

HERIOT REIT LIMITED

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



SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

NATURE OF BUSINESS

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").

KEY FINANCIAL HIGHLIGHTS

	Reviewed for the year ended 30 June 2025	Audited for the year ended 30 June 2024	Change %
Distribution per share (cents)	121.91	106.69	14,3
Distributable earnings (R'm)	389.21	308.75	26,1
Total assets (R'm)	13,608.08	12,173.78	11,8
Net asset value per share (cents)	2,059.37	1,752.75	17,5
Gross revenue (R'm)	1,706.94	1,385.42	23,2
Net property operating income (R'm)	976.35	850.52	14,8
Net profit after taxation (R'm)	1,617.07	869.09	86,1
Earnings per share (cents)	431.97	259.92	66,2
Headline earnings per share (cents)	135.53	101.03	34,1

FINANCIAL RESULTS

Heriot's results for the year ended 30 June 2025 ("Reporting Period") demonstrate the resilience of its portfolio, with the strong performance of its emerging market retail and industrial assets. Despite persistent local and global macroeconomic headwinds, the Company delivered robust results, reflecting management's expertise, disciplined investment strategy and a portfolio anchored by blue-chip national tenants. Heriot remains focused on pursuing opportunities in its core sectors of retail, industrial and hospitality.

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.
- **Proceeds from the disposal of non-current assets held for sale:** The net proceeds of R15,0 million from the sale of an investment property have been included in distributable earnings for the reporting period.
- **Non-IFRS® distributable earnings adjustment:** Thibault's share of Safari's final dividend amounting to R4,4 million for the period ended 30 June 2024, being pre-acquisition earnings of the Group, was included in distributable earnings for the reporting period.

- **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 78,0 to 73,6 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 reduction in the repo rate positively impacted the Group's earnings, as the Group's debt is entirely linked to floating rates.
- **Weighted average cost of debt ("WACD") reductions:** Refinancing debt at favourable rates lowered lending margins, further boosting distributable earnings. The WACD for the reporting period was 9,73% (2024: 10,27%).
- **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:** Financial performance significantly improved from letting vacant space and increased rentals on lease renewals.
- **Low vacancies:** Group vacancies remained low at 1,6% at 30 June 2025 (2024: 3,1%).

Group net property operating income ("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. Additional growth was achieved through 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 approximately 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 65,07410 cents per share for the six months ended 30 June 2025. This represents a 14,5% increase compared to the final dividend of 56,81337 cents per share for the same period in 2024.

Net asset value ("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.

MAIN REPORTING METRICS

DPS and NAV per share remain Heriot's key performance metrics.

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 of directors of the Company ("**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 external auditor.

PAYMENT OF FINAL DIVIDEND

The Board has declared a final gross cash dividend of 65,07410 cents per share out of the Company's distributable income for the year ended 30 June 2025.

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

	2025
Declaration date	Friday, 26 September
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") or broker accounts on Monday, 20 October 2025. Certificated shareholders' dividend payments will be 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 declaration that the dividend is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease 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 abovementioned 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:

- declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease 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 abovementioned 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 where after the cash dividend will be paid via electronic transfer into the personal bank accounts of certificated shareholders.

REVIEW CONCLUSION

The condensed consolidated financial statements for the year ended 30 June 2025 (“**Condensed Results**”) have been reviewed by the Company's auditors, BDO South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is contained in the Condensed Results and is available for inspection at the Company's registered office.

ABOUT THIS ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Heriot, and the contents were approved by the Board on 26 September 2025. This short-form announcement is a summary of the information contained in the Condensed Results released on SENS on 26 September 2025 and does not include full or complete details. The short-form announcement has not been audited or reviewed by the Company's external auditors.

The Condensed Results are available for viewing on the Company's website at <https://www.heriotreit.com/results-announcements.php> and can be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2025/jse/isse/HETE/FY2025.pdf>.

Any investment decision by investors and/or shareholders should be based on the Condensed Results.

By order of the Board

Johannesburg

26 September 2025

COMPANY SECRETARY

CIS Company Secretaries Proprietary Limited

REGISTERED OFFICE

Suite 1, Ground Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, 2196
PO Box 652737, Benmore, 2010

DIRECTORS

SB Herring (Chairperson)*, RL Herring (CEO), D Snoyman (CFO), A Mazwai*, SJ Blieden*†, R Lockhart-Ross*†, GJ Heron*†.

*Non-executive †Independent

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

DESIGNATED ADVISOR

Valeo Capital, Unit G02 Skyfall Building, De Beers Ave, Paardevlei, 7130