

## 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 PROVISIONAL CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 AND CHANGES TO THE BOARD OF DIRECTORS

### NATURE OF BUSINESS

Heriot is a property holding and investment company that is 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 situated in areas with high growth potential. At the reporting date, the property portfolio was valued at R5,084 billion, breaking through the R5,0 billion threshold for the first time since Heriot’s listing in July 2017. The Group’s primary objective is to grow and streamline Heriot’s asset base through the acquisition of high-quality properties, the redevelopment of existing properties and the disposal of assets identified as non-core.

### KEY FINANCIAL HIGHLIGHTS

	Reviewed for the year ended 30 June 2022	Audited for the year ended 30 June 2021	Change %
Dividend per share (cents)	102.05	90.72	12.5
Total assets (R’m)	5,696.63	4,948.14	15.1
Net asset value per share (cents)	1,283.93	1,142.55	12.4
Gross revenue (R’m)	575.98	504.13	14.3
Net profit after taxation (R’m)	614.23	322.40	90.5
Earnings per share (cents)	238.68	122.57	94.7
Headline earnings per share (cents)	100.06	87.35	14.6

### PROSPECTS

Heriot’s results for the reporting period are reflective of the resilience of its portfolio and in particular, the strength of its emerging market retail properties that weathered not only the COVID-19 pandemic but also the July 2021 unrest. However, future prospects are intrinsically linked to the Group’s operating environment and to significant macro issues facing the Company. The board is committed to a strong proactive yet conservative approach to mitigate the effects of rising interest rates, increasing costs of fuel, electricity shortages, unprecedented levels of unemployment and accelerating levels of inflation that reached a 13-year high of 7,8% in August 2022.

Heriot will continue to explore strategic opportunities that will extract value from its existing portfolio while continuing to grow its asset base through the acquisition of high yielding properties in its target markets. Furthermore, given the strength of Heriot’s cash flows, the board has resolved to maintain the 100% pay-out ratio of distributable earnings.

Regulations 111(9) and (10) of the Companies Regulations, 2011 require any profit forecast or estimate made by Heriot on or after the date of publication of a firm intention announcement to be reported on by an auditor. As Heriot published a firm intention announcement on SENS on 3 June 2022 in respect of its proposed general offer for shares in Safari, Heriot is not providing any distribution guidance at this time.

## CHANGES TO THE BOARD OF DIRECTORS

Shareholders are advised that Janys Finn, the current Chief Financial Officer (“CFO”) of the company, has advised that in order to focus on the Herring family assets, she will be stepping down as an executive director of the company with effect from 30 November 2022. Janys shall, however, remain a non-executive director of Heriot. The board thanks Janys for her invaluable contribution as the CFO of Heriot, and looks forward to continuing to benefit from her knowledge and experience in her new role.

Daniel Snoyman, the current Deputy CFO of Heriot, will assume the role of CFO with effect from 1 December 2022. Daniel, CA(SA), joined Heriot as financial manager on 1 November 2017. Prior to joining Heriot, he was involved in the financial and operational management of a non-listed portfolio of over 300 residential properties that were redeveloped in the Johannesburg CBD. The board welcomes Daniel and looks forward to his continued contribution to the company as CFO.

## PAYMENT OF FINAL DIVIDEND

The board has declared a final gross cash dividend of 51,63000 cents per share out of the Company’s distributable income for the year ended 30 June 2022.

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

	<b>2022</b>
Last date to trade <i>cum</i> dividend	Tuesday, 11 October
Shares trade <i>ex</i> dividend	Wednesday, 12 October
Record date	Friday, 14 October
Payment date	Monday, 17 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 October 2022 and Friday, 14 October 2022, both days inclusive. The dividend will be transferred to dematerialised shareholders’ CSDP/broker accounts on Monday, 17 October 2022. Certificated shareholders’ dividend payments will be posted or paid to certificated shareholders’ bank accounts on or about, Monday, 17 October 2022.

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 41,30400 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.

## **REVIEW CONCLUSION**

The condensed consolidated financial statements for the year ended 30 June 2022 have been reviewed by the Company's auditors, BDO South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report together with the condensed financial statements identified in the auditor's report is available for inspection at the Company's registered office.

## **ABOUT THIS ANNOUNCEMENT**

This short-form announcement is the responsibility of the directors of and the contents were approved by the board on 21 September 2022. This short-form announcement is a summary of the information contained in the full announcement released on SENS on 22 September 2022 and does not include full or complete details. The short-form announcement has not been audited or reviewed by the Company's external auditors.

The full announcement is available on the Company's website at [www.heriotreit.com](http://www.heriotreit.com) and can be accessed using the following JSE link: <https://senspdf.jse.co.za/documents/2022/jse/isse/HETE/FY2022.pdf>

The full announcement is available for inspection at the registered offices of the Company or its designated advisor, at no charge, during office hours from Thursday, 22 September 2022 to Thursday, 29 September 2022 or on the Company's website at [www.heriotreit.com](http://www.heriotreit.com). Any investment decision by investors and/or shareholders should be based on the full announcement.

By order of the board

22 September 2022

## **COMPANY SECRETARY**

CIS Company Secretaries Proprietary Limited

## **REGISTERED OFFICE**

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

## **DIRECTORS**

SB Herring (Chairperson)\*, RL Herring (CEO), JA Finn (CFO), SJ Blieden\*†, T Cohen\*†, R Lockhart-Ross\*†, N Ngale\*†

\*Non-executive †Independent

## **TRANSFER SECRETARIES**

Computershare Investor Services Proprietary Limited

## **DESIGNATED ADVISOR**

Java Capital, 6<sup>th</sup> Floor, 1 Park Lane, Wierda Valley, Sandton, 2196