164 000**	164 000
Facility 10		
Interest-only term facility of R145,0 million bearing interest at three-month JIBAR plus 154bps and repayable on 30 November 2028.	**145 000**	145 000
Facility 11		
Interest-only term facility bearing interest at a rate of three-month JIBAR plus 164bps and repayable on 31 March 2028. The facility is secured over 50,0 million Safari shares acquired.	**280 000**	280 000
Facility 12		
Interest-only term facility of R60,0 million bearing interest at three-month JIBAR plus 175bps and repayable on 30 June 2028, secured by a first covering mortgage bond over investment property valued at R103,0 million (2025: R103,0 million).	**60 000**	60 000
Facility 13		
Interest-only term facility of R128,5 million bearing interest at three-month JIBAR plus 190bps and repayable on 30 September 2029, secured by a first covering mortgage bond over investment properties valued at R334,0 million. The facility reprices to three-month ZARONIA plus 130bps under the new security SPV with effect from 30 October 2026.	**128 504**	–

Facilities 8 to 11 are secured by first mortgage bonds over investment property valued at R2,518 billion (2025: R2,362 billion).

17. Interest-bearing liabilities continued

	Group	
	2026 R'000	2025 R'000
Sanlam Capital Markets Proprietary Limited ("Sanlam")	**215 570**	215 570
Interest-only term facilities totalling R215,6 million bearing interest at three-month JIBAR plus 158bps and repayable on 11 October 2028, secured by a first mortgage bond over investment property valued at R423,0 million (2025: R415,5 million). The facilities were renewed for a further three years during the reporting period at a margin 22bps below the previous rate of three-month JIBAR plus 180bps.	**215 570**	215 570
Safari		
Safari implemented a security SPV whereby bonds have been registered over most of Safari's investment properties in the security SPV structure to provide pooled security to lenders. The structure is governed by a Common Terms Agreement, cession of security, counter-indemnity agreements and debt guarantees. Absa and Standard Bank Limited remain Safari's financiers.	**2 098 028**	1 453 662
Facility K – Standard Bank		
Interest-only revolving credit facility of R200,0 million bearing interest at a rate of prime less 150bps and was repaid on 1 July 2025.	**–**	643
Facility L – Standard Bank		
Interest-only term facility of R303,0 million, of which R253,0 million was drawn at the reporting date, bearing interest at three-month JIBAR plus 165bps and repayable on 30 September 2029. The facility reprices to three-month ZARONIA plus 130bps under the new security SPV with effect from 30 October 2026.	**253 000**	303 000
Facility M – Standard Bank		
Interest-only term facility of R150,0 million bearing interest at a rate of three-month JIBAR plus 170bps and repayable on 31 August 2027.	**150 000**	150 000
Facility O – Standard Bank		
Interest-only term facility of R200,0 million bearing interest at a rate of three-month JIBAR plus 153bps and repayable on 30 September 2027.	**200 000**	200 000
Facility P – Standard Bank		
Interest-only term facility of R835,0 million bearing interest at a rate of three-month JIBAR plus 117bps and repayable on 23 December 2027.	**835 000**	–
Facility N1 – Absa		
Interest-only term facility of R160,0 million bearing interest at a rate of three-month JIBAR plus 155bps and repayable on 31 January 2027.	**160 000**	200 000

	Group	
	2026 R'000	2025 R'000
Facility N2 – Absa		
Interest-only term facility of R140,0 million bearing interest at a rate of three-month JIBAR plus 167,5bps and repayable on 31 January 2028. The facility was undrawn at the reporting date.	**–**	100 000
Facility N3 – Absa		
Interest-only term facility of R300,0 million bearing interest at a rate of three-month JIBAR plus 167,5bps and repayable on 31 January 2028.	**300 000**	300 000
Facility N4 – Absa		
Interest-only term facility of R200,0 million bearing interest at a rate of three-month JIBAR plus 177,5bps and repayable on 31 January 2029.	**200 000**	200 000
Other interest-bearing liability balances	**28**	19

Safari's debt facilities are secured by first mortgage bonds over investment property valued at R4,412 billion (2025: R4,158 billion).

17. Interest-bearing liabilities continued

	Group 2026 R'000	Group 2025 R'000
Thibault	**1 064 921**	1 080 165
Facility 14 – Standard Bank Interest-only term facility of R161,2 million bearing interest at three-month JIBAR plus 158bps and repayable on 28 January 2027.	**161 214**	161 214
Facility 15 – Standard Bank Interest-only revolving credit facility of R10,0 million bearing interest at a rate of prime less 182bps and repayable on 28 January 2027.	**10 000**	10 000
Facility 16 – Standard Bank Interest-only term facility of R110,0 million bearing interest at three-month JIBAR plus 158bps and repayable on 28 January 2027.	**110 000**	110 000
Facility 17 – Standard Bank Interest-only term facility of R339,5 million bearing interest at three-month JIBAR plus 158bps and repayable on 28 January 2027.	**339 451**	339 451
Facility 18 – Nedbank Interest-only term facility of R250,0 million bearing interest at three-month JIBAR plus 151bps and repayable on 18 August 2028. The facility was previously held with First National Bank at a rate of prime less 150bps and matured on 18 August 2025, at which date it was renewed for a further three years with Nedbank on improved terms.	**250 000**	250 000
Facility 19 – Sanlam Interest-only term facility of R209,5 million bearing interest at three-month JIBAR plus 185bps and repayable on 30 September 2028. This facility was refinanced by Absa as an interest-only term facility of R209,5 million bearing interest at three-month JIBAR plus 140bps and implemented on 8 July 2026.	**209 500**	209 500

	Group 2026 R'000	Group 2025 R'000
Loan modifications During the prior period, Standard Bank reduced the interest rate margin on facilities 14 to 17 by 17bps, from three-month JIBAR plus 175bps to plus 158bps, in consideration for Heriot guaranteeing those facilities and cross-collateralising them within its security pool. The Directors assessed the revised terms and concluded that they are not substantially different from the original terms. The modification was therefore accounted for as a non-substantial modification in terms of IFRS 9, whereby the gross carrying amount of the facilities was recalculated as the present value of the revised contractual cash flows discounted at the original effective interest rate. This resulted in a reduction of R15,244 million in the carrying amount of interest-bearing borrowings and a corresponding modification gain recognised in profit or loss, which is amortised to finance costs over the remaining term of the facilities through the effective interest rate. No facilities were derecognised as a result of the modification (refer to **note 23**).	**(15 244)**	–

Thibault's debt facilities are secured by first mortgage bonds over investment property valued at R2,258 billion (2025: R2,135 billion).

	Group 2026 R'000	Group 2025 R'000
Total interest-bearing borrowings	**6 074 606**	5 302 063
Less: Short-term portion of interest-bearing borrowings	**(1 921 856)**	(312 745)
Long-term portion of interest-bearing borrowings	**4 152 750**	4 989 318
Interest-bearing borrowings summary per company	**6 074 606**	5 302 063
Heriot	**2 911 657**	2 768 236
Safari	**2 098 028**	1 453 662
Thibault	**1 064 921**	1 080 165
Interest-bearing liabilities balance comprises the following:	**6 074 606**	5 302 063
Capital balances of secured debt facilities	**6 074 578**	5 302 044
Other interest-bearing liability balances (facility fees and credit cards)	**28**	19

17. Interest-bearing liabilities continued

The Group is restructuring its debt portfolio into a consolidated security SPV in order to secure improved pricing and extended tenor. Facilities of R1,397 billion were renewed or refinanced during the reporting period at a weighted average margin saving of 66bps, and a further R780,0 million of facilities were secured after the reporting date, comprising the R250,0 million replacement of the Sanlam facility and a new R530,0 million facility to fund The Fibonacci development (refer to **note 39**). Term sheets have been signed with the relevant funders in respect of the facilities maturing within 12 months of the reporting date and the next tranche is expected to be renewed and implemented on extended terms by 31 December 2026, which may include an additional R500,0 million revolving credit facility to further strengthen liquidity. Negotiations with lenders for new facilities to replace the maturing facilities are at an advanced stage at the date of publication of this report. The implementation of the new facilities remains subject to conditions precedent customary for facilities of this nature.

	Group	
	2026 R'000	2025 R'000
At the reporting date, the Group had unutilised facilities as follows:	**323 517**	380 503
Heriot	**133 517**	181 146
Safari	**190 000**	199 357

Debt covenants – LTV and ICR

	30 June 2026		30 June 2025	
	Actual ratios	Covenant ratios	Actual ratios	Covenant ratios
Group				
Corporate ICR	**2,27**	**>2**	2,04	>2
Corporate LTV	**41,95%**	**<50%**	38,95%	<50%

The Group remains within the parameters of compliance for debt covenants and does not foresee any breaching of covenant triggers.

Refer to the summary of the Group's WACD below.

	Group	
	2026 %	2025 %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	**8,53**	9,58
Fixed interest rate borrowings	**–**	–
Pre-adjusted WACD	**8,53**	9,58
Amortised transaction costs imputed into the effective interest rate	**0,20**	0,15
All-in WACD	**8,73**	9,73

18. Deferred taxation

	Note	Group	
		2026 R'000	2025 R'000
Capital allowances		**120 612**	117 574
Income received in advance		**(20 711)**	(24 666)
Total deferred taxation		**99 901**	92 908
Movement for the year			
Balance at the beginning of the year		**92 908**	104 066
– Arising on capital allowances in the current year		**3 038**	12 781
– Arising on income received in advance in the current year		**3 955**	(7 810)
– Transferred to held for sale (Namibia)	14	**–**	(16 129)
Balance at the end of the year		**99 901**	92 908
Deferred tax summary per company		**99 901**	92 908
Heriot		**69 258**	61 730
Safari		**23 848**	24 794
Thibault		**6 795**	6 384
Deferred tax movements summary per company (capital allowances and income received in advance)		**6 993**	(11 158)
Heriot		**7 528**	(6 936)
Safari		**(946)**	(5 390)
Thibault		**411**	1 168

18. Deferred taxation continued

South Africa

Since its listing on the JSE in July 2017, the Company has been a REIT, resulting in capital gains taxation no longer being applicable on the sale of investment property in terms of Section 25BB of the Income Tax Act. The deferred tax rate applied to investment property at the sale rate will therefore be 0%. Consequently, no deferred tax is raised on the fair value adjustments on investment property and straight-lining lease assets.

Capital allowances claimed prior to obtaining REIT status and during the reporting period will be recouped when the assets are sold.

Namibia

Chasie Investments Proprietary Limited ("Chasie"), a wholly owned subsidiary registered and operational in Namibia, is the Group's only foreign subsidiary. The South African REIT dispensation does not extend to Chasie, which remains subject to Namibian income tax. Deferred tax is therefore recognised on its temporary differences, principally capital allowances claimed on its investment property that would be recouped on disposal. Chasie's deferred tax liability of R6,6 million (2025: R6,6 million) is included in the Heriot balance above.

In the prior year, deferred tax was recognised in Safari Namibia, which similarly did not qualify for REIT status. The related deferred tax liability of R16,1 million was reclassified to liabilities held for sale and derecognised on the disposal of Safari Namibia, effective 30 June 2025 (refer to **note 14**).

19. Other financial liabilities

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Movement for the year					
Balance at the beginning of the year		–	–	–	6 988
Loans from subsidiaries repaid	Cash flow	–	–	–	(6 988)

The loans from subsidiaries were unsecured, interest-free and repayable on demand.

20. Trade and other payables

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Financial instruments	37	**183 904**	177 082	**64 837**	28 341
Accrued interest		**38 793**	45 090	**–**	–
Accrued expenses		**97 562**	85 043	**35**	–
Tenant deposits		**43 920**	42 239	**–**	–
Other payables		**3 629**	4 710	**64 802**	28 341
Non-financial instruments		**47 965**	39 000	**–**	–
Rent received in advance		**37 555**	27 403	**–**	–
Value-added taxation		**10 410**	11 597	**–**	–
Total trade and other payables		**231 869**	216 082	**64 837**	28 341

In the Company's financial statements, other payables include the following advances made by subsidiaries:

- R53,851 million (2025: R28,341 million) due to Thibault;
- R1,850 million due to Heriot Trust No. 1;
- R2,124 million due to HPI; and
- R6,977 million due to Crosize.

Heriot will settle these amounts in the next financial year through declared dividends. The amounts due are interest-free.

	Group 2026 R'000	Group 2025 R'000
Summary per company		
Heriot		
Financial instruments	**76 768**	74 075
Accrued interest	**8 710**	19 390
Accrued expenses	**50 822**	36 940
Tenant deposits	**13 626**	13 054
Other payables	**3 610**	4 691
Non-financial instruments	**26 928**	21 126
Rent received in advance	**21 754**	15 563
Value-added taxation	**5 174**	5 563
Total trade and other payables: Heriot	**103 696**	95 201

20. Trade and other payables continued

	Group	
	2026 R'000	2025 R'000
Safari		
Financial instruments	**85 312**	82 346
Accrued interest	**20 214**	16 573
Accrued expenses	**40 672**	42 516
Tenant deposits	**24 426**	23 257
Non-financial instruments	**15 418**	12 662
Rent received in advance	**11 701**	8 372
Value-added taxation	**3 717**	4 290
Total trade and other payables: Safari	**100 730**	95 008
Thibault		
Financial instruments	**21 824**	20 661
Accrued interest	**9 869**	9 127
Accrued expenses	**6 068**	5 587
Tenant deposits	**5 868**	5 928
Other payables	**19**	19
Non-financial instruments	**5 619**	5 212
Rent received in advance	**4 100**	3 468
Value-added taxation	**1 519**	1 744
Total trade and other payables: Thibault	**27 443**	25 873
Balance at the end of the year	**231 869**	216 082

21. Dividend payable to non-controlling shareholders

	Note	Group	
		2026 R'000	2025 R'000
Dividend payable to non-controlling shareholders		**26 123**	15 466
Movement for the year			
Balance at the beginning of the year		**15 466**	46 060
Transferred to held for sale (60 Adderley)	14	**(424)**	–
Dividends declared	16	**54 210**	56 535
Dividends paid	Cash flow	**(43 129)**	(87 129)
Balance at the end of the year		**26 123**	15 466

	Group	
	2026 R'000	2025 R'000
Dividends payable to non-controlling shareholders are summarised as follows:	**26 123**	15 466
HPI[1]	**17 771**	14 392
Moditouch	**343**	650
60 Adderley	**–**	424
Katleho	**8 009**	–

[1] *Heriot owes R17,8 million to the Vusisizwe Trust, the minority shareholder holding 10% of Siyabuswa Mall. Payment has been withheld pending the resolution of the Trust's administrative deficiencies.*

22. Revenue

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Contractual rental income (IFRS 16)		**1 238 377**	1 183 361	**–**	–
Revenue from sale of inventory (IFRS 15)	12	**–**	10 033	**–**	–
Dividends received from subsidiaries	11	**–**	–	**428 271**	382 419
Operating cost recoveries (IFRS 15)		**475 625**	471 596	**–**	–
		1 714 002	1 664 990	**428 271**	382 419
Straight-line rental income accrual	2, 14	**14 203**	41 954	**–**	–
Total revenue		**1 728 205**	1 706 944	**428 271**	382 419

	Group 2026 R'000	Group 2025 R'000
Gross rent summary per company	**1 238 377**	1 183 361
Heriot	**647 214**	596 639
Safari	**374 185**	388 215
Thibault	**216 978**	198 507
Recoveries summary per company	**475 625**	471 596
Heriot	**202 648**	197 617
Safari	**197 248**	205 641
Thibault	**75 729**	68 338
Revenue from sale of inventory summary per company	**–**	10 033
Safari	**–**	10 033
Straight-line rental income accrual summary per company	**14 203**	41 954
Heriot	**969**	(1 927)
Safari	**9 741**	13 857
Thibault	**3 493**	30 024
Total revenue	**1 728 205**	1 706 944

Refer to **note 42** for revenue disaggregation by location and operating segment.

23. Investment and other income

	Note	Group 2026 R'000	Group 2025 R'000
Management fees		**7 560**	7 560
Leasing fees		**–**	1 858
Dividends received from listed shares[1]		**–**	26 004
Safari management fees – Platz am Meer		**4 532**	–
Loan modification[2]	17	**15 244**	–
Other[3]		**10 783**	7 699
Total investment and other income		**38 119**	43 121
Other income summary per company		**38 119**	43 121
Heriot		**27 375**	10 123
Safari		**10 737**	6 890
Thibault		**7**	26 108

[1] *On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital. Accordingly, the dividend was not recognised in the statement of comprehensive income. The Group received cash proceeds of R41,172 million, of which R14,447 million was distributed to shareholders and recorded as a non-IFRS® Accounting Standards distributable earnings adjustment in line with budget assumptions.*

In the prior financial year, Texton declared a final dividend of 20,13 cents per share for the year ended 30 June 2024, which was paid to shareholders on 14 October 2024. Based on the 64,5 million shares held, the dividend amounted to R13,0 million.

On 26 May 2025, Texton paid a special dividend of R1,00 per share, returning excess cash to shareholders:

- *20,13 cents per share (R13,0 million) recognised as dividend income, significantly boosting 2025 distributable earnings; and*
- *79,87 cents per share (R51,5 million) recognised as a return of capital, reducing the investment's carrying amount. The cash received was deployed against the debt revolving facilities rather than being distributed to shareholders (refer to **cash flow**).*

[2] *The loan modification adjustment of R15,244 million arose from a 17bps reduction in the interest rate margin obtained on secured debt facilities totalling R620,7 million, with the term of those facilities remaining unchanged. As the revised terms are not substantially different from the original terms, the modification was accounted for as a non-substantial modification in terms of IFRS 9 and the resulting gain was recognised in profit or loss. Refer to **note 17** for further details.*

[3] *Other income predominantly comprises Safari's* ad hoc *rentals for exhibition space within the shopping centres and non-GLA infrastructure income.*

24. Net impairment (losses)/reversals

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Impairment (losses)/reversals of investment in subsidiaries	5	–	–	**(4 868)**	35 708
Total impairment (losses)/reversals of investment in subsidiaries		**–**	–	**(4 868)**	35 708

25. (Loss)/profit on sale of subsidiary

	Note	Group 2026 R'000	Group 2025 R'000
Profit on sale of Safari Namibia subsidiary[1]		**–**	12 283
Loss on sale of 60 Adderley subsidiary[2]		**(2 388)**	–
Total (loss)/profit on sale of subsidiary	14	**(2 388)**	12 283

[1] *In the prior reporting period, Safari disposed of its entire interest in Safari Namibia to Oryx, a third-party purchaser, for a total cash consideration of N$290,0 million, with an additional N$10,0 million contingent upon the occurrence of specified conditions by 31 December 2026. The transaction was accounted for in accordance with IFRS 10, with the resulting profit recognised under IFRS 5* Non-current Assets Held for Sale and Discontinued Operations*. As Safari Namibia did not constitute a separate major line of business, no portion of its operations was classified as discontinued. The total purchase consideration amounted to N$300,0 million, against net assets disposed of N$287,7 million, resulting in an accounting profit of N$12,3 million (R12,283 million).*

[2] *On 30 November 2025, the Group disposed of its 60% interest in 60 Adderley by selling the shares in, and the claims against, the company, and lost control on that date. Immediately before the disposal, the investment was classified as a disposal group held for sale under IFRS 5. On loss of control, assets held for sale of R80,7 million and liabilities held for sale of R67,5 million were derecognised, together with the non-controlling interests' share of the net assets of R3,1 million, which was derecognised through the statement of changes in equity. The net assets disposed of, R10,1 million, measured against the cash consideration of R7,7 million received by Heriot, resulted in a loss on disposal of R2,4 million recognised in profit or loss. Refer to* ***notes 14*** *and* ***16*** *and to the statement of changes in equity for further details.*

26. Profit from operations

	Note	Group 2026 R'000	Group 2025 R'000
Profit from operations includes the following material administration and operating cost items:			
Audit fees*		**4 741**	4 533
External auditor – audit		**4 188**	4 132
External auditor – non-audit services		**553**	401
Non-executive Director fees[1]		**2 187**	2 323
Commission costs[2]		**14 939**	12 603
Cleaning costs		**21 743**	22 221
Depreciation	2, 4, 8, 14	**33 224**	27 277
Management fees[3]		**36 500**	29 842
Municipal charges[4]		**412 716**	407 960
Repairs and maintenance		**16 582**	23 941
Security costs		**40 989**	36 747
Staff costs		**97 085**	87 177
Operating costs per company summary		**708 976**	678 608
Heriot		**340 245**	302 054
Safari		**229 570**	248 241
Thibault		**139 161**	128 313
Administration costs per company summary		**109 148**	95 500
Heriot		**62 357**	50 471
Safari		**35 698**	32 769
Thibault		**11 093**	12 260

* *The agreed fee for the audit of the consolidated financial statements is R5 130 000 (2025: R4 988 810). Additional non-audit fees of R990 581 (2025: R401 415) were also charged by the external auditor in the financial year. Audit and non-audit fees charged to unconsolidated related entities, relevant to the evaluation of the external audit firm's independence, amount to R1 114 609 (2025: R543 215).*

[1] *Non-executive Director fees comprise amounts paid to Heriot Board members, together with fees earned by SB Herring and GJ Heron as non-executive directors on the Safari board prior to its delisting on 23 December 2025. Further, R598 000 was paid by Safari to its other non-executive directors during the reporting period, included in staff costs.*

[2] *Commission costs include amounts paid to booking sites for the aparthotels and property brokers.*

[3] *Management fees are paid to the aparthotel operators and third-party property management service providers.*

[4] *The costs comprise all municipal charges (rates and taxes, electricity, water, sewerage and refuse).*

27. Directors' emoluments

	Note	Group 2026 R'000	Group 2025 R'000
Fees paid to Non-executive Directors by the Company			
SB Herring		**636**	774
Chairman of Heriot REIT Limited		**399**	359
Chairman of Safari Investments RSA Proprietary Limited		**237**	415
SJ Blieden		**399**	332
R Lockhart-Ross		**399**	332
JA Finn		**–**	54
N Ngale		**–**	81
A Mazwai		**228**	195
GJ Heron		**525**	555
Board member of Heriot REIT Limited		**342**	225
Board member of Safari Investments RSA Proprietary Limited		**183**	330
		2 187	2 323
Fees paid to Executive Directors by subsidiaries			
RL Herring – CEO		**6 536**	5 662
Salaries and allowances		**4 710**	4 512
Bonus		**1 500**	1 150
Employee share scheme – IFRS 2 expense	44	**326**	–
D Snoyman – CFO		**4 898**	3 640
Salaries and allowances		**3 240**	2 640
Bonus		**1 200**	1 000
Employee share scheme – IFRS 2 expense	44	**458**	–
JA Finn – Group executive[1]		**–**	3 866
Salaries and allowances (Thibault Holdings Proprietary Limited)		**–**	3 246
Bonus		**–**	620
		11 434	13 168

[1] *Following the Thibault merger in 2024, JA Finn resigned as CFO of Thibault and as a Non-executive Director of Heriot. Effective 30 April 2025, JA Finn resigned from Heriot as a Group executive.*

28. Finance charges

	Note	Group 2026 R'000	Group 2025 R'000
Secured borrowings		**466 998**	484 801
Other		**8 605**	5 160
Finance charges for the year		**475 603**	489 961
Capitalised – investment property	2	**–**	3 870
Capitalised – property under development	3	**10 269**	9 067
Cash reconciliation:			
Opening accrued interest	20	**45 090**	34 357
Interest accrual transferred from interest-bearing liabilities	17	**–**	18 686
Finance charges		**475 603**	489 961
Closing accrued interest	20	**(38 793)**	(45 090)
Capitalised	3	**10 269**	12 937
Total cash paid for finance charges	Cash flow	**492 169**	510 851
Finance charges per company summary		**475 603**	489 961
Heriot		**232 703**	260 578
Safari		**145 423**	134 130
Thibault		**97 477**	95 253

29. Finance income

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Interest received – bank		**15 138**	8 576	**6 923**	4 965
Related party loans	9	**4 314**	6 496	**2 979**	3 318
Total finance income		**19 452**	15 072	**9 902**	8 283
Comprising:					
Cash	Cash flow	**15 138**	8 576	**6 923**	4 965
Non-cash		**4 314**	6 496	**2 979**	3 318
Total finance income		**19 452**	15 072	**9 902**	8 283
Finance income per company summary		**19 452**	15 072		
Heriot		**12 505**	12 672		
Safari		**6 488**	1 879		
Thibault		**459**	521		

30. Fair value adjustments

	Note	Group 2026 R'000	Group 2025 R'000
Gain on revaluation of investment property	2	**720 325**	1 092 020
Gain on revaluation of investment property under development	3	**55 927**	17 888
Loss on revaluation of assets held for sale	14	**(37 834)**	(16 754)
Net gain on revaluation of investment property		**738 418**	1 093 154
Loss on revaluation of interest rate swap	7	**–**	(163)
Fair value adjustment on listed shares	9	**21 148**	27 697
Total fair value adjustments		**759 566**	1 120 688

	Group 2026 R'000	Group 2025 R'000
Fair value adjustments on investment property per company	**720 325**	1 092 020
Heriot	**432 575**	524 416
Safari	**170 021**	369 404
Thibault	**117 729**	198 200
Fair value adjustments on investment property under development per company	**55 927**	17 888
Heriot	**55 927**	17 888
Fair value adjustments on assets held for sale per company	**(37 834)**	(16 754)
Heriot	**(23 030)**	–
Safari	**(14 804)**	(16 754)
Fair value adjustments on interest rate swaps per company	**–**	(163)
Safari	**–**	(163)
Fair value adjustments on listed shares	**21 148**	27 697
Thibault	**21 148**	27 697

31. Taxation

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Normal taxation		**93**	61	**–**	–
Current		**111**	–	**–**	–
Adjustment in respect of the prior year		**(18)**	61	**–**	–
Foreign and withholding taxation		**–**	410	**–**	–
Withholding taxation		**–**	410	**–**	–
Securities transfer tax		**2 086**	–	**–**	–
Total normal taxation		**2 179**	471	**–**	–
Deferred	18	**6 993**	4 971	**–**	–
Current		**6 993**	4 971	**–**	–
Total taxation for the year		**9 172**	5 442	**–**	–
Reconciliation of taxation charge		**27%**	27%	**27%**	27%
Profit before taxation		**1 249 227**	1 622 515	**429 645**	424 920
Tax at the applicable rate of 27%		**337 291**	438 079	**116 004**	114 728
Taxation effect of:					
Qualifying distributions		**(135 347)**	(126 502)	**(123 806)**	(105 087)
Katleho dividend included in taxable income	SOCIE	**6 487**	–	**6 487**	–
Net impairment losses/(reversals)	24	**–**	–	**1 314**	(9 641)
Fair value adjustments on investment property	30	**(194 488)**	(294 845)	**–**	–
Fair value adjustments on investment property held for sale	30	**10 215**	4 524	**–**	–
Fair value adjustments on investment property under development	30	**(15 100)**	(4 830)	**–**	–
Fair value adjustments on derivatives	30	**–**	44	**–**	–
Fair value adjustments on listed shares	30	**(5 710)**	(7 478)	**–**	–
Share-based payment expense reversed	44	**509**	–	**–**	–
Straight-line rental income accrual	2	**(3 843)**	(11 328)	**–**	–
Namibian subsidiary		**–**	410	**–**	–
Withholding tax on interest		**–**	410	**–**	–
Loss on sale of property, plant and equipment	4	**–**	106	**–**	–
Loss on sale of inventory	12	**–**	297	**–**	
Loss/(profit) on sale of subsidiary	25	**645**	(3 316)	**–**	–
Gain on loan modification	23	**(4 116)**	–	**–**	–
Finance costs not deductible (Safari buyout)		**9 511**	–	**–**	–
Excess dividend not deductible		**717**	3 363	**–**	–
Non-deductible expenditure		**25**	11	**–**	–
Income in advance		**1 538**	686	**–**	–
ECL allowance	10	**2 301**	2 276	**–**	–
Prepayments		**25**	(226)	**–**	–
Adjustment in respect of prior year tax		**(18)**	61	**–**	–
Head office depreciation added back	4	**136**	136	**–**	–
Unutilised tax losses		**(1 607)**	3 974	**–**	–
Total taxation		**9 172**	5 442	**–**	–

32. Earnings and headline earnings

	Note	Group 2026 Gross R'000	Group 2026 Net R'000	Group 2025 Gross R'000	Group 2025 Net R'000
Reconciliation of basic earnings to headline earnings					
Profit attributable to Heriot shareholders		**1 122 393**	**1 122 393**	1 379 124	1 379 124
Adjustments to basic earnings are as follows:		**(736 030)**	**(661 111)**	(1 105 045)	(946 413)
Fair value adjustments: investment properties and property under development	2	**(776 252)**	**(701 333)**	(1 109 908)	(951 276)
Fair value adjustments: investment properties held for sale	14	**37 834**	**37 834**	16 754	16 754
Loss/(profit) on sale of subsidiary	25	**2 388**	**2 388**	(12 283)	(12 283)
Loss on sale of property, plant and equipment	4	**–**	**–**	392	392
Headline earnings attributable to Heriot shareholders			**461 282**		432 711
Actual number of shares in issue[1]			**324 867 032**		319 261 982
Weighted average number of shares in issue[2]			**319 277 339**		319 261 982
Basic earnings per share (cents)			**351,54**		431,97
Diluted earnings per share (cents)[3]			**351,54**		431,97
Headline earnings per share (cents)			**144,48**		135,53
Diluted headline earnings per share (cents)[3]			**144,48**		135,53

[1] *Excludes 900 000 treasury shares.*

[2] *Effective 30 June 2026, Heriot entered into an exchange agreement, in terms of Section 42 of the Income Tax Act ("Exchange Agreement"), with Katleho and the shareholders, in terms of which Heriot acquired 75% of the issued shares in Katleho held by the Katleho Shareholders in exchange for the issue of 5 605 050 shares in the Company.*

[3] *The conditional share awards (**note 44**) vest after three years (FY2028) and are subject to performance conditions; they have a negligible dilutive effect on earnings per share for FY2026.*

33. Notes to the cash flow statement

33.1 The following convention applies to figures other than adjustments:

Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.

33.2 Cash generated from operations

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Profit before taxation		**1 249 227**	1 622 515	**429 645**	424 920
Adjusted for:					
Non-cash items		**(740 152)**	(1 162 020)	**(421 516)**	(418 127)
Investment properties fair value adjustments	30	**(776 252)**	(1 109 908)	**–**	–
Investment properties held for sale fair value adjustments	30	**37 834**	16 754	**–**	–
Listed shares fair value adjustments	30	**(21 148)**	(27 697)	**–**	–
Loss on revaluation of interest rate swap	30	**–**	163	**–**	–
Net impairment losses/(reversals)	24	**–**	–	**4 868**	(35 708)
Straight-line rental income accrual	2	**(14 203)**	(41 954)	**–**	–
Movement in ECL provision	10	**11 362**	11 240	**–**	–
Dividends received subsidiaries	11, 22	**–**	–	**(428 271)**	(382 419)
Dividends received listed shares	23	**–**	(26 004)	**–**	–
Loss on sale of property, plant and equipment	4	**–**	392	**–**	–
Loss/(profit) on sale of subsidiary	25	**2 388**	(12 283)	**–**	–
Gain on loan modification	23	**(15 244)**	–	**–**	–
Share-based payment expense	44	**1 887**	–	**1 887**	–
Depreciation	2, 4, 8, 14	**33 224**	27 277	**–**	–
Finance charges		**475 603**	489 961	**–**	–
Finance income		**(19 452)**	(15 072)	**(9 902)**	(8 283)
Operating profit/(loss) before working capital changes		**965 226**	935 384	**(1 773)**	(1 490)
Working capital changes		**10 399**	23 344	**47 446**	98 611
Trade and other receivables	33.3	**610**	(9 496)	**–**	–
Inventories	12	**(9 359)**	11 593	**–**	–
Trade and other payables	33.4	**19 148**	21 246	**47 446**	98 611
Cash generated from operations		**975 625**	958 727	**45 673**	97 121

33. Notes to the cash flow statement continued

33.3 Trade and other receivables

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
At the beginning of the year		**375 833**	104 386	**–**	–
Transfer to held for sale	14	**(1 503)**	(5 012)	**–**	–
Transfer from interest-bearing liabilities	17	**–**	5 957	**–**	–
Transfer to investment property under development	3	**–**	(17 754)	**–**	–
Movement in ECL provision	10	**(11 362)**	(11 240)	**–**	–
Business combination under common control (Katleho)	41	**4 552**	–	**–**	–
(Paid)/unpaid proceeds from the sale of Safari Namibia	10	**(290 000)**	290 000	**–**	–
At the end of the year		**(76 910)**	(375 833)	**–**	–
Movement for the year		**610**	(9 496)	**–**	–

33.4 Trade and other payables

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
At the beginning of the year		**(170 992)**	(152 344)	**(28 341)**	(536)
Per statement of financial position		**(216 082)**	(186 701)	**(28 341)**	(536)
Non-cash – interest on secured liabilities accrued at the beginning of the year	20	**45 090**	34 357	**–**	–
At the end of the year		**190 140**	173 590	**75 787**	99 147
Per statement of financial position		**231 869**	216 082	**64 837**	28 341
Transfer to held for sale	14	**5 317**	2 598	**–**	–
Advance payments by subsidiaries	11	**–**	–	**10 951**	70 806
Non-cash expenses		**(1)**	–	**(1)**	–
Business combination (Katleho)	41	**(8 252)**	–	**–**	–
Non-cash – interest on secured liabilities accrued at the end of the year	20	**(38 793)**	(45 090)	**–**	–
Movement for the year		**19 148**	21 246	**47 446**	98 611

33.5 Taxation paid

	Note	Group 2026 R'000	Group 2025 R'000
Taxation in advance/(payable) at the beginning of the year		**457**	(65)
Taxation for the year	31	**(2 179)**	(471)
Taxation (in advance)/payable at the end of the year		**(425)**	(457)
Taxation paid during the year		**(2 147)**	(993)

33.6 Acquisitions and improvements capitalised to investment property

	Note	Group 2026 R'000	Group 2025 R'000
Acquisitions and improvements capitalised to investment property	2	**162 612**	230 557
Costs incurred in respect of property under development	3	**98 526**	32 788
		261 138	263 345
Costs incurred in respect of investment property held for sale	14	**3 600**	20 859
Cash portion of acquisitions and expenditure capitalised to investment property		**264 738**	284 204

33. Notes to the cash flow statement continued

33.7 Reconciliation of liabilities arising from financing activities

	Note	Group		
		Long-term borrowings R'000	Short-term borrowings R'000	Total R'000
Balance as at 30 June 2024		4 888 407	164 933	5 053 340
Repayment of capital	Cash flow	(721 555)	–	(721 555)
Accrued interest – non-cash	20	–	(18 686)	(18 686)
Transfer to trade and other receivables – non-cash	10	–	5 959	5 959
Proceeds – cash	Cash flow	914 615	–	914 615
Property acquisition – non-cash[1]	3	68 390	–	68 390
Transfer to current – non-cash		(312 083)	312 083	–
Refinance – non-cash		151 544	(151 544)	–
Balance as at 30 June 2025		**4 989 318**	**312 745**	**5 302 063**
Repayment of capital	Cash flow	**(405 913)**	**–**	**(405 913)**
Transfer to non-current assets and liabilities held for sale – non-cash	14	**–**	**(61 804)**	**(61 804)**
Proceeds – cash	Cash flow	**1 127 000**	**–**	**1 127 000**
Business combination – non-cash	41	**128 504**	**–**	**128 504**
Transfer to current – non-cash		**(1 686 159)**	**1 686 159**	**–**
Loan modification	23	**–**	**(15 244)**	**(15 244)**
Balance as at 30 June 2026		**4 152 750**	**1 921 856**	**6 074 606**

[1] *On 3 July 2024, Heriot acquired Finsbury Court, a 2 500m² residential property on Beach Road, Sea Point, Cape Town, for R76,1 million, of which R68,39 million was transferred directly to the conveyancer and, on this basis, was deemed a cash movement in the cash flow statement.*

Refer to **note 14** for the reconciliation of secured debt facility movements for assets and liabilities held for sale.

34. Commitments

As at 30 June 2026, the Group's capital commitments of R629,212 million (2025: R246,301 million) comprise improvements to investment properties. Heriot's capital commitments include R479,2 million in respect of the development of The Fibonacci, with the related facility implemented on 8 July 2026. These commitments have been authorised and committed by the Board.

These costs will be funded by the Group's cash reserves together with unutilised, committed and future credit facilities.

	Group	
	2026 R'000	2025 R'000
The summary of capital commitments is as follows:	**629 212**	246 301
Heriot	**524 237**	117 101
Safari	**91 191**	124 450
Thibault	**13 784**	4 750

35. Lease payments receivable

	Group	
	2026 R'000	2025 R'000
Minimum lease payments comprise contractual rental income from investment properties and operating lease recoveries due in terms of signed lease agreements, not recognised in the financial statements.		
– Receivable within one year	**1 020 805**	971 726
– Receivable between one and two years	**807 815**	837 677
– Receivable between two and three years	**572 673**	623 217
– Receivable between three and four years	**422 953**	434 709
– Receivable between four and five years	**283 239**	319 223
– Receivable beyond five years	**1 113 773**	1 243 820
Total lease payments receivable	**4 221 260**	4 430 372

36. Related parties and related party transactions

Relationships are as follows:

Beneficial ownership	The Gusi Trust – beneficiaries include SB Herring
Beneficial ownership	African Property Investments Limited and One Property Management Services Limited – controlled by SB Herring
Majority shareholder	Heriot Investments Proprietary Limited
Subsidiaries	Refer to **note 5**
Associates and joint ventures	Refer to **note 6**
JCB Herring	Shareholder
RL Herring	CEO, director and owner of Gabenjosh Investments Proprietary Limited (related party from December 2025)
Other	Employees not in executive or prescribed officer positions

Related parties with whom the Company transacted during the year were:

	Note	Company 2026 R'000	Company 2025 R'000
Related party balances			
Dividends receivable from subsidiaries	11	**214 072**	160 331
Bait Away Trading Proprietary Limited		**2 921**	4 050
Fin Properties 107 Proprietary Limited		**1 075**	2 906
Heriot Properties Proprietary Limited		**152 598**	124 387
Heriot Properties West Proprietary Limited		**5 691**	5 536
Heriot Trust No. 1		**–**	365
Moditouch Proprietary Limited		**431**	738
Phokeng Mall Proprietary Limited		**16 379**	14 328
Tiger Stripes Investments 31 Proprietary Limited		**655**	39
Katleho Property Investments Proprietary Limited		**24 026**	–
Terrace Drive Properties 34 Proprietary Limited		**10 296**	7 982

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Amount included in other financial assets	9	**58 835**	53 606	**75 341**	33 989
Heriot Investments Proprietary Limited		**25 579**	19 617	**–**	–
Loan to Heriot Trust No. 3	9	**–**	–	**42 085**	–
Loans to participants of employee share scheme		**33 256**	33 989	**33 256**	33 989
Ben Av Investments Proprietary Limited (2025: RL Herring[1] – Chief Executive Officer)		**28 301**	28 920	**28 301**	28 920
Other		**4 955**	5 069	**4 955**	5 069
Amount included in trade and other payables	20	**–**	–	**64 802**	28 339
Thibault Holdings Proprietary Limited		**–**	–	**53 851**	28 339
Crosize Proprietary Limited		**–**	–	**6 977**	–
Heriot Trust No. 1		**–**	–	**1 850**	–
Heriot Properties International Proprietary Limited		**–**	–	**2 124**	–
Related party transactions					
Interest received/(paid)	29	**4 314**	6 493	**2 979**	3 318
Heriot Investments Proprietary Limited	9.2	**1 335**	3 178	**–**	–
Loans to participants of employee share scheme	9.1	**2 979**	3 318	**2 979**	3 318
Ben Av Investments Proprietary Limited (2025: RL Herring[1])		**2 525**	2 823	**2 525**	2 823
Other		**454**	495	**454**	495
JCB Herring		**–**	(3)	**–**	–

[1] *In December 2025, RL Herring, the CEO, transferred his 2 800 000 employee share scheme shares to Ben Av, a company he owns, in terms of Section 42 of the Income Tax Act. The related share scheme loan and the pledge of the shares as security were transferred to Ben Av on the same terms. Ben Av is a related party as an entity controlled by key management personnel.*

36. Related parties and related party transactions continued

	Note	Group 2026 R'000	Group 2025 R'000	Company 2026 R'000	Company 2025 R'000
Other income (management fees and letting commission)	23	**7 560**	7 560	**–**	–
African Property Investments Limited		**1 200**	1 200	**–**	–
One Property Management Services Limited		**6 360**	6 360	**–**	–

Compensation of key management comprises short-term employee benefits, Directors' fees and share-based payments, details of which are disclosed in **notes 27** and **44**.

Acquisition of Katleho Property Investments Proprietary Limited from related parties

On 30 June 2026, the Company acquired 75% of Katleho in exchange for 5 605 050 Heriot shares at R26,00 per share. The selling shareholders were related parties: SB Herring (Non-executive Chairman, director and owner of Heriot Investments, the Company's majority shareholder), who owned 67,5% of Katleho, and RL Herring (CEO, director and owner of Gabenjosh), who owned 7,5%. Shares were allocated in proportion to their shareholding in Katleho. The transaction was concluded on the terms set out in **note 41**.

	2026 Interest in Katleho %	2026 Heriot shares issued	2026 Con-sideration R'000
SB Herring (indirect, via Heriot Investments Proprietary Limited)	**67,50**	**5 044 545**	**131 158**
RL Herring (indirect, via Gabenjosh Investments Proprietary Limited)	**7,50**	**560 505**	**14 573**
Total	**75,00**	**5 605 050**	**145 731**

37. Financial risk management

The Group's financial risk management objective is to manage the capital and financial risk exposure so that the Group continues as a going concern and minimises adverse effects of financial risks on returns.

The Group has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Interest rate risk;
- Credit risk; and
- Market price risk (investment in listed shares).

The Group's only foreign operation is Chasie, a wholly owned Namibian subsidiary whose functional currency is the Namibian Dollar. The Namibian Dollar is pegged to the South African Rand at parity in terms of the Common Monetary Area agreement, and the cross-border transactions within the Group are limited to those with Chasie.

The exchange rate is: 1 South African Rand = 1 Namibian Dollar. For so long as the peg remains in place, the Group has no material exposure to foreign exchange risk, and the translation of Chasie's results and financial position gives rise to no exchange differences. Should the peg be withdrawn or the Namibian Dollar be revalued, the Group would become exposed to currency risk in respect of Chasie's net assets, which include investment property of R218,0 million at the reporting date (refer to **note 42).** Management monitors developments in the Common Monetary Area arrangement.

The Group's management policies are designed to ensure that there is an acceptable level of risk within the Group as a whole.

37. Financial risk management continued

37.1 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances and a revolving loan facility and by regularly monitoring cash flows.

A maturity analysis at year-end is set out below.

		Group					
	Note	Less than one year R'000	One to two years R'000	Two to three years R'000	Three to four years R'000	Four to five years R'000	Total R'000
As at 30 June 2026							
Interest-bearing borrowings – capital	17	**1 921 856**	**2 429 000**	**1 342 247**	**381 503**	**–**	**6 074 606**
Interest accrual on interest-bearing borrowings		**423 391**	**230 557**	**50 091**	**3 239**	**–**	**707 278**
Dividend payable	21	**26 123**	**–**	**–**	**–**	**–**	**26 123**
Lease liabilities	8	**1 226**	**–**	**–**	**–**	**–**	**1 226**
Trade and other payables	20	**183 904**	**–**	**–**	**–**	**–**	**183 904**
Total commitments		**2 556 500**	**2 659 557**	**1 392 338**	**384 742**	**–**	**6 993 137**
As at 30 June 2025							
Interest-bearing borrowings – capital	17	312 745	2 070 571	1 694 000	1 224 747	–	5 302 063
Interest accrual on interest-bearing borrowings		434 734	351 851	180 613	36 630	–	1 003 828
Dividend payable	21	15 466	–	–	–	–	15 466
Lease liabilities	8	1 146	1 226	–	–	–	2 372
Trade and other payables	20	177 082	–	–	–	–	177 082
Total commitments		941 173	2 423 648	1 874 613	1 261 377	–	6 500 811

37. Financial risk management continued

37.1 Liquidity risk continued

	Note	Company			
		Less than one year R'000	Two to five years R'000	More than five years R'000	Total R'000
As at 30 June 2026					
Trade and other payables	20	**64 837**	**–**	**–**	**64 837**
Total commitments		**64 837**	**–**	**–**	**64 837**
As at 30 June 2025					
Trade and other payables	20	28 341	–	–	28 341
Total commitments		28 341	–	–	28 341

Cross guarantees amounting to R3,750 billion (2025: R3,241 billion) have been provided by the Company to its subsidiaries, which reflects the Company's maximum exposure.

37.2 Categories of financial instruments

	Note	Group		
		At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
As at 30 June 2026				
Financial assets				
Financial assets – non-current	9	**25 579**	**170 529**	**196 108**
Financial assets – current	9	**33 256**	**10 000**	**43 256**
Trade and other receivables	10	**58 174**	**–**	**58 174**
Cash and cash equivalents	13	**103 188**	**–**	**103 188**
Total financial assets		**220 197**	**180 529**	**400 726**
Financial liabilities				
Interest-bearing borrowings	17	**6 074 606**	**–**	**6 074 606**
Dividend payable	21	**26 123**	**–**	**26 123**
Trade and other payables	20	**183 904**	**–**	**183 904**
Total financial liabilities		**6 284 633**	**–**	**6 284 633**

	Note	Group		
		At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
As at 30 June 2025				
Financial assets				
Financial assets – non-current	9	53 606	190 553	244 159
Financial assets – current	9	–	10 000	10 000
Trade and other receivables	10	352 181	–	352 181
Cash and cash equivalents	13	121 445	–	121 445
Total financial assets		527 232	200 553	727 785
Financial liabilities				
Interest-bearing borrowings	17	5 302 063	–	5 302 063
Dividend payable	21	15 466	–	15 466
Trade and other payables	20	177 082	–	177 082
Total financial liabilities		5 494 611	–	5 494 611

37. Financial risk management continued

37.2 Categories of financial instruments continued

	Note	Company		
		At amortised cost R'000	At fair value through profit or loss R'000	Total R'000
As at 30 June 2026				
Financial assets				
Financial assets – current	9, 11	**289 413**	**–**	**289 413**
Cash and cash equivalents	13	**31 456**	**–**	**31 456**
Total financial assets		**320 869**	**–**	**320 869**
Financial liabilities				
Trade and other payables	20	**64 837**	**–**	**64 837**
Total financial liabilities		**64 837**	**–**	**64 837**
As at 30 June 2025				
Financial assets				
Financial assets – non-current	9	33 989	–	33 989
Financial assets – current	11	160 331	–	160 331
Cash and cash equivalents	13	49 623	–	49 623
Total financial assets		243 943	–	243 943
Financial liabilities				
Trade and other payables	20	28 341	–	28 341
Total financial liabilities		28 341	–	28 341

37.3 Interest rate risk

At the reporting date, all borrowings of the Group are at floating interest rates with 0% (2025: 0%) hedged (**note 7**). The Group is therefore exposed to interest rate risk through its interest-bearing borrowings and variable rate cash balances. 99,0% (2025: 89,9%) of interest-bearing debt is subject to interest at a three-month JIBAR rate, essentially fixing interest rates for intervals of three months. JIBAR will be replaced by the ZARONIA with effect from 30 October 2026. A credit adjustment spread of 16,5bps has been agreed with the Group's lenders, which, when added to the ZARONIA rate, equates exactly to the JIBAR rate previously charged, so that the effective interest rate on each facility remains unchanged and the Group's exposure to interest rate risk is unaffected by the transition (refer to **notes 1.29** and **39**). Further, surplus funds are invested against revolving debt facilities, thereby reducing the Group's exposure to interest rate increases.

Management, together with the Board, regularly monitors and assesses interest rate risk and will put appropriate hedging strategies in place at a suitable time in the future.

An increase/decrease of 1% in the three-month JIBAR interest rate for the year would have increased/decreased the interest expense by R60,7 million (2025: R53,0 million) in respect of the floating portion of the debt.

An increase/decrease of 1% in the reference interest rate for the year would have increased/decreased the finance income by R1,032 million (2025: R1,214 million) in respect of the cash held in interest-bearing bank accounts.

An increase/decrease of 1% in the reference interest rate for the year would have increased/decreased the interest income from the Heriot Investments loan by R0,256 million (2025: R0,196 million).

An increase/decrease of 1% in the reference interest rate for the year would have increased/decreased the interest income from the employee share scheme loans by R0,333 million (2025: R0,340 million).

37.4 Credit risk management

Credit risk is the risk of financial loss to the Company if a tenant or counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivables, loans receivable and short-term cash investments are subject to credit risk. The maximum exposure to credit risk is presented in the table below.

	Note	Group		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000
As at 30 June 2026				
Financial assets	9	**58 835**	**–**	**58 835**
Trade and other receivables	10	**92 423**	**(34 249)**	**58 174**
Cash and cash equivalents	13	**103 188**	**–**	**103 188**
Total assets subject to credit risk		**254 446**	**(34 249)**	**220 197**
As at 30 June 2025				
Financial assets	9	53 606	–	53 606
Trade and other receivables	10	375 068	(22 887)	352 181
Cash and cash equivalents	13	121 445	–	121 445
Total assets subject to credit risk		550 119	(22 887)	527 232

37. Financial risk management continued

37.4 Credit risk management continued

	Note	Company		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000
As at 30 June 2026				
Financial assets	9	**75 341**	**–**	**75 341**
Dividends receivable from subsidiaries	11	**214 072**	**–**	**214 072**
Cash and cash equivalents	13	**31 456**	**–**	**31 456**
Total assets subject to credit risk		**320 869**	**–**	**320 869**
As at 30 June 2025				
Financial assets	9	33 989	–	33 989
Dividends receivable from subsidiaries	11	160 331	–	160 331
Cash and cash equivalents	13	49 623	–	49 623
Total assets subject to credit risk		243 943	–	243 943

37.5 Market price risk (investment in listed shares)

Through its investment in Thibault, Heriot owns 64 594 305 shares in Texton. In the current reporting period, Thibault's strategic interest in Texton remained at 21,7% (2025: 21,7%) (excluding treasury shares). As at 30 June 2026, the shares are valued at the closing market price of R2,64 per share, equating to R170,529 million (2025: R190,553 million). An increase or decrease of R0,50 in the market price of the share as at 30 June 2026 would have increased/decreased the value of the investment by R32,3 million (2025: R32,3 million).

37.6 Fair value hierarchy for financial instruments and investment property

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. IFRS 13 requires that an entity disclose for each class of financial instrument and investment property measured at fair value, the level of fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy has the following levels:

- **Level 1** – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities. Refer to **note 9**.
- **Level 2** – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly. Refer to **note 7**.
- **Level 3** – fair value is determined through the use of valuation techniques using significant unobservable inputs (refer to **notes 2, 3** and **14** for assumptions applied to valuation of investment property and property under development).

	Note	Group			
		Fair value R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
As at 30 June 2026					
Assets					
Investment properties	2	**13 589 500**	**–**	**–**	**13 589 500**
Property under development	3	**175 000**	**–**	**–**	**175 000**
Non-current assets held for sale	14	**233 700**	**–**	**–**	**233 700**
Financial assets – listed shares	9	**170 529**	**170 529**	**–**	**–**
Financial assets – contingent consideration	9	**10 000**	**–**	**–**	**10 000**
Total assets at fair value		**14 178 729**	**170 529**	**–**	**14 008 200**
As at 30 June 2025					
Assets					
Investment properties	2	12 379 190	–	–	12 379 190
Property under development	3	238 412	–	–	238 412
Non-current assets held for sale	14	181 136	–	–	181 136
Financial assets – listed shares	9	190 553	190 553	–	–
Financial assets – contingent consideration	9	10 000	–	–	10 000
Total assets at fair value		12 999 291	190 553	–	12 808 738

38. Capital management

In terms of the MOI, the Company has limited consolidated borrowings to 60% of consolidated assets. However, to manage the Group's risk, the Board aims to limit borrowings to below 45% of property assets.

	Group	
	2026 R'000	2025 R'000
As at the reporting date, the Group's LTV ratio, net of cash, was:		
Property assets	**14 235 986**	13 300 783
Investment property	**13 589 500**	12 379 190
Property under development	**175 000**	238 412
Non-current assets held for sale (less liabilities)	**233 700**	181 136
Owner-occupied property	**20 784**	21 174
Inventories	**32 493**	–
Investment in associates and joint ventures	**13 980**	318
Disposal consideration receivable	**–**	290 000
Financial assets – shares in listed REIT	**170 529**	190 553
Interest-bearing borrowings	**6 074 606**	5 302 063
Loan-to-value (%)	**42,67**	39,86
Interest-bearing borrowings net of cash	**5 971 418**	5 180 618
Loan-to-value (net of cash) (%)	**41,95**	38,95

39. Subsequent events

Declaration of final cash distribution

On 29 September 2026, the Board approved a gross final cash distribution of 76,18 cents per ordinary share for the six-month period ended 30 June 2026, which was paid to shareholders on 26 October 2026. As the distribution was declared after the reporting date, it has not been recognised as a liability as at 30 June 2026.

Restructuring of the Group debt portfolio

The Group began restructuring its debt portfolio during the reporting period. Before year-end, the Group obtained credit-approved commitments from the participating lenders to refinance R931,5 million of facilities for three years at ZARONIA plus 130bps, and Safari converted its existing SPV into the Group's consolidated debt treasury vehicle under a new common terms agreement, with the Heriot and Thibault bonds allocated to that unified structure. The first tranche was approved by special resolution on 22 September 2026, and the restructured vehicle and the refinanced facilities, which were renewed on improved commercial terms, became effective on 30 October 2026.

In terms of IAS 1 *Presentation of Financial Statements*, the classification of borrowings reflects the rights that existed at the reporting date. Facilities of R381,5 million renewed by their existing lender under credit-approved commitments obtained before the reporting date are presented as non-current. The R496,9 million facility refinanced by new lenders within the tranche is presented as current at 30 June 2026, as the Group did not have the right at that date to defer its settlement for at least 12 months. Its refinancing on a long-term basis after the reporting date is a non-adjusting event (refer to **note 17**).

Refinancing of the Sanlam facility

In October 2025, Thibault signed a term sheet with Absa to replace the R209,5 million Sanlam facility secured over Sun Valley Mall. The new three-year facility, priced at three-month JIBAR plus 1,40%, provides the additional security required to fund The Fibonacci development. The facility was implemented on 8 July 2026. As the facility was refinanced by a new lender after the reporting date, the Sanlam facility is presented as current as at 30 June 2026, and its refinancing on a long-term basis is a non-adjusting event.

The Fibonacci development facility

Absa was awarded the tender for the R530,0 million Fibonacci development facility, which bears interest at prime less 1,80% during the development phase. To de-risk the project, 174 units were sold for approximately R200,0 million. On transfer of those units, the facility reduces to R330,0 million and converts to a three-year term loan bearing interest at three-month JIBAR plus 1,475%. The facility was implemented on 8 July 2026.

Acquisition of Bubesi 46 Proprietary Limited

On 31 August 2026, Heriot acquired the entire issued share capital of Bubesi 46 Proprietary Limited for R56,0 million. The company owns a 7ha industrial property in Vanderbijlpark. The purchase consideration was settled from the Group's cash reserves.

Acquisition of the Denver distribution centre

Heriot has signed an offer to purchase a distribution centre measuring 11 850m² in Denver, Johannesburg, for R35,0 million. Transfer of the property is projected to occur in November 2026.

Transition from JIBAR to ZARONIA

The ZARONIA will be implemented on 30 October 2026, from which date JIBAR is replaced as the reference interest rate. The Group's interest-bearing borrowings are predominantly priced off three-month JIBAR and will transition to ZARONIA from that date. A credit adjustment spread of 16,5bps has been agreed with the Group's lenders, which, when added to the ZARONIA rate, equates exactly to the JIBAR rate previously charged. The effective interest rate on each facility will therefore remain unchanged and both the lenders and the Group will remain in the same economic position following the transition. Management has confirmed that the transition will have no impact on the Group's financial results or position, and as the implementation date falls after the reporting date, there is no impact on the amounts recognised as at 30 June 2026 (refer to **notes 1.29, 17** and **37**).

Sale of Mnandi Shopping Centre

On 19 October 2026, the Group transferred Mnandi Shopping Centre (Safari – Retail) to the purchaser for a consideration of R150,0 million. The property was classified as held for sale as at 30 June 2026 and measured at its fair value of R150,0 million, being the agreed selling price (refer to **note 14**). The property will be derecognised in FY2027 and no material gain or loss is expected on disposal.

39. Subsequent events continued

Acceptance of offer for Shoprite Athlone

In October 2026, Heriot accepted a cash offer of R52,0 million for Shoprite Athlone, an investment property in the Heriot – Retail segment. Guarantees for the purchase price have been received and transfer is expected within four to six weeks.

Heriot had no intention of selling the property as at 30 June 2026. As the criteria for classification as held for sale were met only after the reporting date, the property is presented as investment property and measured at its fair value of R53,0 million as at 30 June 2026 (refer to **note 2** and IFRS 5.12). The property will be remeasured to the selling price of R52,0 million in FY2027, resulting in a fair value loss of R1,0 million.

The Directors are not aware of any other material reportable events that occurred after the reporting period. All of the events disclosed above are non-adjusting events and accordingly no adjustment has been made to the amounts recognised in these financial statements.

40. Going concern

The Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group is in a sound financial position, having grown total assets to R14,527 billion and total equity to R8,094 billion during the year. At the reporting date, current liabilities exceeded current assets by R1,925 billion, of which R1,922 billion relates to interest-bearing borrowings. The position arises from the timing of the Group's refinancing programme rather than from any shortfall in funding:

- R706,4 million relates to two facilities refinanced, or committed for refinancing, by new lenders for three years. The R209,5 million Sun Valley facility was refinanced on 8 July 2026, and the R496,9 million facility in the first tranche of the Group debt treasury vehicle is refinanced with effect from 30 October 2026 under credit-approved commitments obtained in June 2026. Both are presented as current because their refinancing by new lenders takes effect after the reporting date; and
- R1,215 billion relates to facilities with contractual maturities within 12 months of the reporting date, principally Thibault's R620,7 million maturing in January 2027 and Heriot's R450,0 million maturing in March 2027. These are being held to expiry to avoid prepayment penalties and are expected to be refinanced in the next tranche, planned for implementation by 31 December 2026.

The Group's ability to renew and raise debt is demonstrated by the facilities renewed on improved terms during the year, the credit-approved commitments of R931,5 million obtained before the reporting date for the first tranche of the Group debt treasury vehicle and the further facilities secured after the reporting date.

The Group also had unutilised committed facilities of R323,517 million and cash of R103,188 million at the reporting date and complied with all debt covenants.

Having considered the Group's forecast cash flows, covenant compliance and its current and expected future access to facilities, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and accordingly the financial statements have been prepared on the going concern basis.

41. Business combination under common control

Katleho

Effective 30 June 2026, Heriot entered into exchange agreements with Katleho and its shareholders for the acquisition of 75% of the issued shares in Katleho in terms of Section 42 of the Income Tax Act.

In this transaction, Heriot acquired 75% (3 000) of Katleho's 4 000 issued shares in exchange for 5 605 050 new Heriot shares. The shares were formally issued on 30 June 2026, the acquisition's effective date.

The assets and liabilities arising from the acquisition are as follows:

	Note	Katleho 2026 R'000
Assets		**356 806**
Investment property at fair value		**334 000**
Investment property – closing carrying value		**332 663**
Straight-line income accrual		**1 337**
Trade and other receivables		**4 552**
Cash and cash equivalents		**18 254**
Liabilities		**168 791**
Interest-bearing borrowings – non-current		**128 504**
Trade and other payables		**8 252**
Dividend payable		**32 035**
Carrying amount of net assets acquired		**188 015**
Less: Non-controlling interest share before distribution		**(55 013)**
Add: Distribution declared to non-controlling interest		**8 009**
Total non-controlling interest share post distribution	SOCIE	**(47 004)**
Net carrying amount of net assets acquired – (A)		**141 011**
Purchase consideration calculated as follows:		
Cost of shares issued is as follows:		
Number of shares issued		**5 605 050**
Market value per share on acquisition date (Rand)		**26**
Market value of shares issued		**145 731**
Less: Dividend declared by Katleho to Heriot		**(24 026)**
Total purchase consideration – (B)	SOCIE	**121 705**
Bargain gain through equity (A – B)	SOCIE	**19 306**
Net cash inflow on acquisition		
Cash and cash equivalents acquired on acquisition		**18 254**
Total cash and cash equivalents acquired	Cash flow	**18 254**

41. Business combination under common control continued

Katleho continued

The following additional information is not required from an IFRS® Accounting Standards perspective but is relevant for assessing Katleho's financial performance for the period ended 30 June 2026. Further, the statement of comprehensive income and cash flow statement movements have not been included on a line basis as a result of the Katleho acquisition occurring on 30 June 2026.

	Katleho 2026 R'000
Summary of statement of comprehensive income	
Revenue	**67 982**
Contractual rental income	**49 435**
Operating cost recoveries	**17 210**
Straight-line rental income accrual	**1 337**
Operating costs	**(27 088)**
Net property income	**40 894**
Profit on disposal of assets	**3 346**
Profit from operations	**44 240**
Finance charges	**(12 274)**
Finance income	**1 721**
Profit before fair value adjustments	**33 687**
Fair value adjustments (investment properties)	**19 619**
Profit before taxation	**53 306**
Taxation	**36 218**
Total comprehensive income for the year	**89 524**
Distributable earnings adjustments	
Fair value adjustments	**(19 619)**
Straight-line rental income accrual	**(1 337)**
Deferred taxation	**(36 218)**
Profit on disposal of assets	**(3 346)**
Prepayment and income received in advance adjustments	**7 907**
Assessed loss utilised	**(4 876)**
Distributable earnings for the year ended 30 June 2026	**32 035**
Distribution declared to Heriot	**24 026**
Distribution declared to non-controlling shareholders	**8 009**

42. Segmental analysis

The Group's portfolio is organised into three operating categories: Sectoral, Group components and Geographical. These categories are aligned with the Group's operating segments, which are consistent with the internal reporting reviewed by management and the Board. This structure enables management to evaluate performance, allocate resources and assess each segment's contribution to the Group as a whole.

The Sectoral and Group components categories represent the Group's primary reportable segments, for which discrete financial information is available and regularly assessed by management and the Board.

Sectoral

The Sectoral category comprises six segments: Retail, Industrial, Office, Specialised, Residential/aparthotel and Other.

Sectoral	Number of properties 2026	Number of properties 2025	Composition
Retail	**23**	23	Primarily retail shopping centres, supplemented by stand-alone single-tenanted properties. Weighted towards rural market retail centres, with the balance comprising community and neighbourhood centres.
Industrial	**14**	14	Warehousing, logistics facilities and industrial parks.
Office[1]	**7**	5	High-rise and low-rise offices in Johannesburg and Cape Town, and the office component of the One Thibault mixed-use property in Cape Town CBD (refer to the note below).
Specialised	**3**	4	3 properties comprising 7 farms totalling 7 452ha of paper plantations, leased to Mondi South Africa Proprietary Limited.
Residential/ aparthotel[1]	**4**	4	Aparthotels in Cape Town (23 050m² GLA, 659 units). The Group also holds a 50% interest in 100 residential units in Johannesburg.
Other	**2**	3	1 property under development and vacant land in Pretoria.
Total	**53**	53	

[1] *One Thibault is a mixed-use property comprising an office component and an aparthotel component. The property is recorded in the valuations schedule as a half share in each of the office and residential/aparthotel sectors. For the purposes of this analysis, the property has been allocated in full to the office sector, so that it is counted once and the sectoral total agrees to the Group total of 53 properties.*

42. Segmental analysis continued

Group components

The Group components category comprises three segments: Heriot, Safari and Thibault.

Sector	Number of properties 2026	Number of properties 2025	Composition
Heriot	**40**	40	14 industrial, 12 retail, 3 specialised, 6 office, 4 residential/ aparthotel and 1 under development.
Safari	**9**	9	8 retail centres and 1 other property, being the vacant land in Lynwood.
Thibault	**4**	4	3 retail centres and 1 mixed-use building comprising offices and an aparthotel.
Total	**53**	53	

Geographical

In addition to the main reportable segments, the Group provides a geographical analysis of investment property and revenue by province within South Africa and in Namibia.

Sector	Number of properties 2026	Number of properties 2025	Composition
Gauteng	**28**	25	The Group's largest concentration spans industrial, retail and office assets.
Western Cape	**12**	13	Industrial, retail and office assets, together with the Cape Town aparthotels as well as the property under development.
KwaZulu-Natal	**3**	5	Specialised and retail assets.
North West	**3**	3	Rural market retail centres.
Limpopo	**3**	3	Rural market retail centres.
Mpumalanga	**2**	2	Rural market retail centres.
Free State	**1**	1	Industrial asset.
Namibia	**1**	1	The Group's only property (industrial asset) held outside South Africa.
Total	**53**	53	

42. Segmental analysis continued

Segmental analysis by sector – comparative view

Sectoral	Year ended 30 June 2026						
	Retail	Industrial[1]	Office	Specialised[2]	Residential	Other[3]	Total
Total lettable GLA (m²)	**356 415**	**268 705**	**50 323**	**–**	**2 430**	**–**	**677 873**
Total GLA	**356 415**	**268 705**	**50 323**	**–**	**25 480**	**18 665**	**719 588**
Vacant land and under development	**–**	**–**	**–**	**–**	**–**	**(18 665)**	**(18 665)**
Aparthotel GLA	**–**	**–**	**–**	**–**	**(23 050)**	**–**	**(23 050)**
Vacancy (m²)	**7 215**	**4 285**	**1 154**	**–**	**435**	**–**	**13 089**
% Vacant	**2,0**	**1,6**	**2,3**	**–**	**17,9**	**–**	**1,9**

[1] *The increase in GLA is mainly due to the acquisition of three office properties in Gauteng (Katleho), partly offset by the disposal of the Wynberg Mews office park and the remaining Newcastle townhouses on 30 November 2025.*

[2] *The specialised property comprises 7 452ha (2025: 8 382ha) of paper plantation farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

[3] *The other sector comprises property under development and vacant land.*

Sectoral	Year ended 30 June 2025						
	Retail	Industrial	Office	Specialised[1]	Residential	Other[2]	Total
Total lettable GLA (m²)	358 459	268 705	30 496	–	3 446	–	661 106
Total GLA	358 459	268 705	30 496	–	23 996	21 165	702 821
Vacant land and under development	–	–	–	–	–	(21 165)	(21 165)
Aparthotel GLA	–	–	–	–	(20 550)	–	(20 550)
Vacancy (m²)	5 772	3 346	1 499	–	18	–	10 635
% Vacant	1,6	1,2	4,9	–	0,5	–	1,6

[1] *The specialised property comprises 8 382ha of paper plantation farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

[2] *The other sector comprises property under development and vacant land.*

42. Segmental analysis continued

Statement of comprehensive income

Sectoral	Year ended 30 June 2026						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential R'000	Other R'000	Total R'000
Contractual rental income	826 897	186 520	61 422	7 317	155 282	939	1 238 377
Recoveries	386 329	66 548	19 575	420	2 660	93	475 625
Revenue from sale of inventory	–	–	–	–	–	–	–
Straight-lining of rental income	20 119	(5 715)	(5)	–	(184)	(12)	14 203
Total revenue	1 233 345	247 353	80 992	7 737	157 758	1 020	1 728 205
Property expenses	(465 338)	(85 270)	(36 759)	(2 735)	(98 474)	(20 400)	(708 976)
Commission costs	–	(659)	(2 100)	–	(12 180)	–	(14 939)
Cleaning costs	(19 793)	–	(1 714)	–	(236)	–	(21 743)
Depreciation	(23 311)	(773)	(314)	–	(7 772)	(1 054)	(33 224)
Management fees	(457)	–	(1 235)	(205)	(34 603)	–	(36 500)
Municipal charges	(306 839)	(70 032)	(17 409)	(573)	(17 299)	(564)	(412 716)
Repairs and maintenance	(7 981)	(3 582)	(1 784)	(514)	(2 679)	(42)	(16 582)
Security costs	(36 160)	(1 157)	(541)	(234)	(2 530)	(367)	(40 989)
Other property-related expenses	(70 797)	(9 067)	(11 662)	(1 209)	(21 175)	(18 373)	(132 283)
Cost of inventory sold	–	–	–	–	–	–	–
Net property income	768 007	162 083	44 233	5 002	59 284	(19 380)	1 019 229
Other income and equity-accounted profit/(losses)	–	–	–	–	–	38 119	38 119
Loss on sale of property, plant and equipment	–	–	–	–	–	–	–
Administration expenses	–	–	–	–	–	(109 148)	(109 148)
Audit fees and non-assurance services	–	–	–	–	–	(4 741)	(4 741)
Non-executive Director fees	–	–	–	–	–	(2 187)	(2 187)
Staff costs	–	–	–	–	–	(97 085)	(97 085)
Other administrative expenses	–	–	–	–	–	(5 135)	(5 135)
Net finance charges	–	–	–	–	–	(456 151)	(456 151)
Change in fair value of listed shares	–	–	–	–	–	21 148	21 148
Change in fair value of derivative instrument	–	–	–	–	–	–	–
Change in fair value of properties	470 130	108 932	21 659	(14 363)	80 137	71 923	738 418
(Loss)/profit on sale of subsidiary	–	–	(2 388)	–	–	–	(2 388)
Net profit/(loss) before taxation	1 238 137	271 015	63 504	(9 361)	139 421	(453 489)	1 249 227

42. Segmental analysis continued

Statement of comprehensive income continued

Sectoral	Year ended 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential R'000	Other R'000	Total R'000
Contractual rental income	806 340	179 949	63 046	9 555	123 384	1 087	1 183 361
Recoveries	383 040	64 821	19 594	756	3 259	126	471 596
Revenue from sale of inventory	–	–	–	–	10 033	–	10 033
Straight-lining of rental income	45 134	(2 608)	85	(527)	(130)	–	41 954
Total revenue	1 234 514	242 162	82 725	9 784	136 546	1 213	1 706 944
Property expenses	(464 176)	(73 906)	(41 222)	(780)	(85 586)	(12 938)	(678 608)
Commission costs	–	(659)	(1 711)	–	(10 033)	(200)	(12 603)
Cleaning costs	(20 425)	–	(1 618)	–	(178)	–	(22 221)
Depreciation	(17 720)	(948)	(376)	–	(7 181)	(1 052)	(27 277)
Management fees	(459)	–	(1 346)	–	(28 037)	–	(29 842)
Municipal charges	(309 107)	(62 755)	(19 242)	(780)	(15 770)	(306)	(407 960)
Repairs and maintenance	(16 098)	(3 164)	(1 780)	–	(2 802)	(97)	(23 941)
Security costs	(32 560)	(853)	(988)	–	(1 882)	(464)	(36 747)
Other property-related expenses	(67 807)	(5 527)	(14 161)	–	(19 703)	(10 819)	(118 017)
Cost of inventory sold	–	–	–	–	(11 132)	–	(11 132)
Net property income	770 338	168 256	41 503	9 004	39 828	(11 725)	1 017 204
Other income and equity-accounted profit/(losses)	–	–	–	–	–	43 121	43 121
Loss on sale of property, plant and equipment	–	–	–	–	(392)	–	(392)
Administration expenses	–	–	–	–	–	(95 500)	(95 500)
Audit fees and non-assurance services	–	–	–	–	–	(4 533)	(4 533)
Non-executive Director fees	–	–	–	–	–	(2 323)	(2 323)
Staff costs	–	–	–	–	–	(87 177)	(87 177)
Other administrative expenses	–	–	–	–	–	(1 467)	(1 467)
Net finance charges	–	–	–	–	–	(474 889)	(474 889)
Change in fair value of listed shares	–	–	–	–	–	27 697	27 697
Change in fair value of derivative instrument	–	–	–	–	–	(163)	(163)
Change in fair value of properties	790 672	160 590	66 191	34 627	23 186	17 888	1 093 154
(Loss)/profit on sale of subsidiary	12 283	–	–	–	–	–	12 283
Net profit/(loss) before taxation	1 573 293	328 846	107 694	43 631	62 622	(493 571)	1 622 515

42. Segmental analysis continued

Statement of financial position

Sectoral	As at 30 June 2026						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential R'000	Other R'000	Total R'000
Investment property	9 268 800	2 089 500	953 000	138 000	1 103 500	36 700	13 589 500
Non-current assets held for sale	159 000	23 500	–	51 200	–	–	233 700
Property under development	–	–	–	–	–	175 000	175 000
Property, plant and equipment	2 674	–	61	–	28 110	31 763	62 608
Trade and other receivables	46 801	5 569	4 973	–	10 486	9 081	76 910
Other assets	–	–	–	–	–	389 955	389 955
Total assets	9 477 275	2 118 569	958 034	189 200	1 142 096	642 499	14 527 673
Trade and other payables	172 910	15 503	13 079	5 134	4 723	46 643	257 992
Other liabilities	–	–	–	–	–	6 175 678	6 175 678
Total liabilities	172 910	15 503	13 079	5 134	4 723	6 222 321	6 433 670

Sectoral	As at 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential R'000	Other R'000	Total R'000
Investment property	8 634 790	2 007 500	669 400	235 500	798 000	34 000	12 379 190
Non-current assets held for sale	173 000	–	–	–	8 136	–	181 136
Property under development	–	–	–	–	–	238 412	238 412
Property, plant and equipment	3 103	–	41	–	31 110	21 861	56 115
Trade and other receivables	344 189	11 091	1 732	–	6 590	12 231	375 833
Other assets	–	–	–	–	–	377 389	377 389
Total assets	9 155 082	2 018 591	671 173	235 500	843 836	683 893	13 608 075
Trade and other payables	157 375	7 865	10 056	5 150	4 212	46 890	231 548
Other liabilities	–	–	–	–	–	5 397 124	5 397 124
Total liabilities	157 375	7 865	10 056	5 150	4 212	5 444 014	5 628 672

42. Segmental analysis continued

Segmental analysis by Group component – comparative view

Group components	As at 30 June 2026 Heriot	Safari	Thibault	Group total
Total lettable GLA (m²)[1]	**441 040**	**157 608**	**79 225**	**677 873**
Total GLA	**461 598**	**170 741**	**87 249**	**719 588**
Vacant land and under development	**(5 532)**	**(13 133)**	**–**	**(18 665)**
Aparthotel GLA	**(15 026)**	**–**	**(8 024)**	**(23 050)**
Vacancy (m²)	**8 628**	**3 968**	**493**	**13 089**
% Vacant	**2,0**	**2,5**	**0,6**	**1,9**

Group components[1]	As at 30 June 2025 Heriot	Safari	Thibault	Group total
Total lettable GLA (m²)	422 228	157 608	81 270	661 106
Total GLA	442 786	170 741	89 294	702 821
Vacant land and under development	(8 032)	(13 133)	–	(21 165)
Aparthotel GLA	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	6 476	3 243	916	10 635
% Vacant	1,5	2,1	1,1	1,6

[1] *The specialised property comprises 7 452ha (2025: 8 382ha) of paper plantation farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

Statement of comprehensive income

Group components	Year ended 30 June 2026 Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Contractual rental income	**647 214**	**374 185**	**216 978**	**1 238 377**
Recoveries	**202 648**	**197 248**	**75 729**	**475 625**
Revenue from sale of inventory	**–**	**–**	**–**	**–**
Straight-lining of rental income	**969**	**9 741**	**3 493**	**14 203**
Total revenue	**850 831**	**581 174**	**296 200**	**1 728 205**
Property expenses	**(340 245)**	**(229 570)**	**(139 161)**	**(708 976)**
Commission costs	**(12 481)**	**–**	**(2 458)**	**(14 939)**
Cleaning costs	**(6 256)**	**(10 707)**	**(4 780)**	**(21 743)**
Depreciation	**(15 356)**	**(7 660)**	**(10 208)**	**(33 224)**
Management fees	**(20 747)**	**–**	**(15 753)**	**(36 500)**
Municipal charges	**(182 629)**	**(152 805)**	**(77 282)**	**(412 716)**
Repairs and maintenance	**(12 350)**	**(558)**	**(3 674)**	**(16 582)**
Security costs	**(18 388)**	**(16 255)**	**(6 346)**	**(40 989)**
Other property-related expenses	**(72 038)**	**(41 585)**	**(18 660)**	**(132 283)**
Cost of inventory sold	**–**	**–**	**–**	**–**
Net property income	**510 586**	**351 604**	**157 039**	**1 019 229**
Other income and equity-accounted profit/(losses)	**27 375**	**10 737**	**7**	**38 119**
Loss on sale of property, plant and equipment	**–**	**–**	**–**	**–**
Administration expenses	**(62 357)**	**(35 698)**	**(11 093)**	**(109 148)**
Audit fees and non-assurance services	**(2 143)**	**(1 881)**	**(717)**	**(4 741)**
Non-executive Director fees	**(1 766)**	**(421)**	**–**	**(2 187)**
Staff costs	**(55 211)**	**(32 775)**	**(9 099)**	**(97 085)**
Other administrative expenses	**(3 237)**	**(621)**	**(1 277)**	**(5 135)**
Net finance charges	**(220 198)**	**(138 935)**	**(97 018)**	**(456 151)**
Change in fair value of listed shares	**–**	**–**	**21 148**	**21 148**
Change in fair value of derivative instrument	**–**	**–**	**–**	**–**
Change in fair value of properties	**465 472**	**155 217**	**117 729**	**738 418**
Loss on sale of subsidiary	**(2 388)**	**–**	**–**	**(2 388)**
Net profit before taxation	**718 490**	**342 925**	**187 812**	**1 249 227**

42. Segmental analysis continued

Statement of comprehensive income continued

Group components	Year ended 30 June 2025 Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Contractual rental income	596 639	388 215	198 507	1 183 361
Recoveries	197 617	205 641	68 338	471 596
Revenue from sale of inventory	–	10 033	–	10 033
Straight-lining of rental income	(1 927)	13 857	30 024	41 954
Total revenue	792 329	617 746	296 869	1 706 944
Property expenses	(302 054)	(248 241)	(128 313)	(678 608)
Commission costs	(11 492)	–	(1 111)	(12 603)
Cleaning costs	(5 910)	(12 155)	(4 156)	(22 221)
Depreciation	(12 020)	(7 163)	(8 094)	(27 277)
Management fees	(15 978)	–	(13 864)	(29 842)
Municipal charges	(166 398)	(167 096)	(74 466)	(407 960)
Repairs and maintenance	(12 127)	(8 439)	(3 375)	(23 941)
Security costs	(16 191)	(14 880)	(5 676)	(36 747)
Other property-related expenses	(61 938)	(38 508)	(17 571)	(118 017)
Cost of inventory sold	–	(11 132)	–	(11 132)
Net property income	490 275	358 373	168 556	1 017 204
Other income and equity-accounted profit/(losses)	10 123	6 890	26 108	43 121
Loss on sale of property, plant and equipment	(392)	–	–	(392)
Administration expenses	(50 471)	(32 769)	(12 260)	(95 500)
Audit fees and non-assurance services	(2 266)	(1 860)	(407)	(4 533)
Non-executive Director fees	(1 523)	(800)	–	(2 323)
Staff costs	(46 537)	(29 552)	(11 088)	(87 177)
Other administrative expenses	(145)	(557)	(765)	(1 467)
Net finance charges	(247 906)	(132 251)	(94 732)	(474 889)
Change in fair value of listed shares	–	–	27 697	27 697
Change in fair value of derivative instrument	–	(163)	–	(163)
Change in fair value of properties	542 304	352 650	198 200	1 093 154
Profit on sale of subsidiary	–	12 283	–	12 283
Net profit before taxation	743 933	565 013	313 569	1 622 515

Statement of financial position

Group components	As at 30 June 2026 Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Investment property	**7 041 800**	**4 289 700**	**2 258 000**	**13 589 500**
Non-current assets held for sale	**74 700**	**159 000**	**–**	**233 700**
Property under development	**175 000**	**–**	**–**	**175 000**
Property, plant and equipment	**50 162**	**1 703**	**10 743**	**62 608**
Trade and other receivables	**31 630**	**31 058**	**14 222**	**76 910**
Other assets	**158 238**	**57 350**	**174 367**	**389 955**
Total assets	**7 531 530**	**4 538 811**	**2 457 332**	**14 527 673**
Trade and other payables	**121 810**	**108 739**	**27 443**	**257 992**
Other liabilities	**2 980 914**	**2 123 047**	**1 071 717**	**6 175 678**
Total liabilities	**3 102 724**	**2 231 786**	**1 099 160**	**6 433 670**

Group components	As at 30 June 2025 Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Investment property	6 225 190	4 019 000	2 135 000	12 379 190
Non-current assets held for sale	8 136	173 000	–	181 136
Property under development	238 412	–	–	238 412
Property, plant and equipment	42 805	2 162	11 148	56 115
Trade and other receivables	34 441	329 640	11 752	375 833
Other assets	120 377	61 863	195 149	377 389
Total assets	6 669 361	4 585 665	2 353 049	13 608 075
Trade and other payables	110 667	95 008	25 873	231 548
Other liabilities	2 829 966	1 480 609	1 086 549	5 397 124
Total liabilities	2 940 634	1 575 617	1 112 422	5 628 672

Major customer

Shoprite, which trade from the Group's properties under brands including Checkers, Checkers Hyper, Shoprite, Usave, LiquorShop, OK Furniture and House & Home, is the Group's only customer that accounts for 10% or more of the Group's contractual rental income. Shoprite contributed R154,4 million to revenue for the year ended 30 June 2026 (2025: R151,0 million), equating to 12,5% of the Group's revenue (2025: 12,8%). This income is reported in the Retail segment and in each of the Heriot, Safari and Thibault components.

42. Segmental analysis continued

Segmental analysis by geography – comparative view

Geographical	As at 30 June 2026								
	Gauteng	Western Cape	KwaZulu-Natal	North West	Mpumalanga	Limpopo	Free State	Namibia	Total
Total lettable GLA (m²)[1]	**409 935**	**112 943**	**42 002**	**27 231**	**26 459**	**27 897**	**17 906**	**13 500**	**677 873**
Total GLA	**423 068**	**141 525**	**42 002**	**27 231**	**26 459**	**27 897**	**17 906**	**13 500**	**719 588**
Vacant land and under development	**(13 133)**	**(5 532)**	**–**	**–**	**–**	**–**	**–**	**–**	**(18 665)**
Aparthotel GLA	**–**	**(23 050)**	**–**	**–**	**–**	**–**	**–**	**–**	**(23 050)**
Vacancy (m²)	**9 745**	**1 614**	**–**	**1 630**	**87**	**13**	**–**	**–**	**13 089**
% Vacant	**2,4**	**1,4**	**–**	**6,0**	**0,3**	**–**	**–**	**–**	**1,9**

Geographical	As at 30 June 2025								
	Gauteng	Western Cape	KwaZulu-Natal	North West	Mpumalanga	Limpopo	Free State	Namibia	Total
Total lettable GLA (m²)[1]	382 968	122 127	43 018	27 231	26 459	27 897	17 906	13 500	661 106
Total GLA	396 101	150 709	43 018	27 231	26 459	27 897	17 906	13 500	702 821
Vacant land and under development	(13 133)	(8 032)	–	–	–	–	–	–	(21 165)
Aparthotel GLA	–	(20 550)	–	–	–	–	–	–	(20 550)
Vacancy (m²)	6 724	2 391	–	894	281	345	–	–	10 635
% Vacant	1,8	2,0	–	3,3	1,1	1,2	–	–	1,6

[1] *The specialised property comprises 7 452ha (2025: 8 382ha) of paper farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.*

42. Segmental analysis continued

Segmental analysis by geography – comparative view continued

Geographical	Year ended 30 June 2026								
	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	North West R'000	Mpumalanga R'000	Limpopo R'000	Free State R'000	Namibia R'000	Total R'000
Investment property	7 790 200	2 939 000	370 300	474 800	679 200	903 000	215 000	218 000	13 589 500
Property under development	–	175 000	–	–	–	–	–	–	175 000
Non-current assets held for sale	182 500	–	51 200	–	–	–	–	–	233 700
Total property portfolio	7 972 700	3 114 000	421 500	474 800	679 200	903 000	215 000	218 000	13 998 200
Contractual rental income	655 801	320 968	33 549	56 211	60 272	76 674	19 568	15 334	1 238 377
Recoveries	293 827	94 155	8 361	19 470	22 952	26 796	10 064	–	475 625
Total revenue	949 628	415 123	41 910	75 681	83 224	103 470	29 632	15 334	1 714 002

Geographical	Year ended 30 June 2025								
	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	North West R'000	Mpumalanga R'000	Limpopo R'000	Free State R'000	Namibia R'000	Total R'000
Investment property	7 017 490	2 603 500	457 000	442 700	638 500	830 000	215 000	175 000	12 379 190
Property under development	–	238 412	–	–	–	–	–	–	238 412
Non-current assets held for sale	173 000	–	8 136	–	–	–	–	–	181 136
Total property portfolio	7 190 490	2 841 912	465 136	442 700	638 500	830 000	215 000	175 000	12 798 738
Contractual rental income	616 474	283 290	35 452	52 646	55 942	71 333	18 203	50 021	1 183 361
Recoveries	282 223	87 265	9 330	20 222	19 648	25 502	8 694	18 712	471 596
Total revenue	898 697	370 555	44 782	72 868	75 590	96 835	26 897	68 733	1 654 957

43. Joint arrangements

The Group accounts for the assets, liabilities, revenues and expenses relating to joint operations in accordance with the IFRS® Accounting Standard applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from the transactions with the joint operations are recognised in the Group's consolidated financial statements only to the extent of interests that are related to the Group.

Interests in joint operations are accounted for in the same manner in the separate financial statements of the subsidiary companies.

	Group	
	2026 R'000	2025 R'000
Joint operations comprise co-ownerships in the following properties:		
Tsakane Mall – owned by Heriot Properties (%)	**50,00**	50,00
Jupiter Park – owned by Fin 107 (%)	**50,00**	50,00
Linksview – owned by Crosize (%)	**50,00**	50,00
Heriot's share of profit or loss and net assets:		
Statement of financial position		
Assets	**764 182**	725 226
Investment property at fair value	**763 000**	723 000
Property, plant and equipment	**187**	255
Trade and other receivables	**618**	1 571
Cash and cash equivalents	**377**	400
Liabilities	**148 841**	144 684
Interest-bearing borrowings	**132 748**	132 748
Deferred tax – net liability	**12 552**	10 001
Trade and other payables	**3 541**	1 935

	Group	
	2026 R'000	2025 R'000
Statement of comprehensive income		
Revenue	**88 657**	90 733
Contractual rental income	**63 455**	60 488
Operating cost recoveries	**24 595**	27 952
Straight-line rental income accrual	**607**	2 293
Operating costs	**(32 967)**	(28 626)
Profit from operations	**55 690**	62 107
Finance charges	**(10 486)**	(11 020)
Finance income	**24**	14
Profit before fair value adjustments	**45 228**	51 101
Fair value adjustments Investment properties	**35 114**	54 232
Profit before taxation	**80 342**	105 333
Taxation	**(2 551)**	–
Total comprehensive income for the year	**77 791**	105 333

All joint operations have their principal place of business in South Africa.

44. Share-based payments

Accounting policy

The Group operates an equity-settled Conditional Share Plan under which conditional rights to Heriot REIT Limited ordinary shares are granted to qualifying employees. In accordance with IFRS 2 *Share-based Payment*, the fair value of the awards is measured at grant date and recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve within equity.

The grant date fair value is not subsequently remeasured. Non-market vesting conditions, comprising the service condition and the performance conditions, are not taken into account in determining fair value; instead, they are reflected in the estimated number of awards expected to vest, which is revised at each reporting date until the vesting date. The cumulative expense recognised reflects the revised estimate, with the adjustment recognised in profit or loss for the period.

Description of the arrangement (IFRS 2.44 and 2.45)

The Heriot Conditional Share Plan was approved in terms of plan rules dated 4 November 2025. The first awards under the plan were made on 23 December 2025, when conditional rights to 643 100 ordinary shares were granted to 20 participants. The awards comprise performance share awards of 514 480 shares (80%) and retention share awards of 128 620 shares (20%).

44. Share-based payments continued

Description of the arrangement (IFRS 2.44 and 2.45) continued

The awards vest on the third anniversary of the award date, being 23 December 2028, subject to continued employment and, in the case of the performance share awards, to the achievement of two performance conditions. Settlement is by the issue of new shares. Participants hold no shareholder rights, and no entitlement to distributions or voting, until settlement.

The performance conditions are absolute growth in distributable income per share, weighted 65%, and absolute total NAV-based return per share, weighted 35%. Both are non-market performance conditions measured over the three years to 30 June 2028. Vesting is on a sliding scale from 50% at threshold to 125% at stretch, with linear interpolation between levels and nil vesting below threshold.

Movement in conditional share awards (IFRS 2.45(a))

	2026	
	Number	Weighted average grant date fair value
Number of conditional shares		
Granted during the year	643 100	16,51
Outstanding at the end of the year	**643 100**	**16,51**
Weighted average remaining vesting period (years)	2,5	

Measurement of fair value (IFRS 2.46 to 2.48)

The awards are conditional rights to whole shares and are not subject to any market condition (such as a share price or total shareholder return target). No option-pricing model is therefore required. Fair value has been measured directly from the grant date share price, adjusted for the present value of the distributions that participants forgo during the vesting period, as participants have no entitlement to distributions before settlement.

	2026 R per share
Grant date fair value per conditional share	
Share price at grant date (30-day volume weighted average price)	20,88
Less: Present value of distributions forgone over the vesting period	(4,37)
Fair value before discount for trading restrictions	16,51
Grant date fair value per conditional share	**16,51**
Significant inputs and assumptions	
Risk-free rate (three-year South African government bond at grant date) (%)	8,75
Expected vesting outcome of the performance conditions (%)	103,82
Vesting period (years)	3,0

	2026
Expense recognised	
Number of conditional shares expected to vest	662 752
Grant date fair value per conditional share (R)	16,51
Total grant date fair value of awards expected to vest (R'000)	10 942
Proportion of the vesting period elapsed at the reporting date (%)	17,24
Employee benefit expense recognised in profit or loss (R'000)	1 887

	2026 R'000
Share-based payment reserve	
Share-based payment expense for the year	1 887
Balance at the end of the year	**1 887**

The expense is a non-cash charge and is added back in determining distributable earnings. No cash flow arises in the current period. Potential dilution on settlement amounts to 643 100 shares, being approximately 0,20% of shares in issue, which is within the limit in the plan rules.

Awards granted to Executive Directors (JSE Listings Requirement 11.37(g) and IAS 24.17)

The following conditional share awards were granted to Executive Directors on 23 December 2025. No awards vested or were forfeited during the year and both Directors remained in service at the reporting date.

	2026				
	Performance shares awarded R'000	Retention shares awarded R'000	Total shares awarded R'000	Shares expected to vest R'000	Expense recognised R'000
Executive Director					
RL Herring (Group Chief Executive Officer)	88 800	22 200	111 000	114 392	326
D Snoyman (Group Chief Financial Officer)	125 000	31 250	156 250	161 025	458
Total awards to Executive Directors	**213 800**	**53 450**	**267 250**	**275 417**	**784**
Awards to Executive Directors as a percentage of total awards granted (%)			41,56		
Expense in respect of Executive Directors as a percentage of the total expense (%)			41,55		

ADDITIONAL DISCLOSURES IN TERMS OF SA REIT BEST PRACTICE RECOMMENDATIONS ("SA REIT BPR")

for the year ended 30 June 2026

The disclosure provided aligns with the best practice recommendations established by the SA REIT Association as published in 2016 and further revised in November 2019. All information used in the tables below is derived from the annual financial statements as disclosed in the integrated report.

The contents of the tables set out below are the responsibility of the Board of Directors of Heriot REIT Limited ("Board") and, to the Board's best knowledge and belief, no facts have been omitted, or untrue statements made, that would make the tables provided be regarded as false or misleading.

The information provided in the tables below is presented as unaudited. The Group has obtained all information directly from the audited annual financial statements as at 30 June 2026. This assurance has been placed directly on the published results shown in the integrated report, with direct cross-referencing to the information per the annual financial statements.

SA REIT BPR funds from operations

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Profit per IFRS® Accounting Standards statement of comprehensive income ("SOCI") attributable to equity holders of the Company		**1 122 393**	1 379 124
Adjusted for:			
Accounting/specific adjustments			
Fair value adjustment to investment properties	30	**(776 252)**	(1 109 908)
Fair value adjustment to investment properties held for sale	30	**37 834**	16 754
Fair value adjustment to listed shares	30	**(21 148)**	(27 697)
Straight-line rental income adjustment	22	**(14 203)**	(41 954)
Depreciation of owner-occupied property	4	**505**	504
Loss on sale of property, plant and equipment	4	**–**	392
Loss on sale of inventory	12	**–**	1 099
Profit from disposal of non-current assets held for sale[1]		**–**	15 000
Safari dividend relating to Thibault's pre-acquisition earnings[2]		**–**	4 412
Deferred taxation movement	31	**6 993**	4 971
Texton return of capital – distributed to shareholders[3]		**14 447**	–
Loss/(profit) on sale of subsidiary	14, 25	**2 388**	(12 283)
Gain on loan modification	17, 23	**(15 244)**	–
Share-based payment expense	SOCIE, 44	**1 887**	–
Katleho distribution declared to Heriot – in cost of subsidiary acquired	SOCIE, 41	**24 026**	–
Hedging items			
Fair value adjustment to derivative instruments	30	**–**	163
Other adjustments			
Non-controlling interests in respect of the above adjustments	16	**74 919**	158 632
Total distributable earnings		**458 545**	389 209

SA REIT BPR funds from operations continued

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Number of shares in issue at the reporting date (interim)[4]	15	**319 261 982**	319 261 982
Number of shares in issue at the reporting date (final)[4]	15	**324 867 032**	319 261 982
Interim distribution per share (cents)		**66,10803**	56,83499
Final distribution per share (cents)		**76,18107**	65,07410
Total distribution per share (cents)		**142,28910**	121,90909

[1] *The assets sold were recognised at fair value, the same as their selling price. On this basis, no accounting profit on sale was recognised. The amount included in the distribution for the prior period represents the sale proceeds less the cost of the assets disposed.*

[2] *Heriot's share of pre-acquisition earnings paid as a dividend to Heriot.*

[3] *On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital. Accordingly, the Group did not recognise the dividend in the statement of comprehensive income. The Group received cash proceeds of R41,172 million, of which R14,447 million was distributed to shareholders and recorded as a non-IFRS® Accounting Standards distributable earnings adjustment in line with historical final dividend payments.*

[4] *Excluding the 900 000 treasury shares in issue.*

SA REIT BPR cost-to-income ratio

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Expenses			
Per IFRS® Accounting Standards income statement			
Property expenses including municipal expenses and depreciation	SOCIE	**708 976**	678 608
Administrative expenses and corporate costs		**96 582**	87 436
Per statement of comprehensive income	26	**109 148**	95 500
Adjust for:			
Salary recoveries included in other income	23	**(7 560)**	(7 560)
Once-off salary costs (settlement of Safari share scheme)[1]	SOCIE	**(4 501)**	–
Depreciation charged on owner-occupied property	4	**(505)**	(504)
Total operating expenses		**805 558**	766 044
Rental income			
Contractual rental income and utility and operating recoveries, excluding straight-line rental income	22	**1 714 002**	1 654 957
Gross rental income		**1 714 002**	1 654 957
Cost-to-income ratio (%)		**47,00**	46,29
Administrative cost-to-income ratio (%)		**5,63**	5,28

[1] *The cost-to-income ratio increased to 47,0% (2025: 46,3%), mainly as municipal tariff increases of 8% to 10% exceeded recovery growth and the aparthotel operating model carried a full year of costs.*

SA REIT BPR vacancy rate

	Annual financial statements note reference	30 June 2026 m²	30 June 2025 m²
GLA of property portfolio (m²)	42	**677 873**	661 106
Total GLA	42	**719 588**	702 821
Vacant land and under development	42	**(18 665)**	(21 165)
Aparthotel GLA	42	**(23 050)**	(20 550)
Vacant GLA (m²)		**13 089**	10 635
Vacancy rate (%)		**1,93**	1,61

Vacancy % – Portfolio vacancy increased from 1,6% to 1,9%, mainly due to the 2 456m² created by the Atlyn Shopping Centre refurbishment, which is being let; the Louwlardia distribution centre was let with effect from 30 June 2026.

GLA movement – The increase in GLA is mainly due to the acquisition of three office properties in Gauteng as part of the Katleho acquisition, partly offset by the disposal of the Wynberg Mews office park and the remaining Newcastle townhouses.

The aparthotels are not included in the vacancy analysis above as the preferred metrics to report on for these assets are the occupancy levels and average daily rates. The aparthotels, included in the residential/aparthotel sector, comprise four properties in Cape Town with a combined GLA of 23 050m² and 659 units.

SA REIT BPR LTV

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Interest-bearing liabilities	17	**6 074 606**	5 302 063
Less: Cash and cash equivalents	13	**(103 188)**	(121 445)
Net debt		**5 971 418**	5 180 618
Investment property	2	**13 589 500**	12 379 190
Property under development	3	**175 000**	238 412
Disposal consideration receivable	10	**–**	290 000
Non-current assets and liabilities held for sale	14	**233 700**	181 136
Inventory	12	**32 493**	–
Owner-occupied property	4	**20 784**	21 174
Investment in listed shares	9	**170 529**	190 553
Investments in associates and joint ventures	6	**13 980**	318
Carrying amount of property-related assets		**14 235 986**	13 300 783
LTV (%)		**41,95**	38,95

SA REIT BPR NAV

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Reported NAV	SOCIE	**7 980 683**	6 689 636
Adjusted for:			
Dividend to be declared		**(247 487)**	(207 756)
Deferred taxation	18	**99 901**	92 908
SA REIT BPR NAV		**7 833 097**	6 574 788
Number of shares in issue		**324 867 032**	319 261 982
NAV per share (cents)		**2 411,17**	2 059,37

SA REIT BPR cost of debt

	Annual financial statements note reference	30 June 2026 %	30 June 2025 %
Variable interest rate borrowings			
Floating reference rate plus weighted average margin	17	**8,53**	9,58
Fixed interest rate borrowings		**–**	–
Pre-adjusted WACD	17	**8,53**	9,58
Amortised transaction costs imputed into the effective interest rate	17	**0,20**	0,15
All-in WACD	17	**8,73**	9,73

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Heriot is committed to open and transparent engagement with all its stakeholders.

SHAREHOLDER ANALYSIS

Stakeholders play a crucial role at Heriot, with their risks and concerns meticulously considered during the review and enhancement of the organisation's strategy.

Company: Heriot REIT Limited
Register date: 30 June 2026 (2025: 27 June 2025)
Issued share capital: 325 767 032 (2025: 320 161 982)

	2026				2025			
	Number of shareholders	%	Number of shares	%	Number of shareholders	%	Number of shares	%
Shareholder spread								
1 – 1 000 shares	**29**	**52,73**	**3 120**	**–**	29	55,77	3 180	–
1 001 – 10 000 shares	**5**	**9,09**	**23 197**	**0,01**	4	7,69	18 397	0,01
10 001 – 100 000 shares	**7**	**12,73**	**348 657**	**0,11**	6	11,54	283 700	0,09
100 001 – 1 000 000 shares	**6**	**10,91**	**2 271 000**	**0,70**	6	11,54	2 964 907	0,93
1 000 001 shares and over	**8**	**14,55**	**323 121 058**	**99,19**	7	13,46	316 891 798	98,98
Total	**55**	**100,00**	**325 767 032**	**100,00**	**52**	**100,00**	**320 161 982**	**100,00**
Distribution of shareholders								
Banks/brokers	**1**	**1,82**	**215 000**	**0,07**	1	1,92	270 000	0,08
Close corporations	**2**	**3,64**	**1 171 921**	**0,36**	2	3,85	1 172 121	0,37
Individuals	**44**	**80,00**	**8 045 496**	**2,47**	42	80,77	11 362 446	3,55
Private companies	**7**	**12,73**	**315 434 615**	**96,83**	6	11,54	306 457 415	95,72
Treasury shares[2]	**1**	**1,82**	**900 000**	**0,28**	1	1,92	900 000	0,28
Total	**55**	**100,00**	**325 767 032**	**100,00**	**52**	**100,00**	**320 161 982**	**100,00**
Public and non-public shareholders								
Non-public shareholders	**5**	**9,09**	**306 423 089**	**94,06**	3	5,77	300 813 039	93,96
Directors and their associates[1]	**4**	**7,27**	**305 523 089**	**93,79**	2	3,85	299 913 039	93,68
Treasury shares[2]	**1**	**1,82**	**900 000**	**0,28**	1	1,92	900 000	0,28
Public shareholders	**50**	**90,91**	**19 343 943**	**5,94**	49	94,23	19 348 943	6,04
Total	**55**	**100,00**	**325 767 032**	**100,00**	**52**	**100,00**	**320 161 982**	**100,00**
Beneficial shareholders holding 3% or more								
SB Herring[3]			**290 208 295**	**89,08**			285 163 750	89,07
RL Herring[4]			**15 309 794**	**4,70**			14 749 289	4,61
Total			**305 518 089**	**93,78**			**299 913 039**	**93,68**

Major shareholders: Insofar as is known to the Company, no shareholder other than the Directors set out above was directly or indirectly beneficially interested in 5% or more of the Company's issued shares at 30 June 2026 (2025: none).

[1] *Directors of the Company and of its subsidiaries, and their associates. Includes the indirect holdings of SB Herring and RL Herring and the direct holding of D Snoyman (5 000 shares).*

[2] *The 900 000 treasury shares (2025: 900 000) are held by Heriot Properties Proprietary Limited, a Group company, and relate to the Company's original share incentive scheme.*

[3] *Held indirectly through Heriot Investments Proprietary Limited.*

[4] *Held indirectly through Gabenjosh Investments Proprietary Limited and Ben Av Investments Proprietary Limited.*

On 30 June 2026, the Company issued 5 605 050 new ordinary shares in settlement of the Katleho acquisition, increasing the issued share capital from 320 161 982 to 325 767 032 shares.

Percentages are calculated on the total issued share capital, including treasury shares, and may not cast due to rounding.

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

Heriot REIT Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/167697/06)
JSE share code: HET
ISIN: ZAE000246740
("**Heriot**" or "**the Company**" or "**the Group**")

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant, broker, banker, attorney, accountant or other professional advisor immediately.

Notice is hereby given to the shareholders of the Company as at Friday, 23 October 2026 ("notice"), being the record date to receive the annual general meeting ("AGM") notice in terms of Section 59(1)(a) of the Companies Act of South Africa ("Companies Act"), that the AGM of the Company will be a hybrid meeting held via Microsoft Teams, as well as in person, at 10:00 on Wednesday, 9 December 2026 at the offices of the Company situated at Suite 1 – Ground Floor, 3 Melrose Boulevard, Melrose North 2196, Johannesburg to (i) consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Limited ("JSE") Listings Requirements ("JSE Listings Requirements") and (ii) deal with such other business as may lawfully be dealt with at the meeting, which meeting is to be participated in and voted at by shareholders registered as such as at Friday, 4 December 2026, being the record date to participate in and vote at the AGM in terms of Section 62(3)(a), read with Section 59(1)(b), of the Companies Act. The last day to trade in the Company's shares is therefore Tuesday, 1 December 2026.

Kindly note that, in terms of Section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports. Shareholders or their duly authorised proxies who wish to participate in the AGM must register to do so by lodging a completed electronic participation application form, which forms part of this notice of AGM, with Computershare Investor Services Proprietary Limited ("Computershare") by 10:00 on Monday, 7 December 2026.

QUORUM

A quorum for the purposes of considering the resolutions set out in this notice shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the AGM. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions set out in this notice.

PROXIES

Voting will be via a poll; every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

A shareholder entitled to participate and vote at the AGM is entitled to appoint a proxy or proxies to participate, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM, by completing the form of proxy and lodging this form with the Company's transfer secretaries, for administrative purposes, by no later than 10:00 on Monday, 7 December 2026 by delivery to Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank or by email to **proxy@computershare.co.za.**

AGENDA

Annual financial statements

Presentation of the annual financial statements of the Company for the year ended 30 June 2026, incorporating the reports of the auditor, the Directors and the Audit and Risk Committee, which are set out in the integrated report for the year ended 30 June 2026 published on 30 October 2026 ("integrated report"), which is available on the Company's website at **https://www.heriotreit.com/investor-relations#reports-sentinel**.

Report of the Social and Ethics Committee

Presentation of the report of the Social and Ethics Committee, which is included on **page 89** of the integrated report of which this notice forms part.

Remuneration report

Presentation of the remuneration report, including the background statement, remuneration policy and implementation report, which is included on **page 92** of the integrated report of which this notice forms part.

1. ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the following ordinary resolutions. The percentage of voting rights that will be required for the adoption of each ordinary resolution is the support of more than 50% (fifty percent) of the voting rights exercised on the resolution, save for ordinary resolution number 9, for which the prescribed majority is at least a 75% (seventy-five percent) majority vote.

1.1 Re-election of Directors resolutions

1.1.1 Ordinary resolution number 1.1: Re-election of Steven Bernard Herring as a Non-executive Director

"Resolved to re-elect Steven Bernard Herring as a Director of the Company who, in terms of clause 26.12 of the Company's memorandum of incorporation ("MOI"), retires by rotation at this AGM but, being eligible to do so, offers himself for re-election."

Note: The brief curriculum vitae of Steven Bernard Herring is provided on **page 78** of the integrated report of which this notice forms part. A fit and proper assessment has been undertaken in respect of Steven Bernard Herring in accordance with the applicable JSE Listings Requirements, and the Board is satisfied with the outcome of the assessment.

1.1.2 Ordinary resolution number 1.2: Re-election of Robin Lockhart-Ross as a Non-executive Director

"Resolved to re-elect Robin Lockhart-Ross as a Director of the Company who, in terms of clause 26.12 of the Company's MOI, retires by rotation at this AGM but, being eligible to do so, offers himself for re-election."

Note: The brief curriculum vitae of Robin Lockhart-Ross is provided on **page 79** of the integrated report of which this notice forms part. A fit and proper assessment has been undertaken in respect of Robin Lockhart-Ross in accordance with the applicable JSE Listings Requirements, and the Board is satisfied with the outcome of the assessment.

1.2 Ordinary resolution number 2: Reappointments to the Audit and Risk Committee

"Resolved that the members of the Company's Audit and Risk Committee set out below be and are hereby reappointed, each by way of a separate resolution, with effect from the end of this meeting in terms of Section 94(2) of the Companies Act."

The membership as proposed by the Board is:

2.1 Selwyn Joel Blieden (Chairman);
2.2 Robin Lockhart-Ross (if re-elected in terms of ordinary resolution 1.2); and
2.3 Gregory James Heron.

Note: Brief curricula vitae of Selwyn Joel Blieden, Robin Lockhart-Ross and Gregory James Heron are set out on **page 79** the integrated report of which this notice forms part.

1.3 Ordinary resolution number 3: Reappointments to the Social and Ethics Committee

"Resolved that the members of the Social and Ethics Committee set out below be and are hereby reappointed, each by a separate resolution, with effect from the end of this meeting in terms of Section 72(9A) of the Companies Act."

The membership as proposed by the Board is:

3.1 Andile Mazwai (Chairman);
3.2 Richard Lawrence Herring; and
3.3 Gregory James Heron.

Note: Brief curricula vitae of Andile Mazwai, Richard Lawrence Herring and Gregory James Heron are set out on **pages 78 and 79** of the integrated report of which this notice forms part.

1.4 Ordinary resolution number 4: Reappointment of the external auditor

"Resolved that BDO South Africa Incorporated, together with Vanessa de Villiers as the designated auditor, be and are hereby reappointment as the auditor of the Company, with effect from the conclusion of this AGM."

The Audit and Risk Committee has recommended BDO South Africa Incorporated for reappointment as the independent auditor of the Company pursuant to Section 90(2)(c) of the Companies Act and further confirms its suitability for reappointment together with the designated auditor, Vanessa de Villiers, in accordance with the applicable JSE Listings Requirements.

1.5 Remuneration resolutions

Sections 30A and 30B of the Companies Act require public companies to present the remuneration policy and the remuneration report to shareholders for approval by ordinary resolution. The remuneration policy, once approved, remains in force for three years unless a material amendment is approved earlier. If the remuneration policy is not approved, it must be presented again at the next AGM of the Company or at a meeting called for that purpose. The remuneration report is required to be presented for approval annually. If shareholders do not approve the remuneration report, the Remuneration and Nomination Committee must, at the following AGM, explain how it has taken shareholders' concerns into account. These statutory approval requirements replace the non-binding advisory votes required in terms of the JSE Listings Requirements.
The Company's remuneration governance and disclosures also have regard to the King V Report on Corporate Governance for South Africa, 2025™.

1.5.1 Ordinary resolution number 5: Approval of the remuneration policy

"Resolved that, in accordance with Section 30A of the Companies Act, the Company's remuneration policy, as disclosed on **page 92** of the integrated report, be and is hereby approved."

1.5.2 Ordinary resolution number 6: Approval of the remuneration report

"Resolved that, in accordance with Section 30B of the Companies Act, the Company's remuneration report, including the implementation report contained therein, as disclosed on **pages 95 to 97** of the integrated report, be and is hereby approved."

1.6 Ordinary resolution number 7: General authority to issue shares for cash

"Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the JSE Listings Requirements, the Directors of the Company be and are hereby authorised until this authority lapses at the next AGM of the Company or 15 months from the date on which this resolution is passed, whichever is the earlier date, to allot and issue shares of the Company for cash, on the basis that:

- the shares which are the subject of the issue for cash must be of a class already in issue or represent shares or rights that are convertible into a class already in issue;
- the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties as defined in the JSE Listings Requirements, provided that if the Company undertakes an equity raise via a bookbuild process, shares may be allotted and issued to related parties on the basis that such related parties may only participate in the equity raise at the maximum bid price at which they are prepared to take up shares or at the book close price in accordance with the applicable JSE Listings Requirements;
- the total aggregate number of shares which may be issued in terms of the general authority shall not exceed 32 486 703 shares, being 10% (ten percent) of the Company's issued shares (excluding treasury shares) as at the date of this notice of AGM, provided that:
  - any shares issued under this authority prior to its lapsing shall be deducted from the 32 486 703 shares which the Company is authorised to issue in terms of this authority, and
  - in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- the maximum discount at which shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30-business days prior to the date on which the price of the issue is agreed between the Company and the party subscribing for the shares. The JSE will be consulted for a ruling if the shares have not traded in such 30-business-day period; and
- after the Company has issued shares in terms of this general authority to issue shares for cash, representing on a cumulative basis within a financial year 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details as required in terms of paragraph 7.39 of the JSE Listings Requirements".

1.7 Ordinary resolution number 8: General authority to acquire own shares

"Resolved that, subject to the adoption of special resolution number 3 and the amendment to the Company's MOI contemplated therein becoming effective in terms of Section 16(9) of the Companies Act, the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of, and subject to, the Companies Act, the MOI of the Company and its subsidiaries and the JSE Listings Requirements, provided that:

- the acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the acquisition is authorised in terms of the Company's MOI;
- this general authority shall only be valid until the earlier of the Company's next AGM or the expiry of a period of 15 (fifteen) months from the date of passing of this ordinary resolution;
- in determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) above the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf;
- the acquisitions of ordinary shares in any one financial year may not, in aggregate, exceed 20% (twenty percent) of the Company's issued ordinary share capital (excluding treasury shares) as at the beginning of the financial year;
- the Company may only effect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that the Company has passed the solvency and liquidity test and that since the test was done, there have been no material changes to the financial position of the Group;
- the Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in terms of the JSE Listings Requirements unless they have in place a repurchase programme, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and is executed by only one independent agent, which makes its investment decisions in relation to the repurchase, appointed prior to the commencement of the prohibited period, as contemplated in terms of paragraph 7.89 of the JSE Listings Requirements; and
- an announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue (excluding treasury shares) at the time this general authority is granted ("initial number"), containing full details thereof, and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Explanation

Ordinary resolution number 8 is to grant the Directors of the Company a general authority for the Company and the Company's subsidiaries to acquire the Company's issued ordinary shares. In terms of Section 48(2)(b) of the Companies Act, subsidiaries may not hold more than 10% (ten percent), in aggregate, of the number of the issued shares of a company, and no voting rights attached to shares so held may be exercised. Ordinary resolution number 8 is conditional upon the adoption of special resolution number 3 and the amendment to clause 16 of the MOI becoming effective. For the avoidance of doubt, (i) a *pro rata* repurchase by the Company from all its shareholders does not require shareholder approval in terms of the JSE Listings Requirements or the Companies Act; and (ii) although an intra-Group repurchase by the Company of its shares from a wholly owned subsidiary, where such shares are to be cancelled, does not require shareholder approval in terms of the JSE Listings Requirements, any such repurchase will, in terms of Section 48(8)(b) of the Companies Act, require the approval of shareholders by special resolution, as it is neither a *pro rata* offer to all shareholders nor a transaction effected on an exchange.

It is the intention of the Directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it but subject at all times to the requirements of the Companies Act, the JSE Listings Requirements and the MOI of the Company.

1.8 Ordinary resolution number 9: Amendment of the Heriot REIT Share Purchase Plan

"Resolved that, in terms of clause 20.1.1.6 of the Heriot REIT Share Purchase Plan, approved by shareholders on 13 July 2017 ("the Plan"), and subject to the JSE Listings Requirements, the following amendments to the Plan are hereby approved:

(a) The amendment of clause 3.4 to read as follows (additions are underlined and deletions are indicated by strikethrough):

"Subject to compliance with Sections 44 and 45 of the Act (to the extent applicable), an Employer Company shall extend credit to enable Participants employed by it to purchase and/or subscribe for Plan Shares which Plan Shares shall be held by such Participants as owners on the basis that the terms of credit shall be as reflected in 9.1, the provisions of which shall apply mutatis mutandis. Such credit may be repaid at any time by the Participant concerned provided that such credits shall be paid in full by no later than ~~10~~ 20 years from the date upon which it is made available to the Participant concerned."; and

(b) The amendment of clause 9.7 to read as follows (additions are underlined and deletions are indicated by strikethrough):

"9.7 Right to demand payment after ~~10~~ 20 years

Subject to 9.8, an Employer Company shall be entitled to demand payment of the Share Debt outstanding in respect of any Plan Shares, at any time after the expiration of ~~10~~ 20 years from the date of acceptance of the Offer relating to such Plan Shares."

Note: For this resolution to be adopted, at least 75% (seventy-five percent) of the votes cast by all shareholders present or represented by proxy at the AGM must be in favour of it.
The votes attaching to shares owned or controlled by existing participants in the Plan will be excluded from voting.

Explanation

The Plan was adopted in 2017 to enable eligible employees of the Group to acquire shares in the Company, funded by loans from the relevant Employer Company. Clause 3.4 of the Plan requires each loan to be repaid in full within 10 years of the date it is made available, and clause 9.7 entitles an Employer Company to demand payment of the outstanding Share Debt 10 years after the date the Participant accepted the Offer. As the Plan approaches the end of its original 10-year period, Participants would be required to repay their loans in full at the end of that period. The Remuneration and Nomination Committee therefore proposes extending the repayment period under both clauses by 10 years to 20 years.

In accordance with the JSE Listings Requirements and clause 20.1.1.6 of the Plan, any change to the term after which a loan must be repaid must be approved by ordinary resolution of shareholders, excluding the votes of existing Participants.

A copy of the Plan, as amended, is available for inspection at the Company's registered office from the date of this notice until the date of the AGM.

1.9 Ordinary resolution number 10: Signature of documentation

"Resolved that any Director of the Company or the Company Secretary be and is hereby authorised to sign all such documents and do all such things as may be necessary or incidental to the implementation of any and/or all resolutions contained in this notice."

2. SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, the following special resolutions.
The percentage of voting rights that will be required for the adoption of each special resolution is the support of at least 75% (seventy-five percent) of the voting rights exercised on the resolution.

2.1 Special resolution number 1: Non-executive Directors' fees

"Resolved as a special resolution that, unless otherwise determined by the Company in a general meeting, the following annual fees (excluding value-added tax) payable by the Company to its Non-executive Directors for their services as Directors, with effect from 1 January 2027, are approved."

	Fee for the 2026 calendar year R	Proposed fee for the 2027 calendar year R	Increase %
Annual fee			
Chairman of the Board	**356 000**	400 000	12,4
Member of the Board	**237 000**	266 000	12,2
Fee per committee meeting			
Audit and Risk Committee	**29 500**	30 000	1,7
Social and Ethics Committee	**29 500**	30 000	1,7
Remuneration and Nomination Committee	**29 500**	30 000	1,7

Additional fees for *ad hoc* services

In addition to the fees set out above, it is proposed that Non-executive Directors be entitled to an hourly fee of R3 500 for *ad hoc* assignments, special projects or additional services undertaken at the request of the Company, which fall outside the normal scope of their duties and responsibilities as Non-executive Directors. The hourly fee shall apply for the period 1 January 2027 to 31 December 2027, and shall increase by 5% per annum for the subsequent two calendar years, subject to shareholder approval by way of special resolution.

Explanation

Section 66(9) of the Companies Act requires that a company may pay remuneration to its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous two years. The reason for, and effect of, special resolution number 1 is to grant the Company the authority to pay fees to its Non-executive Directors for their services as directors. The Non-executive Directors' fees are benchmarked against similar-sized companies listed on the JSE.

2.2 Special resolution number 2: Loans or other financial assistance to related companies

"Resolved that, as a special resolution, in terms of Section 45(3)(a)(ii) of the Companies Act, the shareholders hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 2, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in Section 45(1) of the Companies Act to a Director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation or to a member of any such related or inter-related corporation provided that:

- the Board from time to time determines:
  - the specific recipient or general category of potential recipients of such financial assistance;
  - the form, nature and extent of such financial assistance, and
  - the terms and conditions under which such financial assistance is provided; and
- the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 2 unless the Board meets all those requirements of Section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanation

The reason for and effect of special resolution number 2 is to grant the Board the authority to authorise the Company to provide financial assistance, as contemplated in Section 45(3)(a)(ii) of the Companies Act, to the persons specified in Section 45(2), i.e. a Director or prescribed officer of the Company or a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation. This resolution is intended to enable the Company to provide inter-company loans and guarantees within the Group, it being noted that, in terms of Section 45(2A) of the Companies Act, the requirements for the provision of financial assistance as set out in Section 45 do not apply to financial assistance by a holding company to or for the benefit of its South African subsidiaries.

2.3 Special resolution number 3: Amendment of clause 16 of the MOI – acquisition by the Company of its own shares

"Resolved that clause 16 of the Company's MOI be deleted in its entirety and replaced with the following:

16. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

16.1 Subject to the provisions of the Act, the JSE Listings Requirements and this Memorandum of Incorporation, the Board may determine that the Company acquire any number of its own Shares, and the board of any subsidiary of the Company may determine that such subsidiary acquire Shares in the Company, provided that:

16.1.1 any acquisition by the Company of its own Shares shall comply with section 48 of the Act and all other applicable provisions of the Act;

16.1.2 any acquisition by a subsidiary of Shares in the Company shall comply with section 48(2) of the Act and, accordingly, (i) not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and (ii) no voting rights attached to those Shares may be exercised while the Shares are held by a subsidiary and it remains a subsidiary of the Company; and

16.1.3 any acquisition shall comply with the applicable JSE Listings Requirements, including any shareholder approval requirements.

16.2 The Board shall not authorise an acquisition unless it has applied the Solvency and Liquidity Test and has adopted the resolutions and made the acknowledgements required by section 46 and section 48 of the Act, to the extent applicable.

16.3 A decision by the Board to acquire the Company's own Shares must be approved by special resolution of the Shareholders in the circumstances prescribed by section 48(8) of the Act, including:

16.3.1 where Shares are to be acquired from a Director or Prescribed Officer of the Company, or a person related to a Director or Prescribed Officer; or

16.3.2 where the acquisition is not pursuant to a pro rata offer made to all Shareholders (or all Shareholders of a particular class) and is not effected on a recognised stock exchange on which the Company's Shares are traded being a licensed exchange (as contemplated in the Financial Markets Act).

16.4 No special resolution is required under clause 16.3 for an acquisition pursuant to a pro rata offer made to all Shareholders or all Shareholders of a particular class, notwithstanding that such offer may also be made to persons contemplated in clause 16.3.1, or, subject to clause 16.3.1, for a transaction effected on a recognised stock exchange, being a licensed exchange as contemplated in the Financial Markets Act on which the Company's Shares are traded, provided that this does not dispense with any approval separately required under the Act or the JSE Listings Requirements.

16.5 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company, if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than (i) Shares held by one or more subsidiaries of the Company; or (ii) convertible or redeemable Shares."

Reason and effect: The existing clause 16 reflects the former Section 48 share-repurchase regime, including the previous 5% (five percent) threshold and references to Sections 114 and 115 of the Companies Act, as well as outdated JSE Listings Requirements references. The proposed replacement restates the principal requirements of the amended Section 48, including when shareholder approval is required and the exceptions for *pro rata* offers and transactions effected on a recognised stock exchange, while preserving compliance with the current JSE Listings Requirements.

The JSE has approved the proposed amendment as required by the JSE Listings Requirements. Following shareholder approval, the notice of amendment will be filed with the Companies and Intellectual Property Commission and, in terms of Section 16(9) of the Companies Act, the amendment will take effect 10 (ten) business days after receipt of the notice of amendment by the Commission, unless endorsed or rejected by the Commission before then. The authority in ordinary resolution number 10 applies to the implementation of this resolution.

3. Additional information relating to ordinary resolution number 8

3.1 Other disclosures in terms of the JSE Listings Requirements

The JSE Listings Requirements require the relevant disclosures, which are contained in the integrated report of which this notice forms part:

- Share capital of the Company: **page 145**; and
- Major shareholders of the Company: **page 188**.

3.2 Material changes

Save for as disclosed in the integrated report, there have been no material changes in the assets or liabilities of the Company or any of its subsidiaries since the Company's financial year-end and the date of this notice.

3.3 Directors' responsibility statement

The Directors, whose names are given on **pages 78 and 79** of the integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to ordinary resolution number 8 and certify that, to the best of their knowledge and belief, there are no facts in relation to ordinary resolution number 8 that have been omitted which would make any statement in relation thereto false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that ordinary resolution number 8 together with this notice contains all information required by law and the JSE Listings Requirements.

3.4 Solvency and liquidity

The Directors of the Company confirm that, after having considered the effect of the maximum repurchase, the Company and its subsidiaries have passed the solvency and liquidity test in terms of Section 4 of the Companies Act, and since the test has been performed, there have been no material changes to the financial position of any company within the Group.

4. OTHER BUSINESS

To transact such other business as may be transacted at an AGM of shareholders.

By order of the Board

Pieter van Niekerk
Company Secretary

Johannesburg
30 October 2026

FORM OF PROXY



Heriot REIT Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/167697/06)
JSE share code: HET
ISIN: ZAE000246740
("**Heriot**" or "**the Company**" or "**the Group**")

FORM OF PROXY

For use by holders of certificated Heriot ordinary shares or holders of dematerialised Heriot ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker, and who have selected "own-name" registration, at the annual general meeting ("AGM") of the Company to be held at 10:00 on Wednesday, 9 December 2026 (or such later date as is advised on the Stock Exchange News Service and in the press in relation to any adjournment of the AGM) which will be held via a remote interactive electronic platform, Microsoft Teams, as well as in person at the offices of the Company.

Dematerialised shareholders holding shares in the Company other than with "own-name" registration who wish to attend the AGM must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend the AGM in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and their CSDP or broker. These shareholders must not use this form of proxy.

Each shareholder is entitled to appoint one or more proxies to attend, speak and vote in place of that shareholder at the AGM. A proxy need not be a shareholder of the Company.

I/We _____ (names in block letters)

of _____ (address in block letters)

being the holder/s of _____ shares in the Company, do hereby appoint

_____ or failing him/her

_____ or failing him/her

the Chairman of the AGM as my/our proxy to act for me/us at the AGM of the Company to be held via Microsoft Teams, as well as in person at the offices of the Company at 10:00 on Wednesday, 9 December 2026, and at any adjournment thereof, and to vote for me/us on my/our behalf in respect of the following resolutions.

Resolution	For[1]	Against[1]	Abstain[1]
Ordinary resolution number 1.1 Re-election of Steven Bernard Herring as a Non-executive Director of the Company			
Ordinary resolution number 1.2 Re-election of Robin Lockhart-Ross as a Non-executive Director of the Company			
Ordinary resolution number 2.1 Reappointment of Selwyn Joel Blieden (Chairman) to the Audit and Risk Committee			
Ordinary resolution number 2.2 Reappointment of Robin Lockhart-Ross to the Audit and Risk Committee (if re-elected)			
Ordinary resolution number 2.3 Reappointment of Gregory James Heron to the Audit and Risk Committee			
Ordinary resolution number 3.1 Reappointment of Andile Mazwai (Chairman) to the Social and Ethics Committee			
Ordinary resolution number 3.2 Reappointment of Richard Lawrence Herring to the Social and Ethics Committee			
Ordinary resolution number 3.3 Reappointment of Gregory James Heron to the Social and Ethics Committee			
Ordinary resolution number 4 Reappointment of the external auditor			
Ordinary resolution number 5 Approval of the remuneration policy			
Ordinary resolution number 6 Approval of the remuneration report			
Ordinary resolution number 7 General authority to issue shares for cash			
Ordinary resolution number 8 General authority to acquire own shares			
Ordinary resolution number 9 Amendment of the Heriot REIT Share Purchase Plan			

Resolution	For[1]	Against[1]	Abstain[1]
Ordinary resolution number 10 Signature of documentation			
Special resolution number 1 Non-executive Directors' fees			
Special resolution number 2 Loans or other financial assistance to related companies			
Special resolution number 3 Amendment of clause 16 of the MOI – acquisition by the Company of its own shares			

One vote per share held by shareholders recorded in the register on the voting record date.

[1] *Mark "For", "Against" or "Abstain" as required. If no options are marked, the proxy will be entitled to vote as he/she thinks fit.*

Please read the notes on the next page hereof.

Signed at _____ on the _____ day of _____ 2026

Signature _____

Assisted by (where applicable) _____

NOTES TO THE FORM OF PROXY

1. This form of proxy is only to be completed by those ordinary shareholders who are:
   1.1 holding ordinary shares in certificated form; or
   1.2 recorded in the sub-register in electronic form in their own name, on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare, in order to vote at the AGM, being Friday, 4 December 2026, and who wish to appoint another person to represent them at the AGM.
2. Certificated shareholders wishing to attend the AGM have to ensure beforehand with the transfer secretaries of the Company (being Computershare) that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder, and they should contact the registered shareholder for assistance in issuing instructions on voting their shares or obtaining a proxy to attend, speak and, on a poll, vote at the AGM.
4. A Heriot shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space. The person whose name stands first on the form of proxy and who is present at the Heriot AGM of shareholders will be entitled to act as a proxy to the exclusion of those whose names follow.
5. A proxy appointed by a Heriot shareholder in terms hereof may not delegate his/her authority to act on behalf of the Heriot shareholder to any other person.
6. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the AGM unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, to reach the Company, for administrative purposes, by 10:00 on Monday, 7 December 2026 to allow for processing of the proxy forms. Alternatively, the form of proxy may be handed to the Chairman of the AGM at any time prior to the commencement of the AGM or prior to voting on any resolution proposed at the AGM.
7. A Heriot shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the Heriot shareholder's votes exercisable thereat relating to the resolutions proposed in this form of proxy.

NOTES TO THE FORM OF PROXY continued

8. The completion and lodging of this form of proxy will not preclude the relevant Heriot shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Heriot shareholder wish to do so. In addition, a Heriot shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Heriot shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
9. The Chairman of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
10. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company.
12. Where there are joint holders of Heriot shares:
    - 12.1 any one holder may sign this form of proxy; and
    - 12.2 the vote of the senior member (for that purpose, seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote/s of the other joint holder/s of Heriot shares.
13. This form of proxy may be used at any adjournment or postponement of the AGM, including any postponement due to a lack of quorum, unless withdrawn by the Heriot shareholder.
14. The aforegoing notes contain a summary of the relevant provisions of Section 58 of the Companies Act, as required in terms of that section.

SHAREHOLDER DIARY

Financial year-end	30 June
Annual general meeting	9 December 2026
Integrated report released	30 October 2026

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

Heriot REIT Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2017/167697/06)
JSE share code: HET
ISIN: ZAE000246740
("**Heriot**" or "**the Company**" or "**the Group**")

Capitalised terms which are not defined herein shall bear the meanings assigned in the notice of the AGM to which this form is attached and forms part.

INSTRUCTIONS

Shareholders or their proxies have the right, as provided for in the Company's MOI and the Companies Act, to participate in the AGM by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the AGM must complete this application form and email it (together with the relevant supporting documents referred to below) to the Company's transfer secretaries at **proxy@computershare.co.za** and to the Company Secretary at **pvanniekerk@heriot.co.za** as soon as possible, but in any event by no later than 10:00 on Monday, 7 December 2026.

Upon receiving a completed electronic participation application form, the Company's transfer secretaries will follow a verification process to verify each applicant's entitlement to participate in the AGM. The Company's transfer secretaries will provide the Company with the email address of each verified shareholder or their duly appointed proxy (each, "a participant") to enable the Company to forward the participant a Microsoft Teams meeting invitation required to access the AGM.

Heriot will send each participant a Microsoft Teams meeting invitation with a link to "Join the Microsoft Teams meeting" on receipt of the electronic participation application, but in any event before the AGM on Wednesday, 9 December 2026, to enable participants to link up and participate electronically in the AGM. This link will be sent to the email address nominated by the participant below.

Please note:

The electronic platform to be utilised for the AGM does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the AGM by completing the form of proxy and lodging the completed proxy form together with this electronic participation application form with the Company's transfer secretaries.

Participants will be liable for their own network charges in relation to electronic participation in the AGM. Any such charges will not be for the account of the Company's transfer secretaries or Heriot who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any such participant from participating in and/or voting at the AGM.

By signing this application form, the participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the AGM or any interruption in the ability of the participant to participate in the AGM via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant or anyone else, including without limitation the Company and its employees.

Application form:

Full name of shareholder _____

Identity or registration number of shareholder _____

Full name of authorised representative (if applicable) _____

Identity number of authorised representative _____

Email address _____

Cell phone number _____

Telephone number, including dialling codes _____

Note: *The email address above will be used by the Company to share the Microsoft Teams meeting invitation required to access the AGM electronically.*

Indicate (by marking with an "X") whether:

☐ votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form).

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in Heriot's AGM.

Signed at _____ on _____ 2026

Signed _____

Documents required to be attached to this application form

1. In order to exercise their voting rights at the AGM, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the AGM, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form and as envisaged in the notice of the AGM.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the AGM, must be attached to this application.
3. A certified copy of the valid identity document/passport of the person attending the AGM by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.

GLOSSARY

60 Adderley	60 Adderley Proprietary Limited
ADR	Average daily rates
AGM	Annual general meeting
AI	Artificial intelligence
B-BBEE	Broad-based Black Economic Empowerment
BCUCC	Business combination under common control
BDO	BDO South Africa Incorporated
Ben AV	Ben Av Investments Proprietary Limited
bps	Basis points
CBD	Central business district
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chasie	Chasie Investments Proprietary Limited
Companies Act	Companies Act of South Africa
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Crosize	Crosize Proprietary Limited
CSDP	Central Securities Depository Participant
CSI	Corporate social investment
CSP	Conditional Share Plan
DPS	Distribution per share
EAR Rule	Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023
ECL	Expected credit loss/es
ESG	Environmental, social and governance
Exco	Executive Committee
Fin 107	Fin Properties 107 Proprietary Limited
Fixtrade	Fixtrade 605 Proprietary Limited
FY	Financial year ended/ending 30 June
Gabenjosh	Gabenjosh Investments Proprietary Limited
GDP	Gross domestic product
GLA	Gross lettable area

ha	Hectare
Heriot	Heriot REIT Limited, the Company or the Group
Heriot Investments	Heriot Investments Proprietary Limited
Heriot Properties	Heriot Properties Proprietary Limited
HPI	Heriot Properties International Proprietary Limited
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBOR	Interbank Offered Rate
ICR	Interest cover ratio
IFRS	IFRS® Accounting Standards
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS S2 Climate-related Disclosures
Income Tax Act	Income Tax Act No 58 of 1962
IRBA Code	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
ISAs	International Standards on Auditing
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
Katleho	Katleho Property Investments Proprietary Limited
King V™	King V Report on Corporate Governance in South Africa, 2025™
KPI	Key performance indicator
kWp	Kilowatt-peak
LBN	Ladies in Business Network
LED	Light-emitting diode
LTI	Long-term incentive
LTV	Loan-to-value ratio
m^2	Square metre
Maluti Mall	Maluti Mall Proprietary Limited
Moditouch	Moditouch Proprietary Limited
MOI	Memorandum of incorporation

MSCI	Morgan Stanley Capital International
MWh	Megawatt-hour
MWp	Megawatt-peak
N$	Namibian Dollar
NAV	Net asset value
NOI	Net property operating income
NPC	Non-profit organisation
NPO	Non-profit organisation
Oryx	Oryx Properties Limited
PV	Photovoltaic
REIT	Real Estate Investment Trust
SA	South Africa
SAPOA	South African Property Owners Association
SA REIT BPR	SA REIT Best Practice Recommendations
Safari	Safari Investments RSA Proprietary Limited
Safari Namibia	Safari Investments Namibia Proprietary Limited
SDGs	Sustainable Development Goals
SEDFA	Small Enterprise Development and Finance Agency
SENS	Stock Exchange News Service
SOCI	Statement of comprehensive income
SOCIE	Statement of changes in equity
SPCA	Society for the Prevention of Cruelty to Animals
SPV	Special purpose vehicle
STI	Short-term incentive
TEA	Township Entrepreneurial Alliance
Texton	Texton REIT Limited
TGP	Total guaranteed package
Thibault	Thibault Holdings Proprietary Limited
UN SDGs	United Nations Sustainable Development Goals
WACD	Weighted average cost of debt
WALE	Weighted average lease expiry
WFT	Winckler Family Trust
ZARONIA	South African Rand Overnight Index Average

CONTACT INFORMATION

Heriot REIT Limited

Registration number: 2017/167697/06
JSE share code: HET
ISIN: ZAE000246740

Registered office

Suite 1, 3 Melrose Boulevard
Melrose, Johannesburg 2196
(PO Box 652737, Benmore 2010)

Place and date of incorporation
Incorporated in South Africa on 18 April 2017

Company Secretary

PWL van Niekerk
The Corner Office
410 Lynnwood Road
Lynnwood, Pretoria 0081

Directors

SB Herring *(Chairman)*[1, 2]
RL Herring *(Chief Executive Officer)*
D Snoyman *(Chief Financial Officer)*
SJ Blieden[1, 3]
GJ Heron[1, 3]
R Lockhart-Ross[1, 3]
A Mazwai[1]

[1] *Non-executive*
[2] *British*
[3] *Independent*

Designated advisor

Valeo Capital Proprietary Limited
Unit G02, Skyfall Building
De Beers Avenue
Paardevlei
Somerset West 7130
Postnet Suite 272, Private Bag X29
Somerset West, Western Cape 7129

Attorneys

Werksmans Incorporated
(Registration number: 1990/007215/21)
155 5th Street
Sandton 2196
(Private Bag 10015, Sandton 2146)

Independent property valuer

Quadrant Properties Proprietary Limited
(Registration number: 1995/003097/07)
16 North Road (corner Jan Smuts Avenue)
Dunkeld West 2196
(PO Box 1984, Parklands 2121)

Transfer secretaries

Computershare Investor Services
Proprietary Limited
(Registration number: 2004/003647/07
1st Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg 2196
(Private Bag X9000, Saxonwold,
Johannesburg 2132)

Bankers

FirstRand Bank Limited
(Registration number: 1929/001225/06)
Mezzanine Floor
No 3 First Place, Bank City
Corner Jeppe and Simmonds Streets
Johannesburg 2001
(PO Box 786273, Sandton 2146)

Auditor

BDO South Africa Incorporated
52 Corlett Drive
Wanderers Office Park
Illovo 2196
(Private Bag X60500, Houghton 2041)



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