

HERIOT REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/167697/06)

(Approved as a REIT by the JSE)

JSE share code: HET

ISIN: ZAE000246740

("Heriot" or "the Company" or "the Group")



SHORT-FORM ANNOUNCEMENT: GROUP INTERIM UNAUDITED RESULTS AND DIVIDEND DISTRIBUTION DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

NATURE OF BUSINESS

Heriot is a property holding and investment company listed in the Diversified REITs sector on the Alternative Exchange of the JSE Limited ("JSE"). The Group is primarily invested in retail and industrial properties located in areas with strong growth potential. The Group's strategy is centred on growing and streamlining its asset base through the acquisition of high-quality properties, the redevelopment of existing assets, and the disposal of holdings identified as non-core. In line with this strategy, Heriot increased its shareholding in Safari Investments RSA Limited ("Safari") to 100% on 22 December 2025 and continues to hold its 100% interest in Thibault Holdings Limited. In addition, Heriot maintains a strategic stake of 21,7% (excluding treasury shares) in Texton Property Fund Limited, reinforcing its diversified exposure across the sector.

KEY FINANCIAL HIGHLIGHTS

	Unaudited for the 6 months ended 31 Dec 2025	Unaudited for the 6 months ended 31 Dec 2024	Change %
Distribution per share (cents)	66.11	56.84	16,3
Distributable earnings (R'm)	211.06	181.45	16,3
Total assets (R'm)	13,822.52	12,980.77	6,5
Net asset value per share (cents)	2,289.64	1,896.21	20,7
Gross revenue (R'm)	862.43	836.58	3,1
Net property operating income (R'm)	510.15	481.07	6,0
Net profit after taxation (R'm)	632.67	720.44	(12,2)
Earnings per share (cents)	174.75	197.28	(11,4)
Headline earnings per share (cents)	91.61	51.86	76,6

KEY PERFORMANCE METRICS

The Group's key performance metrics remain distribution per share ("DPS") and net asset value per share ("NAV"), which together reflect both income distribution capacity and long-term capital growth. Net property operating income ("NOI") is also regarded as a key operational measure, providing direct insight into portfolio performance and asset management effectiveness.

FINANCIAL RESULTS

Despite persistent volatility in both local and global markets, the South African property sector and Heriot in particular have continued to outperform most sectors. The first and second quarters delivered exceptional growth, underpinned by lower interest rates, disciplined investment strategies, and the strong performance of the Group's diversified property portfolio. This achievement reflects the management team's expertise, the resilience of a portfolio anchored by blue-chip national tenants, and the effectiveness of Heriot's strategic approach. Looking ahead, the Company remains focused on identifying and pursuing investment opportunities across its core sectors of retail, industrial, and residential/aparthotels.

Distributable Earnings and Dividend Declaration

The Group has delivered record distributable earnings growth, increasing by 16.3% to R211.058 million for the six months ended 31 December 2025 (2024: R181.453 million). This sustained growth demonstrates the Group's ability to consistently translate operational performance into positive financial outcomes. Supported by disciplined cash management and robust operating cash flows, the Group reaffirmed its commitment to shareholder value by maintaining its policy of distributing 100% of distributable earnings. On this basis, the Company is declaring an interim dividend of 66.11 cents per share for the six months ended 31 December 2025, representing a 16,3% increase compared to 56.84 cents per share in the prior period. This outcome highlights Heriot's capacity to deliver reliable, growing distributions, reinforcing investor confidence in the sustainability of its dividend policy and the strength of its earnings base.

Safari Minority Share Buyback

On 22 December 2025, Heriot achieved full ownership of Safari through a scheme of arrangement, whereby Safari acquired 104,3 million shares at R8.00 per share. The transaction was funded by a two-year facility at three-month JIBAR plus 1,17%. A bargain purchase gain of R383.405 million was recognised in the statement of changes in equity, as the fair value of the minority interest acquired exceeded the consideration paid. Safari was delisted on 23 December 2025, positioning Heriot to unlock further strategic and financial benefits.

NOI Analysis

NOI increased by 6,0% for the six months ended 31 December 2025, led by strong performances across the retail, industrial, office and residential/aparthotel portfolios. Retail, which comprises 73% of Group NOI, grew by 5% despite the negative impact of the Platz Am Meer disposal on 30 June 2025, supported by strong tenant trading and low vacancies. Industrial, contributing 17% of Group NOI, grew by 3%, with growth impacted by higher operating costs in the current period. Office assets delivered 16% growth (4% of Group NOI), driven by improved leasing and cost management, while hospitality/aparthotels achieved 66% growth (6% of Group NOI) on the back of full operational trading and improved occupancies.

NAV Analysis

As at 31 December 2025, Heriot's NAV per share rose to R22.90, an increase of R3.94 or 20,7% from R18.96 in the prior period. The growth has been driven by:

- an increase in the value of the Group's property portfolio that is supported by positive rental escalations on renewals and re-lets across the portfolio during the period; and
- a bargain purchase gain of R383.405 million that was recognised through the statement of changes in equity as a result of the Safari minority share buyback during the reporting period.

Loan-to-value ("LTV") Analysis

The Group LTV ratio increased to 43,36% from 38,95% in June 2025, driven by the R835 million debt advanced to finance the Safari buyout. Importantly, the ratio remains comfortably below the 50% covenant limit, underscoring the Group's strong balance sheet position and capacity to pursue future developments.

Weighted average cost of debt ("WACD") Analysis

The WACD for the period was 8,88% (December 2024: 9,99%), reflecting a 111-basis-point reduction. This improvement was driven by favourable lending rates secured through the refinancing of debt facilities, as well as a 150-basis-point rate cut between 30 September 2024 and 31 December 2025. However, 99% of the Group's facilities are linked to the 3-month JIBAR rate, which delays the full benefit of the rate cuts.

PROSPECTS

Heriot's results for the reporting period underscore the resilience of its portfolio, particularly the strength of its emerging-market retail, industrial, and hospitality assets. Challenging local and global macroeconomic conditions have persisted and were further exacerbated by the outbreak of war in the Middle East in March 2026. This conflict has driven oil prices higher as supply constraints have filtered through global markets, creating significant

inflationary risks and negating prospects for near-term rate cuts. Heriot's property portfolio remains well-positioned to withstand these effects.

The Group will continue to pursue initiatives to unlock value from its existing portfolio while expanding its asset base through the acquisition of high-yielding properties in target markets. On this basis, management is targeting a 14,0% to 17,0% increase in the dividend per share for the year ending 30 June 2026. This guidance has been revised upward from the previous range of 10,0% to 15,0%, reflecting the property portfolio's performance exceeding initial forecasts, along with lower gearing and reduced debt levels, resulting in lower interest costs than originally anticipated.

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

- Prime and JIBAR rates remain at 10,25% and 6,68%, respectively, throughout the period.
- Forecast property income reflects contractual rental escalations and market-related renewals.
- Adequate provisions are made for vacancies and rental reversions.
- No major corporate or tenant failures occur.

This guidance has not been reviewed or reported on by the Company's auditor and remains the responsibility of the board.

PAYMENT OF DIVIDEND

The board has declared an interim gross cash dividend of 66.10803 cents per share out of the Company's distributable income for the 6 months ended 31 December 2025.

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

	2026
Declaration date	Wednesday, 25 March
Last date to trade <i>cum</i> dividend	Tuesday, 14 April
Shares trade <i>ex</i> dividend	Wednesday, 15 April
Record date	Friday, 17 April
Payment date	Monday, 20 April

Share certificates may not be dematerialised or rematerialised between Wednesday, 15 April 2026 and Friday, 17 April 2026, both days inclusive. The dividend will be transferred to dematerialised shareholders' Central Securities Depository Participant ("CSDP") or broker accounts on Monday, 20 April 2026. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 20 April 2026.

In accordance with Heriot's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**"). The dividend on the shares will be deemed to be a dividend, for South African tax purposes, in terms of section 25BB of the Income Tax Act.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that such shareholders provide the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

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

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

Dividends received by non-resident shareholders will not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (“DTA”) between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 52.88643 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

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

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

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

Heriot’s income tax reference number: 9541295185

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

ABOUT THIS ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Heriot and the contents were approved by the board on 25 March 2026. This short-form announcement is only a summary of the full interim unaudited consolidated financial statements for the six months ended 31 December 2025 (“**Full Interims**”), which are available at <https://senspdf.jse.co.za/documents/2026/JSE/ISSE/HETE/HY2026.pdf> and on Heriot’s website at <https://www.heriotreit.com/investor-relations#results-sentinel>. This announcement does not include full or complete details and any investment decisions by investors and/or shareholders should be based on consideration of the Full Interims as a whole. The information contained in this short-form announcement has not been audited or reviewed by the Company’s external auditors.

By order of the board

Johannesburg
25 March 2026

COMPANY SECRETARY

Pieter van Niekerk LLB
410 Lynnwood Road, Lynnwood, Pretoria 0081

REGISTERED OFFICE

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

DIRECTORS

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

*Non-executive †Independent

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

DESIGNATED ADVISOR

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