



# Heriot

REIT

*Committed to excellence*

Group interim unaudited  
results and dividend  
distribution declaration

# 2024

for the six months ended 31 December



# Group HIGHLIGHTS

## DISTRIBUTION DATA

Distribution per share (cents)

**56,84**

(2023: 49,87)

Distribution per share growth

**↑ 14,0%**

Distributable income

**R181,453 million**

(2023: R127,371 million)

Distributable income growth

**↑ 42,5%**

Payout ratio

**100%**

(2023: 100%)

## INVESTMENT PROPERTY DATA

Investment property  
valued at

**R12,361 billion**

(2023: R9,372 billion)

Investment property growth

**↑ 31,9%**

Like-for-like property growth

**↑ 10,6%**

## NET ASSET VALUE ("NAV") DATA

NAV per share

**R18,96**

(2023: R15,78)

NAV per share growth

**↑ 20,2%**

## NET PROPERTY OPERATING INCOME ("NOI") DATA

NOI

**R481,067 million**

(2023: R386,378 million)

NOI growth

**↑ 24,5%**

Like-for-like NOI growth

**↑ 7,7%**

## RENTAL DATA

Rental

**R583,209 million**

(2023: R443,862 million)

Rental growth

**↑ 31,4%**

Like-for-like rental growth

**↑ 9,8%**

## LOAN-TO-VALUE ("LTV") DATA

LTV

**41,1%**

(2023: 42,2%)

LTV reduction

**↓ -1,1%**

## DEBT DATA

Weighted average cost  
of debt ("WACD")

**9,99%**

(2023: 10,23%)

Total debt

**R5,338 billion**

(2023: R4,021 billion)

% increase in debt

**↑ 32,8%**

## SHAREHOLDINGS IN LISTED COMPANIES

Safari

**59,2%**

(2023: 46,5%)

Texton

**21,7%**

(2023: 0,0%)

## PORTFOLIO VACANCY

Portfolio vacancy

**1,5%**

(2023: 1,7%)

## TOTAL AVAILABLE CASH

Total cash resources  
available

**R490,010 million**

(2023: R358,225 million)

# BOARD COMMENTARY

## PROFILE

Heriot REIT Limited (“**Heriot**” or “**the Company**”) is a property holding and investment company that is listed in the “Diversified REITs” sector on the Alternative Exchange of the JSE Limited (“**JSE**”). Heriot and its subsidiaries (“**the Group**”) are primarily invested in retail and industrial properties situated in areas with high growth potential. Heriot’s primary objective is to grow and streamline its asset base through the acquisition of high-quality properties, the redevelopment of existing properties and the disposal of assets identified as non-core. Pursuant to its investment strategy, Heriot acquired 100% of Thibault REIT Limited (“**Thibault**”) on 28 June 2024 (“**Thibault acquisition**”) and increased its strategic interest in Safari Investments RSA Limited (“**Safari**”) to 59,2%.

## GROUP FINANCIAL RESULTS

Heriot’s results highlight the resilience of its portfolio, particularly within emerging market retail and industrial properties. Despite challenging local and global macroeconomic conditions, recent developments have provided a strong foundation for short- to medium-term growth. Key positive changes include:

- Improvements in Eskom’s energy availability;
- The formation of the Government of National Unity; and
- The start of the long-awaited interest rate-cutting cycle.

However, these changes remain subject to volatility, influenced by various factors affecting their stability and long-term success. The Group’s core portfolio is well-positioned to navigate these uncertainties, supported by ongoing risk mitigation strategies, such as:

- Investing in sustainability assets to reduce reliance on Eskom and municipalities;
- Obtaining competitive interest rates from various banks; and

- Focusing on yield-enhancing asset investments to sustain perpetual distribution growth.

In a highly challenging economic environment, Heriot has delivered robust interim results, showcasing the strength of its management team, investment strategies and a portfolio anchored by blue-chip national tenants across its diversified fund. Staying true to its entrepreneurial ethos, Heriot continues pursuing investment opportunities across its core focus property sectors, which include emerging market retail, industrial and hospitality.

The Group achieved record distributable earnings of R181,453 million for the six months ended 31 December 2024 (the “**reporting period**”), representing a 42,5% increase compared to distributable earnings of R127,371 million for the comparable period in 2023. This remarkable growth was driven by the following factors positively impacting Heriot’s distributable earnings during the reporting period:

- **Acquisition of Thibault:** On 28 June 2024, Heriot acquired Thibault through a share exchange agreement. This resulted in Thibault’s statement of comprehensive income being included on a line-by-line basis for the first time in the current reporting period. On this basis, Thibault contributed R27,5 million to distributable earnings, and its 10% shareholding in Safari added a further R8,9 million to distributable earnings.
- **Sales of non-current assets:** The net proceeds of R8,1 million from the sale of an investment property have been included in distributable earnings for the reporting period. Refer to page 10 for further details.
- **Non-IFRS® Accounting Standards distributable earnings adjustment:** A non-IFRS® Accounting Standards distributable earnings adjustment of R4,4 million was recognised during the reporting period. For additional information, refer to page 5.
- **Safari’s financial performance:** A 13,3% increase in dividends per share (“**DPS**”) was reported, enhancing the Group’s distributable earnings. Refer to page 6 for further details.

- **Repo rate reduction:** The 75bps reduction in the repo rate positively impacted the Group’s earnings, as the Group’s debt is entirely linked to floating rates.
- **WACD reductions:** Refinancing debt facilities at favourable rates lowered lending margins, further boosting distributable earnings.
- **Aparthotel sector performance:** Financial performance improved due to new developments coming online, strategic upgrades to properties and outsourcing management to hotel operators.
- **Industrial sector performance:** Significantly improved from letting vacant space and increases in rentals on lease renewals.

Including Thibault’s results for the reporting period, Group NOI increased by 24,5%. Together with increases in Group property valuations, this led to a 92,4% increase in basic earnings per share compared to the prior period.

Excluding Thibault, NOI grew by 7,7%, led by the strong performance of the hospitality, retail and industrial assets.

The Group’s continued effective cash management and strong cash flows support the payment of 100% of distributable earnings as dividends. On this basis, the Company is declaring an interim dividend of 56,84 cents per share for the six months ended 31 December 2024. This represents a 14,0% increase compared to distributable earnings of 49,87 cents per share for the same period in 2023. The Thibault acquisition led to an approximate 4% dilution in future DPS but delivered an initial 7% increase in NAV per share, justifying the swap ratio as reasonable. DPS continues to be Heriot’s key performance metric.

Heriot’s NAV per share increased by 20,2% from R15,78 at 31 December 2023 to R18,96 at 31 December 2024. The growth has been driven by:

- an increase in the value of the Group’s property portfolio that is supported by positive rental escalations on renewals and re-lets across the portfolio during the period; and
- a bargain purchase gain of R373,5 million that was recognised through the statement of changes in equity on the Thibault acquisition for the year ended 30 June 2024.

## INVESTMENT IN THIBAUT

Effective 28 June 2024, Heriot entered into an exchange agreement with Thibault and its shareholders to acquire 100% of the issued shares in Thibault in terms of Section 42 of the Income Tax Act No 58 of 1962 (“**Income Tax Act**”). In terms of this transaction, Heriot acquired all the 103 009 878 issued shares of Thibault in exchange for 63 866 124 new Heriot shares, equating to an exchange ratio of 62 new Heriot shares for every 100 Thibault shares in issue. The market value of R15,00 per Heriot share equated to a purchase consideration of R957,992 million. After the declaration of a distribution of R37,203 million by Thibault to Heriot on 30 June 2024, the total purchase consideration was reduced to R920,789 million.

Further, Thibault’s net assets included a 10,0% interest of 25 952 710 shares in Safari, valued at R257,931 million. As Heriot already owned a controlling stake in Safari, the effect of the Thibault acquisition at a Group level was a reduction in the non-controlling interest in Safari and a reduction in the purchase price of Thibault to R662,858 million.



## Accounting treatment of the Thibault acquisition

The acquisition of Thibault was accounted for as a business combination under common control ("BCUCC") due to Heriot Investments Proprietary Limited's ("Heriot Investments") controlling stake in Heriot and Thibault before and after the Thibault acquisition.

As IFRS® Accounting Standards do not guide the accounting for a BCUCC, Heriot applied significant judgement when developing this policy and used the predecessor value method in accounting for the BCUCC.

In terms of this method, the purchaser recognises the assets acquired and liabilities assumed at their carrying amounts on the date it assumes control of a subsidiary.

As the net carrying amounts of the assets and liabilities of Thibault of R1,036 billion exceeded the net purchase consideration, Heriot recognised a bargain purchase gain of R373,524 million in its statement of changes in equity for the year ended 30 June 2024.

## Impact of the acquisition

The acquisition is consistent with the Group's primary objective to explore strategic opportunities to grow and streamline Heriot's asset base by acquiring high-yielding properties in its target markets.

Thibault's assets of R2,2 billion acquired by Heriot included the iconic mixed-use One Thibault Square located in the Cape Town CBD, three retail centres anchored by Checkers and strategic stakes of 21,7% and 10,0% in Texton Property Fund Limited ("Texton") and Safari, respectively.

There are significant synergies and cost benefits that have been achieved through the merger that include, *inter alia*, the following:

- Corporate cost savings of R1,7 million;
- An annual boost of R3,0 million in cash resources arising from the conversion of previously amortising Thibault debt to interest-only facilities

on the strength of a guarantee issued by Heriot for the debt;

- Better lending rates on Thibault's debt facilities by leveraging off the Group investment property portfolio; and
- An increased shareholding in Safari from 49,2% to 59,2% through the acquisition of Thibault's 10,0% interest in Safari.

## Thibault's financial highlights

A summary of Thibault's results for the reporting period is as follows:

- **Investment property:** Valued at R1,994 billion (30 June 2024: R1,795 billion).
- **Distributable earnings:** R27,5 million (year ended June 2024: R37,2 million).
- **WACD:** 10,09%, reflecting a 26bps decrease from June 2024 (10,35%).
- **LTV:** Reduced to 44,4% (30 June 2024: 45,6%)<sup>1</sup>.
- **Interest cover ratio ("ICR"):** Improved to 1,63 times (30 June 2024: 1,43 times)<sup>1</sup>.
- **Vacancy rate:** Remains low at 1,5% (30 June 2024: 1,5%).

## Investment and financing activities during and after the reporting period

- In December 2024, Thibault successfully concluded a 2 300m<sup>2</sup> expansion of Helderberg Mall, with capital expenditure of R108,3 million to the reporting date. The total cost is projected to reach R121,0 million. The project features a R10,0 million 1MW solar plant and a R50,9 million tenant installation for Shoprite, which has upgraded to a new Fresh X store. Funded by Standard Bank, the development is expected to deliver a 15% return.
- During the reporting period, the Group increased its shareholding in Texton from 21,5% to 21,7%, excluding treasury shares.

<sup>1</sup> Thibault's LTV and ICR metrics are intended solely for analytical purposes and are not tied to the Group's covenants.

- Redeveloped 1 013m<sup>2</sup> of office space at One Thibault for R3,0 million. The space, leased to a food operator from May 2025, is expected to boost revenue by tapping into the tourist market.
- Reduced interest rate margins by 11 bps on secured debt of R610,7 million through cross-collateralising assets with the Heriot security pool.
- Received a term sheet to refinance R250,0 million of debt expiring in August 2025, extending the facility by three years and lowering lending margins by 43bps.
- Received a term sheet to reduce lending rates by 23bps via cross-collateralisation with the Heriot security pool regarding a facility of R209,5 million, expiring in September 2028.

## Thibault property portfolio performance

### Retail

The sector maintained an occupancy rate of nearly 100% for the reporting period, generating NOI of R45,3 million. This performance was bolstered by the Helderberg Mall Phase 2 extension launch in December 2024. As of the reporting date, the sector achieved an average rental rate of R147/m<sup>2</sup> and reported a low vacancy rate of 0,5%.

### Aparthotel/residential

The hotel component of One Thibault reported an average occupancy of 62% during the reporting period. Cyclical trends dictated the occupancy percentage achieved, reflecting lower demand in the off-peak first quarter, followed by significant improvement in the second quarter due to increased demand during the festive season. The sector generated NOI of R9,3 million and achieved an average rental rate of R451/m<sup>2</sup>, with an occupancy rate of 62%.

### Office

One Thibault's office component, located in the Cape Town CBD, performed exceptionally well, generating NOI of R11,5 million and retaining a high occupancy rate of 94,6%.

## Non-IFRS® Accounting Standards distributable earnings adjustment

As Thibault holds a 10% stake in Safari, it classifies its investment as a financial asset measured at fair value through profit or loss. Consequently, Thibault can only accrue dividends from Safari upon declaration. On 18 September 2024, the Safari board approved a final cash distribution of 17,00 cents per Safari share for the 15-month period ended 30 June 2024.

This distribution was paid to shareholders in October 2024. Thibault received and recognised this dividend in the current reporting period.

Therefore, the dividend relating to Safari's earnings for 30 June 2024 was received and recognised during the current reporting period but after Heriot's acquisition date of Thibault. As a result of this timing difference, although reversed on consolidation, the dividend has been treated as a non-IFRS® Accounting Standards distributable earnings adjustment. This effectively distributes the Safari dividend received in cash during the reporting period to Heriot shareholders.

## INVESTMENT IN TEXTON

Through its wholly owned subsidiary Thibault, Heriot increased its strategic interest in Texton from 21,5% to 21,7% (excluding treasury shares), acquiring an additional 477 431 shares for R1,579 million, equivalent to 3,31 cents per share.

At the reporting date, the following significant judgements were applied to conclude that the Group did not have significant influence over Texton:

- The Group cannot appoint a director to the Texton board;
- The Group is not 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
- The Group only has access to publicly available information as released by Texton.

On this basis, Texton's investment has been classified as a non-current financial asset, measured at fair value through profit or loss under IFRS 9. As of 31 December 2024, the 64,5 million shares were revalued at R4,00 per share, increasing the investment's value by R43,9 million to R258,4 million. Additionally, 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 received during the reporting period amounted to R13,0 million.

## INVESTMENT IN SAFARI

Heriot has continued to expand its strategic interest in Safari, increasing its stake from 46,5% (2023) to 59,2% (2024). This growth includes the acquisition of 5 084 851 Safari shares at an average price of R5,60 per share and 25 952 710 shares through the Thibault acquisition. As of 31 December 2024, Heriot held 151 349 878 Safari shares.

### Change of financial year end

In the prior financial year, Safari changed its year end from March to June to align with Heriot's year end. Consequently, Heriot included 15 months of Safari's distributable earnings in its 2024 financial results. Following this alignment, Heriot's results will consist of 12 months of Safari's results in its financial results for the year ending 30 June 2025. For the commentary that follows, Safari's results for the six months ended 31 December 2024 are compared to those for the six months ended 30 September 2023.

### Safari's financial highlights

A summary of Safari's results for the six months ended 31 December 2024 is as follows:

- **Investment property, including those held for sale:** Valued at R4,203 billion (30 June 2024: R4,041 billion).
- **Distributable earnings:** Increased by 15%, reaching R83,552 million (2023: R72,262 million).
- **DPS:** Grew by 13,3% to 34 cents per share (2023: 30 cents).
- **NAV per share:** Improved by 14,6%, increasing to R10,55 (2023: R9,20).
- **WACD:** 10,03%, reflecting a 17bps decrease compared to the prior period (September 2023: 10,20%).
- **LTV:** Reduced to 32,7% (2023: 33,0%).
- **Vacancy rate:** Reduced to 2,1% (2023: 2,2%).
- **ICR:** Healthy at 2,29 times, comfortably above the 2 times covenant.
- **Hedged debt:** 0% (September 2023: 28%).
- **NOI:** Growth of 14% predominantly due to internalising utility management.

### Safari's interim results for the six months ended 31 December 2024

Safari delivered strong results, achieving a 13,3% increase in DPS compared to the prior period, rising from 30,0 to 34,0 cents per share. This growth was primarily driven by:

- 6% growth in rental income;
- higher occupancy rates;
- the internalisation of utility management; and
- a 17bps reduction of WACD.

### Asset disposals

The Safari board resolved to sell non-core assets in line with its strategy to focus on high-yielding retail opportunities and to optimise capital allocations.

The Soweto Day Hospital, Mrandi Shopping Centre, and Platz am Meer Shopping Centre have been classified as held for sale and are listed separately in the statement of financial position.

### Contingent tax liability

Safari identified specific administrative errors in historical tax returns that they tried to correct through the South African Revenue Service ("SARS") Voluntary Disclosure Programme. However, SARS has imposed an understatement penalty of R94,998 million. As the Safari board asserts no prejudice to SARS and deems the penalty unfounded, no liability has been raised. Legal steps are being pursued, including an appeal, with efforts to defer payment obligations arising from the dispute.

### Impact:

- Safari's status as a Real Estate Investment Trust ("REIT") under Section 25BB of the Income Tax Act remains unchanged.
- Based on legal and expert advice, the outcome is unlikely to materially impact Safari's financial position or operations.

## HERIOT'S OPERATIONAL PERFORMANCE, EXCLUDING SAFARI AND THIBAUT

### Retail

Emerging market retail remains one of South Africa's top-performing sectors. Food and banking tenants continue to thrive, while clothing retailers face challenges due to reduced disposable incomes stemming from current economic conditions. Rental growth reached 6%, with an average rental rate of R182/m<sup>2</sup>. Heriot's retail sector generated NOI of R137,0 million, however, growth remained flat due to increased operating costs. This was primarily attributable to the reversal of a R5,0 million electricity provision, which reduced operating expenses in the comparative period, and the underperformance of solar plants. The underperformance resulted from increased load reduction in certain municipalities, specifically those where some of the malls are located. Vacancy levels for Heriot's retail properties remain low at 1,2%.

### Industrial

Limited space and efficient municipal management continue to drive rental prices upward in the Western Cape industrial sector. Despite challenges faced in other regions of the country, Heriot's operational team has performed exceptionally, retaining tenants at comparable rates and filling vacancies amid difficult trading conditions. The industrial sector generated NOI of R86,6 million, reflecting an 8% increase compared to the previous period. The average rental rate was R59/m<sup>2</sup>, while vacancy rates improved, dropping from 4,5% at 30 June 2024 to 1,3% at the reporting date.

### Office

The office sector faces notable challenges, including difficulties filling vacancies and declining rental rates on lease renewals. Nevertheless, Heriot's operational team achieved a breakthrough by leasing the remaining 899m<sup>2</sup> of the fourth floor in Melrose Arch, which had remained vacant for nearly four years. Despite this success, the sector's NOI dropped by 22,0% to R8,4 million, primarily driven by the Supergroup head office lease reverting to a market-related rental of R115/m<sup>2</sup> on 1 October 2023, down from the previous R315/m<sup>2</sup>. This adjustment resulted in a R2,3 million reduction in rental income compared to the prior period. Encouragingly, signs of recovery are evident, with vacancy rates improving significantly from 6,3% at 30 June 2024 to 2,1% as of the reporting date.

### Residential/aparthotel

The hospitality sector in Cape Town has seen exceptional growth in the post-COVID era. Strategic upgrades to address operational, product, and system challenges, coupled with the transition of asset management to hotel operators, have driven significant performance improvements. Located in the CBD, the properties operate in a highly competitive market due to a substantial supply of hospitality stock, which continues to pressure average daily rates. Nevertheless, strong demand, reflected in high occupancy rates, has helped offset forecast rate losses.

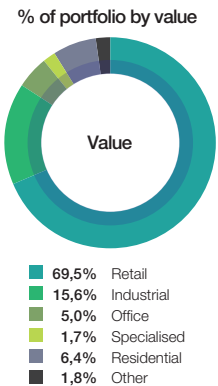
The sector generated NOI of R12,8 million, representing an impressive 67,8% increase from the prior period, bolstered by the December 2023 launch of a new development, Habitat. The sector's average rental rate was R275/m<sup>2</sup>, with an occupancy rate of 73%.

Specialised

The paper plantations continue to demonstrate stable and steady growth, driven by lease escalations of between 5% and 6%. Significant increases are anticipated as existing leases expire.

GROUP INVESTMENT PROPERTY

The property portfolio, including properties under development and held for sale, was valued at R12,361 billion at the reporting date.



The Group's investment property portfolio, including properties held for sale, comprises 54 properties across all major sectors within South Africa. On 31 December 2024, 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 R12,361 billion using discounted cash flow and comparable sales methods.

On a like-for-like basis, the value of the investment property portfolio increased by an effective 10,6% from 31 December 2023, supported by positive rental escalations on renewals and re-lets across the portfolio.

Capital expenditure

Heriot

Key capital expenditure during the reporting period included:

- R21,0 million on aparthotel upgrades;
- R10,0 million on industrial property refurbishments; and
- R3,5 million on new solar plant installations.

Safari

During the reporting period, Safari invested R38,0 million in upgrading and refurbishing its shopping centres.

Thibault

Capital expenditure during the reporting period on the Helderberg 2 300m<sup>2</sup> extension totalled R102,1 million. This included:

- R50,9 million for tenant installations for Shoprite; and
- R9,2 million for the solar plant installation.

Property under development

The Mowbray and Finsbury Court properties are classified as under development.

On 3 July 2024, Heriot acquired Finsbury Court, a 2 500m<sup>2</sup> residential property on Beach Road, Sea Point, Cape Town, for R76,1 million. Initially comprising 19 units, the property is being redeveloped into 36 units with 50 bedrooms at an estimated cost of R82,0 million, targeting an initial yield of 12%. Development commenced in October 2024, with completion anticipated by November 2025. Upon completion, the property will operate on the aparthotel model. Nedbank financed the acquisition and development through a R100 million increase in the revolver debt facility, supplemented by R76,1 million from existing unutilised debt facilities.

As of the reporting date, R9,9 million in capital expenditure has been incurred, with demolition completed and main construction works commencing in January 2025.

A newly appointed professional team has enhanced the design to maximise the yield of the Mowbray project, which will be named The Fibonacci. Heriot plans to construct 464 units at an estimated cost of R510 million. The development will feature a ground-floor retail section anchored by Shoprite Checkers. Heriot aims to pre-sell at least 150 units to mitigate development risks before advancing the seven-storey project. R3,5 million was spent primarily on professional and marketing fees during the reporting period.

Sector	Group					
	31 December 2024			30 June 2024		
	Total m <sup>2</sup>	m <sup>2</sup> vacant	%	Total m <sup>2</sup>	m <sup>2</sup> vacant	%
Industrial	268 705	3 434	1,3	268 704	12 400	4,6
Retail	380 082	5 511	1,4	378 074	5 642	1,5
Office	30 496	1 177	3,9	30 496	2 407	7,9
Residential	6 478	177	2,7	6 478	645	10,0
	685 761	10 299	1,5	683 752	21 094	3,1

Letting activity during the reporting period was as follows:

Cleveland 8 966m<sup>2</sup> (re-let)

- Johannesburg's 8 966m<sup>2</sup> distribution centre has been re-let from 1 January 2025 at R27/m<sup>2</sup> for 18 months. The tenant was given a two-month beneficial occupation period from 1 November 2024.

Epping distribution centre 28 894m<sup>2</sup> (renewal)

- Effective 1 December 2024, the Cape Town distribution centre was renewed for five years at R56/m<sup>2</sup>, escalating at 6,5%, reflecting a 10,7% increase from the expiry rental of R50/m<sup>2</sup>.

Vacancies and letting activity

The Group's tenancies remained relatively stable despite a highly challenging economic environment during the reporting period. Vacancies improved, declining from 3,1% on 30 June 2024 to 1,5% by 31 December 2024. This reduction is primarily attributed to the leasing of an 8 966m<sup>2</sup> industrial property in Cleveland, Johannesburg.

The vacancy table below excludes the following gross lettable area ("GLA"):

- The specialised property comprising 8 382ha of paper plantations;
- Hospitality assets, measuring 20 550m<sup>2</sup>, as the preferred metrics to report on are average daily rates and occupancies; and
- Vacant land and property under development measuring 21 165m<sup>2</sup>.

## Group aparthotel occupancy analysis

The aparthotel sector comprises three properties in the Cape Town CBD with a combined GLA of 20 550m<sup>2</sup> or 623 units. These assets are included in the residential sector for segmental reporting purposes.

Seasonal trends influence occupancy levels in the sector. The first quarter saw lower occupancy due to reduced demand during the off-peak period, while the second quarter experienced an increase, driven by higher demand leading into the festive season. For the reporting period, the average annual occupancy rate was 68,0%, with an average daily rate of R822 per night.

## ASSETS AND LIABILITIES HELD FOR SALE

### Heriot

On 1 March 2024, Heriot acquired the remaining 50,1% shareholding in Fixtrade 605 Proprietary Limited (“**Fixtrade**”), which owns 52 townhouses in Newcastle, KwaZulu-Natal, for R4,7 million. A sectional title scheme was registered for the property in September 2024. By the reporting date, 26 units had been sold for R12,9 million, generating a cash profit of R8,1 million, which has been distributed to shareholders. As of the reporting date, 51 offers had been received at an average unit price of R550 000. Heriot is projected to achieve a net profit of approximately R15,0 million from selling all 52 units during the 2025 financial year.

### Safari

The Safari board approved selling Platz am Meer Centre (R302,0 million) and Mnandi Shopping Centre (R171,0 million) as non-core assets. These transactions are in advanced stages and expected to conclude by June 2025, pending the fulfilment of all conditions precedent. A Stock Exchange News Service announcement will be issued upon finalisation. Additionally, the Soweto Day Hospital remains listed for sale, with efforts underway to secure a buyer within the next 12 months.

Non-current assets classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. The proceeds from disposals are expected to align with the related assets’ fair value. Accordingly, no impairment losses have been recognised when classifying these assets as held for sale.

## TOTAL CASH AVAILABLE

The Group’s available cash reserves rose from R358,225 million in 2023 to R490,010 million, consisting of:

- **Cash and cash equivalents:** Increased from R45,556 million to R145,127 million; and
- **Unutilised debt facilities:** Increased from R289,200 million to R344,883 million.

The increase was largely attributed to additional debt facilities secured to finance capital expenditure on both new and existing properties, along with cash generated by Thibault during the reporting period.

## FUNDING

The WACD for the period was 9,99% (December 2023: 10,23%), representing a 24bps reduction driven by favourable lending rates secured through the prior year’s refinancing of debt facilities and a 75bps base rate cut during the reporting period. However, 90% of the Group’s facilities are linked to the three-month Johannesburg Interbank Average Rate (“**JIBAR**”), which delays the full benefit of the rate cuts. While the average JIBAR rate declined by 32bps and the prime rate dropped by 20bps compared to the prior period, staggered reset dates on Heriot’s three-month JIBAR-linked debt deferred some of the benefits, resulting in an average JIBAR rate reduction of only 18bps. The 40bps reduction in the WACD was driven by an 18bps decrease from rate cuts and a further 22bps improvement due to improved lending terms on refinanced debt facilities. However, gains were offset by higher amortised facility fees (adding 0,02%) and the absence of Safari hedges, which had previously reduced WACD by 0,14%.

## Refinancing and new facilities:

### Safari

- Safari secured a new R200,0 million funding facility with Standard Bank to support its capital projects. This three-year facility carries a rate of three-month JIBAR plus a 1,53% margin, with the capital amount maturing in September 2027.

### Thibault

- During the reporting period, Heriot and Thibault signed an addendum to the R209,5 million debt facility with Sanlam. Backed by a guarantee from Heriot, the amendment converted Thibault’s amortised debt into interest-only facilities, resulting in approximately R3,0 million in annual cash flow savings.
- In September 2024, Thibault’s Standard Bank debt facilities amounting to R610,7 million benefited from a 5bps rate reduction due to a guarantee provided by Heriot.

The Group LTV ratio decreased by 0,98%, from 42,06% in June 2024 to 41,08%, driven by higher property values. This remains comfortably below the Group covenant limit of 50%.

As of 31 December 2024, the Group’s ICR was 2,01 times, down from 2,39 times in December 2023 but remaining above the 2 times covenant. While the 75bps repo rate cut and favourable refinancing rates contributed positively, Thibault’s weaker ICR of 1,6 times offset these gains. Although the Group’s ICR is marginally above the Group’s 2 times covenant, it is expected to strengthen as the impact of rate cuts and reduced rate debt facility renewals fully materialise.

As of the reporting date, the weighted average remaining debt expiry was 2,43 years. However, after the reporting period, this increased to 2,67 years following the renewal of R465,57 million in debt facilities. Renewal negotiations for the balance of facilities set to expire within the next 12 months are in their final stages.

## FINANCIAL ASSETS

Other financial assets include the following related party balances:

- The share scheme loan held at amortised cost consists of 900 000 shares, initially issued at R10 per share, with repayment due in June 2027. As of 31 December 2024, the loan balance was R34,2 million (June 2024: R34,3 million).
- The loan to Heriot Investments, held at amortised cost, represents the unpaid net proceeds from the sale of Hagley 3865 Proprietary Limited. It accrues interest at the three-month JIBAR rate plus 185bps and is repayable within 24 months of the advance date. During the reporting period, Heriot Investments repaid R51,3 million, reducing the balance from R66,8 million to R18,4 million while incurring R2,9 million in interest.

The balance of the other financial assets comprises Thibault’s investment in Texton. Thibault holds 64,5 million shares in Texton, valued at the closing market price of R4,00 per share, resulting in a total valuation of R258,4 million at 31 December 2024. The investment is carried at fair value through profit or loss. An increase in the share price from R3,32 on 30 June 2024 to R4,00 by the reporting date resulted in a fair value adjustment of R43,9 million recognised in the statement of comprehensive income.

## SHARE CAPITAL

Due to the BCUC with Thibault on 28 June 2024, Heriot increased its shares in issue by 63 866 124. As of 31 December 2024, the Company had 319 261 982 (December 2023: 255 395 858) shares in issue, excluding the 900 000 (2023: 900 000) treasury shares owned by the Group.



### SUBSEQUENT EVENTS

#### Heriot

In March 2025, term sheets were signed to renew debt facilities amounting to R215,57 million. This renewal reduced lending margins by an average of 22bps and extended the average tenure by three years.

#### Safari

On 27 February 2025, the Safari board approved an interim distribution of 34 cents per ordinary share for the six months ended 31 December 2024, which will be paid to shareholders during March 2025.

#### Thibault

In January 2025, a 6bps reduction was implemented on debt facilities totalling R610,7 million, driven by Standard Bank's collateralisation of its asset security pool with Heriot's.

In March 2025, term sheets were signed to renew a R250,0 million debt facility, reducing lending margins by an average of 43bps and extending the tenure by three years.

Additionally, in March 2025, a term sheet was signed for the Sanlam R209,5 million debt facility, reducing the margin on the three-month JIBAR facility from 185bps to 162bps. This was achieved through cross-collateralising the asset with the Heriot Sanlam security pool, with the facility's expiry remaining on 30 September 2028.

The Directors are unaware of any other material event that occurred after the reporting date or up to the date of this report.

### SUSTAINABILITY

Due to the country's power constraints, unreliable infrastructure and climate change, Heriot has continued to invest in renewable energy projects and water harvesting systems.

The Group has installed solar plants at major retail centres with a combined 13,71MWp installed capacity. By the end of 2025, the Group plans to increase the current solar roll-out rate by 1,7MWp.

Fourteen groundwater harvesting plants operate with further plants in the exploration phase.

### PROSPECTS

Heriot's results for the reporting period demonstrate the resilience of its portfolio and, in particular, the durability of its emerging market retail and industrial properties. The current local and global macroeconomic conditions have created difficult trading conditions for the Group. Still, developments over recent months have laid the foundations for growth in the short to medium term. These include improving Eskom's energy availability, establishing the Government of National Unity and the long-awaited interest rate-cutting cycle.

Heriot will continue to explore strategic opportunities that will extract value from its existing portfolio while growing its asset base by acquiring high-yielding properties in its target markets. Furthermore, given the strength of Heriot's cash flows, the Board has resolved to maintain the 100% payout ratio of distributable earnings.

In light of the changing face of the South African political and economic environment, management is on track to deliver DPS growth of 10% to 15% for the year ending 30 June 2025.

The forecast in support of this guidance has been prepared using the following key assumptions:

- A 75bps interest rate cut within the 2025 financial year;
- Forecast property income is based on contractual rental escalations and market-related renewals;
- Adequate allowance has been made for vacancies and rent reversions; and
- No major corporate and tenant failures will occur.

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

### GOING CONCERN

The Directors are satisfied that the Group is in a sound financial position with access to sufficient facilities to meet foreseeable cash requirements. Although the Group's current liabilities exceed its current assets as a result of maturing facilities at the reporting date, refinancing discussions with new and existing lenders are at an advanced stage. Furthermore, the Group has unutilised debt facilities of R344,883 million on the reporting date, which can be used to meet financial obligations on the date of this report. On this basis, the Directors believe that the Group has adequate cash resources to continue operating in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis. This is based on the following:

- The strong current and projected cash flows of the Group;
- The Group meeting debt covenant ratios;
- The Group's favourable solvency position reflected by the NAV of R18,96 per share at the reporting date; and

- The Group having sufficient borrowing facilities to meet its foreseeable cash requirements for operational activities and capital commitments. This is supported by the fact that negotiations for the refinancing of maturing facilities were concluded on favourable terms during the reporting period and to the date of this report.

### RESPONSIBILITY STATEMENT

The Directors of Heriot accept responsibility for the information in this announcement and certify that, to the best of their knowledge and belief, the information contained herein is accurate and does not omit anything likely to affect the import of such information.



# CONDENSED CONSOLIDATED FINANCIAL POSITION

as at 31 December 2024

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	11 671 090	9 095 479	11 343 750
Property under development	193 141	91 579	92 525
Property, plant and equipment	58 911	40 678	56 763
Investment in associate	63	4 504	–
Right-of-use assets	1 263	3 097	1 515
Financial assets	311 027	109 758	313 958
	12 235 495	9 345 095	11 808 511
<b>Current assets</b>			
Trade and other receivables	102 448	67 959	104 386
Inventories	–	15 476	11 593
Financial assets	–	992	–
Taxation receivable	828	–	–
Derivative financial instrument	–	2 523	163
Cash and cash equivalents	145 127	45 566	69 025
	248 403	132 516	185 167
<b>Non-current assets held for sale</b>	496 869	184 900	180 100
<b>Total assets</b>	12 980 767	9 662 511	12 173 778

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Stated capital	3 468 665	2 548 624	3 468 665
Retained earnings	2 653 141	1 531 679	2 204 684
<b>Shareholders' interest</b>	6 121 806	4 080 303	5 673 349
Non-controlling interests	1 180 937	1 346 577	1 107 228
<b>Total equity</b>	7 302 743	5 426 880	6 780 577
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	5 059 880	3 958 229	4 888 407
Lease liabilities	1 674	2 806	2 153
Deferred taxation	113 510	78 583	104 066
	5 175 064	4 039 618	4 994 626
<b>Current liabilities</b>			
Interest-bearing liabilities	277 783	62 277	164 933
Trade and other payables	212 060	122 967	186 701
Lease liabilities	897	725	816
Dividend payable to non-controlling shareholders	12 220	10 028	46 060
Taxation payable	–	16	65
	502 960	196 013	398 575
<b>Total liabilities</b>	5 678 024	4 235 631	5 393 201
<b>Total equity and liabilities</b>	12 980 767	9 662 511	12 173 778

# CONDENSED CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2024

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
Revenue	836 581	596 619	1 385 418
Contractual rental income	583 209	443 862	984 165
Dividends received	13 001	–	–
Operating cost recoveries	222 783	131 205	365 624
Revenue from sale of inventory	10 033	15 370	19 666
Straight-line rental income accrual	7 555	6 182	15 963
Operating costs	(324 925)	(188 689)	(499 267)
Cost of inventory sold	(11 132)	(16 216)	(24 190)
Impairment of inventory	–	–	(957)
<b>Net property income</b>	<b>500 524</b>	<b>391 714</b>	<b>861 004</b>
Equity-accounted profits (net of taxation)	–	369	790
Other income	9 968	11 550	20 743
Loss on sale of property, plant and equipment	(392)	–	(236)
Administration costs	(53 259)	(41 326)	(82 286)
<b>Profit from operations</b>	<b>456 841</b>	<b>362 307</b>	<b>800 015</b>
Finance income	9 771	6 041	15 551
Finance charges	(254 684)	(193 104)	(432 118)
<b>Profit before fair value adjustments</b>	<b>211 928</b>	<b>175 244</b>	<b>383 448</b>
Fair value adjustments	518 111	137 087	506 281
Investment properties and property under development	475 859	89 311	466 198
Listed shares	43 930	–	–
Investment properties held for sale	(1 515)	47 884	42 593
Derivative financial instrument	(163)	(108)	(2 510)
<b>Profit before taxation</b>	<b>730 039</b>	<b>312 331</b>	<b>889 729</b>
Taxation	(9 596)	(2 336)	(20 636)
<b>Total comprehensive income for the period</b>	<b>720 443</b>	<b>309 995</b>	<b>869 093</b>
<b>Attributable to:</b>			
Equity holders of the Company	629 840	261 941	664 734
Non-controlling interests	90 603	48 054	204 359
	720 443	309 995	869 093

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
<b>Reconciliation of earnings and headline earnings</b>			
Profit attributable to equity holders of the Company	629 840	261 941	664 734
<b>Adjustments attributable to:</b>	<b>(464 260)</b>	<b>(131 525)</b>	<b>(406 347)</b>
Fair value adjustments: investment property	(475 859)	(89 311)	(466 198)
Non-controlling shareholder portion of fair value adjustments	53 622	5 670	102 917
Loss on sale of property, plant and equipment	392	–	236
Fair value adjustment on listed shares	(43 930)	–	–
Fair value adjustment on non-current assets held for sale	1 515	(47 884)	(42 593)
Fair value adjustment on previously held equity interest	–	–	(709)
<b>Headline earnings attributable to equity holders</b>	<b>165 580</b>	<b>130 416</b>	<b>258 387</b>
Number of shares in issue at the reporting date <sup>1</sup>	319 261 982	255 395 858	319 261 982
Weighted average number of shares in issue	319 261 982	255 395 858	255 744 853
Basic and diluted earnings per share (cents)	197,28	102,56	259,92
Basic and diluted headline earnings per share (cents)	51,86	51,06	101,03
<b>Distribution per share (cents)</b>	<b>56,84</b>	<b>49,87</b>	<b>106,69</b>

<sup>1</sup> Excluding 900 000 (2023: 900 000) treasury shares.

# CONDENSED CONSOLIDATED CASH FLOWS

for the six months ended 31 December 2024

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
Cash generated from operations	456 947	337 237	789 769
Finance charges	(262 712)	(208 970)	(427 090)
Finance income	5 130	2 222	6 401
Dividends received	13 001	–	–
Taxation paid	(1 044)	(425)	(931)
<b>Net cash flows from operating activities</b>	<b>211 322</b>	<b>130 064</b>	<b>368 149</b>
Acquisitions/improvements to investment property	(257 796)	(107 333)	(353 954)
Proceeds from disposal of property, plant and equipment	1 456	–	196
Acquisition of property, plant and equipment	(7 799)	(10 903)	(16 980)
Proceeds from disposal of investment property held for sale	12 943	–	–
Acquisition of shares in associate	(63)	–	–
Acquisition of listed shares	(1 579)	–	–
Cash acquired on business combination (Thibault)	–	–	2 719
Net cost of business combination (Fixtrade)	–	–	(4 084)
Dividends received from associates	–	–	225
Loan repaid by related party	85 060	–	15 240
Loan advanced to related party	(33 783)	(7 372)	(9 267)
Share scheme debt repaid	1 804	1 706	3 352
<b>Net cash used in investing activities</b>	<b>(199 757)</b>	<b>(123 902)</b>	<b>(362 553)</b>

	Unaudited six months ended 31 December 2024 R'000	Unaudited six months ended 31 December 2023 R'000	Audited year ended 30 June 2024 R'000
Share issue expenses	–	–	(748)
Dividends paid to Heriot shareholders	(181 383)	(138 652)	(266 023)
Dividends paid to non-controlling shareholders	(51 559)	(44 570)	(86 047)
Acquisition of additional shares in subsidiary (Safari)	–	(5 118)	(41 273)
Subscription by minority for additional shares in subsidiary	825	–	–
Interest-bearing borrowings raised – assets and liabilities held for sale	–	–	179 153
Interest-bearing borrowings raised	564 265	482 381	902 184
Interest-bearing borrowings repaid	(267 215)	(299 965)	(668 608)
Payment of lease liabilities	(396)	(367)	(904)
<b>Net cash generated from/(used in) financing activities</b>	<b>64 537</b>	<b>(6 291)</b>	<b>17 734</b>
<b>Net movement in cash and cash equivalents</b>	<b>76 102</b>	<b>(129)</b>	<b>23 330</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>69 025</b>	<b>45 695</b>	<b>45 695</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>145 127</b>	<b>45 566</b>	<b>69 025</b>



# CONDENSED CONSOLIDATED CHANGES IN EQUITY

for the six months ended 31 December 2024

	Stated capital R'000	Reserves R'000	Non- controlling interests R'000	Total R'000
<b>Unaudited</b>				
Balance as at 1 July 2023	2 548 624	1 404 967	1 350 884	5 304 475
Total comprehensive income for the year	–	261 941	48 054	309 995
Acquisition of minority interest	–	3 423	(8 541)	(5 118)
Dividends	–	(138 652)	(43 820)	(182 472)
<b>Balance as at 31 December 2023</b>	<b>2 548 624</b>	<b>1 531 679</b>	<b>1 346 577</b>	<b>5 426 880</b>
<b>Audited</b>				
Balance as at 1 July 2023	2 548 624	1 404 967	1 350 884	5 304 475
Total comprehensive income for the year	–	664 734	204 359	869 093
Acquisition of shares in Safari (Heriot purchases) <sup>1</sup>	–	19 738	(50 460)	(30 722)
Safari treasury share purchases <sup>2</sup>	–	7 744	(18 295)	(10 551)
Shares issued for Thibault acquisition	957 992	–	–	957 992
Dividend declared in lieu of shares bought in Thibault (non-cash) <sup>3</sup>	(37 203)	37 203	–	–
Bargain gain on common control (Thibault acquisition) <sup>3</sup>	–	336 321	(257 931)	78 390
Share issue expenses <sup>4</sup>	(748)	–	–	(748)
Dividends <sup>5</sup>	–	(266 023)	(121 329)	(387 352)
<b>Balance as at 30 June 2024</b>	<b>3 468 665</b>	<b>2 204 684</b>	<b>1 107 228</b>	<b>6 780 577</b>
<b>Unaudited</b>				
<b>Balance as at 1 July 2024</b>	<b>3 468 665</b>	<b>2 204 684</b>	<b>1 107 228</b>	<b>6 780 577</b>
Total comprehensive income for the year	–	629 840	90 603	720 443
Subscription by minority for additional shares in subsidiary	–	–	825	825
Dividends <sup>6</sup>	–	(181 383)	(17 719)	(199 102)
<b>Balance as at 31 December 2024</b>	<b>3 468 665</b>	<b>2 653 141</b>	<b>1 180 937</b>	<b>7 302 743</b>

The total consideration of R41,273 million for shares acquired by Heriot and Safari on the market comprises:

<sup>1</sup> Heriot's acquisition of 5 470 088 Safari shares for R30,722 million; and

<sup>2</sup> Safari's acquisition of 1 915 153 treasury shares for R10,551 million.

<sup>3</sup> The net gain of R373,524 million realised on the acquisition of Thibault comprises the following:

- The bargain purchase gain of R336,321 million as a result of the carrying amount exceeding the purchase consideration transferred; and

- The R37,203 million dividend declared by Thibault reducing the purchase consideration and increasing Heriot's equity.

<sup>4</sup> Heriot incurred R748 000 in costs related to the issue of new shares for the Thibault acquisition.

<sup>5</sup> Of the R121,329 million declared to non-controlling shareholders, R86,047 million was paid during the reporting period. At year end, the balance of unpaid dividends due to minority shareholders was as a result of Safari declaring its second interim distribution on 27 June 2024, which was paid on 15 July 2024.

<sup>6</sup> • On 23 October 2024, Heriot paid its final distribution to shareholders, totalling R181,383 million or 56,8 cents per share, for the six months ended 30 June 2024.

- On 18 September 2024, Safari paid its final distribution to shareholders, totalling R43,449 million or 17,0 cents per share, for the six months ended 30 June 2024. At the Group level, R17,719 million was paid to minority shareholders.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The consolidated unaudited interim financial statements for the six-month period ended 31 December 2024 have been prepared in accordance with the JSE Listings Requirements for interim results and the requirements of the Companies Act 71 of 2008 of South Africa. The JSE Listings Requirements require these interim financial results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards, the South African financial reporting requirements per Section 8.60 of the JSE Listings Requirements, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of these financial statements are in terms of IFRS® Accounting Standards and are consistent with those applied in the previous consolidated financial statements for the year ended 30 June 2024.

The preparation of the Group's interim results for the six months ended 31 December 2024 was the responsibility of the Chief Financial Officer, Daniel Snoyman CA(SA). The results have not been audited or reviewed by the Group's auditor, BDO South Africa Incorporated.

The Directors are not aware of any matters or circumstances arising subsequent to 31 December 2024, other than those disclosed in this announcement, that require any additional disclosure or adjustment to the financial statements.

The consolidated unaudited interim financial statements were approved by the Board on 27 March 2025.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 2. NON-IFRS® ACCOUNTING STANDARDS MEASURE – DISTRIBUTABLE EARNINGS

	Six months ended 31 December 2024 R'000	Six months ended 31 December 2023 R'000	Year ended 30 June 2024 R'000
Contractual rental income and recoveries, excluding straight-line rental income and revenue from sale of inventory	805 992	575 067	1 349 789
Dividends received	13 001	–	–
Property expenses	(324 925)	(188 689)	(499 267)
Other income	9 968	11 550	20 743
Administrative expenses and corporate costs	(53 005)	(41 072)	(81 782)
Per statement of comprehensive income	(53 259)	(41 326)	(82 286)
Adjust for: Depreciation charged on owner-occupied property	254	254	504
Net finance costs	(244 913)	(187 063)	(416 567)
Finance income	9 771	6 041	15 551
Finance charges	(254 684)	(193 104)	(432 118)
Income tax	(151)	(38)	(148)
Profit from disposal of non-current assets held for sale <sup>1</sup>	8 055	–	–
Safari dividend relating to Thibault's pre-acquisition earnings <sup>2</sup>	4 412	–	–
Net dividend distributed from equity-accounted entities	–	–	225
Thibault distribution declared to Heriot – in cost of subsidiary acquired	–	–	37 203
Non-controlling interest	(36 981)	(42 384)	(101 442)
	181 453	127 371	308 754
Number of shares in issue at the reporting date <sup>3</sup>	319 261 982	255 395 858	319 261 982
Total distribution per share (cents)	56,83543	49,87199	106,68536

<sup>1</sup> The assets sold were recognised at fair value at 30 June 2024, which was equivalent to their selling price. Consequently, no accounting profit was recorded from the sale in the reporting period. The distribution for the period includes the sale proceeds less the cost of the assets disposed.

<sup>2</sup> Refer to page 5 for further details.

<sup>3</sup> Excluding the 900 000 treasury shares in issue (2023: 900 000).

### 3. SEGMENTAL ANALYSIS

The Group's portfolio is divided into three operating segments: sectoral, geographical and corporate entity. These segments align with the Group's internal reporting structure, enabling management to evaluate each segment's contribution to the overall performance. The corporate entity segment was introduced during the current reporting period, alongside the disclosure for the comparative period, to reflect the recent acquisition of significant subsidiaries. The contribution of each segment to the Group's overall performance is detailed below.

Sectoral	Six months ended 31 December 2024						
	Retail	Industrial	Office	Specia- lised <sup>1</sup>	Resi- dential	Other <sup>2</sup>	Total
Total GLA (m²)	380 082	268 705	30 496	–	6 478	–	685 761
Total GLA	380 082	268 705	30 496	–	27 028	21 165	727 476
Vacant land and under development	–	–	–	–	–	(21 165)	(21 165)
Aparthotel GLA	–	–	–	–	(20 550)	–	(20 550)
Vacancy (m²)	5 511	3 434	1 177	–	177	–	10 299
% Vacant	1,4	1,3	3,9	–	2,7	–	1,5

<sup>1</sup> 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.

<sup>2</sup> The other sector comprises property under development, vacant land and the head office.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

Sectoral	Six months ended 31 December 2024						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised <sup>1</sup> R'000	Resi- dential R'000	Other R'000	Total R'000
Contractual rental income	394 372	95 302	31 224	4 744	56 623	944	583 209
Recoveries	174 877	36 017	9 567	310	1 919	93	222 783
Dividends received	–	–	–	–	–	13 001	13 001
Revenue from sale of inventory	–	–	–	–	10 033	–	10 033
Straight-lining of rental income	9 191	(1 243)	(118)	(263)	(23)	11	7 555
<b>Total revenue</b>	<b>578 440</b>	<b>130 076</b>	<b>40 673</b>	<b>4 791</b>	<b>68 552</b>	<b>14 049</b>	<b>836 581</b>
Property expenses	(214 690)	(45 071)	(20 980)	(260)	(40 147)	(3 777)	(324 925)
Cost of inventory sold	–	–	–	–	(11 132)	–	(11 132)
<b>Net property income</b>	<b>363 750</b>	<b>85 005</b>	<b>19 693</b>	<b>4 531</b>	<b>17 273</b>	<b>10 272</b>	<b>500 524</b>
Other income and equity-accounted profit	–	–	–	–	–	9 968	9 968
Loss on sale of property, plant and equipment	–	–	–	–	(392)	–	(392)
Administration expenses	–	–	–	–	–	(53 259)	(53 259)
Net finance charges	–	–	–	–	–	(244 913)	(244 913)
Change in fair value of listed shares	–	–	–	–	–	43 930	43 930
Change in fair value of derivative instrument	–	–	–	–	–	(163)	(163)
Change in fair value of properties	348 220	85 379	20 773	13 863	6 122	(13)	474 344
<b>Net profit before taxation</b>	<b>711 970</b>	<b>170 384</b>	<b>40 466</b>	<b>18 394</b>	<b>23 003</b>	<b>(234 178)</b>	<b>730 039</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>38</b>	<b>34</b>	<b>51</b>	<b>5</b>	<b>69</b>	<b>N/A</b>	<b>40</b>

<sup>1</sup> Refer to page 23.

### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

Sectoral	Six months ended 31 December 2024						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised <sup>1</sup> R'000	Resi- dential R'000	Other R'000	Total R'000
Investment property	8 089 200	1 931 690	621 200	215 000	780 000	34 000	11 671 090
Non-current assets held for sale	483 500	–	–	–	13 369	–	496 869
Property under development	–	–	–	–	–	193 141	193 141
Property, plant and equipment	2 474	–	73	–	34 284	22 080	58 911
Trade and other receivables	66 699	12 741	713	–	7 733	14 562	102 448
Other assets	–	–	–	–	–	458 308	458 308
<b>Total assets</b>	<b>8 641 873</b>	<b>1 944 431</b>	<b>621 986</b>	<b>215 000</b>	<b>835 386</b>	<b>722 091</b>	<b>12 980 767</b>
Trade and other payables	137 435	29 008	10 456	2 056	4 750	40 575	224 280
Other liabilities	–	–	–	–	–	5 453 744	5 453 744
<b>Total liabilities</b>	<b>137 435</b>	<b>29 008</b>	<b>10 456</b>	<b>2 056</b>	<b>4 750</b>	<b>5 494 319</b>	<b>5 678 024</b>

<sup>1</sup> Refer to page 23.



## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

Sectoral	Six months ended 31 December 2023						
	Retail	Industrial	Office	Specialised <sup>1</sup>	Residential	Other	Total
<b>Total GLA (m²)</b>	313 261	266 934	14 223	–	2 690	–	597 108
Total GLA	313 261	266 934	14 223	–	15 216	18 665	628 299
Vacant land and under development	–	–	–	–	–	(18 665)	(18 665)
Aparthotel GLA	–	–	–	–	(12 526)	–	(12 526)
Vacancy (m²)	4 747	3 434	1 728	–	86	–	9 995
% Vacant	1,5	1,3	12,1	–	3,2	–	1,7

<sup>1</sup> Refer to page 23.

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

Sectoral	Six months ended 31 December 2023						
	Retail R'000	Industrial R'000	Office R'000	Specialised <sup>1</sup> R'000	Residential R'000	Other R'000	Total R'000
Contractual rental income	319 588	88 757	14 361	4 509	16 326	321	443 862
Recoveries	90 447	34 485	3 849	283	2 120	21	131 205
Revenue from sale of inventory	15 370	–	–	–	–	–	15 370
Straight-lining of rental income	8 835	(721)	(1 405)	(538)	22	(11)	6 182
<b>Total revenue</b>	<b>434 240</b>	<b>122 521</b>	<b>16 805</b>	<b>4 254</b>	<b>18 468</b>	<b>331</b>	<b>596 619</b>
Property expenses	(116 786)	(43 445)	(7 616)	(150)	(11 663)	(9 029)	(188 689)
Cost of inventory sold	(16 216)	–	–	–	–	–	(16 216)
<b>Net property income</b>	<b>301 238</b>	<b>79 076</b>	<b>9 189</b>	<b>4 104</b>	<b>6 805</b>	<b>(8 698)</b>	<b>391 714</b>
Other income and equity-accounted profit	–	–	–	–	–	11 919	11 919
Administration expenses	–	–	–	–	–	(41 326)	(41 326)
Net finance charges	–	–	–	–	–	(187 063)	(187 063)
Change in fair value of derivative instrument	–	–	–	–	–	(108)	(108)
Change in fair value of properties	60 105	6 893	(223)	3 038	19 498	47 884	137 195
<b>Net profit before taxation</b>	<b>361 343</b>	<b>85 969</b>	<b>8 966</b>	<b>7 142</b>	<b>26 303</b>	<b>(177 392)</b>	<b>312 331</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>28</b>	<b>35</b>	<b>42</b>	<b>3</b>	<b>63</b>	<b>N/A</b>	<b>33</b>

<sup>1</sup> Refer to page 23.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

Sectoral	Six months ended 31 December 2023						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised <sup>1</sup> R'000	Resi- dential R'000	Other R'000	Total R'000
Investment property	6 428 379	1 785 300	252 200	196 600	399 000	34 000	9 095 479
Non-current assets held for sale	184 900	–	–	–	–	–	184 900
Property under development	–	–	–	–	–	91 579	91 579
Property, plant and equipment	671	–	60	–	17 322	22 625	40 678
Trade and other receivables	39 815	14 475	713	–	2 810	10 146	67 959
Other assets	–	–	–	–	–	181 916	181 916
<b>Total assets</b>	<b>6 653 765</b>	<b>1 799 775</b>	<b>252 973</b>	<b>196 600</b>	<b>419 132</b>	<b>340 266</b>	<b>9 662 511</b>
Trade and other payables	73 986	14 641	3 980	2 391	4 494	33 503	132 995
Other liabilities	–	–	–	–	–	4 102 636	4 102 636
<b>Total liabilities</b>	<b>73 986</b>	<b>14 641</b>	<b>3 980</b>	<b>2 391</b>	<b>4 494</b>	<b>4 136 139</b>	<b>4 235 631</b>

<sup>1</sup> Refer to page 23.

### 3. SEGMENTAL ANALYSIS continued

Sectoral	Year ended 30 June 2024					
	Retail	Industrial	Office	Specia- lised <sup>1</sup>	Resi- dential	Other
<b>Total GLA (m²)</b>	378 073	268 705	30 496	–	6 478	–
Total GLA	378 073	268 705	30 496	–	27 028	18 665
Vacant land and under development	–	–	–	–	–	(18 665)
Aparthotel GLA	–	–	–	–	(20 550)	–
Vacancy (m²)	5 642	12 400	2 407	–	645	–
% Vacant	1,5	4,6	7,9	–	10,0	–

<sup>1</sup> Refer to page 23.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

Sectoral	Year ended 30 June 2024						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised <sup>1</sup> R'000	Resi- dential R'000	Other R'000	Total R'000
Contractual rental income	735 379	166 965	25 756	9 115	46 096	854	984 165
Recoveries	297 354	58 036	7 133	283	2 753	65	365 624
Revenue from sale of inventory	–	–	–	–	19 666	–	19 666
Straight-lining of rental income	24 332	(7 016)	(1 108)	(550)	140	165	15 963
<b>Total revenue</b>	<b>1 057 065</b>	<b>217 985</b>	<b>31 781</b>	<b>8 848</b>	<b>68 655</b>	<b>1 084</b>	<b>1 385 418</b>
Property expenses	(360 725)	(70 773)	(15 712)	(283)	(33 142)	(18 632)	(499 267)
Cost of inventory sold	–	–	–	–	(24 190)	–	(24 190)
Impairment of inventory	–	–	–	–	(957)	–	(957)
<b>Net property income</b>	<b>696 340</b>	<b>147 212</b>	<b>16 069</b>	<b>8 565</b>	<b>10 366</b>	<b>(17 548)</b>	<b>861 004</b>
Other income and equity-accounted profit	–	–	–	–	–	21 533	21 533
Loss on sale of property, plant and equipment	–	–	–	–	(236)	–	(236)
Administration expenses	–	–	–	–	–	(82 286)	(82 286)
Net finance charges	–	–	–	–	–	(416 567)	(416 567)
Change in fair value of derivative instrument	–	–	–	–	–	(2 510)	(2 510)
Change in fair value of properties	367 517	109 521	(4 474)	7 850	28 598	(221)	508 791
<b>Net profit before taxation</b>	<b>1 063 857</b>	<b>256 733</b>	<b>11 595</b>	<b>16 415</b>	<b>38 728</b>	<b>(497 599)</b>	<b>889 729</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>35</b>	<b>31</b>	<b>48</b>	<b>3</b>	<b>68</b>	<b>N/A</b>	<b>37</b>

<sup>1</sup> Refer to page 23.

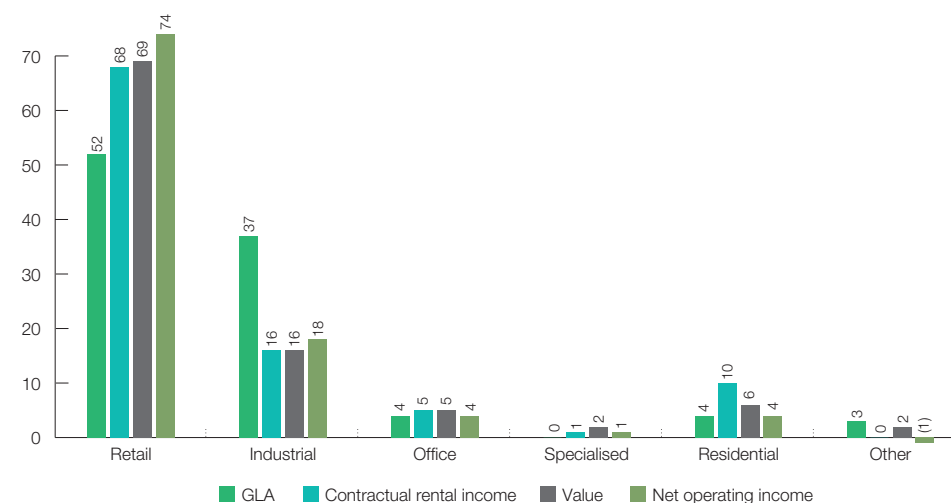
### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

Sectoral	Year ended 30 June 2024						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised <sup>1</sup> R'000	Resi- dential R'000	Other R'000	Total R'000
Investment property	7 894 850	1 837 000	600 200	201 400	776 300	34 000	11 343 750
Non-current assets held for sale	180 100	–	–	–	–	–	180 100
Property under development	–	–	–	–	–	92 525	92 525
Property, plant and equipment	2 644	–	76	–	31 735	22 308	56 763
Trade and other receivables	52 076	11 375	1 132	–	6 973	32 830	104 386
Other assets	–	–	–	–	–	396 254	396 254
<b>Total assets</b>	<b>8 129 670</b>	<b>1 848 375</b>	<b>601 408</b>	<b>201 400</b>	<b>815 008</b>	<b>577 917</b>	<b>12 173 778</b>
Trade and other payables	115 374	16 449	9 592	4 688	12 944	73 714	232 761
Other liabilities	–	–	–	–	–	5 160 440	5 160 440
<b>Total liabilities</b>	<b>115 374</b>	<b>16 449</b>	<b>9 592</b>	<b>4 688</b>	<b>12 944</b>	<b>5 234 154</b>	<b>5 393 201</b>

<sup>1</sup> Refer to page 23.

#### Sectoral (%) (as at 31 December 2024)





## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

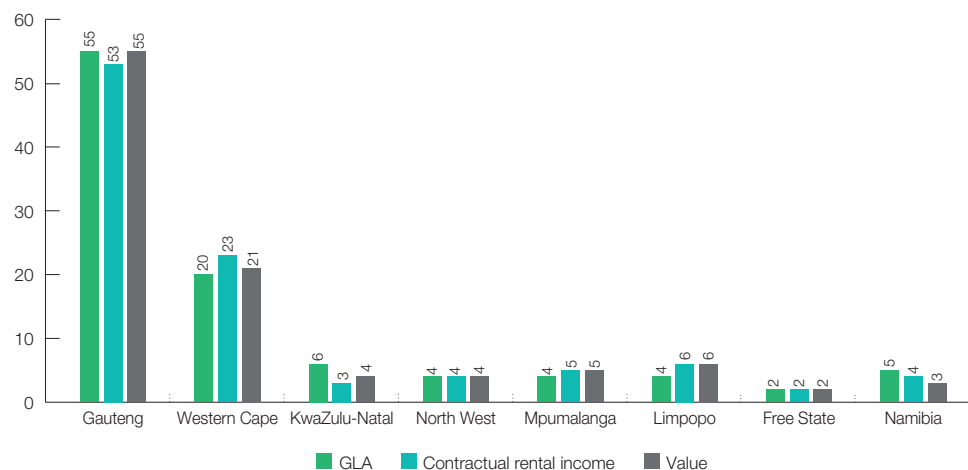
Geographical	Six months ended 31 December 2024								
	Gauteng R'000	Western Cape R'000	KwaZulu- Natal R'000	North West R'000	Mpumalanga R'000	Limpopo R'000	Free State R'000	Namibia R'000	Total R'000
Total GLA (m²)	383 180	122 127	46 050	27 232	26 459	27 889	17 906	34 918	685 761
Total GLA	396 313	150 709	46 050	27 232	26 459	27 889	17 906	34 918	727 476
Vacant land and under development	(13 133)	(8 032)	–	–	–	–	–	–	(21 165)
Aparthotel GLA	–	(20 550)	–	–	–	–	–	–	(20 550)
Vacancy (m²)	6 127	1 360	–	894	262	1 500	–	156	10 299
% Vacant	1,6	1,1	–	3,3	1,0	5,4	–	0,4	1,5
Investment property	6 257 490	2 457 500	428 200	439 900	614 000	793 000	209 000	472 000	11 671 090
Property under development	–	193 141	–	–	–	–	–	–	193 141
Non-current assets held for sale	483 500	–	13 369	–	–	–	–	–	496 869
Total property portfolio	6 740 990	2 650 641	441 569	439 900	614 000	793 000	209 000	472 000	12 361 100
Contractual rental income	310 101	134 173	17 781	25 946	27 396	35 224	9 101	23 487	583 209
Recoveries	128 466	44 210	4 211	10 443	9 774	12 553	4 421	8 705	222 783
	438 567	178 383	21 992	36 389	37 170	47 777	13 522	32 192	805 992
	Six months ended 31 December 2023								
Total GLA (m²)	355 301	66 388	42 003	26 579	26 459	27 469	17 906	35 003	597 108
Total GLA	368 434	84 446	42 003	26 579	26 459	27 469	17 906	35 003	628 299
Vacant land and under development	(13 133)	(5 532)	–	–	–	–	–	–	(18 665)
Aparthotel GLA	–	(12 526)	–	–	–	–	–	–	(12 526)
Vacancy (m²)	5 830	829	–	420	50	135	–	2 731	9 995
% Vacant	1,6	1,2	–	1,6	0,2	0,5	–	7,8	1,7
Investment property	5 539 296	893 000	401 400	375 400	549 700	732 355	191 500	412 828	9 095 479
Property under development	–	91 579	–	–	–	–	–	–	91 579
Non-current assets held for sale	184 900	–	–	–	–	–	–	–	184 900
Total property portfolio	5 724 196	984 579	401 400	375 400	549 700	732 355	191 500	412 828	9 371 958
Contractual rental income	274 110	41 755	16 168	23 328	26 849	33 839	8 466	19 347	443 862
Recoveries	71 846	21 285	3 301	8 330	8 584	11 741	4 086	2 032	131 205
	345 956	63 040	19 469	31 658	35 433	45 580	12 552	21 379	575 067

## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

	Year ended 30 June 2024								
Geographical	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
Total GLA (m²)	383 269	120 083	46 050	27 231	26 459	27 889	17 906	34 865	683 752
Total GLA	396 402	146 165	46 050	27 231	26 459	27 889	17 906	34 865	722 967
Vacant land and under development	(13 133)	(5 532)	–	–	–	–	–	–	(18 665)
Aparthotel GLA	–	(20 550)	–	–	–	–	–	–	(20 550)
Vacancy (m²)	15 375	1 508	550	600	258	1 513	–	1 290	21 094
% Vacant	4,0	1,3	1,2	2,2	1,0	5,4	–	3,7	3,1
Investment property	6 299 000	2 231 750	440 200	394 300	577 000	758 000	195 000	448 500	11 343 750
Property under development	–	92 525	–	–	–	–	–	–	92 525
Non-current assets held for sale	180 100	–	–	–	–	–	–	–	180 100
Total property portfolio	6 479 100	2 324 275	440 200	394 300	577 000	758 000	195 000	448 500	11 616 375
Contractual rental income	612 465	97 110	33 248	48 680	54 911	74 056	16 933	46 762	984 165
Recoveries	236 769	38 533	7 301	17 713	17 261	24 510	8 168	15 369	365 624
	849 234	135 643	40 549	66 393	72 172	98 566	25 101	62 131	1 349 789

Geographical (%) (as at 31 December 2024)



## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

Corporate entity	Six months ended 31 December 2024			
	Heriot	Safari	Thibault	Group total
<b>Total GLA (m²)</b>	<b>425 260</b>	<b>179 231</b>	<b>81 270</b>	<b>685 761</b>
Total GLA	445 818	192 364	89 294	727 476
Vacant land and under development	(8 032)	(13 133)	–	(21 165)
Aparthotel GLA	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	5 482	3 761	1 056	10 299
% Vacant	1,3	2,1	1,3	1,5

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

Corporate entity	Six months ended 31 December 2024			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Contractual rental income	296 308	191 108	95 793	583 209
Recoveries	92 041	97 867	32 875	222 783
Dividends received	–	–	13 001	13 001
Revenue from sale of inventory	–	10 033	–	10 033
Straight-lining of rental income	(3 221)	8 362	2 414	7 555
<b>Total revenue</b>	<b>385 128</b>	<b>307 370</b>	<b>144 083</b>	<b>836 581</b>
Property expenses	(144 145)	(117 235)	(63 545)	(324 925)
Cost of inventory sold	–	(11 132)	–	(11 132)
Impairment of inventory	–	–	–	–
<b>Net property income</b>	<b>240 983</b>	<b>179 003</b>	<b>80 538</b>	<b>500 524</b>
Other income and equity-accounted profit	6 565	3 403	–	9 968
Loss on sale of property, plant and equipment	(392)	–	–	(392)
Administration expenses	(27 882)	(18 964)	(6 413)	(53 259)
Net finance charges	(127 877)	(68 538)	(48 498)	(244 913)
Change in fair value of listed shares	–	–	43 930	43 930
Change in fair value of derivative instrument	–	(163)	–	(163)
Change in fair value of investment property	262 819	118 258	93 267	474 344
<b>Net profit before taxation</b>	<b>354 216</b>	<b>212 999</b>	<b>162 824</b>	<b>730 039</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>37</b>	<b>41</b>	<b>49</b>	<b>40</b>



## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

	Six months ended 31 December 2024			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Corporate entity				
Investment property	5 956 790	3 719 800	1 994 500	11 671 090
Non-current assets held for sale	13 369	483 500	–	496 869
Property under development	193 141	–	–	193 141
Property, plant and equipment	45 401	1 498	12 012	58 911
Trade and other receivables	40 425	38 952	23 071	102 448
Other assets	163 128	30 802	264 378	458 308
<b>Total assets</b>	<b>6 412 254</b>	<b>4 274 552</b>	<b>2 293 961</b>	<b>12 980 767</b>
Trade and other payables	109 605	83 615	31 060	224 280
Other liabilities	2 938 969	1 446 333	1 068 442	5 453 744
<b>Total liabilities</b>	<b>3 048 574</b>	<b>1 529 948</b>	<b>1 099 502</b>	<b>5 678 024</b>

	Six months ended 31 December 2023			
	Heriot	Safari <sup>1</sup>	Thibault <sup>2</sup>	Group total
Corporate entity				
<b>Total GLA (m²)</b>	417 268	179 840	–	597 108
Total GLA	435 326	192 973	–	628 299
Vacant land and under development	(5 532)	(13 133)	–	(18 665)
Aparthotel GLA	(12 526)	–	–	(12 526)
Vacancy (m²)	6 058	3 937	–	9 995
% Vacant	1,5	2,2	–	1,7

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

	Six months ended 31 December 2023			
	Heriot R'000	Safari <sup>1</sup> R'000	Thibault <sup>2</sup> R'000	Group total R'000
Corporate entity				
Contractual rental income	263 773	180 089	–	443 862
Recoveries	83 351	47 854	–	131 205
Revenue from sale of inventory	–	15 370	–	15 370
Straight-lining of rental income	(4 799)	10 981	–	6 182
<b>Total revenue</b>	<b>342 325</b>	<b>254 294</b>	<b>–</b>	<b>596 619</b>
Property expenses	(111 250)	(77 439)	–	(188 689)
Cost of inventory sold	–	(16 216)	–	(16 216)
Impairment of inventory	–	–	–	–
<b>Net property income</b>	<b>231 075</b>	<b>160 639</b>	<b>–</b>	<b>391 714</b>
Other income and equity-accounted profit	6 509	5 410	–	11 919
Administration expenses	(25 221)	(16 105)	–	(41 326)
Net finance charges	(123 515)	(63 548)	–	(187 063)
Change in fair value of derivative instrument	–	(108)	–	(108)
Change in fair value of properties	137 195	–	–	137 195
<b>Net profit before taxation</b>	<b>226 043</b>	<b>86 288</b>	<b>–</b>	<b>312 331</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>32</b>	<b>34</b>	<b>–</b>	<b>33</b>

<sup>1</sup> Refer to page 40.

<sup>2</sup> Refer to page 40.

## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

	Six months ended 31 December 2023			
	Heriot R'000	Safari <sup>1</sup> R'000	Thibault <sup>2</sup> R'000	Group total R'000
Corporate entity				
Investment property	5 484 500	3 610 979	–	9 095 479
Non-current assets held for sale	–	184 900	–	184 900
Property under development	91 579	–	–	91 579
Property, plant and equipment	40 147	531	–	40 678
Trade and other receivables	36 570	31 389	–	67 959
Other assets	136 718	45 198	–	181 916
<b>Total assets</b>	<b>5 789 514</b>	<b>3 872 997</b>	<b>–</b>	<b>9 662 511</b>
Trade and other payables	37 485	95 510	–	132 995
Other liabilities	1 408 438	2 694 198	–	4 102 636
<b>Total liabilities</b>	<b>1 445 923</b>	<b>2 789 708</b>	<b>–</b>	<b>4 235 631</b>

<sup>1</sup> The comparative period for Safari is the six-month period ended 30 September 2023.

<sup>2</sup> Thibault was acquired on 28 June 2024; consequently, no comparative data is available as of 31 December 2023.

	Year ended 30 June 2024			
	Heriot	Safari	Thibault	Group total
Corporate entity				
<b>Total GLA (m²)</b>	<b>425 260</b>	<b>179 267</b>	<b>79 225</b>	<b>683 752</b>
Total GLA	443 318	192 400	87 249	722 967
Vacant land and under development	(5 532)	(13 133)	–	(18 665)
Aparthotel GLA	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	15 424	4 466	1 204	21 094
% Vacant	3,6	2,5	1,5	3,1

### 3. SEGMENTAL ANALYSIS continued

#### Statement of comprehensive income

	Year ended 30 June 2024			
	Heriot R'000	Safari R'000	Thibault <sup>2</sup> R'000	Group total R'000
Corporate entity				
Contractual rental income	536 400	447 765	–	984 165
Recoveries	174 787	190 837	–	365 624
Revenue from sale of inventory	–	19 666	–	19 666
Straight-lining of rental income	(5 876)	21 839	–	15 963
<b>Total revenue</b>	<b>705 311</b>	<b>680 107</b>	<b>–</b>	<b>1 385 418</b>
Property expenses	(252 654)	(246 613)	–	(499 267)
Cost of inventory sold	–	(24 190)	–	(24 190)
Impairment of inventory	–	(957)	–	(957)
<b>Net property income</b>	<b>452 657</b>	<b>408 347</b>	<b>–</b>	<b>861 004</b>
Other income and equity-accounted profit	13 025	8 508	–	21 533
Loss on sale of property, plant and equipment	(236)	–	–	(236)
Administration expenses	(47 127)	(35 159)	–	(82 286)
Net finance charges	(250 999)	(165 568)	–	(416 567)
Change in fair value of derivative instrument	–	(2 510)	–	(2 510)
Change in fair value of properties	302 816	205 975	–	508 791
<b>Net profit before taxation</b>	<b>470 136</b>	<b>419 593</b>	<b>–</b>	<b>889 729</b>
<b>Property cost-to-income ratio (operating expenses/rental and recoveries) (%)</b>	<b>36</b>	<b>39</b>	<b>–</b>	<b>37</b>

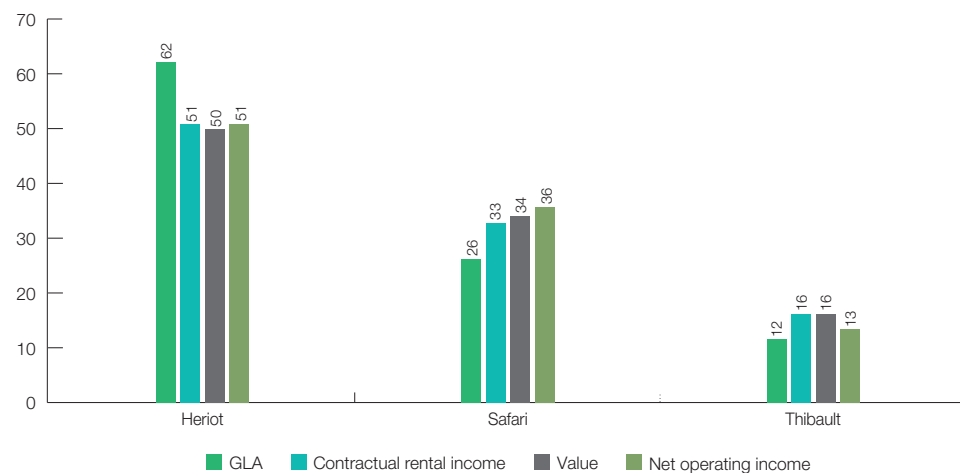
## NOTES TO THE FINANCIAL STATEMENTS continued

### 3. SEGMENTAL ANALYSIS continued

#### Statement of financial position

Corporate entity	Year ended 30 June 2024			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Investment property	5 688 200	3 860 800	1 794 750	11 343 750
Non-current assets held for sale	–	180 100	–	180 100
Property under development	92 525	–	–	92 525
Property, plant and equipment	42 686	1 639	12 438	56 763
Trade and other receivables	55 193	35 935	13 258	104 386
Other assets	154 833	28 553	212 868	396 254
<b>Total assets</b>	<b>6 033 437</b>	<b>4 107 027</b>	<b>2 033 314</b>	<b>12 173 778</b>
Trade and other payables	111 925	91 408	29 428	232 761
Other liabilities	2 805 289	1 384 928	970 223	5 160 440
<b>Total liabilities</b>	<b>2 917 214</b>	<b>1 476 336</b>	<b>999 651</b>	<b>5 393 201</b>

Group (%) (as at 31 December 2024)



### 4. INVESTMENT PROPERTY

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 and comparable sales methods, which methods value 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 by 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.

#### 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;
- change in discount and capitalisation rates; and
- current comparable selling rates.

	Unaudited 31 December 2024 %	Unaudited 31 December 2023 %	Audited 30 June 2024 %
<b>The average capitalisation rate applied was:</b>	<b>8,88</b>	9,08	8,92
The rates applied per sector were as follows:			
Retail	8,88	8,99	8,89
Industrial	9,29	9,42	9,39
Office	8,69	9,56	9,23
Specialised	8,50	8,50	8,50
Residential	9,00	9,00	9,00

## NOTES TO THE FINANCIAL STATEMENTS continued

### 4. INVESTMENT PROPERTY continued

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
<b>Value per sector</b>			
Retail <sup>1</sup>	8 089 200	6 428 379	7 894 850
Industrial	1 931 690	1 785 300	1 837 000
Office	621 200	252 200	600 200
Specialised	215 000	196 600	201 400
Residential	780 000	399 000	776 300
Other	34 000	34 000	34 000
	<b>11 671 090</b>	<b>9 095 479</b>	<b>11 343 750</b>

<sup>1</sup> Excludes assets held for sale of R496,9 million.

Split between Heriot, Safari and Thibault assets as at 31 December 2024:

Corporate entity	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail <sup>1</sup>	3 134 900	3 685 800	1 268 500	8 089 200
Industrial	1 931 690	–	–	1 931 690
Office	252 200	–	369 000	621 200
Specialised	215 000	–	–	215 000
Residential	423 000	–	357 000	780 000
Other	–	34 000	–	34 000
	<b>5 956 790</b>	<b>3 719 800</b>	<b>1 994 500</b>	<b>11 671 090</b>

<sup>1</sup> Excludes assets held for sale of R496,9 million.

### 4. INVESTMENT PROPERTY continued

Split between Heriot, Safari and Thibault assets as at 31 December 2023:

Corporate entity	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail <sup>1</sup>	2 851 400	3 576 979	–	6 428 379
Industrial	1 785 300	–	–	1 785 300
Office	252 200	–	–	252 200
Specialised	196 600	–	–	196 600
Residential	399 000	–	–	399 000
Other	–	34 000	–	34 000
	<b>5 484 500</b>	<b>3 610 979</b>	<b>–</b>	<b>9 095 479</b>

<sup>1</sup> Excludes assets held for sale of R184,9 million.

Split between Heriot, Safari and Thibault assets as at 30 June 2024:

Corporate entity	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail <sup>1</sup>	2 965 300	3 826 800	1 102 750	7 894 850
Industrial	1 837 000	–	–	1 837 000
Office	248 200	–	352 000	600 200
Specialised	201 400	–	–	201 400
Residential	436 300	–	340 000	776 300
Other	–	34 000	–	34 000
	<b>5 688 200</b>	<b>3 860 800</b>	<b>1 794 750</b>	<b>11 343 750</b>

<sup>1</sup> Excludes assets held for sale of R180,1 million.



# PAYMENT OF DIVIDEND

The Board has declared an interim gross cash dividend of 56,83543 cents per share out of the Company's distributable income for the six-month period ended 31 December 2024.

The dividend is payable to Heriot shareholders in accordance with the timetable set out below:

2025	
Declaration date	Thursday, 27 March
Last date to trade <i>cum</i> dividend	Monday, 14 April
Shares trade <i>ex</i> dividend	Tuesday, 15 April
Record date	Thursday, 17 April
Payment date	Tuesday, 22 April

Share certificates may not be dematerialised or rematerialised between Tuesday, 15 April 2025 and Thursday, 17 April 2025, both days inclusive. The dividend will be transferred to dematerialised shareholders' Central Securities Depository Participant ("CSDP") or broker accounts on Tuesday, 22 April 2025. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Tuesday, 22 April 2025.

In accordance with Heriot's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of Section 25BB of the Income Tax Act. The dividend on the shares will be deemed to be a dividend, for South African tax purposes, in terms of Section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of Section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT.

This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that such shareholders provide the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- A declaration that the dividend is exempt from dividends tax; and
- A written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in Section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("DTA") between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 45,46834 cents per share.

A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of DTA; and
- A written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the above-mentioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shares in issue at the date of the dividend:  
319 261 982 (excluding 900 000 treasury shares)

Heriot's income tax reference number: 9541295185

Where the transfer secretaries do not have the banking details of any certificated shareholders, the cash dividend will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details whereafter the cash dividend will be paid via electronic transfer into the personal bank accounts of certificated shareholders.

By order of the board

27 March 2025

# ADDITIONAL DISCLOSURES IN TERMS OF SA REIT BEST PRACTICE RECOMMENDATIONS (“SA REIT BPR”)

## 1. PRIOR PERIOD RESTATEMENT

	Restated six months ended 31 December 2023 R'000	Reported six months ended 31 December 2023 R'000
<b>SA REIT BPR vacancy rate</b>		
In previous reporting periods, Heriot disclosed 100% of the GLA when calculating the Group vacancy rate. Heriot now believes that disclosing the GLA excluding vacant land, property under development and hospitality assets would result in a fairer representation of Group vacancies. The vacancy analysis has been prepared on this basis, including a restatement of the GLAs for the prior reporting periods.		
<b>GLA of property portfolio (m²)</b>	597 108	615 773
Total GLA per segmental analysis	628 299	628 299
Vacant land and under development	(18 665)	–
Aparthotel GLA	(12 526)	(12 526)
Vacant GLA (m²)	9 995	9 995
Vacancy rate (%)	1,7	1,6
<b>SA REIT BPR NAV</b>		
In previous reporting periods, Heriot deducted the annual distribution declared and omitted to adjust for the fair value of derivative financial instruments when calculating the NAV per share using the BPR method. Heriot has corrected the previous reporting period NAV per share calculation and prepared the current periods on the following basis:		
Reported NAV	4 080 303	4 080 303
<i>Adjusted for:</i>		
Dividend to be declared	(127 371)	(127 371)
Fair value of derivative financial instruments	(2 523)	–
Deferred taxation	78 583	78 583
<b>SA REIT BPR NAV</b>	4 028 992	4 031 515
Number of shares in issue	255 395 858	255 395 858
NAV per share (cents)	1 577,55	1 578,54

## 2. SA REIT BPR FUNDS FROM OPERATIONS (“FFO”)

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
Profit per IFRS® Accounting Standards statement of comprehensive income attributable to equity holders of the Company	629 840	261 941	664 734
<i>Adjusted for:</i>			
<b>Accounting/specific adjustments</b>			
Fair value adjustment to investment properties	(475 859)	(89 311)	(466 198)
Fair value adjustment to investment properties held for sale	1 515	(47 884)	(42 593)
Fair value adjustment to listed shares	(43 930)	–	–
Straight-line rental income adjustment	(7 555)	(6 182)	(15 963)
Depreciation of owner-occupied property	254	254	504
Loss on sale of assets	392	–	236
Net impairment losses	–	–	957
Loss on sale of inventory	1 099	846	4 524
Thibault distribution declared to Heriot	–	–	37 203
Profit from disposal of non-current assets held for sale	8 055	–	–
Safari dividend relating to Thibault's pre-acquisition earnings	4 412	–	–
Deferred taxation movement	9 445	2 298	20 488
Adjustments to dividends from equity interests held	–	(369)	(565)
<b>Hedging items</b>			
Fair value adjustment to derivative instruments	163	108	2 510
<b>Other adjustments</b>			
Non-controlling interests in respect of the above adjustments	53 622	5 670	102 917
	181 453	127 371	308 754
Number of shares in issue at the reporting date <sup>1</sup>	319 261 982	255 395 858	319 261 982
Total distribution per share (cents)	56,83543	49,87199	106,68536

<sup>1</sup> Excluding the 900 000 treasury shares in issue.

## ADDITIONAL DISCLOSURES IN TERMS OF SA REIT BPR continued

### 3. SA REIT BPR COST-TO-INCOME RATIO

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
<b>Expenses</b>			
Per IFRS® Accounting Standards income statement			
Property expenses including municipal expenses and depreciation	324 925	188 689	499 267
Administrative expenses and corporate costs	48 839	36 012	73 669
Per statement of comprehensive income	53 259	41 326	82 286
Adjust for:			
Salary recoveries included in sundry income	(3 780)	(4 907)	(8 112)
Depreciation charged on owner-occupied property	(640)	(407)	(505)
<b>Total operating expenses</b>	<b>373 764</b>	<b>224 701</b>	<b>572 936</b>
<b>Rental income</b>			
Contractual rental income and utility and operating recoveries, excluding straight-line rental income	805 992	575 067	1 349 789
<b>Gross rental income</b>	<b>805 992</b>	<b>575 067</b>	<b>1 349 789</b>
<b>Cost-to-income ratio (%)</b>	<b>46,37</b>	<b>39,07</b>	<b>42,45</b>
<b>Administrative cost-to-income ratio (%)</b>	<b>6,06</b>	<b>6,26</b>	<b>5,46</b>

The inclusion of Thibault's results for the reporting period has negatively impacted the cost-to-income ratio of the Group. Thibault's and Heriot's stand-alone cost-to-income ratios for the period were 54% and 43%, respectively. Heriot's ratio was driven by a strategic shift in the residential sector, which involved transitioning the two redeveloped Cape Town CBD properties into aparthotels to enhance the NOI generated from these properties. Thibault's cost-to-income ratio is impacted by the operating costs relating to the One Thibault aparthotel.

### 4. SA REIT BPR VACANCY RATE

	Unaudited 31 December 2024	Unaudited 31 December 2023	Audited 30 June 2024
GLA of property portfolio (m²)	685 761	597 108	683 752
Total GLA	727 476	628 299	722 967
Vacant land and under development	(21 165)	(18 665)	(18 665)
Aparthotel GLA	(20 550)	(12 526)	(20 550)
Vacant GLA (m²)	10 299	9 995	21 094
Vacancy rate (%)	1,5	1,7	3,1

The decrease is mainly attributed to the Cleveland distribution centre, measuring 8 966m², being re-let in December 2024.

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 which are included in the residential sector comprise three properties located in the Cape Town CBD with a combined GLA of 20 550m² or 623 units.

### 5. SA REIT BPR LOAN-TO-VALUE ("LTV")

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
Interest-bearing liabilities	5 337 663	4 020 506	5 053 340
Less: Cash and cash equivalents	(145 127)	(45 566)	(69 025)
Less: Derivative financial instruments	–	(2 523)	(163)
<b>Net debt</b>	<b>5 192 536</b>	<b>3 972 417</b>	<b>4 984 152</b>
Investment property	11 671 090	9 095 479	11 343 750
Property under development	193 141	91 579	92 525
Non-current assets and liabilities held for sale	496 869	184 900	180 100
Inventory	–	15 476	–
Owner-occupied property	21 553	21 927	21 678
Investment in listed shares	258 377	–	212 868
Investments in associates	63	4 504	–
<b>Carrying amount of property-related assets</b>	<b>12 641 093</b>	<b>9 413 865</b>	<b>11 850 921</b>
LTV (%)	41,08	42,20	42,06

## ADDITIONAL DISCLOSURES IN TERMS OF SA REIT BPR continued

### 6. SA REIT BPR NET ASSET VALUE ("NAV")

	Unaudited 31 December 2024 R'000	Unaudited 31 December 2023 R'000	Audited 30 June 2024 R'000
Reported NAV	6 121 806	4 080 303	5 673 349
Adjusted for:			
Dividend to be declared	(181 453)	(127 371)	(181 383)
Fair value of derivative financial instruments	–	(2 523)	(163)
Deferred taxation	113 510	78 583	104 066
<b>SA REIT BPR NAV</b>	<b>6 053 863</b>	<b>4 028 992</b>	<b>5 595 869</b>
Number of shares in issue	319 261 982	255 395 858	319 261 982
NAV per share (cents)	1 896,21	1 577,55	1 752,75

### 7. SA REIT BPR COST OF DEBT

	Unaudited 31 December 2024 %	Unaudited 31 December 2023 %	Audited 30 June 2024 %
<i>Variable interest rate borrowings</i>			
Floating reference rate plus weighted average margin	9,86	10,26	10,16
<i>Fixed interest rate borrowings</i>			
Weighted average fixed rate	–	(0,14)	(0,07)
Pre-adjusted WACD	9,86	10,12	10,09
Amortised transaction costs imputed into the effective interest rate	0,13	0,11	0,18
<b>All-in WACD</b>	<b>9,99</b>	<b>10,23</b>	<b>10,27</b>

## CORPORATE INFORMATION

### HERIOT REIT LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number: 2017/167697/06)  
JSE share code: HET  
ISIN: ZAE000246740  
(Approved as a REIT by the JSE)

### COMPANY SECRETARY

CIS Company Secretaries Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank 2196

PO Box 61051, Marshalltown 2107

### DIRECTORS

SB Herring (*Chairman*)<sup>1,2</sup>  
RL Herring (*Chief Executive Officer*)  
D Snoyman (*Chief Financial Officer*)  
SJ Blieden<sup>1,3</sup>  
GJ Heron<sup>1,3</sup>  
R Lockhart-Ross<sup>1,3</sup>  
A Mazwai<sup>1</sup>

<sup>1</sup> Non-executive

<sup>2</sup> British

<sup>3</sup> Independent

### TRANSFER SECRETARIES

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Proprietary Limited  
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