

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")



SHORT-FORM ANNOUNCEMENT: UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NATURE OF BUSINESS

Heriot, a property holding and investment company listed in the "Diversified REITs" sector on the Alternative Exchange of the JSE Limited ("JSE"), is invested in industrial, retail, office, residential and specialised properties valued at R4,5 billion and situated in areas with high growth potential. The Group's primary objective is to develop or acquire yield-enhancing assets within South Africa to create a stable and diverse portfolio of assets for the purposes of generating secure and escalating net rental income.

KEY FINANCIAL HIGHLIGHTS

	Unaudited for the 6 months ended 31 Dec 2020	Unaudited for the 6 months ended 31 Dec 2020	Change %
Dividend per share (cents)	43.84	40.75	7.6%
Total assets (R'm)	4 827	4 914	-1.8%
Net asset value per share (cents)	1 096.23	1 186.49	-7.6%
Gross revenue (R'm)	236	264	-10.6%
Net profit after taxation (R'm)	87	190	-54.2%
Earnings per share (cents)	32.41	70.85	-54.3%
Headline earnings per share (cents)	39.05	40.16	-2.8%

PAYMENT OF FINAL DIVIDEND

The board of directors of Heriot ("**board**") has declared a final gross cash dividend of 43.84000 cents per share, for the six months ended 31 December 2020, out of the company's distributable income.

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

	2021
Last date to trade <i>cum</i> dividend	Tuesday, 9 March
Shares trade <i>ex</i> dividend	Wednesday, 10 March
Record date	Friday, 12 March
Payment date	Monday, 15 March

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 March 2021 and Friday, 12 March 2021, both days inclusive. The dividend will be transferred to dematerialised shareholders' CSDP/broker accounts on Monday, 15 March 2021. Certificated shareholders' dividend payments will be posted or paid to certificated shareholders' bank accounts on or about, Monday, 15 March 2021.

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 Central Securities Depository Participant (“**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 35,07200 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: 255,395,858 (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.

This short-form announcement is the responsibility of the directors of and the contents were approved by the board on 23 February 2021. This short-form announcement is a only summary of the full announcement released on SENS on 23 February 2021 and does not include full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement published on SENS and on Heriot’s website as a whole. The short-form announcement has not been audited or reviewed by the company’s external auditors.

The full announcement is available on the company's website at:

<http://heriot.co.za/results-announcements.php>.

The full announcement can also be accessed using the following JSE link:

<https://senspdf.jse.co.za/documents/2021/jse/isse/HETE/HY2021.pdf>

The full announcement is available for inspection at the registered offices of the company or its sponsor, at no charge, during office hours from Tuesday, 23 February 2021 to Tuesday, 2 March 2021. Any investment decision should be based on the full announcement available on the company's website.

By order of the Board

23 February 2021

COMPANY SECRETARY

CIS Company Secretaries Proprietary Limited (C Laidlaw)

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), JA Finn (CFO), SJ Blieden*†, T Cohen*†, R Lockhart-Ross*†
NA Ngale*†

*Non-executive †Independent

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

DESIGNATED ADVISOR

Java Capital 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196