

HERIOT REIT LIMITED

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



SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND FINAL DIVIDEND DECLARATION FOR THE YEAR ENDED 30 JUNE 2026

NATURE OF BUSINESS

Heriot REIT Limited is a property holding and investment company listed in the "Diversified REITs" sector on the Alternative Exchange of the JSE Limited ("JSE"). Heriot and its subsidiaries are primarily invested in retail and industrial properties situated in areas with high growth potential, complemented by an aparthotel portfolio. The Group's strategy is to grow and streamline its asset base through the acquisition of high-quality properties, the redevelopment of existing assets and the disposal of assets 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 acquired a 75% interest in Katleho Property Investments Proprietary Limited ("Katleho") on 30 June 2026. Heriot continues to hold 100% of Thibault Holdings Limited and a strategic stake of 21,7% (excluding treasury shares) in Texton Property Fund Limited.

KEY FINANCIAL HIGHLIGHTS

	Reviewed for the year ended 30 June 2026	Audited for the year ended 30 June 2025	Change %
Distribution per share (cents)	142,29	121,91	16,7
Distributable earnings (R'm)	458,55	389,21	17,8
Total assets (R'm)	14 527,67	13 608,08	6,8
Net asset value per share (cents)	2 411,17	2 059,37	17,1
Gross revenue (R'm)	1 728,21	1 706,94	1,2
Net property operating income (R'm)	1 005,03	976,35	2,9
Net profit after taxation (R'm)	1 240,06	1 617,07	(23,3)
Earnings per share (cents)	351,54	431,97	(18,6)
Headline earnings per share (cents)	144,48	135,53	6,6

KEY PERFORMANCE METRICS

Distribution per share ("DPS") and net asset value ("NAV") per share remain the Group's key performance metrics, measuring the income delivered to shareholders and the growth in the capital base that supports it. Net property operating income ("NOI"), the loan-to-value ratio ("LTV") and portfolio occupancy are the principal operating and balance sheet measures behind them.

FINANCIAL RESULTS

Heriot has delivered a third consecutive year of record distributable earnings. For the year ended 30 June 2026 ("the reporting period"), DPS grew 16,7% to 142,29 cents, at the upper end of the 14,0% to 17,0% guidance range, which was revised upward with the interim results, and NAV per share increased 17,1% to R24,11. These results were achieved against a turning interest rate cycle and reflect a portfolio anchored by national tenants, an entrepreneurial approach to capital allocation and the successful completion of the Safari minority buyout.

Distributable earnings and dividend

Distributable earnings, a non-IFRS® Accounting Standards measure, increased 17,8% to R458,545 million (2025: R389,209 million). The growth came from four sources:

- **Full ownership of Safari:** Heriot's share of Safari's distributable earnings rose 23,8% to R137,9 million following the acquisition of the minority interest on 22 December 2025.

- **Lower cost of funding:** the weighted average cost of debt (“WACD”) reduced by 100 basis points (“bps”) to 8,73%, as the 2025 repo rate reductions reset through the Group’s facilities and R1,4 billion of debt was refinanced at lower margins. Net finance costs reduced by 3,9% despite higher borrowings.
- **Katleho:** a distribution of R24,0 million declared to Heriot on 30 June 2026, in respect of Katleho’s earnings for the year, was applied in reduction of the purchase consideration and has been included in distributable earnings as a non-IFRS® Accounting Standards adjustment.
- **Portfolio performance:** like-for-like NOI growth of 7,7%, led by retail and the aparthotels.

These gains more than offset the income forgone on assets sold.

DPS growth of 16,7% is marginally below distributable earnings growth, as the 5 605 050 shares issued on 30 June 2026 to acquire the 75% interest in Katleho participate in the final dividend. Supported by strong operating cash flows, the Board has maintained its policy of distributing 100% of distributable earnings. It has declared a final dividend of 76,18107 cents per share for the six months ended 30 June 2026. This is 17,1% higher than the final dividend of 65,07410 cents per share for the comparable period and, with the interim dividend of 66,10803 cents per share, brings the total dividend for the year to 142,28910 cents per share.

Net asset value

NAV per share increased R3,52, or 17,1%, to R24,11 (30 June 2025: R20,59), driven by:

- fair value gains of R738,4 million on the property portfolio, with like-for-like values up 6,9%. The portfolio capitalisation rate increased 3 bps to 8,83%, so the uplift was earned through growth in contracted income rather than yield compression;
- a bargain gain of R418,1 million on the Safari minority buyout, being the excess of the carrying amount of the non-controlling interest acquired over the consideration paid, recognised directly in equity as a transaction with non-controlling shareholders; and
- a bargain gain of R19,3 million on the Katleho acquisition, a business combination under common control that falls outside the scope of IFRS 3 Business Combinations and is likewise accounted for in equity.

Net property operating income

NOI, a non-IFRS® Accounting Standards measure derived from net property income and adjusted principally for the straight-line rental income accrual, increased 2,9% to R1 005,026 million (2025: R976,349 million), and by 3,4% to R1 038,250 million before depreciation and amortisation. The difference between reported and underlying growth reflects a full twelve months of income in the prior year from properties since sold, principally Platz am Meer. On a like-for-like basis, NOI before depreciation grew 7,7% on rental growth of 8,7%.

Retail, which generates 74,4% of Group NOI, grew 8,5% like-for-like on contractual escalations, near-full occupancy and strong anchor renewals. The residential and aparthotel sector increased NOI by 44,8%, with the established aparthotels trading at full operational capacity throughout the year and average occupancy across the aparthotel portfolio rising from 55,6% to 69,5%. Office NOI grew 15,5% like-for-like, achieved by letting space rather than discounting it. Industrial NOI was 1,8% lower, mainly due to a vacancy at the Louwlandia distribution centre, since re-let from 30 June 2026, and the pass-through to tenants of a rates credit received in the prior year. Municipal tariffs rising well ahead of inflation remain the main pressure on property costs, and the Group continues to counter this through its solar and borehole programme and internalising utility management.

Occupancy

Portfolio occupancy remained high at 98,1% (30 June 2025: 98,4%), and rent collections improved to 99,8% of billings (2025: 99,6%). The small increase in vacancy relates mainly to the reconfiguration of Atlyn Mall around a new second anchor.

Excluding Atlyn, vacancy would have been below the prior-year level. The Louwlandia distribution centre was fully let at the reporting date and, following the Katleho acquisition, the office portfolio is 97,7% let.

Funding and capital management

The LTV ratio, calculated in accordance with the SA REIT Association’s Best Practice Recommendations, was 41,95% at 30 June 2026 (30 June 2025: 38,95%), an improvement on the 43,36% reported at 31 December 2025. The increase on the prior year reflects the R835 million facility raised to fund the Safari buyout at three-month Johannesburg Interbank Average Rate (“JIBAR”) plus 1,17%, the lowest-priced facility in the Group. Raised well below the Group’s average margin, this debt contributed to a lower WACD, and the interest cover ratio strengthened to 2,27 times (2025: 2,04 times). Both ratios are within the Group’s covenant limits of 50% and 2,0 times, respectively.

The Group is consolidating its borrowings into a single Group debt treasury vehicle (“SPV”), governed by a common terms agreement under which all lenders share one security pool. The structure aligns covenant definitions and

interest payment dates across the Group, creates competitive tension between funders, and replaces Safari's stand-alone covenants with the Group's. The first tranche will be implemented on 9 October 2026 and refinances R931,5 million of facilities for three years at the South African Rand Overnight Index Average ("ZARONIA") plus 130 bps, the most competitive pricing the Group has achieved. The remaining facilities will move into the structure in two further tranches during the 2027 and 2028 financial years. From 9 October 2026, ZARONIA replaces JIBAR as the Group's reference rate, with a credit adjustment spread that leaves the effective rate on each facility unchanged.

Investment, development and disposal activity

- **Safari:** Safari repurchased the 104,3 million shares held by minority shareholders at R8,00 per share through a scheme of arrangement implemented on 22 December 2025, and was delisted from the JSE on 23 December 2025. The Group now owns the entire Safari R4,4 billion emerging-market retail portfolio.
- **Katleho:** a 75% interest was acquired on 30 June 2026 through the issue of 5 605 050 Heriot shares, adding R334,0 million of investment property, principally offices, at an 11,7% discount to net asset value.
- **Development:** Horizon in Sea Point opened on 1 May 2026 as an eleven-storey, 50-key aparthotel, created by adding six floors to an existing residential building at a cumulative cost of R200,5 million and a projected stabilised yield of approximately 12%. Construction of The Fibonacci in Mowbray, a R530,0 million mixed-use development of 574 student units above a grocer-anchored retail component, is underway, with a projected starting yield of 13,49%. Development risk has been mitigated through the pre-sale of 174 units for approximately R200,0 million; the project is funded by a development facility implemented on 8 July 2026, and completion is targeted for the 2028 academic year.
- **Disposals:** three non-core disposals were concluded for R115,2 million, being 60 Adderley in November 2025, Bushmans Bend in March 2026 and the final units at Fixtrade. A further five properties with a carrying value of R233,7 million are classified as held for sale, with proceeds expected during the 2027 financial year. The disposal programme is primarily a de-gearing mechanism following the Safari buyout and secondarily recycles capital from non-core assets into higher-yielding opportunities. Disposals have been concluded at prices in line with the fair values at which the assets were carried.

PROSPECTS

The operating environment has become less supportive in recent months. Conflict in the Middle East has kept oil prices elevated and, having raised the repo rate by 25 bps to 7,00% in May 2026, the Monetary Policy Committee raised it by a further 25 bps to 7,25% on 23 September 2026. Heriot enters the 2027 financial year well positioned: contractual escalations of 6% to 7% continue to run ahead of inflation, occupancy is above 98%, the two largest industrial lease expiries of the year have already been renewed at positive reversions, and since year-end the Group has concluded or contracted two industrial acquisitions at take-on yields of approximately 20% and 15%.

Interest rates remain the principal risk to the outlook. The Group's debt is almost entirely floating, and each 25 bps increase reduces annual distributable earnings by approximately R16,5 million. The Board reviews this exposure at every meeting; the lower margins secured through the SPV partly offset the effect of higher base rates, and the forecast provides for a further increase.

Against this backdrop, management is pursuing growth of 14,0% to 18,0% in 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 50 bps during the financial year, being the 25 bps increase on 23 September 2026 and one further 25 bps increase, with no reductions;
- 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; and
- no major corporate or tenant failures occur.

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

PAYMENT OF FINAL DIVIDEND

The Board has declared a final gross cash dividend of 76,18107 cents per share out of the Company's distributable income for the year ended 30 June 2026.

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

2026

Declaration date	Wednesday, 30 September
Last date to trade cum dividend	Tuesday, 20 October
Shares trade ex dividend	Wednesday, 21 October
Record date	Friday, 23 October
Payment date	Monday, 26 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 October 2026 and Friday, 23 October 2026, both days inclusive. The dividend will be transferred to dematerialised shareholders' Central Securities Depository Participant ("CSDP") or broker accounts on Monday, 26 October 2026. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 26 October 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 their 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 60,94486 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner 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: 324 867 032 (excluding 900 000 treasury shares)

Heriot's income tax reference number: 9541295185

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

REVIEW CONCLUSION

The condensed consolidated financial statements for the year ended 30 June 2026 ("Condensed Results") have been reviewed by the Company's auditor, BDO South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is contained in the Condensed Results and is available for inspection at the Company's registered office.

ABOUT THIS ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Heriot, and the contents were approved by the Board on 29 September 2026. This short-form announcement is a summary of the information contained in the Condensed Results and does not include full or complete details. The short-form announcement has not been audited or reviewed by the Company's external auditor.

The Condensed Results are available for viewing on the Company's website at <https://www.heriotreit.com/investor-relations#results-sentinel> and can be accessed using the following JSE cloudlink: <https://senspdf.jse.co.za/documents/2026/jse/isse/HETE/FY2026.pdf>

Copies of the Condensed Results are also available for inspection at the Company's registered office, at no charge, during office hours.

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

By order of the Board

Johannesburg
30 September 2026

COMPANY SECRETARY

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