



Reviewed condensed consolidated financial statements

2025

for the year
ended 30 June



Group highlights

Distribution data

Distribution per share (cents)

121,91

(2024: 106,69)

Distribution per share growth

↑ 14,3%

Distributable income

R389,209 million

(2024: R308,754 million)

Distributable income growth

↑ 26,1%

Payout ratio

100%

(2024: 100%)

Investment property data

Investment property valued at

R12,799 billion

(2024: R11,616 billion)

Investment property growth

↑ 10,2%

Like-for-like property growth

↑ 12,3%

Net asset value ("NAV") data

NAV per share

R20,59

(2024: R17,53)

NAV per share growth

↑ 17,5%

Net property operating income ("NOI") data

NOI

R976,349 million

(2024: R850,522 million)

NOI growth

↑ 14,8%

Like-for-like NOI growth

↑ 13,0%

Rental data

Rental

R1,183 billion

(2024: R0,984 billion)

Rental growth

↑ 20,2%

Like-for-like rental growth

↑ 8,9%

Loan-to-value ("LTV") data

LTV

38,95%

(2024: 42,06%)

LTV reduction

↓ -3,11%

Debt data

Total debt

R5,302 billion

(2024: R5,053 billion)

% increase in debt

↑ 4,9%

Weighted average cost of debt ("WACD")

↓ 9,73%

(2024: 10,27%)

54 basis point

reduction

Shareholdings in listed companies (excluding treasury shares)

Safari

59,2%

(2024: 59,2%)

Texton

21,7%

(2024: 21,5%)

Portfolio vacancy

Portfolio vacancy

1,6%

(2024: 3,1%)

Total cash resources available

Cash and cash equivalents

R121,445 million

(2024: R69,025 million)

Unutilised debt facilities

R380,504 million

(2024: R440,503 million)

Total cash resources available

R501,949 million

(2024: R509,528 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**”). Heriot holds strategic stakes of 59,2% in Safari Investments RSA Limited (“**Safari**”) and 21,7% (excluding treasury shares) in Texton Property Fund Limited (“**Texton**”).

Group financial results

Heriot’s results for the year ended 30 June 2025, the (“**reporting period**”), underscore the resilience of its portfolio, with particular strength in emerging market retail and industrial properties. Despite persistent local and global macroeconomic headwinds, recent developments have created a solid foundation for short- to medium-term growth. Key positive shifts include:

- improvements in Eskom’s energy availability;
- the Government of National Unity remaining in place; and
- the start of the long-awaited interest rate-cutting cycle.

Despite a challenging local and global economic environment, Heriot has delivered a stellar set of results for the year ended 30 June 2025. This success highlights the management team’s expertise, solid investment strategies and resilient portfolio anchored by blue-chip national tenants. The Company continues to seek investment opportunities in core sectors, including retail, industrial and hospitality.

Main reporting metrics

Distribution per share (“**DPS**”) and NAV per share remain Heriot’s key performance metrics.

Distributable earnings

In a record-breaking year, Heriot’s distributable earnings climbed to R389,209 million for the year ended 30 June 2025, reflecting a 26,1% increase from R308,754 million in 2024. 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, leading to Thibault’s statement of comprehensive income being incorporated line-by-line for the first time in this reporting period. As a result, Thibault contributed R61,9 million to distributable earnings, while its 10% shareholding in Safari added R19,1 million to the total.
- **Texton distributions:** Thibault’s contribution to distributable earnings received a significant uplift from its investment in Texton, which declared two distributions during the reporting period totalling 120,1 cents per share. For further details, refer to page 6.
- **Sale of non-current assets:** The net proceeds of R15,0 million from the sale of an investment property have been included in distributable earnings for the reporting period. Refer to page 11 for further details.
- **Non-IFRS® Accounting Standards distributable earnings adjustment:** A non-IFRS® Accounting Standards distributable earnings adjustment of R4,4 million that was recognised during the reporting period. For additional information, refer to page 6.
- **Investment in Safari:** In 2024, Safari changed its financial year-end from March to June to align with Heriot’s reporting period, resulting in 15 months of Safari’s distributable earnings being included in Heriot’s 2024 financial results. Consequently, Safari’s year-on-year distribution declined from 78,04 to 73,56 cents per share, reflecting the

inclusion of only 12 months of earnings in its 2025 results compared to 15 months in the prior period. However, Heriot’s increased shareholding in Safari following the Thibault acquisition had a positive impact on its distributable earnings during the reporting period, increasing its share of distributable profits from R103,389 million to R111,366 million.

- **Repo rate reduction:** The 100 basis point (“**bps**”) 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.

Group NOI analysis

The inclusion of Thibault’s statement of comprehensive income for the 12 months ended 30 June 2025 significantly contributed to the 14,8% increase in NOI compared to the prior period.

On a like-for-like basis, NOI increased by 13,0%, driven by strong performances across the residential/hospitality, retail and industrial portfolios, as well as Safari’s internalisation of electricity and water utility management.

Distribution per share (“DPS”) analysis

The DPS of 121,91 cents for the reporting period reflects a 14,3% increase compared to 106,69 cents per share for the same period in 2024. This growth in DPS is not directly aligned with distributable earnings, as the Thibault acquisition initially led to an approximate 4% dilution in DPS but delivered a 7% increase in NAV per share, justifying the swap ratio as reasonable.

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 a final dividend of 65,07 cents per share for the six months ended 30 June 2025. This represents a 14,5% increase compared to distributable earnings of 56,81 cents per share for the same period in 2024.

NAV per share analysis

Heriot’s NAV per share increased by 17,5% from R17,53 at 30 June 2024 to R20,59 at 30 June 2025. The growth has been driven by an increase in the value of the Group’s property portfolio, supported by positive rental escalations on renewals and re-lets across the portfolio during the period.

Heriot’s operational performance, excluding Safari and Thibault

Retail

Emerging market retail remains one of South Africa’s strongest-performing sectors. Food, clothing and banking tenants continue to deliver robust results.

Rental growth for the period was 5,1%, with an average rental rate of R186/m² (2024: R177/m²). Heriot’s retail portfolio generated NOI of R278,9 million (2024: R268,6 million), equating to 3,9% year-on-year growth. Higher operating costs negatively impacted growth. This was driven mainly by the reversal of a R5,0 million electricity provision in the prior period, which had reduced comparative expenses, and the underperformance of solar plants. The latter was impacted by increased load reduction in certain municipalities where some malls are located.

Vacancy levels across Heriot’s retail properties remain low at 1,8% (2024: 0,9%).

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 challenging trading conditions. The industrial sector generated NOI of R171,6 million (2024: R154,9 million), reflecting a 10,7% increase compared to the previous period. The average rental rate was R56/m² (2024: R52/m²), while vacancy rates improved, dropping from 4,6% at 30 June 2024 to 1,2% at the reporting date.

Office

The office sector continues to face headwinds, including persistent vacancy challenges and declining rental rates on lease renewals. Notably, Heriot's operational team achieved a significant milestone by securing a tenant for the remaining 899m² on the fourth floor of Melrose Arch. This space had been vacant for nearly four years.

Despite this progress, sector NOI declined by 3,4% to R16,8 million (2024: R17,4 million), primarily due to the Supergroup head office lease reverting to a market-related rental of R115/m² from 1 October 2023, down from R315/m². This adjustment resulted in a reduction of rental income by R2,1 million compared to the prior period.

Encouragingly, vacancy rates improved, falling from 8,4% at 30 June 2024 to 4,4% at the reporting date, signalling early signs of recovery.

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 ("ADR"). Nevertheless, strong demand, reflected in high occupancy rates, has helped offset forecast rate losses.

The sector generated NOI of R27,4 million (2024: R18,4 million), representing an impressive 48,5% increase from the prior period, bolstered by the December 2023 launch of a new development, Habitat, and the Heriot refurbishment which reopened on 1 November 2024 as HAVN. The sector's average rental rate was R356/m² (2024: R273/m²), 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%.

Investment in Thibault

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. Following 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.

Furthermore, Thibault's net assets included a 10,0% interest in Safari equating to 25 952 710 shares, 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 Thibault's assets and liabilities 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 R2,3 billion (2024: R2,0 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% (2024: 21,5%) and 10,0% (2024: 10%) in 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 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 R2,135 billion (30 June 2024: R1,795 billion);
- **Distributable earnings:** R61,9 million (30 June 2024: R37,2 million);
- **WACD:** 9,74%, reflecting a 61bps decrease from June 2024 (30 June 2024: 10,35%);
- **LTV:** Reduced to 43,8% (30 June 2024: 45,6%)¹;
- **Interest cover ratio ("ICR"):** Improved to 1,83 times (30 June 2024: 1,43 times)¹; and
- **Vacancy rate:** Remains low at 1,1% (30 June 2024: 1,5%).

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

Investment activities during the reporting period

- In December 2024, Thibault completed the 2 300m² expansion of Helderberg Mall, with a total investment of R117,2 million as at the reporting date. Key features of the development include a R9,5 million, 1MW solar installation and a R50,9 million tenant fit-out for Shoprite, now operating as a Fresh X concept store. The project was financed by Standard Bank and is projected to deliver a 15% return on investment.
- During the reporting period, the Group increased its shareholding in Texton from 21,5% to 21,7%, excluding treasury shares.

- The former Standard Bank annex at One Thibault, comprising 1 013m², was redeveloped at a total cost of R3,0 million. Effective 1 May 2025, the space was leased to a food operator on a percentage-of-turnover basis. This addition is expected to enhance revenue by enabling the hotel operator to access the tour group market.

Thibault property portfolio performance

Retail

The sector maintained an occupancy rate of nearly 100% for the reporting period, generating NOI of R101,0 million. This performance was bolstered by the launch of the Helderberg Mall phase 2 extension in December 2024. As of the reporting date, the sector achieved an average rental rate of R149/m² and reported a low vacancy rate of 0,1%.

Aparthotel/residential

The hotel component of One Thibault reported an average occupancy of 63% during the reporting period. Cyclical trends influenced the occupancy percentage achieved, reflecting lower demand in the off-peak first and fourth quarters, followed by a significant improvement in the second and third quarters due to increased demand during the summer season. The sector generated NOI of R20,7 million and achieved an average rental rate of R466/m².

Office

One Thibault's office component, located in the Cape Town CBD, performed exceptionally well, generating NOI of R24,8 million and maintaining 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 of the dividend.

On 18 September 2024, the Safari board approved a final cash distribution of 17,00 cents per Safari share for the 15 months 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 eliminated on consolidation, the dividend has been treated as a non-IFRS[®] Accounting Standards distributable earnings adjustment. This effectively distributes the cash dividend received from Safari 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 R3,31 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 in accordance with IFRS 9. As at 30 June 2025, the 64,5 million shares were revalued at the closing market price of R2,95 per share, equating to R190,5 million (2024: R212,8 million at R3,32 per share).

Texton dividends

Texton declared a final dividend of 20,13 cents per share for the year ended 30 June 2024, which was paid to shareholders on 14 October 2024. Based on the 64,5 million shares held, the dividend amounted to R13,0 million.

On 26 May 2025, Texton paid a special dividend of R1,00 per share, returning excess cash to shareholders:

- 20,13 cents per share (R13,0 million) was recognised as dividend income, significantly boosting 2025 distributable earnings; and
- 79,87 cents per share (R51,5 million) recognised as a return of capital, reducing the investment's carrying amount. The cash received was deployed against the debt revolver facilities rather than being distributed to shareholders.

Investment in Safari

Heriot's strategic interest in Safari remained at 59,2% for the reporting period.

Change of financial year-end

In the prior financial year, Safari's year-end was changed from March to June to align with Heriot's reporting period. Consequently, Heriot's 2024 financial results incorporated 15 months of Safari's distributable earnings. Following this alignment, the 2025 results reflect only 12 months of earnings for the year ended 30 June 2025. As a result, the figures are not directly comparable year-on-year, accounting for the decreases in NOI and distributions.

Safari's financial highlights

A summary of Safari's results for the 12 months ended 30 June 2025, compared to the 15-month results to 30 June 2024, is as follows:

- **Investment property, including those held for sale:** Valued at R4,192 billion (2024: R4,041 billion);
- **Distributable earnings:** Decreased by 5,7%, to R188,061 million (2024: R199,463 million);
- **DPS:** Reduced by 5,7% from 78,0 to 73,6 cents per share;
- **NAV per share:** Improved by 14,1%, increasing to R11,47 (2024: R10,06);
- **WACD:** 9,74%, reflecting a 61bps decrease compared to the prior period (2024: 10,35%);
- **LTV:** Reduced to 31,5% (2024: 33,0%), comfortably below the 50% covenant;
- **Vacancy rate:** Reduced to 2,06% (2024: 2,49%);
- **ICR:** Healthy at 2,63 times, comfortably above the 2 times covenant; and
- **Hedged debt:** 0% (2024: 4%).

On a like-for-like basis, which compares Safari's 12-month 31 March 2024 results to 30 June 2025, Safari delivered strong results, achieving a 20% increase in DPS compared to the prior period, rising from 61,3 to 73,6 cents per share. The like-for-like growth was primarily driven by:

- 5% growth in rental income;
- Higher occupancy rates;
- The internalisation of utility management significantly contributed to NOI growth of 11,3%; and
- A 61bps 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 and Mnandi Shopping Centre have been classified as non-core assets held for sale and are disclosed separately in the statement of financial position. While sale agreements have not yet been concluded, Safari remains committed to the disposal of these assets. It is confident that both disposals will be finalised within the next 12 months.

On 28 March 2025, Safari shareholders were advised that the Company had entered into a sale of shares and claims agreement with Oryx Properties Limited ("Oryx") to dispose of 100% of the issued share capital and loan claims in Safari Investments Namibia Proprietary Limited ("Safari Namibia"). Following the fulfilment of all conditions precedent, the transaction became effective on 30 June 2025. Safari sold its entire interest in Safari Namibia to Oryx, an unrelated third party, for a total cash consideration of N\$290,0 million, with a further N\$10,0 million payable upon the achievement of specified conditions by 31 December 2026. The transaction, accounted for in accordance with IFRS 10, resulted in a profit recognised under IFRS 5 (non-current assets held for sale and discontinued operations). As Safari Namibia did not represent a separate major line of business, no portion of its operations has been classified as discontinued. The total purchase consideration of N\$300,0 million, less net assets disposed of N\$287,7 million, resulted in an accounting profit of N\$12,3 million.

Group investment property

The Group's investment property portfolio, including non-current assets held for sale and properties under development, comprises 53 properties (2024: 53) across all major sectors in South Africa. On 30 June 2025, 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 R12,799 billion (2024: R11,616 billion) using discounted cash flow and comparable sales methods.

Property valuations have increased by 10,2%, driven by rising property income, lower interest rates and stabilised inflation, which has consequently reduced capitalisation and exit capitalisation rates. The value of investment property was negatively impacted by the sale of the Platz am Meer centre for R300,0 million. On a like-for-like basis, investment property increased by 12,3% from 30 June 2024, amounting to R1,109 billion, supported by positive rental escalations on renewals and re-lets across the portfolio.

Capital expenditure

Heriot

Key capital expenditure during the reporting period included:

- R19,5 million on The Heriot refurbishment. The property officially reopened on 1 November 2024 as HAVN;
- R9,2 million on water and fire system upgrades at the Denver distribution centre;
- R3,9 million on the Shoprite Emmarentia and Fish Hoek solar plant installations;
- R3,4 million on the roof upgrade at the Mpact Pinetown distribution centre; and
- R2,6 million on installing air conditioner units at the Habitat aparthotel.

Safari

During the reporting period, Safari invested R88,4 million in upgrading and refurbishing its shopping centres.

Thibault

Capital expenditure during the reporting period on the Helderberg Mall 2 300m² extension totalled R110,9 million. This included:

- R50,9 million for tenant installations for Shoprite; and
- R9,5 million for the solar plant installation.

Property under development

The Mowbray and Finsbury Court properties are classified as under development and have been valued at fair value less costs to completion using the discounted cash flow method.

Mowbray – The Fibonacci

A newly appointed professional team redesigned the Mowbray project, now named The Fibonacci, to maximise yield. The original plan envisioned 464 units under the approved GBV 4 zoning, at an estimated cost of R510,0 million (excluding the R90,0 million land value), with a ground-floor retail component anchored by Shoprite. To mitigate risk, Heriot targeted pre-sales of at least R200,0 million before commencing the seven-storey development.

Marketing to private investors commenced in October 2024, followed by a public launch in March 2025. Early market feedback indicated strong demand from private investors for one-bedroom units, given their price point and higher rental yields, as well as limited interest in two-bedroom units. In response, the design was revised to feature predominantly one-bedroom units and relaunched in May 2025.

The updated design increased the total number of units to 574, resulting in development costs of R530,0 million, with a projected starting yield of 13,49%. Post the reporting period, Heriot secured a R530,0 million development finance facility at prime minus 180bps, which will convert to a R330,0 million three-year term loan bearing interest at three-month JIBAR plus 147,5bps.

Post the reporting period, 174 units had been sold, generating R200,0 million in proceeds at an average price of R57 000 to R64 000 per square metre. With the pre-sales target achieved and Board approval granted on 18 September 2025, foundation works are scheduled to commence in October 2025, with a 20-month construction programme targeting completion for the 2028 academic year. During the reporting period, R5,9 million was incurred, primarily for legal, professional and marketing fees.

Finsbury Court – Horizon

On 3 July 2024, Heriot acquired Finsbury Court, a 2 500m² 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 a total of 50 bedrooms, at an estimated cost of R82,0 million, targeting an initial yield of 12%.

Construction commenced in October 2024 and is scheduled for completion by December 2025. Upon completion, the property will be operated by Total Stay under an aparthotel model. The purchase price and development are being funded through existing unutilised debt facilities and a R100,0 million increase in one of Heriot's revolving credit facilities.

As at the reporting date, R36,1 million in capital expenditure had been incurred, including R9,0 million in capitalised interest. Main construction works, including the addition of four new floors, are currently underway.

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 1,6% by 30 June 2025. This reduction is primarily attributed to the leasing of an 8 966m² industrial property in Cleveland, Johannesburg.

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

- The specialised property comprising 8 382ha of plantations;
- Hospitality assets, measuring 20 550m², as the preferred metrics to report on are ADRs and occupancies; and
- Vacant land and property under development measuring 21 165m².

Sector	Group					
	30 June 2025			30 June 2024		
	Total m ²	m ² vacant	%	Total m ²	m ² vacant	%
Industrial	268 705	3 346	1,2	268 704	12 400	4,6
Retail	358 459	5 772	1,6	378 074	5 641	1,5
Office	30 496	1 499	4,9	30 496	2 408	7,9
Residential	3 446	18	0,5	6 478	645	10,0
	661 106	10 635	1,6	683 752	21 094	3,1

Letting activity during the reporting period was as follows:

Cleveland 8 966m² (re-let)

- Johannesburg's 8 966m² distribution centre has been re-let from 1 January 2025 at R27/m² for 18 months. The tenant was granted a two-month beneficial occupation period, commencing on 1 November 2024.

Epping distribution centre 28 894m² (renewal)

- Effective 1 December 2024, the Cape Town distribution centre was renewed for five years at R56/m², escalating at 6,5%, reflecting a 10,7% increase from the expiry rental of R50/m².

Kuilsrivier distribution centre 23 867m² (renewal)

- Effective 1 August 2024, the Cape Town distribution centre was renewed for five years at R44/m², escalating at 6,5%, reflecting a 15,9% increase from the expiry rental of R37/m².

Melrose Arch fourth floor offices 899m² (re-let)

- This previously vacant space has been leased at a rate of R210/m² with a 7% escalation over 18 months.

Group aparthotel occupancy analysis

The aparthotel portfolio comprises three properties in the Cape Town CBD, with a combined GLA of 20 550m² (623 units). For segmental reporting purposes, these assets are included in the residential sector.

For the year ended 30 June 2025, the sector achieved an average occupancy rate of 69,0% (2024: 68%), excluding units out of service for refurbishment or maintenance. The Heriot, now rebranded as HAVN, underwent upgrades from May 2024 to November 2024, resulting in reduced unit availability and lower revenue per unit during that period.

Habitat's occupancy improved significantly to 79% (2024: 55%) following Total Stay's appointment as the hotel operator in January 2024, although the achieved ADR was below expectations due to heightened market competition. Thibault experienced weaker performance during the off-peak period but delivered a strong start to the peak season, generating the highest revenue per unit in the portfolio and achieving an average occupancy rate of 63% compared to 51% in 2024.

Seasonal trends continued to influence performance, with lower occupancies in the first and fourth quarters and stronger demand in the second and third quarters leading into the summer season. The ADR for the year was R797 (2024: R822) per night. The key focus areas for the sector remain the implementation of off-peak demand strategies and disciplined cost management across all properties.

Assets and liabilities held for sale

Heriot

On 1 March 2024, Heriot acquired an additional 50,1% shareholding in Fixtrade 605 Proprietary Limited ("Fixtrade") for R4,7 million. A sectional title scheme was registered in September 2024. By the reporting date, 38 units had been sold for R18,2 million, yielding a cash profit of R15,0 million, which will be distributed to shareholders. The assets sold were recognised at fair value, the same as their selling price. On this basis, no accounting profit on the sale was recognised. Post the reporting period, a total of 47 units have transferred, with the remaining five units in various stages of transfer.

Safari

The Platz am Meer property was classified as held for sale in December 2024 following acceptance of Oryx's R300,0 million offer. The transaction became effective on 30 June 2025, at which point all related assets and liabilities were transferred to the new owner. The unpaid proceeds remained on Safari's statement of financial position as a current asset (receivable). Mnandi Mall (R162,0 million) and Soweto Day Hospital (R11,0 million) remain listed for sale, with active 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 these assets were classified as held for sale.

Total cash available

The Group's available cash reserves decreased slightly from R509,528 million in 2024 to R501,949 million, consisting of:

- Cash and cash equivalents:** Increased from R69,025 million to R121,445 million; and
- Unutilised debt facilities:** Decreased from R440,503 million to R380,504 million.

The decrease was primarily attributed to utilising debt facilities secured to finance capital expenditure on both new and existing properties.

Funding

The WACD for the period was 9,73% (June 2024: 10,27%), representing a 54bps reduction driven by favourable lending rates secured through the refinancing of debt facilities and a 100bps rate cut during the reporting period. However, 90% of the Group's facilities are linked to the three-month JIBAR rate, which delays the full benefit of the rate cuts. While the average JIBAR rate declined by 47bps and the prime rate dropped by 48bps 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 40bps. However, gains were offset by the absence of Safari hedges, which had previously reduced the WACD by 0,07%.

At the reporting date, the weighted average remaining debt expiry was 2,16 years, however, it subsequently increased to 2,3 years due to the debt facility renewals of Nedbank, Standard Bank and Sanlam.

Refinancing and new facilities

Heriot

- In March 2025, Heriot signed a term sheet for the early refinancing of Sanlam debt facilities amounting to R215,57 million, set to expire in August 2025. The three-year facility offers a rate of three-month JIBAR plus 158bps, representing a 22bps reduction from the previous facility rate.

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 153bps margin, with the capital amount maturing in September 2027.

Thibault

- Reduced interest rate margins by 17bps on secured debt of R610,7 million through cross-collateralising assets with the Heriot security pool.
- Post the reporting period on 2 July 2025, Thibault signed 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 45bps.
- On 1 March 2025, Thibault signed 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.
- 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.

LTV and ICR analysis

The Group LTV ratio decreased by 3,11%, from 42,06% in June 2024 to 38,95%, driven by higher property values. This remains comfortably below the Group covenant limit of 50%.

As of 30 June 2025, the Group's ICR was 2,04 times, slightly down from 2,05 times cover in June 2024 but remaining above the 2 times covenant. While the 100bps repo rate cut and favourable refinancing rates contributed positively, Thibault's weaker ICR of 1,83 times offset these gains. The Group's ICR is expected to strengthen as the impact of rate cuts and reduced rates from debt facility renewals fully materialise.

As of the reporting date, the weighted average remaining debt expiry was 2,16 years. However, after the reporting period, this has increased to 2,3 years following the renewal of R312,0 million in debt facilities. Renewal negotiations for the balance of facilities set to expire within the next 12 months have been finalised.

Financial assets

Other financial assets include the following related party balances:

- Share scheme loan of R33,9 million (June 2024: R34,3 million); and
- 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 48 months of the advance date. During the reporting period, Heriot Investments' net repayment of R47,2 million, reduced the balance from R66,8 million to R19,6 million while incurring R3,1 million in interest.

The balance of other financial assets includes the following balances:

- During the reporting period, the Group recognised a R10,0 million financial asset relating to contingent consideration arising from the disposal of Safari Namibia. In terms of the sale agreement, the contingent consideration will be realised after 12 months once certain conditions are met. This meets the definition of a financial asset as per IAS 32.11. In accordance with IFRS 9, the contingent consideration forms part of the disposal proceeds in determining any gain or loss on disposal.
- The 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 R2,95 per share, resulting in a total valuation of R190,4 million at 30 June 2025. The investment is carried at fair value through profit or loss. While the share price decreased from R3,32 on 30 June 2024 to R2,95 by the reporting date, the 79,87 cents per share (R51,6 million) recognised as a return of capital reduced the investment's carrying amount, resulting in a fair value adjustment of R27,7 million recognised in the statement of comprehensive income.

Share capital

Due to the BCUCG with Thibault, on 28 June 2024, Heriot increased its shares in issue by 63 866 124. As of 30 June 2025, the Company had 319 261 982 (2024: 319 261 982) shares in issue, excluding the 900 000 (2024: 900 000) treasury shares owned by the Group.

Subsequent events

Heriot

- Effective 2 July 2025, Nedbank approved a further R30,0 million increase to the Nedbank debt revolver facility to R280,0 million, which will fund the Shoprite Emmarentia tenant installation. Other terms remain the same.
- Heriot holds a 60% interest in 60 Adderley Proprietary Limited, whose R62,0 million debt facility matured in September 2024. The maturity date was temporarily extended to September 2025. On 31 August 2025, Heriot renewed its R62,0 million facility with Nedbank for a further 24 months, maintaining the interest rate at prime minus 50bps.
- On 26 September 2025, the Heriot Board approved a gross final cash distribution of 65,07 cents per ordinary share for the financial year ended 30 June 2025. The distribution will be paid to shareholders on 20 October 2025.
- Post the reporting period, Heriot concluded the sale of the remaining 13 units held by Fixtrade for R8,1 million.
- On 18 September 2025, the Heriot Board approved The Fibonacci development, scheduled to commence in October 2025. The project will comprise 574 student accommodation units and a ground-floor retail precinct, with an estimated development cost of R530,0 million. Completion is targeted for November 2027, with operations expected to begin in time for the 2028 academic year. To mitigate project risk, 174 units will be pre-sold to the market. As this change in intention occurred after the year-end, the 174 units will be classified as inventory in the 2026 financial year.
- On 18 September 2025, Absa's offer to finance The Fibonacci development was approved by the Board. The R530,0 million development facility offers a rate of prime less 180bps. It converts to a R330,0 million three-year term facility after deducting the R200,0 million sales proceeds at a rate of three-month JIBAR plus 147,5bps.

Safari

- On 17 September 2025, the Safari board approved a gross final cash distribution of 40,00 cents per ordinary share for the financial year ended 30 June 2025. The distribution will be paid to shareholders on 13 October 2025.

Thibault

- On 2 July 2025, Thibault signed a term sheet to renew a R250,0 million facility with Nedbank, replacing the previous funding arrangement with First National Bank, resulting in a 45bps saving. The facility is structured over a three-year term at an interest rate of three-month JIBAR plus 151bps.

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 2026, the Group plans to increase the current solar roll-out by 1,7MWp.

Fourteen groundwater harvesting plants are currently operational, with additional plants in the exploration phase.

Prospects

Heriot's results for the reporting period underscore the resilience of its portfolio, particularly the strength of its emerging market retail and industrial assets. While challenging local and global macroeconomic conditions have persisted, recent developments have created a platform for short- to medium-term growth. These include improved energy availability from Eskom, the Government of National Unity remaining in place despite ongoing volatility and lower interest rates.

The Group will continue to pursue strategic initiatives to unlock value from its existing portfolio, while expanding its asset base through the acquisition of high-yielding properties in target markets. In light of its robust cash flows, the Board has resolved to maintain a 100% payout ratio of distributable earnings.

On this basis, management is pursuing growth of 10,0% to 15,0% in the dividend per share for the year ending 30 June 2026.

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

- Prime and JIBAR rates remain at 10,50% and 7,02%, respectively, throughout the period;
- Forecast property income reflects contractual rental escalations and market-related renewals;
- Adequate provisions are made for vacancies and rental reversions; and
- No major corporate or tenant failures occur.

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

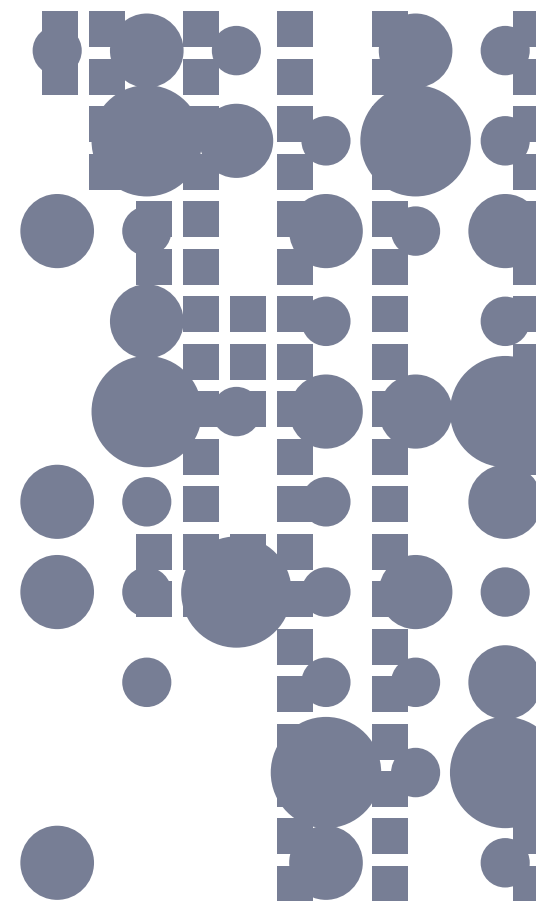
Going concern

The Directors have satisfied themselves that the Group is in a sound financial position with access to sufficient facilities to meet foreseeable cash requirements. At the reporting date, the Group has unutilised debt facilities of R380,504 million, which can be accessed to meet financial obligations. On this basis, 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 NAV of R20,59 per share reflects the Group's favourable solvency position at the reporting date; and
- The Group has 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 statement of financial position

as at 30 June 2025

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Assets		
Non-current assets		
Investment property	12 379 190	11 343 750
Property under development	238 412	92 525
Property, plant and equipment	56 115	56 763
Investment in associates and joint ventures	318	–
Right-of-use assets	1 010	1 515
Financial assets	244 159	313 958
	12 919 204	11 808 511
Current assets		
Trade and other receivables	375 833	104 386
Inventories	–	11 593
Financial assets	10 000	–
Taxation receivable	457	–
Derivative financial instrument	–	163
Cash and cash equivalents	121 445	69 025
	507 735	185 167
Non-current assets held for sale	181 136	180 100
Total assets	13 608 075	12 173 778

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Equity and liabilities		
Equity and reserves		
Stated capital	3 468 665	3 468 665
Retained earnings	3 220 971	2 204 684
Shareholders' interest	6 689 636	5 673 349
Non-controlling interests	1 289 767	1 107 228
Total equity	7 979 403	6 780 577
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	4 989 318	4 888 407
Lease liabilities	1 171	2 153
Deferred taxation	92 908	104 066
	5 083 397	4 994 626
Current liabilities		
Interest-bearing liabilities	312 745	164 933
Trade and other payables	216 082	186 701
Lease liabilities	982	816
Dividend payable to non-controlling shareholders	15 466	46 060
Taxation payable	–	65
	545 275	398 575
Total liabilities	5 628 672	5 393 201
Total equity and liabilities	13 608 075	12 173 778

Condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2025

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Revenue	1 706 944	1 385 418
Contractual rental income	1 183 361	984 165
Operating cost recoveries	471 596	365 624
Revenue from sale of inventory	10 033	19 666
Straight-line rental income accrual	41 954	15 963
Operating costs	(678 608)	(499 267)
Cost of inventory sold	(11 132)	(24 190)
Impairment of inventory	–	(957)
Net property income	1 017 204	861 004
Equity-accounted profits (net of taxation)	–	790
Investment and other income	43 121	20 743
Loss on sale of property, plant and equipment	(392)	(236)
Profit on sale of subsidiary	12 283	–
Administration costs	(95 500)	(82 286)
Profit from operations	976 716	800 015
Finance income	15 072	15 551
Finance charges	(489 961)	(432 118)
Profit before fair value adjustments	501 827	383 448
Fair value adjustments	1 120 688	506 281
Investment properties and property under development	1 109 908	466 198
Fair value adjustment on listed shares	27 697	–
Investment properties held for sale	(16 754)	42 593
Derivative financial instrument	(163)	(2 510)
Profit before taxation	1 622 515	889 729
Taxation	(5 442)	(20 636)
Total comprehensive income for the year	1 617 073	869 093
Attributable to:		
Equity holders of the Company	1 379 124	664 734
Non-controlling interests	237 949	204 359
	1 617 073	869 093

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Reconciliation of earnings and headline earnings		
Profit attributable to equity holders of the Company	1 379 124	664 734
Attributable to:	(946 413)	(406 347)
Fair value adjustments: investment properties	(1 109 908)	(466 198)
Non-controlling shareholder portion of fair value adjustments	158 632	102 917
Loss on sale of property, plant and equipment	392	236
Profit on sale of subsidiary	(12 283)	–
Fair value adjustments on non-current assets held for sale	16 754	(42 593)
Fair value adjustment on previously held equity interest	–	(709)
Headline earnings attributable to equity holders	432 711	258 387
Number of shares in issue at the reporting date ¹	319 261 982	319 261 982
Weighted average number of shares in issue	319 261 982	255 744 853
Basic and diluted earnings per share (cents)	431,97	259,92
Basic and diluted headline earnings per share (cents)	135,53	101,03
Distribution per share (cents)	121,91	106,69

¹ Excluding 900 000 (2024: 900 000) treasury shares.

Condensed consolidated statement of cash flows

for the year ended 30 June 2025

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Cash generated from operations	958 727	789 769
Finance charges	(510 851)	(427 090)
Finance income	8 576	6 401
Taxation paid	(993)	(931)
Net cash flows from operating activities	455 459	368 149
Acquisitions/improvements to investment property	(284 204)	(353 954)
Proceeds from disposal of property, plant and equipment	1 456	196
Acquisition of property, plant and equipment	(10 932)	(16 980)
Proceeds from disposal of investment property held for sale	18 177	–
Acquisition of shares in associates and joint ventures	(318)	–
Acquisition of listed shares	(1 579)	–
Return of capital from listed shares	51 591	–
Cash acquired on business combination (Thibault)	–	2 719
Net cost of business combination (Fixtrade)	–	(4 084)
Cash disposed of on deconsolidation of subsidiary ¹	(618)	–
Dividends received from associates	–	225
Dividend received from listed investments	26 004	–
Loan repaid by related party	103 170	15 240
Loan advanced to related party	(52 784)	(9 267)
Share scheme debt repaid	3 594	3 352
Net cash used in investing activities	(146 443)	(362 553)

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Share issue expenses	–	(748)
Dividends paid to Heriot shareholders	(362 837)	(266 023)
Dividends paid to non-controlling shareholders	(87 129)	(86 047)
Acquisition of minority interest	–	(41 273)
Subscription by minority for additional shares in subsidiary	1 125	–
Interest-bearing borrowings raised – assets and liabilities held for sale	–	179 153
Interest-bearing borrowings raised	914 615	902 184
Interest-bearing borrowings repaid	(721 555)	(668 608)
Payment of lease liabilities	(815)	(904)
Net cash (used in)/generated from financing activities	(256 596)	17 734
Net movement in cash and cash equivalents	52 420	23 330
Cash and cash equivalents at the beginning of the year	69 025	45 695
Cash and cash equivalents at the end of the year	121 445	69 025

¹ The Group disposed of its interest in Safari Namibia during the year. In accordance with IAS 7 Statement of Cash Flows, the consolidated statement of cash flows reflects the net cash impact of the transaction within investing activities. This comprises the cash proceeds receivable from the disposal, net of the subsidiary's cash and cash equivalents at the date control was lost. As the cash proceeds were only received on 1 July 2025, the cash flow impact for the current year relates solely to the deconsolidation of the subsidiary's cash balance, representing the reduction in cash and cash equivalents under the Group's control.

Condensed consolidated statement of changes in equity

for the year ended 30 June 2025

	Stated capital R'000	Reserves R'000	Non- controlling interests R'000	Total R'000
Audited				
Balance 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) ¹	–	19 738	(50 460)	(30 722)
Safari treasury share purchases ²	–	7 744	(18 295)	(10 551)
Shares issued for Thibault acquisition	957 992	–	–	957 992
Dividend declared in lieu of shares acquired in Thibault (non-cash) ³	(37 203)	37 203	–	–
Bargain gain on common control (Thibault acquisition) ³	–	336 321	(257 931)	78 390
Share issue expenses ⁴	(748)	–	–	(748)
Dividends ⁵	–	(266 023)	(121 329)	(387 352)
Balance at 30 June 2024	3 468 665	2 204 684	1 107 228	6 780 577
Reviewed				
Balance at 1 July 2024	3 468 665	2 204 684	1 107 228	6 780 577
Total comprehensive income for the year	–	1 379 124	237 949	1 617 073
Subscription by minority for additional shares in subsidiary ⁶	–	–	1 125	1 125
Dividends ⁷	–	(362 837)	(56 535)	(419 372)
Balance at 30 June 2025	3 468 665	3 220 971	1 289 767	7 979 403

30 June 2024 notes:

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

- ¹ Heriot's acquisition of 5 470 088 Safari shares for R30,722 million; and
- ² Safari's acquisition of 1 915 153 treasury shares for R10,551 million.
- ³ The gain of R373 524 million recognised through the statement of changes in equity is comprises the following:
 - The bargain 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.
- ⁴ Heriot incurred R748 000 costs related to the issue of new shares as a result of the Thibault acquisition.
- ⁵ 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 to minority shareholders was a result of Safari declaring its second interim distribution on 27 June 2024 and paid on 15 July 2024.

30 June 2025 notes:

- ⁶ During the reporting period, Moditouch Proprietary Limited, a subsidiary of Heriot, issued additional shares equally to both its shareholders, and therefore, the ownership percentage remained the same. The minority shareholder paid R1,125 million in cash to acquire the additional shares issued.
- ⁷ On 23 October 2024, Heriot paid its final distribution to shareholders, totalling R181,384 million or 56,81 cents per share, for the six months ended 30 June 2024.
 - On 22 April 2025, Heriot paid its interim distribution to shareholders, totalling R181,453 million or 56,84 cents per share, for the six months ended 31 December 2024.
 - On 18 October 2024, Safari paid its final distribution to shareholders, totalling R43,464 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.
 - On 24 March 2025, Safari paid its interim distribution to shareholders, totalling R86,928 million or 34,0 cents per share, for the six months ended 31 December 2024. At the Group level, R35,439 million was paid to minority shareholders.

Notes to the financial statements

1. Basis of preparation

The reviewed condensed consolidated financial statements for the year ended 30 June 2025 have been prepared in accordance with the JSE Listings Requirements for condensed reports and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require these condensed 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 and to also 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.

Year-on-year movements in the Group income statement are not directly comparable, as Safari reported 15-month results in 2024 to align with Heriot's year-end, and the 2025 results include Thibault's statement of comprehensive income for the first time.

The reviewed condensed consolidated financial statements were prepared under the supervision of the Chief Financial Officer, Daniel Snoyman CA(SA). The Directors are not aware of any matters or circumstances arising subsequent to the year ended 30 June 2025, other than those disclosed in note 5 and page 13 of this announcement, that require any additional disclosure or adjustment to the financial statements. The Directors further take full responsibility for the preparation of these reviewed condensed consolidated financial statements.

The reviewed condensed consolidated financial statements for the year ended 30 June 2025 have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. The review report is set out below.

The reviewed condensed consolidated financial statements were approved by the Board on 26 September 2025.

Independent Auditor's Review Report on the Condensed Consolidated Financial Statements

To the shareholders of Heriot REIT Limited

We have reviewed the condensed consolidated financial statements of Heriot REIT Limited, contained in the accompanying report, which comprise the condensed consolidated statement of financial position as at 30 June 2025 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The JSE Listings Requirements require condensed consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 International Accounting Standard (IAS) 34, Interim Financial Reporting.

Auditor's responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude on whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Heriot REIT Limited for the year ended 30 June 2025 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

BDO South Africa Incorporated

Registered Auditors

VR de Villiers

Director

Registered Auditor

26 September 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

2. Non-IFRS® Accounting Standards measure – distributable earnings

	Year ended 30 June 2025 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	1 654 957	1 349 789
Property expenses	(678 608)	(499 267)
Investment and other income	43 121	20 743
Administrative expenses and corporate costs	(94 996)	(81 782)
Per statement of comprehensive income	(95 500)	(82 286)
Adjust for: Depreciation charged on owner-occupied property	504	504
Net finance costs	(474 889)	(416 567)
Finance income	15 072	15 551
Finance charges	(489 961)	(432 118)
Income tax	(471)	(148)
Profit from disposal of non-current assets held for sale ¹	15 000	–
Safari dividend relating to Thibault's pre-acquisition earnings ²	4 412	–
Net dividend distributed from equity-accounted entities	–	225
Thibault distribution declared to Heriot – in cost of subsidiary acquired	–	37 203
Non-controlling interest	(79 317)	(101 442)
	389 209	308 754
Number of shares in issue at the reporting date (interim) ³	319 261 982	255 395 858
Number of shares in issue at the reporting date (final) ³	319 261 982	319 261 982
Total distribution (R'000)		
Interim distribution	181 453	127 371
Final distribution	207 756	181 383
Total distribution R'000	389 209	308 754
Distribution per share (cents)		
Interim distribution	56,83499	49,87199
Final distribution	65,07410	56,81337
Total distribution per share (cents)	121,90909	106,68536

¹ The assets sold were recognised at fair value, the same as their selling price. On this basis, no accounting profit on the sale was recognised. The amount included in the distribution for the period represents the sale proceeds less the cost of the assets disposed.

² Heriot's share of pre-acquisition earnings paid as a dividend to Heriot. Refer to page 6 for further details.

³ Excluding the 900 000 treasury shares in issue (2024: 900 000).

3. Segmental analysis

The Group's portfolio is organised into three operating segments, namely sectoral, geographical and Group components. The segments are consistent with the way the Group reports internally and enable management to assess each segment's contribution to the Group. The contribution of each segment to the overall performance of the Group is as follows:

Sectoral	Year ended 30 June 2025					
	Retail ¹	Industrial	Office	Specia- lised ²	Resi- dential/ aparthotel	Other ³
Total GLA (m²)	358 459	268 705	30 496	–	3 446	–
Total GLA	358 459	268 705	30 496	–	23 996	21 165
Vacant land and under development	–	–	–	–	–	(21 165)
Aparthotel GLA	–	–	–	–	(20 550)	–
Vacancy (m²)	5 772	3 346	1 499	–	18	–
% Vacant	1,6	1,2	4,9	–	0,5	–

¹ The reduction in the retail sector GLA is predominantly due to the sale of the Platz am Meer shopping centre on 30 June 2025.

² 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.

³ 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	Year ended 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised R'000	Resi- dential/ aparthotel R'000	Other R'000	Total R'000
Contractual rental income	806 340	179 949	63 046	9 555	123 384	1 087	1 183 361
Recoveries	383 040	64 821	19 594	756	3 259	126	471 596
Revenue from sale of inventory	-	-	-	-	10 033	-	10 033
Straight-lining of rental income	45 134	(2 608)	85	(527)	(130)	-	41 954
Total revenue	1 234 514	242 162	82 725	9 784	136 546	1 213	1 706 944
Property expenses	(464 176)	(73 906)	(41 222)	(780)	(85 586)	(12 938)	(678 608)
Cost of inventory sold	-	-	-	-	(11 132)	-	(11 132)
Net property income	770 338	168 256	41 503	9 004	39 828	(11 725)	1 017 204
Other income and equity-accounted profit/(losses)	-	-	-	-	-	43 121	43 121
Loss on sale of property, plant and equipment	-	-	-	-	(392)	-	(392)
Administration expenses	-	-	-	-	-	(95 500)	(95 500)
Net finance charges	-	-	-	-	-	(474 889)	(474 889)
Change in fair value of listed shares	-	-	-	-	-	27 697	27 697
Change in fair value of derivative instrument	-	-	-	-	-	(163)	(163)
Change in fair value of properties	790 672	160 590	66 191	34 627	23 186	17 888	1 093 154
Profit on sale of subsidiary	12 283	-	-	-	-	-	12 283
Net profit before taxation	1 573 293	328 846	107 694	43 631	62 622	(493 571)	1 622 515
Property cost-to-income ratio (operating expenses/rental and recoveries) (%)	39	30	50	8	68	N/A	41

3. Segmental analysis continued

Statement of financial position

Sectoral	Year ended 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised R'000	Resi- dential/ aparthotel R'000	Other R'000	Total R'000
Investment property	8 634 790	2 007 500	669 400	235 500	798 000	34 000	12 379 190
Non-current assets held for sale	173 000	-	-	-	8 136	-	181 136
Property under development	-	-	-	-	-	238 412	238 412
Property, plant and equipment	3 103	-	41	-	31 110	21 861	56 115
Trade and other receivables	344 189	11 091	1 732	-	6 590	12 231	375 833
Other assets	-	-	-	-	-	377 389	377 389
Total assets	9 155 082	2 018 591	671 173	235 500	843 836	683 893	13 608 075
Trade and other payables	157 375	7 865	10 056	5 150	4 212	46 890	231 548
Other liabilities	-	-	-	-	-	5 397 124	5 397 124
Total liabilities	157 375	7 865	10 056	5 150	4 212	5 444 014	5 628 672

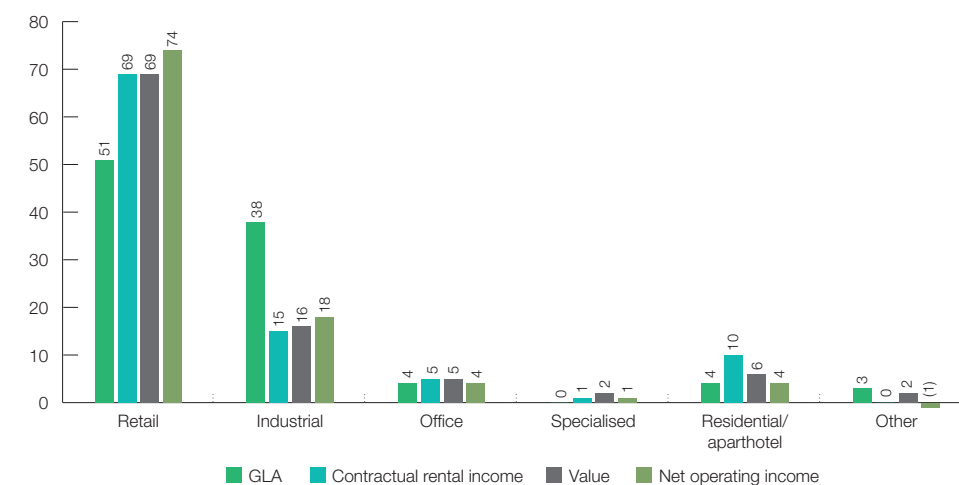
3. Segmental analysis continued

Sectoral	Year ended 30 June 2024						Total
	Retail	Industrial	Office	Specialised ¹	Residential/aparthotel	Other	
Total GLA (m²)²	378 074	268 704	30 496	–	6 478	–	683 752
Total GLA	378 073	268 705	30 496	–	27 028	18 665	722 967
Vacant land and under development	–	–	–	–	–	(18 665)	(18 665)
Aparthotel GLA	–	–	–	–	(20 550)	–	(20 550)
Vacancy (m ²)	5 641	12 400	2 408	–	645	–	21 094
% Vacant	1,5	4,6	7,9	–	10,0	–	3,1

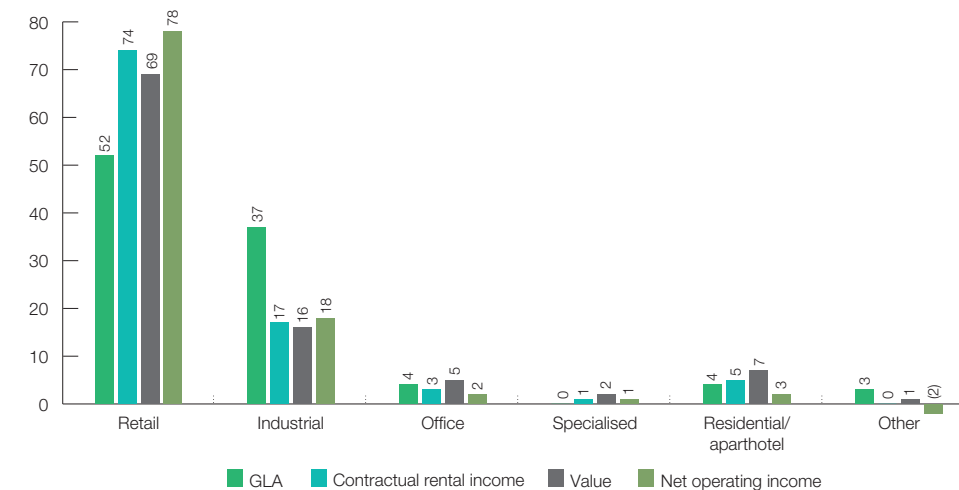
¹ The specialised property comprises 8 382ha of paper plantation farms and the inclusion of this, measured by hectare, in the analysis by GLA would not provide meaningful analysis of the portfolio as a whole.

² Total GLA has been restated to exclude vacant land and the aparthotels GLA. Please refer to page 54 for further information.

Sectoral (%) (year ended 30 June 2025)



Sectoral (%) (year ended 30 June 2024)



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 R'000	Resi- dential/ aparthotel 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
Total revenue	1 057 065	217 985	31 781	8 848	68 655	1 084	1 385 418
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)
Net property income	696 340	147 212	16 069	8 565	10 366	(17 548)	861 004
Other income and equity-accounted profit/(losses)	–	–	–	–	–	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
Net profit before taxation	1 063 857	256 733	11 595	16 415	38 728	(497 599)	889 729
Property cost-to-income ratio (operating expenses/rental and recoveries) (%)	35	31	48	3	68	N/A	37

3. Segmental analysis continued

Statement of financial position

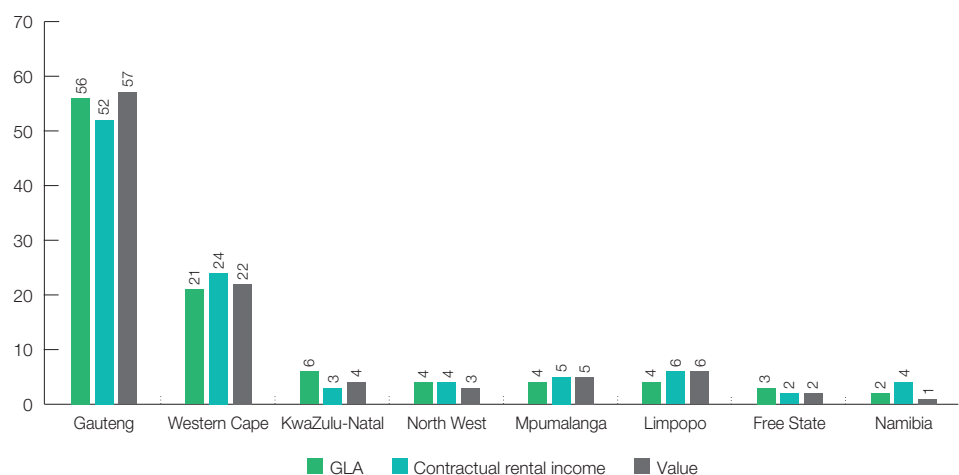
Sectoral	As at 30 June 2024						
	Retail R'000	Industrial R'000	Office R'000	Specia- lised R'000	Resi- dential/ aparthotel R'000	Other R'000	Total R'000
Investment property	7 894 850	1 837 000	600 200	201 400	776 300	34 000	11 343 750
Non-current assets held for sale	180 100	–	–	–	–	–	180 100
Property 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
Total assets	8 129 670	1 848 375	601 408	201 400	815 008	577 917	12 173 778
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
Total liabilities	115 374	16 449	9 592	4 688	12 944	5 234 154	5 393 201

3. Segmental analysis continued

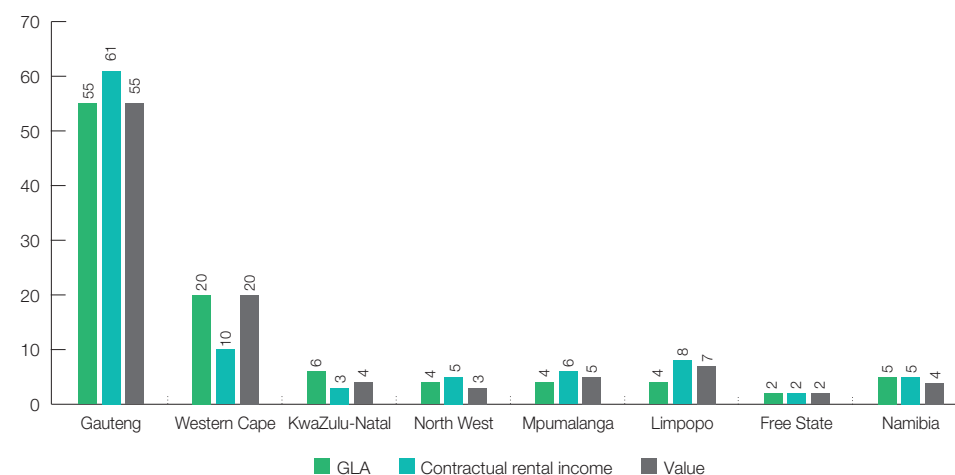
Year ended 30 June 2025

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)	382 968	122 127	43 018	27 231	26 459	27 897	17 906	13 500	661 106
Total GLA	396 101	150 709	43 018	27 231	26 459	27 897	17 906	13 500	702 821
Vacant land and under development	(13 133)	(8 032)	-	-	-	-	-	-	(21 165)
Aparthotel GLA	-	(20 550)	-	-	-	-	-	-	(20 550)
Vacancy (m²)	6 724	2 391	-	894	281	345	-	-	10 635
% Vacant	1,8	2,0	-	3,3	1,1	1,2	-	-	1,6
Investment property	7 017 490	2 603 500	457 000	442 700	638 500	830 000	215 000	175 000	12 379 190
Property under development	-	238 413	-	-	-	-	-	-	238 413
Non-current assets held for sale	173 000	-	8 136	-	-	-	-	-	181 136
Total property portfolio	7 190 490	2 841 913	465 136	442 700	638 500	830 000	215 000	175 000	12 798 739
Contractual rental income	616 474	283 290	35 452	52 646	55 942	71 333	18 203	50 021	1 183 361
Recoveries	282 223	87 265	9 330	20 222	19 648	25 502	8 694	18 712	471 596
	898 697	370 555	44 782	72 868	75 590	96 835	26 897	68 733	1 654 957

Geographical (%) (year ended 30 June 2025)



Geographical (%) (year ended 30 June 2024)



3. Segmental analysis continued

Geographical	Year ended 30 June 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)¹	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

¹ Total GLA has been restated to exclude vacant land and the aparthotels GLA. Please refer to page 54 for further information.

3. Segmental analysis continued

Year ended 30 June 2025

Group components	Heriot	Safari	Thibault	Group total
Total GLA (m²)	422 228	157 608	81 270	661 106
Total GLA	442 786	170 741	89 294	702 821
Vacant land and under development	(8 032)	(13 133)	–	(21 165)
Aparthotel GLA	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	6 476	3 243	916	10 635
% Vacant	1,5	2,1	1,1	1,6

3. Segmental analysis continued

Statement of comprehensive income

Year ended 30 June 2025

Group components	Heriot R'000	Safari¹ R'000	Thibault² R'000	Group total R'000
Contractual rental income	596 639	388 215	198 507	1 183 361
Recoveries	197 617	205 641	68 338	471 596
Revenue from sale of inventory	–	10 033	–	10 033
Straight-lining of rental income	(1 927)	13 857	30 024	41 954
Total revenue	792 329	617 746	296 869	1 706 944
Property expenses	(302 054)	(248 241)	(128 313)	(678 608)
Cost of inventory sold	–	(11 132)	–	(11 132)
Net property income	490 275	358 373	168 556	1 017 204
Other income and equity-accounted profit/(losses)	10 123	6 890	26 108	43 121
Loss on sale of property, plant and equipment	(392)	–	–	(392)
Administration expenses	(50 471)	(32 769)	(12 260)	(95 500)
Net finance charges	(247 906)	(132 251)	(94 732)	(474 889)
Change in fair value of listed shares	–	–	27 697	27 697
Change in fair value of derivative instrument	–	(163)	–	(163)
Change in fair value of properties	542 304	352 650	198 200	1 093 154
Profit on sale of subsidiary	–	12 283	–	12 283
Net profit before taxation	743 933	565 013	313 569	1 622 515
Property cost-to-income ratio (operating expenses/rental and recoveries) (%)	38	42	48	41

¹ The comparative period for Safari is the 15-month period ended 30 June 2024.

² Thibault was acquired on 28 June 2024; consequently, no comparative data for the statement of comprehensive income is available as of 30 June 2024.

3. Segmental analysis continued

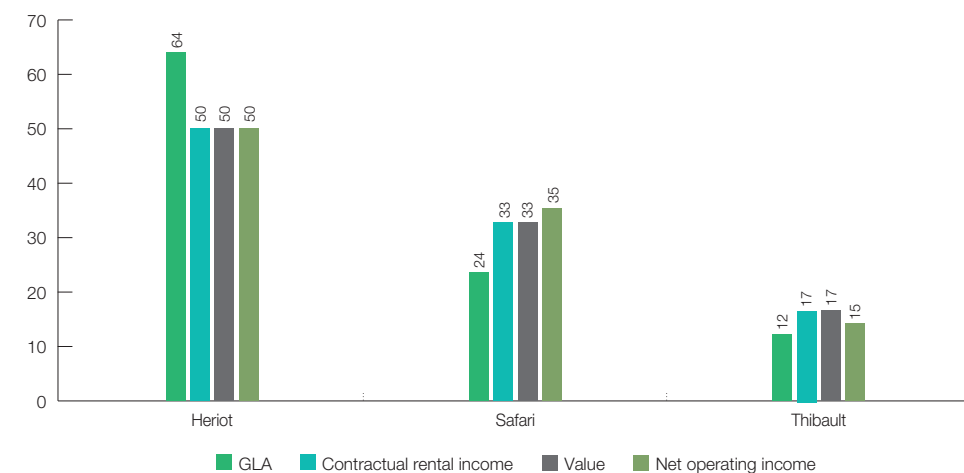
Statement of financial position

Group components	Year ended 30 June 2025			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Investment property	6 225 190	4 019 000	2 135 000	12 379 190
Non-current assets held for sale	8 136	173 000	–	181 136
Property under development	238 412	–	–	238 412
Property, plant and equipment	42 805	2 162	11 148	56 115
Trade and other receivables	34 442	329 640	11 751	375 833
Other assets	120 377	61 863	195 149	377 389
Total assets	6 669 362	4 585 665	2 353 048	13 608 075
Trade and other payables	110 667	95 008	25 873	231 548
Other liabilities	2 829 966	1 480 609	1 086 549	5 397 124
Total liabilities	2 940 633	1 575 617	1 112 422	5 628 672

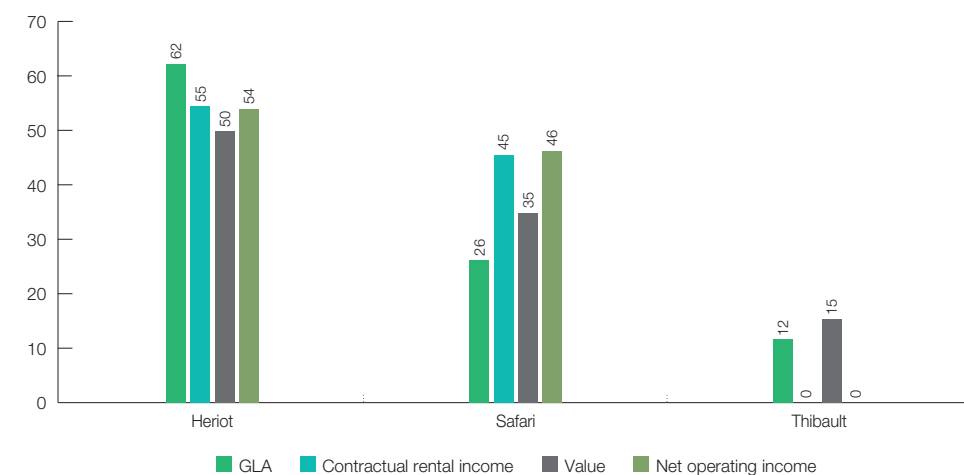
Group components	Year ended 30 June 2024			
	Heriot	Safari	Thibault	Group total
Total GLA (m²)¹	425 260	179 267	79 225	683 752
Total GLA	443 318	192 400	87 249	722 967
Vacant land and under development	(5 532)	(13 133)	–	(18 665)
Aparthotel GLA	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	15 424	4 466	1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

¹ Total GLA has been restated to exclude vacant land and the aparthotels GLA. Please refer to page 54 for further information.

Group (%) (year ended 30 June 2025)



Group (%) (year ended 30 June 2024)



Notes to the financial statements continued

3. Segmental analysis continued

Statement of comprehensive income

Group components	Year ended 30 June 2024			
	Heriot R'000	Safari ¹ R'000	Thibault ² R'000	Group total R'000
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
Total revenue	705 311	680 107	–	1 385 418
Property expenses	(252 654)	(246 613)	–	(499 267)
Cost of inventory sold	–	(24 190)	–	(24 190)
Impairment of inventory	–	(957)	–	(957)
Net property income	452 657	408 347	–	861 004
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
Net profit before taxation	470 136	419 593	–	889 729
Property cost-to-income ratio (operating expenses/rental and recoveries) (%)	36	39	–	37

¹ The comparative period for Safari is the 15-month period ended 30 June 2024.

² Thibault was acquired on 28 June 2024; consequently, no comparative data for the statement of comprehensive income is available as of 30 June 2024.

3. Segmental analysis continued

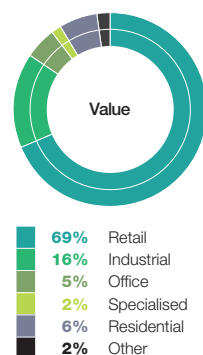
Statement of financial position

Group components	As at 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
Total assets	6 033 437	4 107 027	2 033 314	12 173 778
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
Total liabilities	2 917 214	1 476 336	999 651	5 393 201

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.

% of portfolio by value



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.

	Reviewed 30 June 2025 %	Audited 30 June 2024 %
The average capitalisation rate applied was:	8,81	8,92
The rates applied per sector were as follows:		
Retail	8,80	8,89
Industrial	9,00	9,39
Office	8,59	9,23
Specialised	8,50	8,50
Residential/Aparthotel	8,57	9,00

4. Investment property continued

	Reviewed 30 June 2025 R'000	Audited 30 June 2024 R'000
Value per sector		
Retail ¹	8 634 790	7 894 850
Industrial	2 007 500	1 837 000
Office	669 400	600 200
Specialised	235 500	201 400
Residential/Aparthotel	798 000	776 300
Other	34 000	34 000
	12 379 190	11 343 750

Split between Heriot, Safari and Thibault assets as at 30 June 2025:

	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail ¹	3 287 790	3 985 000	1 362 000	8 634 790
Industrial	2 007 500	–	–	2 007 500
Office	252 400	–	417 000	669 400
Specialised	235 500	–	–	235 500
Residential/Aparthotel ²	442 000	–	356 000	798 000
Other	–	34 000	–	34 000
	6 225 190	4 019 000	2 135 000	12 379 190

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

	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail ³	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/Aparthotel	436 300	–	340 000	776 300
Other	–	34 000	–	34 000
	5 688 200	3 860 800	1 794 750	11 343 750

¹ Excludes assets held for sale of R173,0 million

² Excludes assets held for sale of R8,1 million

³ Excludes assets held for sale of R180,1 million

5. Subsequent events

Heriot

On 18 September 2025, the Heriot Board approved the Fibonacci Development, scheduled to commence in October 2025. The project will comprise 574 student accommodation units and a ground-floor retail precinct, with an estimated development cost of R530 million. Funding will be provided through a new debt facility arranged by Absa. Completion is targeted for November 2027, with operations expected to begin in time for the 2028 academic year. To mitigate project risk, 174 units will be pre-sold to the market. As this change in intention occurred after the year-end, the 174 units will be classified as inventory in the 2026 financial year.

On 18 September 2025, Absa's offer to finance The Fibonacci development was approved by the Board. The R530,0 million development facility offers a rate of prime less 180bps. It converts to a R330,0 million three-year term facility after deducting the R200,0 million sales proceeds at a rate of three-month JIBAR plus 147,5bps.

On 2 July 2025, Heriot increased its Nedbank debt revolver facility by R30,0 million, thereby increasing the total facility to R280,0 million. The balance of the terms remains unadjusted.

Post the reporting period, Heriot concluded the sale of the remaining 13 units held by Fixtrade for R8,1 million.

On 31 August 2025, Heriot renewed its R62,0 million facility with Nedbank for a further 24 months, maintaining the interest rate at prime minus 0,5%.

On 26 September 2025, the Heriot Board approved a gross final cash distribution of 65,07 cents per ordinary share for the financial year ended 30 June 2025. The distribution will be paid to shareholders on 20 October 2025.

Safari

On 19 September 2025, the Safari board approved a gross final cash distribution of 40,00 cents per ordinary share for the financial year ended 30 June 2025. The distribution will be paid to shareholders on 13 October 2025.

Thibault

On 2 July 2025, Thibault signed a term sheet to renew a R250,0 million facility with Nedbank, replacing the previous funding arrangement with First National Bank. The facility is structured over a three-year term at an interest rate of three-month JIBAR plus 151bps.

The Directors are not aware of any other material reportable events that occurred after the reporting period.

6. Going concern

The Directors have satisfied themselves that the Group is in a sound financial position with access to sufficient facilities to meet foreseeable cash requirements. As a result of maturing facilities, the Group's current liabilities exceed its current assets. Refinancing discussions with new and current financial institutions are at an advanced state, and the Group's financial performance and position have been taken into consideration. To date, the Group has successfully secured new or renewed facilities with its current lenders. The Group has unutilised debt facilities of R380,504 million at the reporting date which can be accessed to meet financial obligations at the date of this report. On this basis, the Directors believe that the Group has adequate cash resources to continue operating for the foreseeable future and accordingly, the financial statements have been prepared on a going concern basis.

7. Related parties and related party transactions

	Reviewed Year ended 30 June 2025 R'000	Audited Year ended 30 June 2024 R'000
Related parties and related party transactions		
Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.		
Relationships are as follows:		
Beneficial ownership – The Gusi Trust – beneficiaries include SB Herring		
Majority shareholder – Heriot Investments Proprietary Limited		
JCB Herring – shareholder		
14th Avenue Investments Proprietary Limited – Directorship		
Related parties with whom the Company transacted during the year were:		
Amount included in other financial assets		
Heriot Investments Proprietary Limited	19 617	66 825
Loans to participants of the employee share scheme	33 990	34 265
RL Herring – Chief Executive Officer	28 920	29 150
Other employees	5 070	5 115
Total amount included in other financial assets	53 607	101 090
Amount included in trade and other receivables/(payables)		
JCB Herring – shareholder	–	340
Related party transactions		
Interest received		
Heriot Investments Proprietary Limited	3 178	5 649
Loans to participants of the employee share scheme	3 318	3 501
RL Herring	2 977	2 977
Other	341	524
JCB Herring	25	129
	6 521	9 279
Investment and other income (management fees and letting commission)		
14th Avenue Investments Proprietary Limited ¹	–	2 723

¹ 14th Avenue is a wholly owned subsidiary of Thibault. Heriot provided management services to 14th Avenue prior to its acquisition of Thibault on 28 June 2024. On this basis, Heriot recognised the management fee and letting commission prior to the acquisition in investment and other income and disclosed this as a related party transaction.

8. Capital commitments

	Year ended 30 June 2025 R'000	Year ended 30 June 2024 R'000
The summary of capital commitments is as follows:	246 301	533 339
Heriot	117 101	204 469
Safari	124 450	214 075
Thibault	4 750	114 795

As at 30 June 2025, the Group's capital commitments of R249,301 million comprise improvements to investment properties. These commitments have been authorised and committed to by both Heriot's and Safari's Boards.

These costs will be funded by the Group's cash reserves together with unutilised, committed and future credit facilities.

9. Investment in financial assets

Investments in listed shares

Investments in listed shares are classified as a Level 1 financial asset which is recognised at fair value through profit or loss.

Equity price risk refers to the risk that the fair value of the future cash flows of listed investments will fluctuate due to changes in market prices.

Financial assets at fair value through profit or loss comprise Thibault's investment in Texton. Thibault holds 64,5 million shares in Texton, valued at the closing market price of R2,95 per share, resulting in a total valuation of R190,4 million at 30 June 2025.

The fair value hierarchy has the following levels

The investments are valued at fair value at the reporting date using the following hierarchy:

Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.

Level 3 – fair value is determined through the use of valuation techniques using significant inputs for assumptions applied to the valuation of investment property and property under development.

Payment of dividend

The Board has approved and notice is hereby given of the final gross dividend of 65,07410 cents per share for the period ended 30 June 2025. The dividend is payable to Heriot's shareholders in accordance with the timetable set out below.

	2025
Declaration date	Friday, 26 September
Finalisation date	Tuesday, 14 October
Last date to trade <i>cum</i> dividend	Tuesday, 14 October
Shares trade <i>ex</i> dividend	Wednesday, 15 October
Record date	Friday, 17 October
Payment date	Monday, 20 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 October 2025 and Friday, 17 October 2025, both days inclusive. The dividend will be transferred to dematerialised shareholders' Central Securities Depository Participant ("**CSDP**")/broker accounts on Monday, 20 October 2025. Certificated shareholders' dividend payments will be posted or paid to certificated shareholders' bank accounts on or about Monday, 20 October 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 No 58 of 1962 ("**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) a declaration that the dividend is exempt from dividends tax; and
 - b) 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 52,05928 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) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
 - b) 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

26 September 2025

Additional disclosures in terms of SA REIT Best Practice Recommendations (“SA REIT BPR”)

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

	30 June 2025 R'000	30 June 2024 R'000
Profit per IFRS® Accounting Standards statement of comprehensive income attributable to equity holders of the Company	1 379 124	664 734
<i>Adjusted for:</i>		
Accounting/specific adjustments		
Fair value adjustment to investment properties	(1 109 908)	(466 198)
Fair value adjustment to investment properties held for sale	16 754	(42 593)
Fair value adjustment to listed shares	(27 697)	–
Straight-line rental income adjustment	(41 954)	(15 963)
Depreciation of owner-occupied property	504	504
Loss on sale of assets	392	236
Net impairment losses	–	957
Loss on sale of inventory	1 099	4 524
Thibault distribution declared to Heriot	–	37 203
Profit from disposal of non-current assets held for sale	15 000	–
Safari dividend relating to Thibault's pre-acquisition earnings	4 412	–
Deferred taxation movement	4 971	20 488
Adjustments to dividends from equity interests held	–	(565)
Profit on sale of subsidiary	(12 283)	–
Hedging items		
Fair value adjustment to derivative instruments	163	2 510
Other adjustments		
Non-controlling interests in respect of the above adjustments	158 632	102 917
	389 209	308 754
Number of shares in issue at the reporting date (interim) ¹	319 261 982	255 395 858
Number of shares in issue at the reporting date (final) ¹	319 261 982	319 261 982
Interim distribution per share (cents)	56,83499	49,87199
Final distribution per share (cents)	65,07410	56,81337
Total distribution per share (cents)	121,90909	106,68536

¹ Excluding the 900 000 treasury shares in issue.

2. SA REIT BPR COST-TO-INCOME RATIO

	30 June 2025 R'000	30 June 2024 R'000
Expenses		
Per IFRS® Accounting Standards income statement		
Property expenses including municipal expenses and depreciation	678 608	499 267
Administrative expenses and corporate costs	87 436	73 669
Per statement of comprehensive income	95 500	82 286
<i>Adjust for:</i>		
Salary recoveries included in sundry income	(7 560)	(8 112)
Depreciation charged on owner-occupied property	(504)	(505)
Total operating expenses	766 044	572 936
Rental income		
Contractual rental income and utility and operating recoveries, excluding straight-line rental income	1 654 957	1 349 789
Gross rental income	1 654 957	1 349 789
Cost-to-income ratio (%)	46,29	42,45
Administrative cost-to-income ratio (%)	5,28	5,46

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 48% and 38%, respectively. Heriot's ratio was driven by a strategic shift in the residential/aparthotel 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.

3. SA REIT BPR VACANCY RATE

	30 June 2025	30 June 2024
GLA of property portfolio (m²)	661 106	683 752
Total GLA	702 821	722 967
Vacant land and under development	(21 165)	(18 665)
Aparthotel GLA	(20 550)	(20 550)
Vacant GLA (m²)	10 635	21 094
Vacancy rate (%)	1,6	3,1

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

GLA movement – The reduction in the retail sector GLA is predominantly due to the sale of the Platz am Meer shopping centre on 30 June 2025.

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

4. SA REIT BPR LTV

	30 June 2025 R'000	30 June 2024 R'000
Interest-bearing liabilities	5 302 063	5 053 340
Less: Cash and cash equivalents	(121 445)	(69 025)
Less: Derivative financial instruments	–	(163)
Net debt	5 180 618	4 984 152
Investment property	12 379 190	11 343 750
Property under development	238 412	92 525
Disposal consideration receivable	290 000	–
Non-current assets and liabilities held for sale	181 136	180 100
Owner-occupied property	21 174	21 678
Investment in listed shares	190 553	212 868
Investments in associates and joint ventures	318	–
Carrying amount of property-related assets	13 300 783	11 850 921
LTV (%)	38,95	42,06

5. SA REIT BPR NAV

	30 June 2025 R'000	30 June 2024 R'000
Reported NAV	6 689 636	5 673 349
Adjusted for:		
Dividend to be declared	(207 757)	(181 383)
Fair value of derivative financial instruments	–	(163)
Deferred taxation	92 908	104 066
SA REIT BPR NAV	6 574 787	5 595 869
Number of shares in issue	319 261 982	319 261 982
NAV per share (cents)	2 059,37	1 752,75

6. SA REIT BPR COST OF DEBT

	30 June 2025 %	30 June 2024 %
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	9,58	10,16
Fixed interest rate borrowings		
Weighted average fixed rate	–	(0,07)
Pre-adjusted WACD	9,58	10,09
Amortised transaction costs imputed into the effective interest rate	0,15	0,18
All-in WACD	9,73	10,27

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
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Rosebank 2196

PO Box 61051, Marshalltown 2107

Directors

SB Herring (Chairman)^{1, 2}
RL Herring (Chief Executive Officer)
D Snoyman (Chief Financial Officer)
SJ Blieden^{1, 3}
GJ Heron^{1, 3}
R Lockhart-Ross^{1, 3}
A Mazwai¹

¹ Non-executive

² British

³ Independent

Transfer secretaries

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