



Building a sustainable property portfolio

FIBONACCI
CAPE TOWN

Reviewed condensed consolidated financial statements

for the year ended 30 June 2026
and declaration of a final cash dividend
of 76,18 cents per share



Heriot
REIT *Committed to excellence*

GROUP HIGHLIGHTS

Distribution per share

142,29 cents

↑ **16,7%**

(2025: 121,91 cents)

Net asset value per share

R24,11

↑ **17,1%**

(2025: R20,59)

Distributable income

R458,545 million

↑ **17,8%**

(2025: R389,209 million)

Investment property

R13,998 billion

↑ **9,4%**

like-for-like 6,9%
(2025: R12,799 billion)

Net property operating income

R1,005 billion

↑ **2,9%**

like-for-like 7,7%
(2025: R976,349 million)

Payout ratio

100%

maintained

(2025: 100%)

Contractual rental income

R1,238 billion

↑ **4,6%**

like-for-like 8,7%
(2025: R1,183 billion)

Weighted average cost of debt

8,73%

↓ **100 basis points**

(2025: 9,73%)

Interest cover ratio

2,27 times

↑ **from 2,04 times**

covenant 2,0 times

Loan-to-value

41,95%

↑ **3,00 percentage points**

covenant 50%
(2025: 38,95%)

Portfolio vacancy

1,9%

↑ **0,3 percentage points**

(2025: 1,6%)

Total debt

R6,075 billion

↑ **14,6%**

(2025: R5,302 billion)

Total cash resources

R426,705 million

↓ **15,0%**

(2025: R501,949 million)

Shareholding in Safari

100%

minority buyout completed

(2025: 59,2%)

Shareholding in Texton

21,7%

unchanged,

excluding treasury shares

Operational measures	30 June 2026	30 June 2025	Commentary
Rent collections as a percentage of billings	99,8%	99,6%	Arrears > 60 days fully provided
Cost-to-income ratio (SA REIT BPR)	47,0%	46,3%	Municipal tariff inflation
Weighted average lease expiry by GLA	3,10 years	3,20 years	Portfolio rolled one year forward
Weighted average debt expiry	1,80 years	2,30 years	To be extended on SPV renewals
Aparthotel occupancy (established properties)	77%	63%	659 units under management
Properties in portfolio	53	53	719 588m² and 7 452 hectares

Net property operating income is presented on two bases in this report. The R1,005 billion above is the measure reported in the condensed statement of comprehensive income, stated after depreciation and amortisation. Before depreciation, net property operating income was R1 038,250 million (2025: R1 003,628 million), an increase of 3,4%. The two measures are reconciled on page 4. SA REIT BPR refers to the SA REIT Association Best Practice Recommendations; GLA refers to gross lettable area; SPV refers to the Group debt treasury vehicle described under Funding and capital management.

BOARD COMMENTARY

Profile

Heriot REIT Limited ("**Heriot**" or "**the Company**") is a property holding and investment company and real estate investment trust ("**REIT**") listed in the "**Diversified REITs**" sector on the Alternative Exchange of the JSE Limited ("**JSE**"). Heriot and its subsidiaries ("**the Group**") invest primarily in retail and industrial property in nodes with high growth potential, complemented by a Cape Town aparthotel portfolio and a student accommodation development in the pipeline.

The Group is owner-managed and applies an entrepreneurial approach to capital allocation. Management identifies assets that the wider market has overlooked, acquires them at prices that leave a margin of safety, and then creates value through active leasing, redevelopment and the internalisation of services that most landlords outsource. The management team has applied this approach consistently since its inception, and it has produced a portfolio of well-located, defensively tenanted properties and a record of uninterrupted distribution growth. The reporting period was a further demonstration of the model. Heriot acquired the remaining 40,8% of Safari Investments RSA Proprietary Limited ("**Safari**") at R8,00 per share against a net asset value ("**NAV**") of R12,07 per share, acquired 75% of Katleho Property Investments Proprietary Limited ("**Katleho**") at an 11,7% discount to NAV and refinanced R1,397 billion of debt at the lowest pricing in the Group's history.

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

Operating environment

The reporting year opened on the tail end of an interest rate easing cycle in which the repo rate had been reduced by a cumulative 150 basis points ("**bps**") during the 2025 calendar year, and closed with that cycle in reverse. Conflict in the Middle East from March 2026 lifted oil prices sharply, headline inflation moved back above the target band and the Monetary Policy Committee ("**MPC**") raised the repo rate by 25bps to 7,00% on 28 May 2026, the first increase since 2023. After holding the rate at its July 2026 meeting, the MPC raised it by a further 25bps to 7,25% on 23 September 2026, as renewed fuel price pressure and rising inflation expectations kept the risk of second-round effects elevated.

Two external factors shaped the year. The first was favourable: the full pass-through of the 2025 interest rate cuts to the Group's floating-rate debt was one of the largest contributors to earnings growth, lowering the weighted average cost of debt ("**WACD**") by 100bps and reducing net finance costs by R18,7 million. The second was adverse: the geopolitical shock that reversed the rate cycle in the final quarter, with the consequence that the Group enters the 2027 financial year at a higher cost of debt than expected. Management responded by securing structural rather than cyclical improvements. Margins were reduced on R1,397 billion of refinanced facilities; the Group's debt is being consolidated into a single treasury vehicle that creates competitive tension between funders, and a contracted disposal programme was put in place to de-gear the balance sheet. These measures are permanent and will benefit the Group irrespective of the direction of interest rates.

Locally, the sustained stability of the national electricity supply removed a cost and a disruption that had weighed on trading for several years, and supported tenant turnover across the retail portfolio. Against this, the deterioration of municipal infrastructure has become a more prominent risk. Unreliable water and electricity distribution, delayed service delivery and tariff increases of 8% to 10% now represent the most persistent pressure on the Group's cost-to-income ratio. The Group's response is to reduce its dependence on municipal supply through solar generation and groundwater harvesting, both managed by an internal team, and to recover a greater share of utility costs through the internalisation of Safari's utility management, which has already lifted Safari's recovery ratio from 85% to 89%.

The South African consumer remains under financial pressure from higher interest rates, renewed inflation driven by the Middle East conflict and a local economy that has stagnated. Despite these conditions, the portfolio has proved robust. Its properties are dominant in their nodes, are occupied predominantly by national and blue-chip tenants and serve the food, value and essential-services segments of the market in which spending is most resilient. Vacancy remained below 2%, collections exceeded 99% of billings and contractual escalations continued to outpace inflation. The board of directors of Heriot REIT Limited ("**Board**") regards the portfolio as well positioned for the year ahead.

Group financial results

Heriot has delivered a third consecutive record year. Distributable earnings increased 17,8% to R458,545 million (2025: R389,209 million), and the distribution per share ("**DPS**") grew 16,7% to 142,29 cents (2025: 121,91 cents), at the upper end of the updated guidance of 14% to 17% issued with the interim results. NAV per share rose 17,1% to R24,11 and the Group portfolio was valued at R13,998 billion, an increase of 9,4%.

The growth of the past three years is the return on a small number of deliberate strategic decisions. The acquisition of an initial 49,2% interest in Safari and its progression to full ownership in December 2025 gave the Group control of a portfolio of dominant emerging-market retail centres at an average entry price well below NAV. The acquisition of Thibault Holdings Proprietary Limited ("**Thibault**") in June 2024 added the Helderberg and Sun Valley malls, the One Thibault mixed-use building and the Texton investment, funded largely in shares at a price accretive to NAV. The decision to convert under-performing residential and office buildings into aparthotels created a new income stream that grew 33,8% in the current year. Throughout, the Group has kept its cost of debt below the sector average by keeping facilities short, competitive and secured on quality assets, and has maintained a payout ratio of 100%. DPS and NAV per share remain the Board's primary performance measures and are the basis on which the performance conditions of the Conditional Share Plan are assessed. The three-year record below is the measure of that strategy.

	30 June 2024	30 June 2025	30 June 2026	Compound' growth %
Three-year track record				
Distributable earnings (R'000)	308 754	389 209	458 545	21,9
Distribution per share (cents)	106,69	121,91	142,29	15,5
NAV per share (R)	17,53	20,59	24,11	17,3
Investment property (R'billion)	11,616	12,799	13,998	9,8
Loan-to-value (%)	42,06	38,95	41,95	n/a
Weighted average cost of debt (%)	10,27	9,73	8,73	(154bps)

¹ Compound growth is the annualised rate over the two years to 30 June 2026. Investment property includes property under development and non-current assets held for sale.

Distributable earnings

Growth in distributable earnings of R69,336 million came from four sources of broadly equal weight, each of which is repeatable or already contracted into the 2027 financial year:

- **Full ownership of Safari (R26,545 million):** Heriot's share of Safari's earnings rose 23,8% to R137,911 million as its interest moved from 59,2% to 100% on 22 December 2025. The incremental interest was acquired at R8,00 per share against a NAV of R12,07 per share and funded at the three-month Johannesburg Interbank Average Rate ("**JIBAR**") plus 117bps, the lowest-priced facility in the Group. The transaction is accretive notwithstanding that Safari's own earnings declined following the disposal of Platz am Meer.

- **Lower net finance costs (R18,738 million):** The WACD fell 100bps to 8,73% as the 2025 rate reductions passed through JIBAR resets and R1,397 billion of facilities were refinanced at margins 22bps to 45bps lower. Finance costs fell despite R772,543 million of additional debt.
- **The Katleho acquisition (R24,026 million):** Katleho declared a distribution of R24,026 million to Heriot on the effective date of the acquisition, which was applied in the reduction of the purchase consideration and contributed 7,5 cents to DPS. Refer to note 10.
- **Portfolio performance (R20,749 million at Heriot and R17,127 million at Thibault):** The aparthotel portfolio contributed R14,9 million as HAVN and Habitat traded for a full year, and the Helderberg Mall phase 2 extension delivered its first full year of retail income.

These gains absorbed R19,4 million of prior-year income that did not recur, being the R15,0 million of Fixtrade 605 Proprietary Limited ("Fixtrade") sale proceeds and the R4,4 million Safari dividend adjustment recognised in Thibault; R11,4 million of additional expected credit loss provisions; R8,0 million of costs associated with the Safari buyout and delisting; the loss of R34,8 million of net property operating income ("NOI") following the disposal of Platz am Meer on 30 June 2025; and R11,6 million of lower Texton dividend income. Texton declared two dividends in the prior period, one of which was a special dividend, which inflated the 2025 base and reduced the rate of growth in the current year.

Distribution per share

DPS of 142,29 cents grew 16,7% against distributable earnings growth of 17,8%. The difference is the 5 605 050 shares issued on 30 June 2026 in settlement of the Katleho acquisition, on which the final distribution is payable. The interim distribution of 66,11 cents grew 16,3%, and the final distribution of 76,18 cents grew 17,1%, an accelerating second half driven by full ownership of Safari, the opening of Horizon and the Katleho distribution. DPS has compounded at 15,5% a year since 30 June 2024.

The Group's cash generation supports the continued distribution of 100% of distributable earnings. Cash generated from operations of R975,625 million produced net cash from operating activities of R496,447 million, which exceeded distributable earnings of R458,545 million and confirms that the distribution is fully cash-backed. The R290,0 million received on 1 July 2025 on the disposal of the shares in, and claims against, Safari Investments Namibia Proprietary Limited ("Safari Namibia") is presented within investing activities. On this basis, the Board has declared a final gross cash dividend of 76,18 cents per share for the six months ended 30 June 2026, an increase of 17,1% on the 65,07 cents declared for the comparable period.

Net property operating income

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

Two factors explain the difference between these measures. Reported NOI growth of 2,9% is lower than like-for-like growth of 7,7% because the prior year carried a full 12 months of income from properties since disposed of, principally Platz am Meer. The remaining gap, between like-for-like NOI growth of 7,7% and like-for-like rental growth of 8,7%, is a cost effect: property expenses increased 4,5% to R708,976 million as municipal tariffs rose 8% to 10% against recovery growth of 0,9%, and as the aparthotel operating model carried a full year of cost.

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

¹ NOI is presented after depreciation and amortisation, consistent with the statement of comprehensive income and the segmental analysis in note 3. NOI margin is NOI as a percentage of contractual rental income and recoveries. The sectoral composition of the portfolio by value, gross lettable area ("GLA") and rental is set out under Property portfolio.

Retail (74,4% of Group NOI)

Emerging-market retail remains the strongest-performing sector in the portfolio and the engine of the Group's earnings. Turnover across the 16 retail centres for which trading data is collected grew 5,0% to R12,9 billion, and annual trading density improved 4,6% to R39 840/m², with 14 of the 16 centres growing turnover and 10 of them at 5% or more. Retail tenants led by the Group's principal food anchor traded extremely well, as did the banking tenants, confirming the resilience of the food, value and essential-services categories on which the portfolio is built. Clothing retailers remain under pressure as disposable income stays constrained and essential purchases take priority; the two centres in which turnover declined were both affected by refurbishment and re-fit activity during the year.

Retail trading (16 centres)	Year to 30 June 2026	Year to 30 June 2025	Change %
Tenant turnover (R'million) ¹	12 901	12 285	5,0
Annual trading density (R per m ²)	39 840	38 081	4,6

¹ Turnover is measured for the 16 centres in which tenant turnover is reported. Annual trading density is the average of the 16 centres' annual turnover per square metre of total GLA.

Rental grew 2,6%, and 8,5% on a like-for-like basis, on escalations of 6% to 7% and on two material renewals: at Emmarentia, where a 12-year anchor lease was concluded at a 37% uplift supported by a tenant installation returning 13%, and at Tembisa, where a vacated fashion anchor was replaced at more than four times the previous rental. Denlyn and Thabong malls grew NOI 12,9% and 11,6%, respectively. Growth was partly absorbed by rising municipal charges and by costs that could not be fully recovered from tenants, most notably at Rustenburg. The average retail rental rate improved 8,8% to R193,34/m². Retail vacancy closed at 2,0% (2025: 1,6%), the increase attributable to the reconfiguration of trading space at Atlyn Mall during its refurbishment; that space is being let.

Industrial (16,7% of Group NOI)

The industrial portfolio was held back by a single vacancy. The Louwlandia truck repair facility stood empty from December 2025 until a new tenant took occupation on 30 June 2026 and is fully let at the reporting date. A timing difference also affected the comparison: At Jupiter Park, a R3,8 million rates credit, obtained on a rates valuation towards the end of the prior reporting period, was passed on to tenants in the current period, and the Mount Edgecombe distribution centre was re-let at a flat rental. Against this, 4 Clarke in Alrode was re-let at an 18,7% uplift, and the Cleveland distribution centre was let for a full year. The two largest expiries in the 2027 financial year, at Brakpan and Wadeville, have since been renewed at positive reversions of 6,4% and 2,6%. Demand for well-located logistics space in Gauteng remains firm, and the average industrial rental rate rose 3,7% to R57,85/m². Sector vacancy closed at 1,6%.

Office (4,4% of Group NOI)

The office sector delivered 15,5% like-for-like NOI growth, a welcome outcome in a sector still under national pressure from oversupply, achieved by letting space rather than discounting it. At One Thibault, a former banking annex was let on a turnover basis to a food operator and a 5 665m² government lease was renewed, reducing vacancy in the building to 2,6%. At Melrose Arch, 899m² of vacant space was let at R210/m² and an existing tenant renewed on a reduced footprint. The strategic sale of 60 Adderley on 30 November 2025 removed R3,5 million of income against the prior year. Sector vacancy improved from 4,9% to 2,3%, the result of the letting at One Thibault, firm demand for well-located office space and the sale of 60 Adderley, and following the Katleho acquisition, the office portfolio is 97,7% let.

Residential and aparthotel (5,9% of Group NOI)

The aparthotel strategy has matured. Revenue across the four properties grew 33,8% to R147,141 million, occupancy rose from 55,6% to 69,5% and the average daily rate ("**ADR**") from R631 to R945, lifting revenue per available unit from R351 to R657. HAVN, reopened in November 2024 after refurbishment, achieved 78,1% occupancy and a 46% increase in ADR; Habitat lifted occupancy to 83,7% while deliberately reducing ADR by 7% to defend volume in a competitive Cape Town central business district; and One Thibault grew occupancy to 72,8% and secured a four-star tourism grading that opens the national tour-operator market. Sector NOI margins improved from 35% to 41%. The sector is analysed further under Tenancy analysis.

Specialised

Mondi elected not to renew its leases over the Hinze and Newborough Grange plantations, which were vacated during the period, and Bushmans Bend was sold in March 2026. Holding costs of R2,3 million were incurred on the vacant farms. Both remaining vacant properties have been classified as held for sale and are contracted or in advanced negotiation.

Net asset value

NAV per share increased R3,52, or 17,1%, to R24,11. Three items account for the growth. Investment property, including property under development and assets held for sale, increased 9,4% to R13,998 billion and produced fair value gains of R738,418 million, earned through contracted income rather than yield compression: the portfolio capitalisation rate rose 3bps to 8,83% and the discount rate was unchanged at 13,58%.

The acquisition of the Safari minority at R8,00 per share against a NAV of R12,07 per share gave rise to a bargain gain of R418,058 million, recognised directly in equity. The acquisition of Katleho at an 11,7% discount to NAV gave rise to a further bargain gain of R19,306 million. Together, these three items added R1,176 billion to shareholders' equity, the majority of which was created by the two acquisitions rather than by the market.

Contribution of the Group components

The Group comprises three operating components: Heriot on a stand-alone basis, Safari, wholly owned from 22 December 2025, and Thibault. The analysis below is presented at a summary level; the full segmental analysis appears in note 3.

Component	DE 2026 R'000	DE 2025 R'000	Change %	NOI 2026 R'000	NOI 2025 R'000	Change %	Investment property R'm
Heriot	260 746	215 860	20,8	509 617	492 202	3,5	7 291,5
Safari	137 911	111 366	23,8	341 863	345 615	(1,1)	4 448,7
Thibault	59 888	61 983	(3,4)	153 546	138 532	10,8	2 258,0
Group	458 545	389 209	17,8	1 005 026	976 349	2,9	13 998,2

DE refers to distributable earnings; Safari's distributable earnings are Heriot's share of those earnings. Investment property includes property under development and non-current assets held for sale. Vacancy and cost of debt by component are set out under Tenancy analysis and Funding and capital management.

Heriot

Heriot's stand-alone distributable earnings grew 20,8% to R260,746 million, contributing 80,26 cents to Group DPS (2025: 67,61 cents). Growth was driven by the R27,875 million reduction in finance costs, the Katleho distribution and a R14,9 million increase in aparthotel NOI. Investment property grew 12,7% to R7,292 billion, including the R334,0 million Katleho office portfolio taken on at year-end and Horizon's transfer from development at R205,0 million. Vacancy of 2,0% reflects line-shop churn in retail and the Louwlandia vacancy since let.

Safari

Safari contributed R137,911 million to Group distributable earnings, an increase of 23,8%, on the move to full ownership. On a 100% basis, Safari's own distributable earnings declined 6,1% to R176,5 million, reflecting the loss of Platz am Meer's income and the interest cost of the buyout facility. The underlying portfolio performed strongly: like-for-like NOI across the remaining eight centres grew 9,9%, led by Denlyn and Thabong, assisted by the internalisation of utility recovery management, which lifted the recovery ratio from 85% to 89%. Safari's WACD of 8,61% is the lowest in the Group. The refurbishment of Atlyn Mall was completed, adding a second food anchor and a drive-through restaurant; the associated 2 456m² of vacancy is being let and accounts for the majority of Safari's 2,5% vacancy.

Thibault

Thibault grew NOI 10,8% to R153,546 million, ahead of budget, and reduced vacancy to 0,6%, the lowest in the Group. Distributable earnings of R59,888 million were 3,4% below the prior year for two reasons that do not recur: the 2025 base carried R11,6 million of additional Texton dividend income arising from a special dividend, and a R4,4 million Safari dividend timing adjustment.

Retail rental grew 7,3% on a full year of the Helderberg Mall phase 2 extension, office rental 7,4% and the One Thibault aparthotel 16,1%. The refinancing of the One Thibault and Sun Valley facilities described under Funding and capital management reduced Thibault's cost of debt by 87bps.

Investment and corporate activity

Three transactions defined the reporting period. Each was concluded at a discount to underlying value, each was funded without recourse to the equity market on dilutive terms, and each is earnings-accretive. Together they illustrate the Group's approach: patient accumulation of positions in assets it understands, followed by decisive action when the price is right.

Acquisition of the Safari minority: the conclusion of a five-year strategy

On 22 December 2025, Heriot acquired the remaining 104 320 987 Safari shares it did not own by way of a scheme of arrangement, concluding a five-year progression from an initial 49,2% interest to full ownership. The scheme was approved at a general meeting on 21 November 2025 with 85,58% participation and 98,57% support, comfortably above the 75% statutory threshold, and Safari was delisted from the JSE with effect from 23 December 2025.

- **Consideration:** R8,00 per share, totalling R834,568 million, settled as a return of capital of R6,18271 per share (R644,987 million) and a cash dividend of R1,81729 per share (R189,581 million). A clean-out distribution of 37,60 cents per share (R39,220 million) was paid to minorities in respect of distributable income to the effective date.
- **Value created:** The non-controlling interest derecognised amounted to R1,253 billion against consideration of R834,568 million, giving rise to a bargain gain of R418,058 million recognised in the statement of changes in equity.
- **Funding:** A two-year R835,0 million term facility priced at three-month JIBAR plus 117bps, the lowest margin in the Group and a condition of the lender's appointment as lead arranger of the new Group debt treasury vehicle.
- **Integration:** Safari's employee share scheme was settled and cancelled for R4,501 million; 10 Safari employees were brought into the Heriot Conditional Share Plan and Safari's debtor management was aligned to Heriot's expected credit loss policy. Safari's stand-alone debt covenants fall away on implementation of the Group common terms agreement.

Acquisition of Katleho Property Investments

Effective 30 June 2026, Heriot acquired 75% of the issued shares of Katleho, in terms of Section 42 of the Income Tax Act No 58 of 1962, in exchange for 5 605 050 new Heriot shares measured at the market value of R26,00 per share on the effective date, being R145,731 million. Katleho owns three Gauteng office properties comprising 19 827m², valued at R334,0 million and taken on at an initial yield of 16,5% and an effective acquisition discount of 11,7%. Heriot's 75% share of Katleho's NAV of R220,050 million was R165,037 million, resulting in a bargain gain of R19,306 million. The transaction is a business combination under common control and falls outside the scope of IFRS 3 *Business Combinations*; accordingly, it has been accounted for in equity, with no effect on profit or loss. A distribution of R24,026 million declared by Katleho to Heriot on the effective date was applied to reduce the purchase consideration. Refer to note 10.

Investment in Texton

The Group's interest in Texton was unchanged at 21,7% (64 594 305 shares), excluding treasury shares.

On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital, from which the Group received R41,172 million. Of this, R14,447 million was distributed to shareholders and recognised as a non-IFRS® Accounting Standards distributable earnings adjustment, mirroring the historical final dividend; the balance reduced the carrying amount of the investment to R1,00 per share. At the reporting date, the shares were revalued at the closing market price of R2,64 (2025: R2,95), giving a carrying value of R170,529 million and a fair value adjustment of R21,148 million recognised in profit or loss. The share has subsequently traded at approximately R2,90 against a last reported Texton NAV of R5,03 per share, of which R1,10 comprises cash and United States listed investments.

Cash returned to the Group since the acquisition of Thibault on 28 June 2024 totals R127,6 million against an original cost of R156,0 million.

The Board reassessed whether the Group exercises significant influence over Texton in terms of IAS 28 *Investments in Associates and Joint Ventures* and concluded that it does not, on the same basis as in prior periods:

- The Group cannot appoint a director to the Texton board;
- The Group does not participate in Texton's policy-making processes, including decisions on distributions;
- There is no interchange of managerial personnel between the Group and Texton; and
- The Group has access only to publicly available information.

The investment accordingly remains a financial asset measured at fair value through profit or loss in terms of IFRS 9 *Financial Instruments*. Refer to note 9.

Property portfolio

Valuations

On 30 June 2026, Peter Parfitt of Quadrant Properties Proprietary Limited, a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000, independently valued the Group portfolio at R13,998 billion (2025: R12,799 billion) using the discounted cash flow and comparable sales methods. The portfolio comprises 53 properties across 719 588m² of GLA and 7 452 hectares of plantation.

Valuations increased 9,4%, or 6,9% on a like-for-like basis after adjusting for the Katleho acquisition, the transfer of Horizon from development and the disposals of 60 Adderley and Bushmans Bend. The average capitalisation rate applied rose 3bps to 8,83% and the discount rate was unchanged at 13,58%, so the increase was earned through income rather than yield compression. The office rate softened 45bps as the Katleho properties were taken on at a weighted average rate of 10,41%. The movement in the residential and aparthotel rate reflects the improved and now established income base of the aparthotels, which the valuer has capitalised for the first time on the basis of trading history rather than projected income. The industrial rate rose 33bps to 9,33%; the effect on value was more than offset by contractual rental growth and the re-letting of vacant space, and industrial values increased 5,3%.

Sector	Cap rate 2026 %	Cap rate 2025 %	Movement bps	Value ¹ 2026 R'000	Value ¹ 2025 R'000	Change %
Retail	8,71	8,80	(9)	9 427 800	8 807 790	7,0
Industrial	9,33	9,00	33	2 113 000	2 007 500	5,3
Office	9,04	8,59	45	953 000	669 400	42,4
Residential/aparthotel	8,79	8,57	22	1 103 500	806 136	36,9
Specialised	8,50	8,50	–	189 200	235 500	(19,7)
Under development and other	n/a	n/a	n/a	211 700	272 412	(22,3)
Total portfolio	8,83	8,81	3	13 998 200	12 798 739	9,4

¹ Values include property under development and non-current assets held for sale. Retail 2026 includes assets held for sale of R159,0 million; industrial R23,5 million; and specialised R51,2 million. Sector capitalisation rates are weighted by value.

Portfolio composition

The portfolio remains anchored in retail and industrial property, which together account for 82% of value and 91% of NOI. The residential/aparthotel sector's share of income is growing as the aparthotels mature.

Sector at 30 June 2026	Share of value %	Share of available GLA ¹ %	Share of rental ¹ %	Share of NOI ¹ %
Retail	67,4	52,6	66,8	74,4
Industrial	15,1	39,6	15,1	16,7
Office	6,8	7,4	5,0	4,4
Residential/aparthotel	7,9	0,4	12,5	5,9
Specialised	1,4	n/a	0,6	0,5
Other (development, land)	1,5	n/a	0,1	(1,9)
Total	100,0	100,0	100,0	100,0

¹ Available GLA excludes the aparthotels (23 050m²), vacant land and property under development, and the plantations measured in hectares. Rental is contractual rental income; NOI is stated after depreciation.

Capital expenditure

The Group invested R264,738 million in its portfolio during the period (2025: R284,204 million), funded from operating cash flow and undrawn facilities. The principal items were:

- **Heriot (R177,0 million):** Horizon, comprising R68,0 million of development cost and R10,2 million of capitalised interest; The Fibonacci R39,8 million on foundations, professional and marketing fees; a 360kW solar plant at Emmarentia at a cost of R4,9 million; the third of four equal tranches of the R18,9 million payable to the local municipality for the land at Burgersfort Mall; and R3,1 million across the industrial portfolio.
- **Safari (R98,3 million):** The Atlyn Mall refurbishment R73,3 million; Nkomo Mall R13,3 million for two new national stores; Thornhill Mall R6,1 million for two new stores and a borehole; and tenant installations and solar preparation at Denlyn, Thabong and Mamelodi.
- **Thibault (R9,0 million):** The One Thibault head office extension, restaurant and hotel upgrades R3,4 million; Helderberg Mall phase 2 snagging R1,2 million, taking the final project cost to R120,0 million; and R2,1 million incurred to date on the solar plant under installation at 14th Avenue.

Capital commitments at the reporting date were R629,212 million (2025: R246,301 million), of which R479,2 million relates to The Fibonacci. Refer to note 8.

Property under development

Finsbury Court, Sea Point: Horizon (completed and opened 1 May 2026)

Horizon is a characteristic example of the Group's approach to value creation. Finsbury Court was acquired as a 19-unit residential building over five floors. By accessing the unused bulk allowance on the site, six additional floors were added to create an 11-storey, 36-unit, 50-key aparthotel at a cumulative cost of R200,5 million, comprising the R76,1 million purchase price and R128,6 million of development cost including capitalised interest. Capital expenditure of R68,0 million and capitalised interest of R10,2 million were incurred during the reporting period.

The opening was deferred from December 2025 to May 2026 so that the building could be launched as a complete product rather than in phases, a decision that cost income in the current year but protects the rate positioning of a premium asset. The property transferred to investment property at R205,0 million. Two months of off-season trading produced revenue of R1,175 million at an ADR of R2 026, the highest in the portfolio. The projected stabilised yield of approximately 12% is unchanged.

Mowbray: The Fibonacci (projected completion November 2027)

The seven-storey mixed-use development comprises a ground-floor retail component anchored by Shoprite and 574 predominantly one-bedroom student units, at a total development cost of R530,0 million and a projected starting yield of 13,49%. Development risk was substantially mitigated before ground was broken in October 2025 through the pre-sale of 174 units for approximately R200,0 million.

The *pro rata* cost of those units, R32,493 million, has been reclassified from investment property to inventories on commencement of construction; net realisable value exceeds cost and no impairment has been recognised. Cumulative spend at the reporting date was R39,8 million, and the property is carried at R175,0 million following a fair value uplift of R69,266 million. The R530,0 million development facility, priced at prime less 180bps, was implemented on 8 July 2026 and converts, after application of the R200,0 million of sale proceeds, to a R330,0 million three-year term loan at three-month JIBAR plus 147,5bps. Completion is targeted for the 2028 academic year.

Assets held for sale and disposals

The disposal programme is principally a de-gearing mechanism following the Safari buyout, and secondarily a means of recycling capital out of non-core and lower-yielding assets into the acquisition opportunities described in note 5. All disposals were concluded at, or are contracted at, prices reflective of the fair value at which the assets were carried.

Asset	Component	Proceeds R'000	Status
60 Adderley and Wynberg Mews	Heriot	76 000	Transferred November 2025
Bushmans Bend plantation	Heriot	33 840	Transferred March 2026
Fixtrade, final 13 units	Heriot	5 400	Completed; sold at fair value
Mnandi Shopping Centre	Safari	150 000	Agreement signed, guarantees still to be issued; transfer expected October or November 2026
Hinze plantation	Heriot	29 000	Agreement signed; transfer expected October 2026
Cleveland distribution centre	Heriot	24 000	Agreement signed; transfer expected November 2026
Newborough Grange plantation	Heriot	21 200	Due diligence concluded; formal offer awaited
Soweto Day Hospital	Safari	9 500	Agreement signed, subject to due diligence

BOARD COMMENTARY continued

Non-current assets held for sale of R233,700 million (2025: R181,136 million) comprise Hinze, Newborough Grange and Cleveland in Heriot (R74,700 million) and Mnandi and Soweto Day Hospital in Safari (R159,000 million). These assets are measured at the lower of carrying amount and fair value less costs to sell.

The proceeds expected on disposal approximate the fair value of the related assets and accordingly no impairment losses have been recognised on classification, other than the write-down of the Hinze and Newborough Grange plantations to expected selling price reflected in the fair value adjustment for the year. Proceeds of approximately R233,7 million, including R150,0 million from Mnandi, are expected during the 2027 financial year.

The disposal of the 60% interest in 60 Adderley Proprietary Limited, effective 30 November 2025, gave rise to an accounting loss on deconsolidation of R2,388 million, being the difference between the consideration received and the carrying amount of the net assets and non-controlling interest derecognised. The R290,0 million of proceeds from the disposal of Safari Namibia, effective 30 June 2025, was received on 1 July 2025; R100,0 million was applied to permanently reduce debt and R190,0 million to revolving facilities.

The R10,0 million of contingent consideration is subject to a yield test to 30 June 2026, which is now being finalised; initial data confirms that the R10,0 million is on track to be received.

Tenancy analysis

This section reports the vacancy position of the portfolio at the reporting date and the principal letting activity during the year. The aparthotels, which are operated rather than let, are analysed at the end of the section. Unless otherwise stated, the analysis excludes the aparthotels, vacant land and property under development, and the plantations, which are measured in hectares.

Vacancies

Portfolio vacancy increased from 1,6% to 1,9%. Two properties account for the movement and both are resolved or in hand. The Atlyn Mall refurbishment created 2 456m² of vacancy as the trading mix was reconfigured around a new second anchor; that space is being let. The Louwlandia distribution centre was let with effect from 30 June 2026 and is occupied at the reporting date. Excluding Atlyn, portfolio vacancy would have been below the prior-year level. Office vacancy improved on the letting of space at One Thibault and Melrose Arch and on the acquisition of the fully let Katleho portfolio. Residential vacancy relates to the Linksview units, nine of which were under construction at the reporting date.

Vacancy by sector

Sector	30 June 2026			30 June 2025			PP movement
	Total m ²	Vacant m ²	%	Total m ²	Vacant m ²	%	
Retail	356 415	7 215	2,0	358 459	5 772	1,6	0,4
Industrial	268 705	4 285	1,6	268 705	3 346	1,2	0,4
Office	50 323	1 154	2,3	30 496	1 499	4,9	(2,6)
Residential/aparthotel	2 430	435	17,9	3 446	18	0,5	17,4
Total	677 873	13 089	1,9	661 106	10 635	1,6	0,3

Vacancy by Group component

Component	30 June 2026			30 June 2025			PP movement
	Total m ²	Vacant m ²	%	Total m ²	Vacant m ²	%	
Heriot	441 040	8 628	2,0	422 228	6 476	1,5	0,5
Safari	157 608	3 968	2,5	157 608	3 243	2,1	0,4
Thibault	79 225	493	0,6	81 270	916	1,1	(0,5)
Total	677 873	13 089	1,9	661 106	10 635	1,6	0,3

Office GLA increased on the acquisition of the Katleho office portfolio (19 827m²). The plantations carry a 21% vacancy measured by hectare at 30 June 2026 following the expiry of the leases over Hinze and Newborough Grange; both are classified as held for sale. PP refers to percentage points.

Letting activity

Letting activity during the year was strong. Of the 106 758m² that came up for expiry, 90% of the area was secured: 71 946m² was retained with the same tenant, being 67,4% of the area that expired, and a further 24 640m² was re-let to replacement tenants on 98 leases signed before year-end that had not yet commenced at the reporting date (2025: 56 leases over 19 975m²). The signed leases provide visible income into the 2027 financial year. Across the portfolio, 155 leases were renewed in the same unit; 133 in retail, at an average reversion of 2,3% below the expiring rental in retail and 2,5% for the Group, while industrial renewals were concluded at an average uplift of 3,7%. Three large single-tenant industrial buildings that fell vacant at expiry were re-let to new occupiers during the year. The principal leases concluded during the period and to the date of this report are summarised below by sector, property and tenant type. Rentals are stated monthly per square metre.

Property	GLA m ²	New R/m ²	Expiry R/m ²	Reversion %	Terms
Retail					
Emmarentia, national food anchor renewal	3 840	181,00	132,56	37,0	12 years, 6% escalation
Kempton Park, national food anchor renewal	3 623	97,99	53,45	83,3	Five-year renewal option exercised at market rate
Sun Valley Mall, national health club renewal	3 000	170,00	240,00	(29,2)	Five years, 6% escalation
Sun Valley Mall, national pharmacy renewal	1 522	220,00	220,00	–	Five years, 6% escalation

Property	GLA m ²	New R/m ²	Expiry R/m ²	Rever- sion %	Terms
Industrial					
4 Clarke, Alrode, re-let to a logistics operator	11 930	70,00	58,97	18,7	Five years, 6% escalation
Brakpan, listed manufacturer renewal	24 936	31,50	29,60	6,4	Three years, 6% escalation
Wadeville, manufacturer renewal	24 910	55,00	53,60	2,6	Three years, 6,5% escalation
Mount Edgecombe, re-let to a global logistics operator	18 135	78,60	78,20	0,5	Three years, 6% escalation
Louwlandia, re-let to a listed motor group	3 069	148,58	209,30	(29,0)	Five years, 6% escalation
Office					
Melrose Arch, new letting to a financial services tenant	899	210,00	Vacant	n/a	18 months, 7% escalation
One Thibault, government tenant renewal	5 665	176,00	183,00	(3,8)	Two years, 6% escalation

Aparthotel portfolio

The aparthotel portfolio comprises HAVN (215 units), Habitat (151 units) and Horizon (36 units) held by Heriot, and One Thibault (257 units) held by Thibault: 659 units and 23 050 m² of GLA, all in Cape Town. HAVN, Habitat and Horizon are operated by Totalstay and One Thibault by ITC. For segmental reporting, these assets form part of the residential/aparthotel sector.

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

¹ Occupancy is weighted by available unit-months and ADR by occupied unit-months, and both are stated across all 659 units in each year. Measured across the three established properties only, occupancy was 77,0% (2025: 63,0%).

Seasonality continues to shape the result, with softer first and fourth quarters and a strong December to March peak. A targeted off-peak campaign aimed at the Middle Eastern leisure market lifted first-quarter demand across all three established properties, and the four-star grading secured at One Thibault opens the tour-operator and corporate segments. Management's focus for the year ahead is to stabilise Horizon to an occupancy run rate above 70% by March 2027 and to defend margin against new Cape Town supply through operator fee structures and booking-channel mix. A strategy is being implemented across the portfolio to reduce variable utility costs.

Financial assets

Other financial assets of R239,364 million (2025: R244,159 million) comprise the following, of which R58,835 million represents related party balances:

- **Investment in Texton (R170,529 million):** Analysed under Investment and corporate activity and in note 9.
- **Employee share scheme loans (R33,256 million; 2025: R33,989 million):** Loans to participants of the legacy loan-funded share scheme, under which 3 300 000 shares were issued at R10,00 per share. The loans fall due in June 2027 and are held at amortised cost. With the Heriot share trading at R26,00, participants' equity substantially exceeds the loans.
- **Loan to Heriot Investments Proprietary Limited (R25,579 million; 2025: R19,617 million):** Represents the unpaid net proceeds on the sale of Hagley 3865 Proprietary Limited, bearing interest at three-month JIBAR plus 185bps and repayable by December 2027.
- **Contingent consideration (R10,000 million):** Arising on the disposal of Safari Namibia and realisable on the yield test to 30 June 2026, which is now being finalised.

Related party balances and the transactions with related parties during the year are set out in note 7.

Trade receivables and expected credit losses

Trade and other receivables reduced to R76,910 million (2025: R375,833 million), the prior year having included the R290,0 million of Platz am Meer proceeds received on 1 July 2025. Gross trade receivables increased R3,0 million to R59,120 million, while the expected credit loss allowance increased by R11,362 million to R34,249 million, or 58% of the gross balance (2025: 41%).

Trade receivables ageing at 30 June 2026	Gross R'000	Expected credit loss R'000	Net R'000	Provision %
Current	11 366	(217)	11 149	2
30 days	6 115	(676)	5 439	11
60 days	919	(596)	323	65
90 days	836	(654)	182	78
120 days and older	39 884	(32 106)	7 778	80
Total 30 June 2026	59 120	(34 249)	24 871	58
Total 30 June 2025	56 140	(22 887)	33 253	41

The increase is predominantly catch-up provisioning against legacy arrears rather than a deterioration in current collections, which ran at 99,8% of billings. Two legacy retail arrears in the Heriot portfolio are provided in full and Safari's arrears older than 60 days have been aligned to Heriot's provisioning policy, under which arrears in excess of 60 days are fully provided unless recovery is secured. A detailed debtor review is underway at Safari and management expects to recover a portion of the R19,9 million in the 120-day category during the 2027 financial year; any recovery is upside to the forecast.

Share capital

During the reporting period, Heriot issued 5 605 050 new ordinary shares at R26,00 per share, being the market value on 30 June 2026, in settlement of the acquisition of 75% of Katleho (refer to note 10). No other shares were issued and no shares were repurchased. At 30 June 2026, the Company had 325 767 032 shares in issue, of which 900 000 (2025: 900 000) are held as treasury shares by the Group, giving 324 867 032 (2025: 319 261 982) shares in issue excluding treasury shares. The weighted average number of shares in issue for the year was 319 277 339, the Katleho shares having been in issue for one day of the reporting period.

Ordinary shares in issue	2026	2025
Balance at the beginning of the year	320 161 982	320 161 982
Shares issued for the Katleho acquisition (30 June 2026)	5 605 050	–
Balance at the end of the year	325 767 032	320 161 982
Less: Treasury shares held by the Group	(900 000)	(900 000)
Shares in issue excluding treasury shares	324 867 032	319 261 982
Weighted average number of shares in issue	319 277 339	319 261 982

Conditional Share Plan

Shareholders approved the Heriot Conditional Share Plan at a general meeting on 8 December 2025. The first award of 525 000 conditional shares was made to 21 participants, including 10 Safari employees brought into the plan on integration, at the 30-day volume-weighted average price of R20,88. The award comprises 80% performance shares, which vest on the achievement of performance criteria measured over three years, and 20% retention shares, which vest on continued employment over the three-year vesting period. The performance criteria are growth in DPS, weighted at 65%, and total return, weighted at 35%, measured against Board-approved targets for the three years from the start of the 2026 financial year to the end of the 2028 financial year. Awards will be settled from treasury shares or market purchases, and no dilution is anticipated from the first award.

An IFRS 2 charge of R1,887 million was recognised for the period from grant to 30 June 2026; the charge is non-cash and is added back in determining distributable earnings.

Legacy loan-funded share scheme

The 900 000 treasury shares relate to the Company's original share incentive scheme, under which shares were issued to participants at R10,00 per share funded by loans from the Company. Loans of R33,256 million remain outstanding and fall due in June 2027 (refer to note 7). With the share trading at R26,00, the participants' equity substantially exceeds the loans.

Funding and capital management

Group borrowings increased R772,543 million, or 14,6%, to R6,075 billion, principally to fund the Safari minority buyout. The loan-to-value ratio ("LTV") consequently rose from 38,95% to 41,95%, comfortably within the 50% covenant, while the interest cover ratio improved from 2,04 to 2,27 times against a covenant of 2,0 times. The new debt was raised at a margin materially below the average margin on the Group's existing facilities, so the increase in borrowings reduced rather than increased the Group's average cost of debt.

Metric	30 June 2026	30 June 2025	30 June 2024	Covenant
Weighted average cost of debt (%)	8,73	9,73	10,27	n/a
Loan-to-value (SA REIT BPR) (%)	41,95	38,95	42,06	50
Interest cover ratio (times)	2,27	2,04	2,05	2,0
Weighted average debt expiry (years)	1,80	2,30	n/a	n/a
Floating-rate debt (%)	100	100	96	n/a

Cost of debt

The all-in WACD reduced 100bps to 8,73%. Floating reference rates plus weighted average margins averaged 8,53%, with amortised transaction costs adding 20bps. Three factors drove the reduction: the 150bps of repo rate cuts realised through JIBAR resets to May 2026; R1,397 billion of facilities refinanced at margins 22bps to 45bps lower; and the Safari buyout facility priced at three-month JIBAR plus 117bps. The 25bps increase in the repo rate on 28 May 2026 had not reset through the facilities at the reporting date.

Ninety-nine percent of Group facilities are linked to three-month JIBAR, which averaged 6,93% over the period. Staggered reset dates delay the pass-through of rate movements by up to three months in either direction. No debt is currently hedged. The 24-month forward curve points to rate reductions from 2027 as the oil shock passes through, and the Board is accordingly content to carry short-term interest rate risk unhedged rather than fix at the top of the cycle. The position is reviewed at every Board meeting.

Sensitivity	Distributable earnings R'm	DPS cents	Loan-to-value %
Interest rates up 25bps	(16,5)	(5,1)	n/a
Property values down 5%	n/a	n/a	44,2

Interest rate sensitivity is on a full-year basis at the reporting date debt level. LTV sensitivity is against the 50% covenant.

Refinancing activity

R1,397 billion of debt was refinanced or renewed, or committed for renewal under credit-approved commitments, during the period at an average all-in saving of approximately 66bps, with a further R780,0 million concluded after the reporting date.

Facility	Component	Amount R'000	Previous rate	New rate	Effective
One Thibault term facility	Thibault	250 000	Prime less 0,50%	JIBAR plus 1,51%	August 2025
Four-property term facility	Heriot	215 570	JIBAR plus 1,80%	JIBAR plus 1,58%	September 2025
Safari buyout facility	Safari	835 000	New facility	JIBAR plus 1,17%	December 2025
SPV tranche 1	Group	931 500	JIBAR plus 1,54% to 2,20%	ZARONIA plus 1,30%	October 2026
Sun Valley term facility	Thibault	209 500	JIBAR plus 1,85%	JIBAR plus 1,40%	July 2026
Fibonacci development facility	Heriot	530 000	New facility	Prime less 1,80%	July 2026

ZARONIA refers to the South African Rand Overnight Index Average, which replaces JIBAR as the reference rate from 9 October 2026 (refer to note 5). ZARONIA plus 130bps equates to three-month JIBAR plus 113,5bps after the agreed 16,5bps credit adjustment spread. The special purpose vehicle ("SPV") tranche is included in the R1,397 billion renewed during the reporting period on the basis of credit-approved commitments obtained from the participating lenders in June 2026, and becomes effective on 9 October 2026; the Sun Valley and Fibonacci facilities are post year-end.

Group debt treasury vehicle

In January 2026, the Group began converting Safari's existing SPV into a single Group debt treasury vehicle governed by a common terms agreement under which all lenders share one security pool. The structure is intended to create competitive tension between funders, align interest payment dates and covenant definitions across the Group and remove Safari's stand-alone covenants. The first tranche was approved by special resolution on 22 September 2026 and becomes effective on 9 October 2026, refinancing R931,5 million of facilities for three years at ZARONIA plus 130bps, the most competitive pricing the Group has achieved. The transfer of mortgage bonds into the vehicle is in progress.

Credit-approved commitments for the first tranche were obtained from the participating lenders in June 2026, before the reporting date. Facilities of R381,5 million renewed by their existing lender under those commitments are presented as non-current at 30 June 2026. The R496,9 million facility refinanced by new lenders within the tranche, and the R209,5 million Sun Valley facility refinanced by a new lender on 8 July 2026, are presented as current, as the Group did not have the right at the reporting date to defer their settlement for at least 12 months. The Sun Valley facility has since been refinanced for three years, and the R496,9 million facility is refinanced for three years with effect from 9 October 2026. The classification has no effect on the Group's total borrowings, covenants or cost of debt. Refer to notes 5 and 6.

The balance of facilities will be refinanced into the structure in two further tranches during the 2027 and 2028 financial years. Thibault's R620,7 million of facilities maturing in January 2027 and Heriot's R450,0 million maturing in March 2027 are deliberately being held to expiry to avoid prepayment penalties and are expected to be repriced in the next tranche. Safari's stand-alone covenants fall away on 9 October 2026, from which date only the Group covenants apply; the covenant relaxation extended by Safari's lenders to 31 December 2026 provides a buffer over the transition.

The Group also intends to establish a JSE-listed domestic medium-term note programme in the next financial year.

Debt expiry profile

Financial year	Drawn balance ¹ R'000	% of total	Principal maturities by Group component
2027	1 230 665	20	Thibault R620,7 million and Heriot R450,0 million, to be refinanced in the next SPV tranche
2028	2 489 000	41	Safari R835,0 million buyout facility and other Safari facilities; Heriot R500,0 million
2029	1 744 747	29	Heriot R471,7 million and R215,6 million; Thibault R250,0 million and R209,5 million
2030	625 410	10	Group SPV renewals at ZARONIA plus 130bps
Total	6 089 822	100	Weighted average remaining term 1,80 years

¹ Drawn balances are stated after the October 2026 SPV renewals and before the R15,244 million IFRS 9 loan modification adjustment that reconciles the total to interest-bearing liabilities of R6 074,606 million. Total facilities are R6,413 billion across four lenders. The profile reflects the refinancing concluded after the reporting date. The statement of financial position reflects the contractual position at 30 June 2026, in which interest-bearing borrowings of R1 921,856 million are presented as current (refer to note 6).

Total cash resources and liquidity

Total cash resources available reduced 15,0% to R426,705 million (2025: R501,949 million), comprising cash and cash equivalents of R103,188 million (2025: R121,445 million) and unutilised committed facilities of R323,517 million (2025: R380,504 million). The reduction reflects the deployment of facilities against the Safari buyout and the capital programme.

After payment of the final distribution of R247,487 million on 26 October 2026, headroom of R179,218 million remains against capital commitments of R629,212 million. Of those commitments, R530,0 million relates to The Fibonacci and is fully covered by the development facility implemented on 8 July 2026. A R500,0 million revolving credit facility is under negotiation and is expected to be concluded in the first half of the 2027 financial year. The facility will materially strengthen the Group's liquidity and, together with the disposal programme, will enable the Group to move quickly on the acquisition opportunities that its strategy is designed to capture.

Disposal proceeds of approximately R233,7 million, including R150,0 million from Mnandi, are expected during the 2027 financial year.

Sustainability

The Group continues to invest in renewable energy and water security, both as a response to infrastructure risk and because the returns compete with property acquisitions. Solar plants with a combined installed capacity of 13,71MWp are operational across the major retail centres. Two further plants are currently being installed by the Group's internal solar team: a 1 070kWp plant at 14th Avenue Mall at a cost of R9,8 million and a 1 300kWp plant at Thabong Mall at a cost of R10,7 million. Further plants across the industrial portfolio are in the exploration phase. Fourteen groundwater harvesting plants are operational with further sites under exploration, and a new borehole was commissioned at Thornhill Mall during the period.

Prospects

The Group enters the 2027 financial year with three principal earnings drivers already contracted: a full 12 months of Safari at 100% ownership (up from six months in the current year), the consolidation of Katleho from 1 July 2026, and a full year of trading at Horizon. Growth prospects are further boosted by contractual escalations of 6% to 7% across the portfolio, supporting NOI growth of approximately 6%, and repricing R931,5 million of facilities from 9 October 2026, resulting in a 41bps saving on those facilities.

Management will continue to pursue the strategy that produced the current year's result: unlocking value from the existing portfolio through leasing, redevelopment and the internalisation of services, while acquiring high-yielding assets in target markets. Two industrial acquisitions have already been concluded or contracted at take-on yields of approximately 15% and 20%, respectively, as set out in note 5, and further opportunities are under assessment.

The Board is mindful of the risks to the outlook and of the mitigants in place for each. Interest rates are the largest: the Group is fully floating, and every 25bps increase costs R16,5 million a year. The forecast provides for a total increase of 50bps in the repo rate during the 2027 financial year, being the 25bps increase on 23 September 2026 and one further 25bps increase, with no reductions assumed. Municipal tariff inflation continues to be met through the solar and borehole programme and the internalisation of utility recoveries.

On this basis, management is pursuing growth of 14,0% to 18,0% in the DPS for the year ending 30 June 2027.

The forecast supporting this guidance has been prepared using the following key assumptions:

- The repo rate increases by a total of 50bps during the financial year, being the 25bps increase on 23 September 2026 and one further 25bps increase, reflecting the uncertainty arising from the Middle East conflict and elevated oil prices, with no reductions for the remainder of the financial year;
- Forecast property income reflects contractual rental escalations and market-related renewals;
- Adequate provision is made for vacancies and rental reversions, and expected credit loss provisions are maintained at current levels;
- The properties classified as held for sale at 30 June 2026 transfer during the 2027 financial year, in line with the expected transfer dates set out under Assets held for sale and disposals; 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 are satisfied that the Group has access to sufficient facilities to meet its foreseeable cash requirements and the condensed consolidated financial statements have accordingly been prepared on the going concern basis. The Directors' assessment, including the basis on which current liabilities exceed current assets at the reporting date, is set out in note 6.

Responsibility statement

The Directors of Heriot accept responsibility for the information contained 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 importance of such information.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Note	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Assets			
Non-current assets			
Investment property	4	13 589 500	12 379 190
Property under development		175 000	238 412
Property, plant and equipment		62 608	56 115
Investment in associate and joint ventures		13 980	318
Right-of-use assets		505	1 010
Financial assets		196 108	244 159
		14 037 701	12 919 204
Current assets			
Trade and other receivables		76 910	375 833
Inventories		32 493	–
Financial assets		43 256	10 000
Taxation receivable		425	457
Cash and cash equivalents		103 188	121 445
		256 272	507 735
Non-current assets held for sale		233 700	181 136
Total assets		14 527 673	13 608 075

	Note	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Equity and liabilities			
Equity and reserves			
Stated capital		3 590 370	3 468 665
Reserves		4 388 426	3 220 971
Share-based payment reserve		1 887	–
Shareholders' interest		7 980 683	6 689 636
Non-controlling interests		113 320	1 289 767
Total equity		8 094 003	7 979 403
Liabilities			
Non-current liabilities			
Interest-bearing borrowings		4 152 750	4 989 318
Lease liabilities		–	1 171
Deferred taxation		99 901	92 908
		4 252 651	5 083 397
Current liabilities			
Interest-bearing borrowings		1 921 856	312 745
Trade and other payables		231 869	216 082
Lease liabilities		1 171	982
Dividend payable to non-controlling shareholders	SOCIE	26 123	15 466
		2 181 019	545 275
Total liabilities		6 433 670	5 628 672
Total equity and liabilities		14 527 673	13 608 075

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Revenue	1 728 205	1 706 944
Contractual rental income	1 238 377	1 183 361
Operating cost recoveries	475 625	471 596
Revenue from sale of inventory	–	10 033
Straight-line rental income accrual	14 203	41 954
Operating costs	(708 976)	(678 608)
Cost of inventory sold	–	(11 132)
Net property income	1 019 229	1 017 204
Investment and other income	38 119	43 121
Loss on sale of property, plant and equipment	–	(392)
(Loss)/profit on sale of subsidiary	(2 388)	12 283
Administration costs	(109 148)	(95 500)
Profit from operations	945 812	976 716
Finance income	19 452	15 072
Finance charges	(475 603)	(489 961)
Profit before fair value adjustments	489 661	501 827
Fair value adjustments	759 566	1 120 688
Investment properties and property under development	776 252	1 109 908
Fair value adjustment on listed shares	21 148	27 697
Investment properties held for sale	(37 834)	(16 754)
Derivative financial instrument	–	(163)
Profit before taxation	1 249 227	1 622 515
Taxation	(9 172)	(5 442)
Total comprehensive income for the year	1 240 055	1 617 073
Attributable to:		
Equity holders of the Company	1 122 393	1 379 124
Non-controlling interests	117 662	237 949
	1 240 055	1 617 073

	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Reconciliation of earnings and headline earnings		
Profit attributable to equity holders of the Company	1 122 393	1 379 124
Attributable to:	(661 111)	(946 413)
Fair value adjustments: investment properties	(776 252)	(1 109 908)
Non-controlling shareholder portion of fair value adjustments	74 919	158 632
Loss on sale of property, plant and equipment	–	392
Loss/(profit) on sale of subsidiary	2 388	(12 283)
Fair value adjustment on non-current assets held for sale	37 834	16 754
Headline earnings attributable to equity holders	461 282	432 711
Number of shares in issue at the reporting date ¹	324 867 032	319 261 982
Weighted average number of shares in issue	319 277 339	319 261 982
Basic and diluted earnings per share (cents)	351,54	431,97
Basic and diluted headline earnings per share (cents)	144,48	135,53
Distribution per share (cents)	142,29	121,91

¹ Excluding 900 000 (2025: 900 000) treasury shares.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Note	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Cash flows from operating activities			
Cash generated from operations		975 625	958 727
Finance charges		(492 169)	(510 851)
Finance income		15 138	8 576
Taxation paid		(2 147)	(993)
Net cash flows from operating activities		496 447	455 459
Cash flows from investing activities			
Acquisitions/improvements to investment property		(264 738)	(284 204)
Proceeds from disposal of property, plant and equipment		–	1 456
Acquisition of property, plant and equipment		(15 963)	(10 932)
Proceeds from disposal of investment property held for sale		39 273	18 177
Acquisition of shares in associate and joint ventures		(13 662)	(318)
Acquisition of listed shares		–	(1 579)
Return of capital from listed shares		41 172	51 591
Cash disposed of on deconsolidation of subsidiary Safari Namibia		–	(618)
Proceeds from disposal of subsidiary Safari Namibia ¹		290 000	–
Cash received on disposal of subsidiary (60 Adderley)		7 721	–
Cash disposed of on deconsolidation of subsidiary (60 Adderley)		(2 707)	–
Cash acquired on business combination (Kattleho)	10	18 254	–
Thibault acquisition adjustment		6 988	–
Dividend received from listed investments		–	26 004
Loan repaid by related party		42 070	103 170
Loan advanced to related party		(46 697)	(52 784)
Share scheme debt repaid		3 712	3 594
Net cash used in investing activities		105 423	(146 443)

	Note	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Cash flows from financing activities			
Dividends paid to Heriot shareholders	SOCIE	(418 815)	(362 837)
Dividends paid to non-controlling shareholders	SOCIE	(43 129)	(87 129)
Safari share buyback (return of capital and dividend)	SOCIE	(834 568)	–
Safari share buyback (clean-out distribution)	SOCIE	(39 220)	–
Settlement of Safari's share-based payment scheme	SOCIE	(4 501)	–
Subscription by minority for additional shares in subsidiary		–	1 125
Interest-bearing borrowings raised		1 127 000	914 615
Interest-bearing borrowings repaid		(405 913)	(721 555)
Payment of lease liabilities		(981)	(815)
Net cash used in financing activities		(620 127)	(256 596)
Net movement in cash and cash equivalents		(18 257)	52 420
Cash and cash equivalents at the beginning of the year		121 445	69 025
Cash and cash equivalents at the end of the year		103 188	121 445

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

	Stated capital R'000	Reserves R'000	Non- controlling interests R'000	Share- based payment reserve R'000	Total R'000
Audited					
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 ¹	–	–	1 125	–	1 125
Dividends ²	–	(362 837)	(56 535)	–	(419 372)
Balance at 30 June 2025	3 468 665	3 220 971	1 289 767	–	7 979 403
Reviewed					
Balance at 1 July 2025	3 468 665	3 220 971	1 289 767	–	7 979 403
Total comprehensive income for the year	–	1 122 393	117 662	–	1 240 055
Safari share buyback – return of capital and dividend components ³	–	418 058	(1 252 626)	–	(834 568)
Safari share buyback – clean-out distribution ³	–	–	(39 220)	–	(39 220)
Safari share buyback – early settlement of share-based payment scheme ³	–	(4 501)	–	–	(4 501)
Sale of subsidiary (60 Adderley) ⁴	–	–	(3 066)	–	(3 066)
Shares issued for Katleho acquisition ⁵	145 731	19 306	55 013	–	220 050
Dividend declared in lieu of shares bought in Katleho (non-cash) ⁵	(24 026)	24 026	(8 009)	–	(8 009)
Dividends ⁶	–	(418 815)	(46 201)	–	(465 016)
Thibault acquisition adjustment ⁷	–	6 988	–	–	6 988
Share-based payment expense ⁸	–	–	–	1 887	1 887
Balance at 30 June 2026	3 590 370	4 388 426	113 320	1 887	8 094 003

30 June 2025 notes:

¹ Subscription by minority for additional shares in subsidiary

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

² Dividends

On 23 October 2024, Heriot paid its final distribution to shareholders of R181,384 million, or 56,81 cents per share, for the six months ended 30 June 2024.

On 22 April 2025, Heriot paid its interim distribution to shareholders of R181,453 million, or 56,84 cents per share, for the six months ended 31 December 2024.

On 18 October 2024, Safari paid its final distribution to shareholders of R43,464 million, or 17,0 cents per share, for the six months ended 30 June 2024. At Group level, R17,719 million was paid to minority shareholders.

On 24 March 2025, Safari paid its interim distribution to shareholders of R86,928 million, or 34,0 cents per share, for the six months ended 31 December 2024. At Group level, R35,439 million was paid to minority shareholders.

30 June 2026 notes:

³ Safari share buyback – return of capital, distribution, clean-out distribution and early settlement of share-based payment scheme components

On 22 December 2025, Safari concluded a scheme of arrangement to acquire the remaining issued share capital held by minority shareholders. Safari acquired 104,321 million shares at R8,00 per share, for a total consideration of R834,568 million, allocated and settled as follows:

- R6,18271 per share, totalling R644,987 million, paid to minority shareholders as a return of capital; and
- R1,81729 per share, totalling R189,581 million, paid as a cash dividend.

On this basis, the Group realised a bargain gain of R418,058 million, as the value of the Safari non-controlling interest of R1,253 billion exceeded the consideration paid of R834,568 million.

In addition, under the terms of the scheme of arrangement, a clean-out distribution of 37,6 cents per share, amounting to R39,220 million, was paid to minority shareholders on 22 December 2025.

As a consequence of the scheme of arrangement, Safari's existing share-based payment scheme was settled early. The resulting charge of R4,501 million has been recognised directly in equity, as the settlement relates to an equity-settled arrangement extinguished as part of the transaction with minority shareholders.

⁴ Sale of subsidiary (60 Adderley)

On 30 November 2025, the Group disposed of its 60% interest in 60 Adderley Proprietary Limited through the sale of the shares in, and claims against, the company. On loss of control, the non-controlling interests' share of the net assets of R3,066 million, representing the 40% interest held by the non-controlling shareholders, was derecognised through the statement of changes in equity.

⁵ Katleho acquisition – business combination under common control

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

Calculation of the purchase consideration

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

Calculation of the non-controlling interest

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

for the year ended 30 June 2026

⁵ **Katleho acquisition – business combination under common control** continued

Calculation of the bargain gain

The excess of Heriot's 75% share of Katleho's NAV of R165,037 million over the purchase consideration of R145,731 million resulted in a bargain gain of R19,306 million, representing a discount of 11,7% to NAV. As the acquisition was a common control transaction outside the scope of IFRS 3, the gain has been recognised directly in the statement of changes in equity.

On 30 June 2026, Katleho declared a dividend of R24,026 million to Heriot in respect of its 75% shareholding. Rather than being settled in cash, the dividend was applied in reduction of the purchase consideration, with a corresponding reduction in stated capital, and is accordingly excluded from the statement of cash flows as a non-cash transaction.

On 30 June 2026, dividends of R8,009 million were declared to the 25% non-controlling shareholders of Katleho.

Refer to note 10 for further details on the acquisition.

⁶ **Dividends**

On 20 October 2025, Heriot paid its final distribution to shareholders of R207,756 million, or 65,07 cents per share, for the six months ended 30 June 2025.

On 14 April 2026, Heriot paid its interim distribution to shareholders of R211,058 million, or 66,11 cents per share, for the six months ended 31 December 2025. Both distributions are stated net of the 900 000 treasury shares in issue.

On 13 October 2025, Safari paid its final distribution to shareholders of R102,268 million, or 40,0 cents per share, for the six months ended 30 June 2025. At Group level, R41,728 million was paid to minority shareholders.

Dividends of R4,473 million were declared to the non-controlling interests of other subsidiaries during the year, bringing total distributions to non-controlling interests to R46,201 million.

⁷ **Thibault acquisition adjustment**

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

⁸ **Share-based payment expense**

Heriot operates an equity-settled share-based payment arrangement under which conditional awards are granted to qualifying employees. In accordance with IFRS 2 Share-based Payment, the fair value of the awards at grant date is recognised as an expense over the vesting period, with a corresponding credit to the share-based payment reserve within equity. The expense recognised for the year amounted to R1,887 million.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2026

1. Basis of preparation

The reviewed condensed consolidated financial statements for the year ended 30 June 2026 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 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. They are consistent with those applied in the previous consolidated financial statements for the year ended 30 June 2025.

The results for the year reflect two transactions concluded during the reporting period, both of which were accounted for directly in equity and therefore did not result in any gain or loss in profit or loss. On 22 December 2025, the Group acquired the remaining 40,8% of Safari, increasing its interest to 100%. As the Group already controlled Safari, the acquisition was a transaction with non-controlling shareholders in their capacity as owners and was accounted for in equity under IFRS 10 *Consolidated Financial Statements*. From that date, the results of Safari are attributable in full to the equity holders of the Company. With effect from 30 June 2026, the Group acquired 75% of Katleho. As a business combination under common control, the acquisition falls outside the scope of IFRS 3 *Business Combinations* and has been accounted for using the predecessor value method. Katleho is consolidated in the statement of financial position at 30 June 2026 but did not contribute to the statement of profit or loss and other comprehensive income for the year. Further details on both transactions are provided in the notes to the statement of changes in equity and in note 10.

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 after the year ended 30 June 2026, other than those disclosed in note 5, that require additional disclosure or adjustment to the financial statements. The Directors 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 2026 have been reviewed by BDO South Africa Incorporated, which expressed an unmodified review conclusion. The review report is set out below.

The Board approved the reviewed condensed consolidated financial statements on 29 September 2026.

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 2026 and the condensed consolidated statements of profit or loss and other 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 condensed consolidated financial statements, and the requirements of the Companies Act of South Africa, and such internal control as the directors determine is necessary to enable the preparation of financial statements free from material misstatement, whether due to fraud or error.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

1. Basis of preparation continued

Independent auditor's review report on the condensed consolidated financial statements continued

Directors' responsibility for the condensed consolidated financial statements continued

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 paragraph 11.32 of the JSE Listings Requirements, and to also 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 condensed consolidated 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 2026 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 condensed consolidated financial statements, and the requirements of the Companies Act of South Africa.

BDO South Africa Incorporated

Registered Auditors

VR de Villiers

Director

Registered Auditor

30 September 2026

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

2. Non-IFRS® measure – distributable earnings

	Year ended 30 June 2026 R'000	Year ended 30 June 2025 R'000
Note		
Contractual rental income and recoveries, excluding straight-line rental income and revenue from sale of inventory	1 714 002	1 654 957
Property expenses	(708 976)	(678 608)
Investment and other income	22 875	43 121
Administrative expenses and corporate costs	(108 643)	(94 996)
Per statement of comprehensive income	(109 148)	(95 500)
Adjust for: Depreciation charged on owner-occupied property	505	504
Net finance costs	(456 151)	(474 889)
Finance income	19 452	15 072
Finance charges	(475 603)	(489 961)
Income tax	(2 179)	(471)
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
Texton return of capital – distributed to shareholders ³	14 447	–
Katleho distribution declared to Heriot – in cost of subsidiary acquired ⁴ SOCIE, 10	24 026	–
Share-based payment expense	1 887	–
Non-controlling interest	(42 743)	(79 317)
Total distributable earnings	458 545	389 209

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 prior period represents the sale proceeds less the cost of the assets disposed.

² Heriot's share of pre-acquisition earnings paid as a dividend to Heriot.

³ On 30 October 2025, Texton paid a special dividend of R0,6374 per share as a return of capital. Accordingly, the dividend was not recognised in the statement of comprehensive income. The Group received cash proceeds of R41,172 million, of which R14,447 million was distributed to shareholders and recorded as a non-IFRS® distributable earnings adjustment in line with budget assumptions.

⁴ Katleho's distribution of R24,026 million to Heriot for the year ended 30 June 2026 has been included as a non-IFRS® Accounting Standards distributable earnings adjustment in its results to 30 June 2026, increasing its distributable earnings to R458,545 million or 142,29 cents per share.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

2. Non-IFRS® measure – distributable earnings continued

	Year ended 30 June 2026	Year ended 30 June 2025
Number of shares in issue at the reporting date (interim) ⁵	319 261 982	319 261 982
Number of shares in issue at the reporting date (final) ⁵	324 867 032	319 261 982
Interim distribution (R'000)	211 058	181 453
Final distribution (R'000)	247 487	207 756
Total distribution (R'000)	458 545	389 209
Distribution per share (cents)		
Interim distribution	66,10803	56,83499
Final distribution	76,18107	65,07410
Total distribution per share (cents)	142,28910	121,90909

⁵ Excluding the 900 000 treasury shares in issue (2025: 900 000).

3. Segmental analysis

The Group's portfolio is organised into three operating categories: Sectoral, Group components and Geographical. These categories are aligned with the Group's operating segments, which are consistent with the internal reporting reviewed by management and the Board. This structure enables management to evaluate performance, allocate resources and assess each segment's contribution to the Group as a whole.

The **Sectoral** and **Group components** categories represent the Group's primary reportable segments, for which discrete financial information is available and regularly assessed by management and the Board.

Sectoral

The sectoral category comprises six segments: **Retail**, **Industrial**, **Office**, **Specialised**, **Residential/aparthotel** and **Other**.

Sector	Number of properties 2026	Number of properties 2025	Composition
Retail	23	23	Primarily retail shopping centres, supplemented by stand-alone single-tenanted properties. Weighted towards rural market retail centres, with the balance comprising community and neighbourhood centres.
Industrial	14	14	Warehousing, logistics facilities and industrial parks.
Office ¹	7	5	High-rise and low-rise offices in Johannesburg and Cape Town, and the office component of the One Thibault mixed-use property in Cape Town CBD (refer to the note below).
Specialised	3	4	Three properties comprising seven farms totalling 7 452 hectares of paper plantations, leased to Mondi South Africa Proprietary Limited.
Residential/aparthotel ¹	4	4	Aparthotels in Cape Town (23 050m ² GLA, 659 units). The Group also holds a 50% interest in 100 residential units in Johannesburg.
Other	2	3	One property under development and vacant land in Pretoria.
Total	53	53	

¹ One Thibault is a mixed-use property comprising an office component and an aparthotel component. The property is recorded in the valuations schedule as a half share in each of the office and residential/aparthotel sectors. For the purposes of this analysis, the property has been allocated in full to the Office sector, so that it is counted once and the sectoral total agrees to the Group total of 53 properties.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

3. Segmental analysis continued

Group components

The Group components category comprises three segments: **Heriot, Safari, and Thibault**.

Group component	Number of properties 2026	Number of properties 2025	Composition
Heriot	40	40	14 industrial, 12 retail, 3 specialised, 6 office, 4 residential/aparthotel and 1 under development.
Safari	9	9	8 retail centres and 1 other property, being the vacant land in Lynnwood.
Thibault	4	4	3 retail centres and 1 mixed-use building comprising offices and an aparthotel.
Total	53	53	

Geographical

In addition to the main reportable segments, the Group provides a geographical analysis of investment property and revenue by province within South Africa and in Namibia.

Province	Number of properties 2026	Number of properties 2025	Composition
Gauteng	28	25	The Group's largest concentration spans industrial, retail and office assets.
Western Cape	12	13	Industrial, retail and office assets, together with the Cape Town aparthotels as well as the property under development.
KwaZulu-Natal	3	5	Specialised and retail assets.
North West	3	3	Rural market retail centres.
Limpopo	3	3	Rural market retail centres.
Mpumalanga	2	2	Rural market retail centres.
Free State	1	1	Industrial asset.
Namibia	1	1	The Group's only property (industrial asset) held outside South Africa.
Total	53	53	

Segmental analysis by sector – comparative view

Sector	Year ended 30 June 2026							Year ended 30 June 2025						
	Retail	Industrial	Office	Specialised ¹	Residential/aparthotel	Other ²	Total	Retail	Industrial	Office	Specialised ¹	Residential/aparthotel	Other ²	Total
Total available GLA (m²)	356 415	268 705	50 323	–	2 430	–	677 873	358 459	268 705	30 496	–	3 446	–	661 106
Total GLA	356 415	268 705	50 323	–	25 480	18 665	719 588	358 459	268 705	30 496	–	23 996	21 165	702 821
Vacant land and under development	–	–	–	–	–	(18 665)	(18 665)	–	–	–	–	–	(21 165)	(21 165)
Aparthotel GLA	–	–	–	–	(23 050)	–	(23 050)	–	–	–	–	(20 550)	–	(20 550)
Vacancy (m²)	7 215	4 285	1 154	–	435	–	13 089	5 772	3 346	1 499	–	18	–	10 635
% Vacant	2,0	1,6	2,3		17,9	–	1,9	1,6	1,2	4,9	–	0,5	–	1,6
	Refer to note 3													

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

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

³ Following the expiry of their respective leases, Mondi vacated the Hinze, Newborough Grange and Bushmans Bend farms during the reporting period, resulting in a 21% vacancy within the specialised sector as at the reporting date.

In March 2026, the Bushmans Bend farm was sold for R33,8 million net of commission.

The Group has classified the two remaining vacant properties, Hinze and Newborough Grange, as held for sale in terms of IFRS 5. In respect of these properties:

- Heriot has concluded a sale agreement for the Hinze farm for R30,0 million, with transfer expected in October 2026; and
- Heriot is in the final stages of concluding a sale agreement for Newborough Grange, at an expected selling price of R21,2 million.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

3. Segmental analysis continued

Segmental analysis by sector – comparative view continued

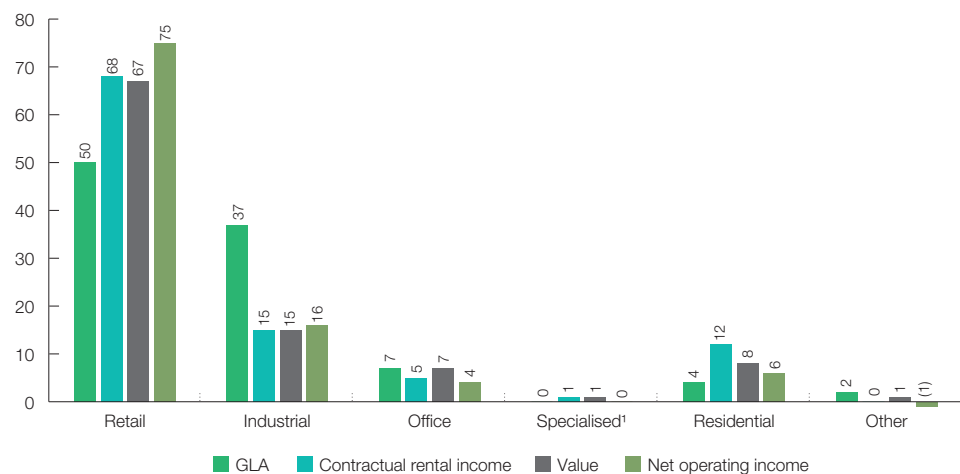
	Year ended 30 June 2026							Year ended 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential/ aparthotel R'000	Other R'000	Total R'000	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential/ aparthotel R'000	Other R'000	Total R'000
Statement of comprehensive income														
Contractual rental income	826 897	186 520	61 422	7 317	155 282	939	1 238 377	806 340	179 949	63 046	9 555	123 384	1 087	1 183 361
Recoveries	386 329	66 548	19 575	420	2 660	93	475 625	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	20 119	(5 715)	(5)	–	(184)	(12)	14 203	45 134	(2 608)	85	(527)	(130)	–	41 954
Total revenue	1 233 345	247 353	80 992	7 737	157 758	1 020	1 728 205	1 234 514	242 162	82 725	9 784	136 546	1 213	1 706 944
Property expenses	(465 338)	(85 270)	(36 759)	(2 735)	(98 474)	(20 400)	(708 976)	(464 176)	(73 906)	(41 222)	(780)	(85 586)	(12 938)	(678 608)
Commission costs	–	(659)	(2 100)	–	(12 180)	–	(14 939)	–	(659)	(1 711)	–	(10 033)	(200)	(12 603)
Cleaning costs	(19 793)	–	(1 714)	–	(236)	–	(21 743)	(20 425)	–	(1 618)	–	(178)	–	(22 221)
Depreciation	(23 311)	(773)	(314)	–	(7 772)	(1 054)	(33 224)	(17 720)	(948)	(376)	–	(7 181)	(1 052)	(27 277)
Management fees	(457)	–	(1 235)	(205)	(34 603)	–	(36 500)	(459)	–	(1 346)	–	(28 037)	–	(29 842)
Municipal charges	(306 839)	(70 032)	(17 409)	(573)	(17 299)	(564)	(412 716)	(309 107)	(62 755)	(19 242)	(780)	(15 770)	(306)	(407 960)
Repairs and maintenance	(7 981)	(3 582)	(1 784)	(514)	(2 679)	(42)	(16 582)	(16 098)	(3 164)	(1 780)	–	(2 802)	(97)	(23 941)
Security costs	(36 160)	(1 157)	(541)	(234)	(2 530)	(367)	(40 989)	(32 560)	(853)	(988)	–	(1 882)	(464)	(36 747)
Other property-related expenses	(70 797)	(9 067)	(11 662)	(1 209)	(21 175)	(18 373)	(132 283)	(67 807)	(5 527)	(14 161)	–	(19 703)	(10 819)	(118 017)
Cost of inventory sold	–	–	–	–	–	–	–	–	–	–	–	(11 132)	–	(11 132)
Net property income	768 007	162 083	44 233	5 002	59 284	(19 380)	1 019 229	770 338	168 256	41 503	9 004	39 828	(11 725)	1 017 204
Other income	–	–	–	–	–	38 119	38 119	–	–	–	–	–	43 121	43 121
Loss on sale of property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	(392)	–	(392)
Administration expenses	–	–	–	–	–	(109 148)	(109 148)	–	–	–	–	–	(95 500)	(95 500)
Audit fees and non-assurance services	–	–	–	–	–	(4 741)	(4 741)	–	–	–	–	–	(4 533)	(4 533)
Non-executive Director fees	–	–	–	–	–	(2 187)	(2 187)	–	–	–	–	–	(2 323)	(2 323)
Staff costs	–	–	–	–	–	(97 085)	(97 085)	–	–	–	–	–	(87 177)	(87 177)
Other administrative expenses	–	–	–	–	–	(5 135)	(5 135)	–	–	–	–	–	(1 467)	(1 467)
Net finance charges	–	–	–	–	–	(456 151)	(456 151)	–	–	–	–	–	(474 889)	(474 889)
Change in fair value of listed shares	–	–	–	–	–	21 148	21 148	–	–	–	–	–	27 697	27 697
Change in fair value of derivative instrument	–	–	–	–	–	–	–	–	–	–	–	–	(163)	(163)
Change in fair value of properties	470 130	108 932	21 659	(14 363)	80 137	71 923	738 418	790 672	160 590	66 191	34 627	23 186	17 888	1 093 154
(Loss)/profit on sale of subsidiary	–	–	(2 388)	–	–	–	(2 388)	12 283	–	–	–	–	–	12 283
Net profit before taxation	1 238 137	271 015	63 504	(9 361)	139 421	(453 489)	1 249 227	1 573 293	328 846	107 694	43 631	62 622	(493 571)	1 622 515

3. Segmental analysis continued

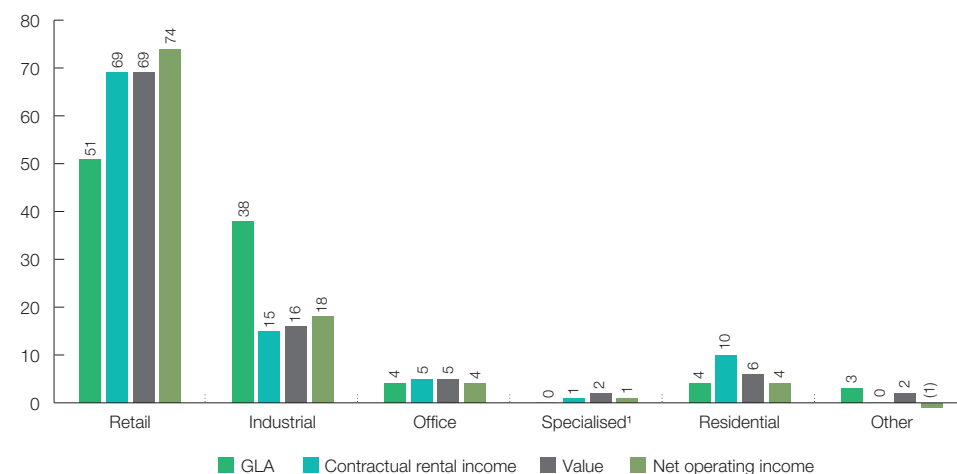
Segmental analysis by sector – comparative view continued

	Year ended 30 June 2026							Year ended 30 June 2025						
	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential/ aparthotel R'000	Other R'000	Total R'000	Retail R'000	Industrial R'000	Office R'000	Specialised R'000	Residential/ aparthotel R'000	Other R'000	Total R'000
Statement of financial position														
Investment property	9 268 800	2 089 500	953 000	138 000	1 103 500	36 700	13 589 500	8 634 790	2 007 500	669 400	235 500	798 000	34 000	12 379 190
Non-current assets held for sale	159 000	23 500	–	51 200	–	–	233 700	173 000	–	–	–	8 136	–	181 136
Property under development	–	–	–	–	–	175 000	175 000	–	–	–	–	–	238 412	238 412
Property, plant and equipment	2 674	–	61	–	28 110	31 763	62 608	3 103	–	41	–	31 110	21 861	56 115
Trade and other receivables	46 801	5 569	4 973	–	10 486	9 081	76 910	344 189	11 091	1 732	–	6 590	12 231	375 833
Other assets	–	–	–	–	–	389 955	389 955	–	–	–	–	–	377 389	377 389
Total assets	9 477 275	2 118 569	958 034	189 200	1 142 096	642 499	14 527 673	9 155 082	2 018 591	671 173	235 500	843 836	683 893	13 608 075
Trade and other payables	172 910	15 503	13 079	5 134	4 723	46 643	257 992	157 375	7 865	10 056	5 150	4 212	46 890	231 548
Other liabilities	–	–	–	–	–	6 175 678	6 175 678	–	–	–	–	–	5 397 124	5 397 124
Total liabilities	172 910	15 503	13 079	5 134	4 723	6 222 321	6 433 670	157 375	7 865	10 056	5 150	4 212	5 444 014	5 628 672

Sectoral (%) (year ended 30 June 2026)



Sectoral (%) (year ended 30 June 2025)



¹ Refer to note 1 on page 20.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

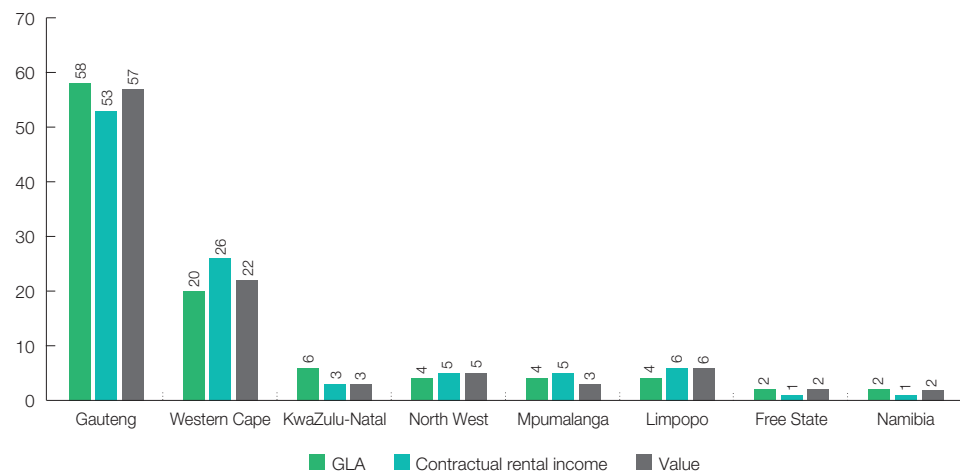
3. Segmental analysis continued

Segmental analysis by geography – comparative view

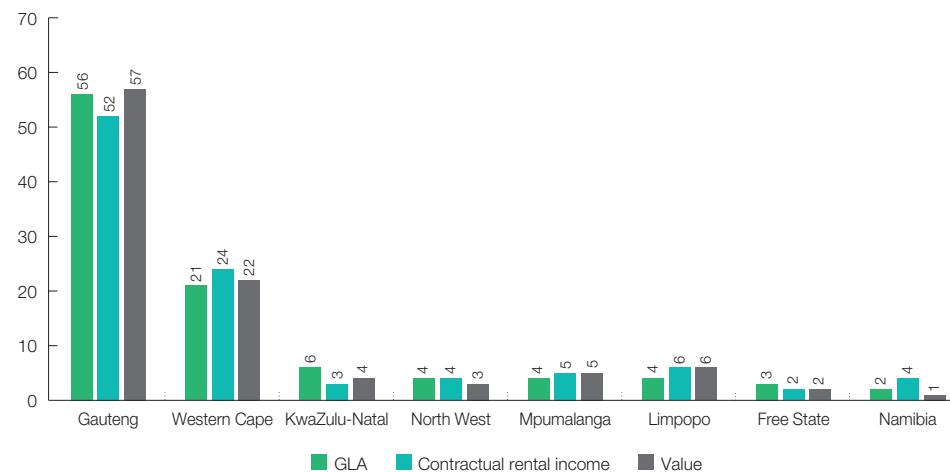
Region	Year ended 30 June 2026									Year ended 30 June 2025								
	Gauteng	Western Cape	KwaZulu-Natal	North West	Mpumalanga	Limpopo	Free State	Namibia	Total	Gauteng	Western Cape	KwaZulu-Natal	North West	Mpumalanga	Limpopo	Free State	Namibia	Total
Total available GLA (m²)	409 935	112 943	42 002	27 231	26 459	27 897	17 906	13 500	677 873	382 968	122 127	43 018	27 231	26 459	27 897	17 906	13 500	661 106
Total GLA ¹	423 068	141 525	42 002	27 231	26 459	27 897	17 906	13 500	719 588	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)	(5 532)	-	-	-	-	-	-	(18 665)	(13 133)	(8 032)	-	-	-	-	-	-	(21 165)
Aparthotel GLA	-	(23 050)	-	-	-	-	-	-	(23 050)	-	(20 550)	-	-	-	-	-	-	(20 550)
Vacancy (m²)	9 746	1 614	-	1 630	87	13	-	-	13 089	6 724	2 391	-	894	281	345	-	-	10 635
% Vacant	2,4	1,4	-	6,0	0,3	-	-	-	1,9	1,8	2,0	-	3,3	1,1	1,2	-	-	1,6

¹ Refer to note 1 on page 20.

Geographical (%) (year ended 30 June 2026)



Geographical (%) (year ended 30 June 2025)



NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2026

3. Segmental analysis continued

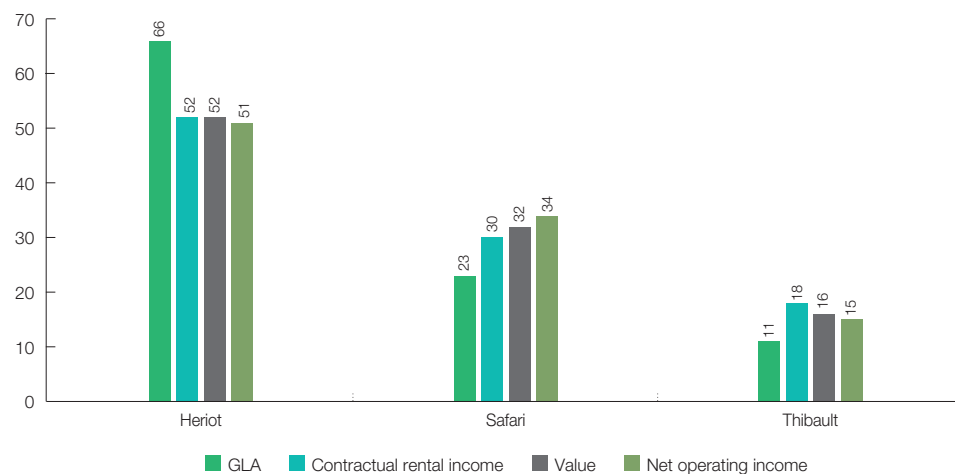
Segmental analysis by geography – comparative view continued

	Year ended 30 June 2026									Year ended 30 June 2025								
	Gauteng R'000	Western Cape R'000	KwaZulu- Natal R'000	North West R'000	Mpumalanga R'000	Limpopo R'000	Free State R'000	Namibia R'000	Total R'000	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
Property portfolio																		
Investment property	7 790 200	2 939 000	370 300	679 200	474 800	903 000	215 000	218 000	13 589 500	7 017 490	2 603 500	457 000	442 700	638 500	830 000	215 000	175 000	12 379 190
Property under development	–	175 000	–	–	–	–	–	–	175 000	–	238 412	–	–	–	–	–	–	238 412
Non-current assets held for sale	182 500	–	51 200	–	–	–	–	–	233 700	173 000	–	8 136	–	–	–	–	–	181 136
Total property portfolio	7 972 700	3 114 000	421 500	679 200	474 800	903 000	215 000	218 000	13 998 200	7 190 490	2 841 912	465 136	442 700	638 500	830 000	215 000	175 000	12 798 738
Revenue																		
Contractual rental income	655 801	320 968	33 549	56 211	60 272	76 674	19 568	15 334	1 238 377	616 474	283 290	35 452	52 646	55 942	71 333	18 203	50 021	1 183 361
Recoveries	293 827	94 155	8 361	19 470	22 952	26 796	10 064	–	475 625	282 223	87 265	9 330	20 222	19 648	25 502	8 694	18 712	471 596
	949 628	415 123	41 910	75 681	83 224	103 470	29 632	15 334	1 714 002	898 697	370 555	44 782	72 868	75 590	96 835	26 897	68 733	1 654 957

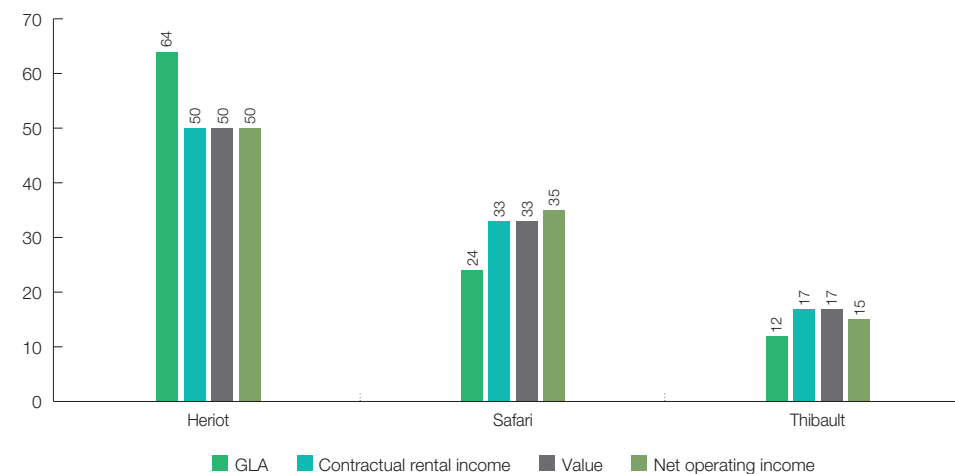
3. Segmental analysis continued
Segmental analysis by Group component – comparative view

Group component	Year ended 30 June 2026				Year ended 30 June 2025			
	Heriot	Safari	Thibault	Group total	Heriot	Safari	Thibault	Group total
Total available GLA (m²)	441 040	157 608	79 225	677 873	422 228	157 608	81 270	661 106
Total GLA	461 598	170 741	87 249	719 588	442 786	170 741	89 294	702 821
Vacant land and under development	(5 532)	(13 133)	–	(18 665)	(8 032)	(13 133)	–	(21 165)
Aparthotel GLA	(15 026)	–	(8 024)	(23 050)	(12 526)	–	(8 024)	(20 550)
Vacancy (m²)	8 628	3 968	493	13 089	6 476	3 243	916	10 635
% Vacant	2,0	2,5	0,6	1,9	1,5	2,1	1,1	1,6

Group (%) (year ended 30 June 2026)



Group (%) (year ended 30 June 2025)



NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

3. Segmental analysis continued

Segmental analysis by Group component – comparative view continued

	Year ended 30 June 2026				Year ended 30 June 2025			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Statement of comprehensive income								
Contractual rental income	647 214	374 185	216 978	1 238 377	596 639	388 215	198 507	1 183 361
Recoveries	202 648	197 248	75 729	475 625	197 617	205 641	68 338	471 596
Revenue from sale of inventory	–	–	–	–	–	10 033	–	10 033
Straight-lining of rental income	969	9 741	3 493	14 203	(1 927)	13 857	30 024	41 954
Total revenue	850 831	581 174	296 200	1 728 205	792 329	617 746	296 869	1 706 944
Property expenses	(340 245)	(229 570)	(139 161)	(708 976)	(302 054)	(248 241)	(128 313)	(678 608)
Commission costs	(12 481)	–	(2 458)	(14 939)	(11 492)	–	(1 111)	(12 603)
Cleaning costs	(6 256)	(10 707)	(4 780)	(21 743)	(5 910)	(12 155)	(4 156)	(22 221)
Depreciation	(15 356)	(7 660)	(10 208)	(33 224)	(12 020)	(7 163)	(8 094)	(27 277)
Management fees	(20 747)	–	(15 753)	(36 500)	(15 978)	–	(13 864)	(29 842)
Municipal charges	(182 629)	(152 805)	(77 282)	(412 716)	(166 398)	(167 096)	(74 466)	(407 960)
Repairs and maintenance	(12 350)	(558)	(3 674)	(16 582)	(12 127)	(8 439)	(3 375)	(23 941)
Security costs	(18 388)	(16 255)	(6 346)	(40 989)	(16 191)	(14 880)	(5 676)	(36 747)
Other property-related expenses	(72 038)	(41 585)	(18 660)	(132 283)	(61 938)	(38 508)	(17 571)	(118 017)
Cost of inventory sold	–	–	–	–	–	(11 132)	–	(11 132)
Net property income	510 586	351 604	157 039	1 019 229	490 275	358 373	168 556	1 017 204
Other income	27 375	10 737	7	38 119	10 123	6 890	26 108	43 121
Loss on sale of property, plant and equipment	–	–	–	–	(392)	–	–	(392)
Administration expenses	(62 357)	(35 698)	(11 093)	(109 148)	(50 471)	(32 769)	(12 260)	(95 500)
Audit fees and non-assurance services	(2 143)	(1 881)	(717)	(4 741)	(2 266)	(1 860)	(407)	(4 533)
Non-executive Director fees	(1 766)	(421)	–	(2 187)	(1 523)	(800)	–	(2 323)
Staff costs	(55 211)	(32 775)	(9 099)	(97 085)	(46 537)	(29 552)	(11 088)	(87 177)
Other administrative expenses	(3 237)	(621)	(1 277)	(5 135)	(145)	(557)	(765)	(1 467)
Net finance charges	(220 198)	(138 935)	(97 018)	(456 151)	(247 906)	(132 251)	(94 732)	(474 889)
Change in fair value of listed shares	–	–	21 148	21 148	–	–	27 697	27 697
Change in fair value of derivative instrument	–	–	–	–	–	(163)	–	(163)
Change in fair value of properties	465 472	155 217	117 729	738 418	542 304	352 650	198 200	1 093 154
(Loss)/profit on sale of subsidiary	(2 388)	–	–	(2 388)	–	12 283	–	12 283
Net profit before taxation	718 490	342 925	187 812	1 249 227	743 933	565 013	313 569	1 622 515
Property cost-to-income ratio (operating expenses/rental and recoveries) (%)	40,0	40,2	47,5	41,4	38,0	41,8	48,1	41,0

NOTES TO THE FINANCIAL STATEMENTS continued
for the year ended 30 June 2026

3. Segmental analysis continued

Segmental analysis by Group component – comparative view continued

	Year ended 30 June 2026				Year ended 30 June 2025			
	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000	Heriot R'000	Safari R'000	Thibault R'000	Group total R'000
Statement of financial position								
Investment property	7 041 800	4 289 700	2 258 000	13 589 500	6 225 190	4 019 000	2 135 000	12 379 190
Non-current assets held for sale	74 700	159 000	–	233 700	8 136	173 000	–	181 136
Property under development	175 000	–	–	175 000	238 412	–	–	238 412
Property, plant and equipment	50 162	1 703	10 743	62 608	42 805	2 162	11 148	56 115
Trade and other receivables	31 630	31 058	14 222	76 910	34 442	329 640	11 751	375 833
Other assets	158 238	57 350	174 367	389 955	120 377	61 863	195 149	377 389
Total assets	7 531 530	4 538 811	2 457 332	14 527 673	6 669 362	4 585 665	2 353 048	13 608 075
Trade and other payables	121 810	108 739	27 443	257 992	110 667	95 008	25 873	231 548
Other liabilities	2 980 914	2 123 047	1 071 717	6 175 678	2 829 966	1 480 609	1 086 549	5 397 124
Total liabilities	3 102 724	2 231 786	1 099 160	6 433 670	2 940 634	1 575 617	1 112 422	5 628 672

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

4. Investment property

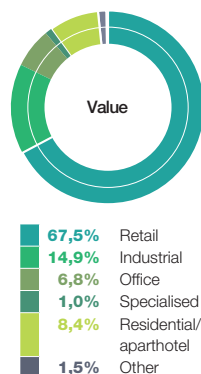
The properties were valued by Peter Parfitt of Quadrant Properties Proprietary Limited who is a registered valuer in terms of Section 19 of the Property Valuers Profession Act No 47 of 2000. The properties were valued using the discounted cash flow and comparable sales methods, which methods value the properties by discounting the cash flows of future income streams of the properties, taking into account expected rental and expense growth rates, vacancies and costs not recoverable from tenants. The discounted cash flow valuations are tested for reasonableness by benchmarking against recent comparable sales activity and available market surveys and by comparing the discounted cash flow values to the capitalised cash flow values. The capitalised cash flow values are calculated by applying appropriate capitalisation rates to the future earnings potential of the properties. The capitalisation rates are dependent on a number of factors such as location, the condition of the property, lease covenants and current market conditions.

Inter-relationship between key unobservable inputs and fair value measurement

The fair value of investment properties would be affected by:

- change in expected market rental growth;
- change in expected expense growth;
- change in discount and capitalisation rates; and
- current comparable selling rates.

% of portfolio by value



	Reviewed 30 June 2026 %	Audited 30 June 2025 %
The average capitalisation rate applied was:	8,83	8,81
The rates applied per sector were as follows:		
Retail	8,71	8,80
Industrial	9,33	9,00
Office	9,04	8,59
Specialised	8,50	8,50
Residential/aparthotel	8,79	9,00

	Reviewed 30 June 2026 R'000	Audited 30 June 2025 R'000
Value per sector		
Retail	9 268 800	8 634 790
Industrial	2 089 500	2 007 500
Office	953 000	669 400
Specialised	138 000	235 500
Residential/aparthotel	1 103 500	798 000
Other	36 700	34 000
	13 589 500	12 379 190

The split between Heriot, Safari and Thibault assets as at 30 June 2026 is as follows:

	Heriot R'000	Safari R'000	Thibault R'000	Total R'000
Retail ¹	3 567 800	4 253 000	1 448 000	9 268 800
Industrial ²	2 089 500	–	–	2 089 500
Office	516 000	–	437 000	953 000
Specialised ³	138 000	–	–	138 000
Residential/aparthotel	730 500	–	373 000	1 103 500
Other	–	36 700	–	36 700
	7 041 800	4 289 700	2 258 000	13 589 500

¹ Excludes assets held for sale of R159,0 million.

² Excludes assets held for sale of R23,5 million.

³ Excludes assets held for sale of R51,2 million.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

4. Investment property continued

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

¹ Excludes assets held for sale of R173 million.

² Excludes assets held for sale of R8,1 million.

5. Subsequent events

Group

Declaration of final cash distribution

On 29 September 2026, the Board approved a gross final cash distribution of 76,18 cents per ordinary share for the six-month period ended 30 June 2026, payable to shareholders on 26 October 2026. As the distribution was declared after the reporting date, it has not been recognised as a liability at 30 June 2026.

Restructuring of the Group debt portfolio

The Group began restructuring its debt portfolio during the reporting period. Before year-end, the Group obtained credit-approved commitments from the participating lenders to refinance R931,5 million of facilities for three years at ZARONIA plus 130bps, and Safari converted its existing SPV into the Group's consolidated debt treasury vehicle under a new common terms agreement, with the Heriot and Thibault bonds allocated to that unified structure. The first tranche was approved by special resolution on 22 September 2026, and the restructured vehicle and the refinanced facilities, which were renewed on improved commercial terms, which become effective on 9 October 2026.

In terms of IAS 1 *Presentation of Financial Statements*, the classification of borrowings reflects the rights that existed at the reporting date. Facilities of R381,5 million renewed by their existing lender under credit-approved commitments obtained before the reporting date are presented as non-current. The R496,9 million facility refinanced by new lenders within the tranche is presented as current at 30 June 2026, as the Group did not have the right at that date to defer its settlement for at least 12 months. Its refinancing on a long-term basis after the reporting date is a non-adjusting event.

Refinancing of the Sanlam facility

In October 2025, Thibault signed a term sheet with Absa to replace the R209,5 million Sanlam facility secured over Sun Valley Mall. The new three-year facility, priced at three-month JIBAR plus 1,40%, provides the additional security required to fund The Fibonacci development. The facility was implemented on 8 July 2026. As the facility was refinanced by a new lender after the reporting date, the Sanlam facility is presented as current at 30 June 2026, and its refinancing on a long-term basis is a non-adjusting event.

Fibonacci development facility

Absa was awarded the tender for the R530,0 million Fibonacci development facility, which bears interest at prime less 1,80% during the development phase. To de-risk the project, 174 units were sold for approximately R200,0 million. On transfer of those units, the facility reduces to R330,0 million and converts to a three-year term loan bearing interest at three-month JIBAR plus 1,475%. The facility was implemented on 8 July 2026.

Acquisition of Bubesi 46 Proprietary Limited

On 31 August 2026, Heriot acquired the entire issued share capital of Bubesi 46 Proprietary Limited for R56,0 million. The company owns a seven-hectare industrial property in Vanderbijlpark. The purchase consideration was settled from the Group's cash reserves.

Acquisition of the Denver distribution centre

Heriot has signed an offer to purchase a distribution centre measuring 11 850m² in Denver, Johannesburg, for R35,0 million. Transfer of the property is anticipated to occur in November 2026.

Transition from JIBAR to ZARONIA

ZARONIA will be implemented on 9 October 2026, from which date JIBAR is replaced as the reference interest rate. The Group's interest-bearing borrowings are predominantly priced off three-month JIBAR and will transition to ZARONIA from that date. A credit adjustment spread of 16,5bps has been agreed with the Group's lenders, which, when added to the ZARONIA rate, equates exactly to the JIBAR rate previously charged. The effective interest rate on each facility will therefore remain unchanged, and both the lenders and the Group will remain in the same economic position following the transition. Management has confirmed that the transition will have no impact on the Group's financial results or position, and as the implementation date falls after the reporting date, there is no impact on the amounts recognised at 30 June 2026.

The Directors are not aware of any other material reportable events that occurred after the reporting period. All of the events disclosed above are non-adjusting events and accordingly no adjustment has been made to the amounts recognised in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

6. Going concern

The Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group is in a sound financial position, having grown total assets to R14,527 billion and total equity to R8,094 billion during the year. At the reporting date, current liabilities exceeded current assets by R1,925 billion, of which R1,922 billion relates to interest-bearing borrowings. The position arises from the timing of the Group's refinancing programme rather than from any shortfall in funding:

- R706,4 million relates to two facilities refinanced, or committed for refinancing, by new lenders for three years. The R209,5 million Sun Valley facility was refinanced on 8 July 2026, and the R496,9 million facility in the first tranche of the Group debt treasury vehicle is refinanced with effect from 9 October 2026 under credit-approved commitments obtained in June 2026. Both are presented as current because their refinancing by new lenders takes effect after the reporting date; and
- R1,215 billion relates to facilities with contractual maturities within 12 months of the reporting date, principally Thibault's R620,7 million maturing in January 2027 and Heriot's R450,0 million maturing in March 2027. These are being held to expiry to avoid prepayment penalties and are expected to be refinanced in the next tranche, planned for implementation by 31 December 2026.

The Group's ability to renew and raise debt is demonstrated by the facilities renewed on improved terms during the year, the credit-approved commitments of R931,5 million obtained before the reporting date for the first tranche of the Group debt treasury vehicle and the further facilities secured after the reporting date. The Group also had unutilised committed facilities of R323,517 million and cash of R103,188 million at the reporting date and complied with all debt covenants.

Having considered the Group's forecast cash flows, covenant compliance and its current and expected future access to facilities, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements, and accordingly the financial statements have been prepared on the going concern basis.

7. Related parties and related party transactions

	30 June 2026 R'000	30 June 2025 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 – African Property Investments Limited and One Property Management Services Limited – Controlled by SB Herring		
Majority shareholder – Heriot Investments Proprietary Limited		
Subsidiaries		
Joint ventures		
Shareholder – JCB Herring		
Chief Executive Officer – RL Herring		
Other – Employees not in executive or prescribed officer positions		
Related parties with whom the Company transacted during the year were as follows:		
Amount included in other financial assets		
Heriot Investments Proprietary Limited	25 579	19 617
Loans to participants of employee share scheme	33 256	33 989
RL Herring – Chief Executive Officer	28 301	28 920
Other employees	4 955	5 069
Total amount included in other financial assets	58 835	53 606
Related party transactions		
Interest received		
Heriot Investments Proprietary Limited	1 335	3 178
Loans to participants of employee share scheme	1 513	3 318
RL Herring	1 287	2 823
Other	226	495
JCB Herring	–	(3)
	2 848	6 493
Other income (management fees and letting commission)		
African Property Investments Limited	1 200	1 200
One Property Management Services Limited	6 360	6 360
	7 560	7 560

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

8. Capital commitments

	30 June 2026 R'000	30 June 2025 R'000
The summary of capital commitments is as follows:	629 212	246 301
Heriot	524 237	117 101
Safari	91 191	124 450
Thibault	13 784	4 750

As at 30 June 2026, the Group's capital commitments of R629,212 million comprise improvements to investment properties. Heriot's capital commitments include R479,2 million in respect of The Fibonacci development, with the related facility implemented on 8 July 2026. These commitments have been authorised and committed by the Board.

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

9. Investment in financial assets

The summary of the investment in Texton is as follows:

		30 June 2026	30 June 2025
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.	Number of shares held	64 594 305	64 594 305
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.	Closing share price (R)	2,64	2,95
Financial assets include Thibault's investment in Texton. Thibault holds 64,5 million shares in Texton, valued at the closing market price of R2,64 (2025: 2,95) per share, for a total valuation of R170,5 million (2025: R190,5 million) at 30 June 2026.	Market value (R'000)	170 529	190 553

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.

10. Business combination

Business combination under common control

Katleho

Effective 30 June 2026, Heriot entered into exchange agreements with Katleho and its shareholders for the acquisition of 75% of the issued shares in Katleho in terms of Section 42 of the Income Tax Act No 58 of 1962.

In terms of this transaction, Heriot acquired 75% of the 4 000 issued shares of Katleho in exchange for 5 605 050 new Heriot shares. Shares were formally issued on 30 June 2026, being the effective date of the acquisition.

The assets and liabilities arising from the acquisition are as follows:

	Note	Group 30 June 2026 R'000
Assets		356 806
Investment property at fair value		334 000
Investment property – closing carrying value		332 663
Straight-line income accrual		1 337
Trade and other receivables		4 552
Cash and cash equivalents		18 254
Liabilities		168 791
Interest-bearing borrowings – non-current		128 504
Trade and other payables		8 252
Dividend payable		32 035
Carrying amount of net assets acquired		188 015
Less: Non-controlling interest share before distribution		(55 013)
Add: Distribution declared to non-controlling interest		8 009
Total non-controlling interest share post distribution	SOCIE	(47 004)
Net carrying amount of net assets acquired – (A)		141 011

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2026

10. Business combination continued

Business combination under common control continued

Katleho continued

The purchase consideration is calculated as follows:

	Note	Group 30 June 2026 R'000
The cost of shares issued is as follows:		
Number of shares issued		5 605 050
Market value per share on acquisition date (Rand)		26
Market value of shares issued (R'000)		145 731
Less: Dividend declared by Katleho to Heriot (R'000)		(24 026)
Total purchase consideration – (B)	SOCIE	121 705
Bargain gain through equity (A-B)		
Net cash inflow on acquisition	SOCIE	19 306
Cash and cash equivalents acquired on acquisition		18 254
Total cash and cash equivalents acquired	Cash flow	18 254

The following additional information is not required from an IFRS® Accounting Standards perspective but is relevant for assessing Katleho's financial performance for the period ended 30 June 2026. Further, the statement of comprehensive income and cash flow statement movements have not been included on a line-by-line basis as a result of the Katleho acquisition occurring on 30 June 2026.

Summary of statement of comprehensive income

	Group 30 June 2026 R'000
Revenue	67 982
Contractual rental income	49 435
Operating cost recoveries	17 210
Straight-line rental income accrual	1 337
Operating costs	(27 088)
Net property income	40 894
Profit on disposal of assets	3 346
Profit from operations	44 240
Finance charges	(12 274)
Finance income	1 721
Profit before fair value adjustments	33 687
Fair value adjustments	19 619
Investment properties	19 619
Profit before taxation	53 306
Taxation	36 218
Total comprehensive income for the year	89 524
Distributable earnings adjustments:	
Fair value adjustments	(19 619)
Straight-line rental income accrual	(1 337)
Deferred taxation	(36 218)
Profit on disposal of assets	(3 346)
Prepayment and income received in advance adjustments	7 907
Assessed loss utilised	(4 876)
Distributable earnings for the year ended 30 June 2026	32 035
Distribution declared to Heriot	24 026
Distribution declared to non-controlling shareholders	8 009

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

The disclosure aligns with the best practice recommendations established by the SA REIT Association, published in 2016 and further revised in November 2019. All information used in the tables below is derived from the condensed financial statements as disclosed in this report.

The contents of the tables set out below are the responsibility of the Board and, to the Board's best knowledge and belief, no facts have been omitted or untrue statements made that would make the tables provided false or misleading.

The information in the tables below is unaudited. The Group has obtained all information directly from the condensed financial statements as at 30 June 2026. The Board's assurance is based directly on the published results, with direct cross-referencing to the information in the condensed financial statements.

SA REIT BPR funds from operations (“FFO”)

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Profit per IFRS® Accounting Standards statement of comprehensive income (“ SOCI ”) attributable to equity holders of the Company	SOCI	1 122 393	1 379 124
<i>Adjusted for:</i>			
Accounting/specific adjustments			
Fair value adjustment to investment properties	SOCI	(776 252)	(1 109 908)
Fair value adjustment to investment properties held for sale	SOCI	37 834	16 754
Fair value adjustment to listed shares	SOCI	(21 148)	(27 697)
Gain on loan modification	SOCI	(15 244)	–
Straight-line rental income adjustment	SOCI	(14 203)	(41 954)
Depreciation of owner-occupied property	2	505	504
Loss on sale of property, plant and equipment	SOCI	–	392
Loss on sale of inventory	SOCI	–	1 099
Texton return of capital – distributed to shareholders	2	14 447	–
Profit on disposal of non-current assets held for sale	SOCI	–	15 000
Safari dividend relating to Thibault's pre-acquisition earnings	SOCI	–	4 412
Deferred taxation movement	SOCI	6 993	4 971
Share-based payment expense	SOCI	1 887	–
Katleho distribution declared to Heriot – included in cost of subsidiary acquired	2	24 026	–
Loss/(profit) on sale of subsidiary	SOCI	2 388	(12 283)
Hedging items			
Fair value adjustment to derivative instruments		–	163
Other adjustments			
Non-controlling interests in respect of the above adjustments	2	74 919	158 632
Total distributable earnings		458 545	389 209

SA REIT BPR funds from operations (“FFO”) continued

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Number of shares in issue at the reporting date (interim) ¹	2	319 261 982	319 261 982
Number of shares in issue at the reporting date (final) ¹	SOCI	324 867 032	319 261 982
Interim distribution per share (cents)	2	66,11	56,84
Final distribution per share (cents)	2	76,18	65,07
Total distribution per share (cents)		142,29	121,91

¹ Excluding the 900 000 treasury shares in issue.

SA REIT BPR cost-to-income ratio

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Expenses			
Per IFRS® Accounting Standards income statement			
Property expenses, including municipal expenses and depreciation	SOCI	708 976	678 608
Administrative expenses and corporate costs	SOCI	96 582	87 436
Per statement of comprehensive income		109 148	95 500
<i>Adjust for:</i>			
Salary recoveries included in sundry income	SOCI	(7 560)	(7 560)
Once-off salary and other costs	SOCI	(4 501)	–
Depreciation charged on owner-occupied property	2	(505)	(504)
Total operating expenses		805 558	766 044
Rental income			
Contractual rental income and utility and operating recoveries, excluding straight-line rental income	SOCI	1 714 002	1 654 957
Cost-to-income ratio (%)		47,00	46,29
Administrative cost-to-income ratio (%)		5,63	5,28

ADDITIONAL DISCLOSURES IN TERMS OF SA REIT BPR continued

SA REIT BPR vacancy rate

	Annual financial statements note reference	30 June 2026 m ²	30 June 2025 m ²
GLA of property portfolio (m²)	3	677 873	661 106
Total GLA	3	719 588	702 821
Vacant land and under development	3	(18 665)	(21 165)
Aparthotel GLA	3	(23 050)	(20 550)
Vacant GLA (m ²)	3	13 089	10 635
Vacancy rate (%)		1,9	1,6

Vacancy %: Vacancies remained stable as a result of good tenant retention and proactive leasing efforts from the management team.

GLA movement: The increase in GLA is mainly due to the acquisition of three office properties in Gauteng as part of the Katleho acquisition, which was partly offset by the disposal of the Wynberg Mews office park and the remaining Newcastle townhouses.

GLA excluded: The aparthotels are excluded from the vacancy analysis above, as the preferred metrics for these assets are occupancy levels and ADRs. The aparthotels, included in the residential sector, comprise three properties in Cape Town with a combined GLA of 23 050m² or 659 units.

SA REIT BPR LTV

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Interest-bearing liabilities	SOFP	6 074 606	5 302 063
Less: Cash and cash equivalents	SOFP	(103 188)	(121 445)
Less: Derivative financial instruments	SOFP	–	–
Net debt		5 971 418	5 180 618
Investment property	SOFP	13 589 500	12 379 190
Property under development	SOFP	175 000	238 412
Disposal consideration receivable	SOFP	–	290 000
Non-current assets and liabilities held for sale	SOFP	233 700	181 136
Inventory	SOFP	32 493	–
Owner-occupied property	SOFP	20 784	21 174
Investment in listed shares	SOFP	170 529	190 553
Investments in joint ventures	SOFP	13 980	318
Carrying amount of property-related assets		14 235 986	13 300 783
LTV (%)		41,95	38,95

SA REIT BPR NAV

	Annual financial statements note reference	30 June 2026 R'000	30 June 2025 R'000
Reported NAV	SOFP	7 980 683	6 689 636
Adjusted for:			
Dividend to be declared	2	(247 487)	(207 756)
Deferred taxation	SOFP	99 901	92 908
SA REIT BPR NAV		7 833 097	6 574 787
Number of shares in issue		324 867 032	319 261 982
NAV per share (cents)		2 411,17	2 059,37

SA REIT BPR cost of debt

	Note	30 June 2026 %	30 June 2025 %
Variable interest rate borrowings			
Floating reference rate plus weighted average margin	Note 1	8,53	9,58
<i>Fixed interest rate borrowings</i>			
Weighted average fixed rate		–	–
Pre-adjusted WACD	Note 1	8,53	9,58
Amortised transaction costs imputed into the effective interest rate		0,20	0,15
All-in WACD	Note 1	8,73	9,73

Note 1

The WACD of debt is calculated on the Group's interest-bearing borrowings. For each facility, the applicable interest rate comprises the floating reference rate to which that facility is linked, being three-month JIBAR or the prime lending rate as the case may be, plus the contractual margin of that facility. Those rates are weighted by the drawn balance of each facility to derive the pre-adjusted WACD of 8,53% (2025: 9,58%). Transaction costs capitalised against the borrowings and amortised over the term of the facilities as part of the effective interest rate in terms of IFRS 9 *Financial Instruments* add a further 0,20% (2025: 0,15%), giving the all-in WACD of 8,73% (2025: 9,73%). The Group had no fixed-rate or hedged borrowings at either reporting date, and accordingly no fixed rate is included in the calculation. The detailed analysis of the Group's borrowings, facility by facility, including reference rates, margins, maturity dates and capitalised transaction costs, will be disclosed in the audited consolidated financial statements included in the Group's integrated report for the year ended 30 June 2026.

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

Pieter van Niekerk, LLB
410 Lynnwood Road
Lynnwood
Pretoria 0081
Postal: as above

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

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

PO Box 61051, Marshalltown 2107

Designated advisor

Valeo Capital Proprietary Limited
Unit G02, Skyfall Building
De Beers Avenue
Paardevelei
Somerset West 7130

Postnet Suite 272, Private Bag X29
Somerset West, Western Cape 7129

Auditor

BDO South Africa Incorporated
52 Corlett Drive
Wanderers Office Park
Illovo 2196

Private Bag X60500, Houghton 2041





www.heriotreit.com