HEARTLAND

NZX/ASX release
22 February 2022

Heartland announces net profit after tax of $47.5 million for the six months ended 31 December 2021

Heartland Group Holdings Limited (**Heartland**) (**NZX/ASX: HGH**) achieved a net profit after tax (**NPAT**) of $47.5 million for the six-month period ended 31 December 2021 (**1H2022**), an increase of $3.4 million (7.8%) compared with the six-month period ended 31 December 2020 (**1H2021**). On an underlying basis (which excludes the impacts of one-offs[1]), 1H2022 NPAT was $47.1 million, an increase of $3.8 million (8.8%) compared with 1H2021 underlying NPAT.

The first half performance included a pleasing annualised rate of growth in lending (13.9%[2]). It also demonstrated the benefits of ongoing digitalisation, with a reduction in the cost-to-income (**CTI**) ratio.

Impairments were up on 1H2021 (19 basis points (**bps**)) due to COVID-19 related extensions[3] that occurred in 1H2021. This was largely successful as reflected in the 'business as usual' reported rate of 33 bps for 1H2022, which is below the six months to 30 June 2021 (**2H2021**) (43 bps contributing to the full year outcome of 31 bps) and the financial year ended 30 June 2020 (**FY2020**) (65 bps).

The introduction of changes to the New Zealand Credit Contracts and Consumer Finance Act 2003 and the Credit Contracts and Consumer Finance Regulations 2004 (**CCCFA**) slowed growth in Motor and online Home Loans in January and February 2022. This has the potential to impact on the growth rate for the remainder of the six-month period ending 30 June 2022 (**2H2022**). This is being partially offset by growth in other areas, especially Reverse Mortgages in Australia and New Zealand, and no material reduction in anticipated full year growth is expected.

Highlights for 1H2022

- NPAT of $47.5 million, up 7.8% ($3.4 million). Underlying NPAT of $47.1 million, up 8.8% ($3.8 million) on 1H2021 underlying NPAT.
- One-off items had a $0.5 million net impact on NPAT, consisting of $1.1 million of one-off net gains and $0.9 million of one-off expenses[4].
- Gross finance receivables[5] of $5.4 billion, up 13.9%[2] ($339.4 million).
- Return on equity of 12.2%, up 7 bps.
- Net interest margin[6] of 4.30%, up 3 bps.
- Net operating income of $130.7 million, up 4.3%.
- CTI ratio of 43.8%, down 5.0 percentage points (**pps**). Underlying cost to income ratio of 43.1%, down 2.7 pps.
- Impairment expense as a percentage of average receivables increased from 0.19% in 1H2021 to 0.33% in 1H2022.
- 1H2022 interim dividend of 5.5 cents per share (**cps**), an increase of 1.5 cps from 1H2021.

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[1] Underlying results exclude the impacts of one-offs. Refer to 'Profitability' on pages 3 and 4 for details.
[2] Annualised 1H2022 growth excluding the impact of changes in foreign currency exchange (**FX**) rates.
[3] These extensions included those provided under the Heartland Extend product and the New Zealand Government's Business Finance Guarantee Scheme (**BFGS**).
[4] Refer to 'Profitability' on pages 3 and 4 for details.
[5] Gross finance receivables (**Receivables**) include Reverse Mortgages.
[6] NIM is calculated based on average gross interest earning assets.

- Earnings per share of 8.1 cps, up 0.5 cps.
- Progress in digitalisation and continuous integration of product applications and platforms has provided faster processes and the ability to offer market-leading rates across New Zealand and Australia.
- Heartland Bank Limited (**Heartland Bank**) was awarded Canstar Savings Bank of the Year 2021 (for the fourth consecutive year), and 5-Star Ratings for Outstanding Value for its Direct Call and YouChoose accounts.
- Australian Reverse Mortgages received two Excellence Awards at the Australia Mortgage Awards 2021 (Non-Bank of the Year and Most Effective Digital Strategy – Lender), and won a 5-Star Lender Award in Your Mortgage's Mortgage of the Year Awards 2021.
- New Zealand Reverse Mortgages awarded Consumer Trusted Accreditation (for the fifth consecutive year).

Strategic vision

Heartland's strategic vision is to create sustainable growth and differentiation by providing best or only products delivered through scalable digital platforms. There are four strategic elements underpinning Heartland's strategic positioning:

1. Business as Usual growth (reported on within 'Business performance' from page 5)
2. Frictionless Service at the Lowest Cost
3. Expansion in Australia
4. Acquisitions which fit with and add value to the above.

Frictionless Service at the Lowest Cost

Heartland's ongoing focus on digital distribution is providing improved reach and customer experience across integrated platforms, with online access available for almost all of Heartland's products in New Zealand and Australia.

The Home Loans platform, launched in October 2020, reached $218.5 million of lending across 422 customers as at 31 January 2022. This online offering has enabled Heartland to consistently provide customers with market-leading or highly competitive rates. The ambition is for the Home Loans book to reach $1 billion of lending by the end of the 2023 financial year.

At the same time, the aim is to enhance customer experience by removing friction and creating scale without costly processes. This will be achieved through automation, self-service digital platforms and mobile apps. Development is ongoing, and a mobile app will soon be available to support Reverse Mortgage customers in Australia.

Expansion in Australia

Growth in Australia continues to be a strategic priority, and Heartland is exploring potential acquisitions as part of this.

Market share in Reverse Mortgages Australia continues to grow, increasing from 28% to 31% over the past 12 months[7]. In addition, Heartland has expanded its appeal through the launch of Express Reverse Mortgages in January 2022. This streamlined loan, with a market-leading variable interest rate, targets homeowners aged 60 to 70.

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[7] Based on APRA ADI Property Exposure and Heartland Reverse Mortgages data at 30 September 2020 and 30 September 2021.

COVID-19

Heartland is following government guidance and taking a cautious approach to ensure the safety of its people, customers and strength of its business. Heartland's ongoing digitalisation of customer and product platforms is supportive of this cautious approach, ensuring customers can continue to engage with Heartland remotely.

Additional economic pressures are also being faced, including the steepening interest rate environment, higher cost of labour, and inflation increasing globally, with New Zealand recently experiencing its largest movement in the consumer price index since 1990.

Despite this, the higher levels of growth experienced by Heartland in 2H2021 has continued through 1H2022. As in previous periods, the impact of the pandemic has not disrupted business as usual activity, noting that the demographics most affected by COVID-19 are under-represented in Heartland's customer base.[8]

Heartland's COVID-19 economic overlay of $9.6 million, taken in FY2020, remains unutilised as the impact of COVID-19 on Heartland's portfolios has been more benign than initially forecast. The overlay does not represent any actual losses, but was taken to provide a buffer against any future losses that the uncertainty of COVID-19 may give rise to.

In the current operating environment, a release of the COVID-19 economic overlay is not yet appropriate and the overlay has been retained in full. Heartland's COVID-19 economic overlay remains in place and available to be applied to any losses stemming from the pandemic.

Financial results

Profitability

NPAT was $47.5 million, a $3.4 million (7.8%) increase on 1H2021. Underlying NPAT was $47.1 million, a $3.8 million (8.8%) increase on 1H2021.

Return on equity (**ROE**) was 12.2%, up 7 bps from 1H2021. Underlying ROE was 12.1%, up 21 bps from 1H2021.

Earnings per share (**EPS**) was 8.1 cents per share (**cps**), up 0.5 cps from 1H2021. Underlying EPS was 8.0 cps, up 0.6 cps from 1H2021.

1H2022 reported results include one-off items which should be considered when analysing the underlying result. The impact of these one-off items on the respective financial metrics is outlined in the table below.

[8] Heartland's total exposure to the retail, accommodation and transport (excluding road freight transport) industries at 31 December 2021, based on borrower ANZSIC codes, was 1.84%, 1.50% and 1.22% respectively. Heartland's exposure to customers aged 15-24 years (those most affected by increases in unemployment) at 31 December 2021 was 3.91% in Motor and 6.10% in Personal Lending.

	Reported			Underlying		
	1H2022	1H2021	Movement	1H2022	1H2021	Movement
Net operating income (**NOI**)[9] ($m)	130.7	125.3	5.4	130.8	120.1	10.7
Operating expenses ($m)	57.3	61.1	(3.8)	56.4	55.1	1.4
NPAT ($m)	47.5	44.1	3.4	47.1	43.3	3.8
Net interest margin (**NIM**)	4.30%	4.28%	3 bps	4.30%	4.28%	3 bps
NIM excl. liquid assets[10]	4.63%	4.65%	(2 bps)	4.63%	4.65%	(2 bps)
CTI	43.8%	48.8%	(5.0 pps)	43.1%	45.8%	(2.7 pps)
Impairment expense ratio	0.33%	0.19%	13 bps	0.33%	0.19%	13 bps
ROE	12.2%	12.2%	7 bps	12.1%	11.9%	21 bps
EPS	8.1 cps	7.6 cps	0.5 cps	8.0 cps	7.4 cps	0.6 cps

Income

Total NOI was $130.7 million, an increase of $5.4 million (4.3%) from 1H2021.

Excluding the impact of one-offs[11], underlying NOI was $10.7 million (8.9%) higher half-on-half. This was due to a $10.7 million (9.4%) increase in net interest income, driven by a $460.3 million (8.8%) higher average interest earning assets in 1H2022 than in 1H2021, and a 3 bps increase in NIM compared with 1H2021. Underlying other operating income remained stable half-on-half.

Expenses

Operating expenses were $57.3 million, a decrease of $3.8 million (6.3%) on 1H2021. Excluding the impact of one-offs, the underlying operating expenses were $1.4 million (2.5%) higher compared with 1H2021.

Higher underlying operating expenses were primarily due to a $1.9 million (26.9%) increase in IT and communication expenses driven by software amortisation and licencing costs as a result of continued investments in technology and digital capabilities.

The CTI ratio decreased to 43.8%, down 5.0 pps compared with 1H2021. The underlying CTI ratio decreased 2.7 pps to 43.1%. It is expected to continue trending downwards.

Impairment expense

Impairment expense increased by $4.0 million (88.1%) to $8.5 million, reflecting the benefit of post-COVID-19 remediation activity which occurred in 1H2021, together with a return to more normal levels of asset growth and associated provisioning in 2H2021, continuing into 1H2022.

Lower impairments in 1H2021 of 19 bps were due to COVID-19 related extensions (including under the Heartland Extend product or the New Zealand Government's BFGS). These were largely successful in

[9] NOI includes fair value gains/losses on investments.
[10] NIM is calculated based on average gross interest earning assets excluding liquid assets.
[11] 1H2021 one-offs include $5.2 million of fair value gains on investments. 1H2022 one-offs include $0.1 million of net fair value loss on investments.

allowing time for borrowers to remediate, as reflected in the 'business as usual' reported rate of 33 bps for 1H2022, which is below 2H2021 (43 bps contributing to the full year outcome of 31 bps) and FY2020 (65 bps).

Financial position

Total assets increased during 1H2022 by $315.8 million (5.6%), driven by a $339.4 million (13.9%)[12] increase in Receivables, offset by a $36.0 million (6.7%) decrease in liquid assets.

Receivables growth was experienced primarily in Home Loans, Australian Reverse Mortgages, Motor, New Zealand Reverse Mortgages, Business Relationship and Asset Finance, partly offset by decreases in the Harmoney Corp Limited (**Harmoney**) originated personal loan portfolio, Open for Business (**O4B**) and Rural Relationship. With the continued tilt of the Receivables portfolio mix towards higher quality and lower risk assets, maintaining the current levels of NIM will pose a challenge in the coming periods. This, however, is expected to be mitigated by a lower cost origination model and impairment expense benefitting from an improved book quality.

Borrowings[13] increased by $290.8 million (6.0%). Deposits increased $149.0 million, and other funding increased $141.8 million, primarily due to growth in Australian Reverse Mortgages.

Net assets increased by $16.5 million to $778.2 million. Net tangible assets (**NTA**) increased by $8.9 million to $687.4 million, resulting in an NTA per share of $1.17 (30 June 2021: $1.16).

Business performance

Asset Finance

Asset Finance lending NOI was $15.8 million, an increase of $2.4 million (17.9%) compared with 1H2021.

Asset Finance Receivables increased $35.7 million (12.4%)[12] to $606.6 million. The underlying demand from transport, logistics and other productive sectors has remained consistent.

Wholesale Lending[14]

Wholesale Lending NOI was $15.7 million, an increase of $3.5 million (28.8%) compared with 1H2021.

Wholesale Lending Receivables increased $38.4 million (13.7%)[122] to $593.4 million. Contributing to this growth was a funding facility provided to Go Car Finance in 2H2021 for its New Zealand loan book, along with the expansion of wholesale motor vehicle dealer groups. This aligns with Heartland's strategy to diversify distribution in motor vehicle finance.

O4B

O4B NOI was $7.2 million, a decrease of $0.3 million (4.2%) compared with 1H2021. This reflects still subdued confidence resulting from COVID-19 related lockdowns and travel restrictions.

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[12] Annualised 1H2022 growth excluding the impact of changes in FX rates.
[13] Includes retail deposits and other borrowings.
[14] Wholesale Lending includes what was formally known as Business Relationship, reflecting Heartland's strategy in this sector.

O4B Receivables decreased $6.8 million (9.3%)[12] to $137.7 million. The availability of the New Zealand Government's COVID-19 support packages for small businesses slowed growth in this segment from the six-month period to 30 June 2020 (**2H2020**) and continues to feature.

Motor

Motor NOI was $36.4 million, an increase of $3.4 million (10.4%) compared with 1H2021.

Motor Receivables increased $57.1 million (8.8%)[12] to $1,350.8 million. Increases were driven by organic growth from Heartland's existing dealer network, increase in intermediaries, and key partnerships through Heartland's 'white label' strategy. Franchises contributed 48.2% of origination as new car sales recovered in 2021 after record lows in 2020.

Personal Lending

Total portfolio NOI was $5.4 million, a decrease of $3.4 million (38.8%) compared with 1H2021. Harmoney NOI was $3.9 million, a decrease of $3.0 million (43.3%) compared with 1H2021.

Total portfolio Receivables decreased by $45.7 million (68.5%)[12], with the New Zealand Harmoney portfolio contracting $38.0 million (98.1%)[12] to $38.8 million, while the Australian Harmoney portfolio decreased by $18.1 million (73.7%)[12] to $30.7 million. Both the New Zealand and Australian portfolios continued to contract in 1H2022 as a result of high repayments combined with limited growth.

Home Loans

Heartland's digital Home Loans channel experienced strong growth in 1H2022, with Receivables increasing $163.2 million (649.2%)[12] to $213.1 million in 1H2022.

Lending growth continued to be supported by Heartland's low interest rates, currently market-leading for 2- and 3-year fixed rates, as well as for its standard floating rate. Positive momentum is expected to resume following the usual slowdown over the summer holiday period. This will be assisted by a new intermediary partnership currently being piloted with NZ Financial Services Group (**NZFSG**) under the 'Engage Home Loans' white label brand. NZFSG is the largest mortgage broker aggregator in the country, with a network of around 900 residential mortgage advisors.

Rising interest rates motivated many home loan borrowers to review their mortgage providers, driving an increase in the volume of home loan applications received by Heartland. More than 7,840 applications were received during 1H2022, an increase of 29.2% on the 6,067 applications received during 2H2021.

Rural

Rural lending NOI was $15.5 million, which remained stable compared with 1H2021.

Receivables decreased by $2.5 million (0.9%)[12] to $584.1 million. This is made up of a decrease in Livestock Receivables of $12.9 million (23.5%)[12] to $96.4 million, partly offset by a $10.4 million (4.3%)[12] increase in Rural Receivables to $487.7 million.

While the balance date position for Livestock reflects seasonal lows and low utilisation rates (impacted by climatic conditions), the average receivables position through the period was up 7.1% on 31 December 2020. Total approved limits have also increased by $15.6 million (8.0%) to $211.3 million since 30 June 2021 ($195.7 million).

Growth in approved limits and receivables has continued through January and February (limits are up a further $8.5 million and the book balance is up $5.3 million as at 18 February 2022), supporting Heartland's positive outlook for Livestock through to 30 June 2022.

Results from the Sheep & Beef Direct platform introduced in 1H2021 have been positive, with $54.8 million of growth in 1H2022. Plans are underway to pilot Dairy Direct, a digital platform responding to the growing need for dairy farmers to have access to online finance, similar to Heartland's Sheep & Beef Direct.

New Zealand Reverse Mortgages

New Zealand Reverse Mortgages NOI was $15.3 million, an increase of $4.1 million (36.6%) compared with 1H2021 due to record asset growth and improved margins.

Receivables increased $47.4 million (15.6%)[12] to $648.9 million, exceeding growth in the entire financial year ended 30 June 2021 (**FY2021**), due to:

- strong new business which was 69% higher than 1H2021
- increased awareness and acceptance of reverse mortgages as a solution to help older home owners to live a more comfortable retirement
- continued enhancement of the product and application process
- favourable market conditions with higher house prices and low interest rates
- positive forward indicators, with enquiry levels up 65% in the 2021 calendar year, and the customer pipeline at 31 December 2021 more than triple that at 31 December 2020.

Australian Reverse Mortgages

NOI was $19.0 million, an increase of $0.9 million (4.7%) compared with 1H2021.

Receivables increased by $65.4 million (12.1%)[12] to $1.14 billion. New business was strong, driving higher than expected new lending, due to a buoyant property market and repayments below long-term averages in December. The direct channel experienced 18% growth in new business compared with 1H2021, while the intermediary channel experienced 8% growth in new business during the same period (intermediaries now contribute 51% to new loan origination).

Australian Reverse Mortgages continued an engaged relationship with the broker channel, including ongoing relationships with mortgage aggregators in Australia, partnerships with Australian Finance Group, Choice Aggregation and PLAN Australia, and being added to FAST Aggregation's lender panel in July 2021.

Impact of CCCFA changes

The introduction of new CCCFA responsible lending regulations in December 2021 has had an industry-wide impact on decline rates, resulting in reduced lending volumes. The interrogation of activity in bank statements needed to satisfy the new standards has been well publicised and, amongst other things, has slowed down loan processing.

Heartland is engaged with the Ministry of Business, Innovation & Employment and the Commerce Commission in explaining the impact of the changes on Heartland and its prospective customers, and awaits the output of the ministerial review currently underway.

Funding and liquidity

Heartland increased borrowings by $290.8 million (6.0%), contributed to by increases in both New Zealand and Australia.

New Zealand

Heartland Bank increased borrowings by $236.4 million (6.4%).

Deposits grew $117.0 million (3.6%), primarily driven by a $299.6 million increase in Heartland Bank's 32-Day Notice Saver product which was launched in July 2021 at a market-leading rate.

Call deposits decreased by $114.5 million (12.1%), which decreased the call to total deposit ratio to 26% as at 31 December 2021 (30 June 2021: 30%), providing a significant opportunity to attract lower cost deposits during the second half of the financial year.

Term deposits decreased $66.0 million (3.0%), while retention remained strong at over 87%.

Other borrowings increased $119.5 million (23.8%) primarily due to a $126.6 million increase in securitisation funding. This was as a result of higher utilisation following an increase in Heartland Bank's committed auto warehouse facility from $300 million to $400 million in September 2021.

Heartland Bank decreased total liquidity by $36.3 million (7.7%), reflecting a return to more normalised levels with regulatory liquidity ratios well in excess of regulatory minimums.

Heartland Bank's capital position progressively increased during 1H2022, reflecting its continued strong profitability and the Reserve Bank of New Zealand (**RBNZ**) restrictions on distributions imposed in 2H2020. As a result, Heartland Bank's regulatory capital ratio was 13.98% as at 31 December 2021 (30 June 2021: 13.88%), well in excess of regulatory minimums of 10.50%, providing a strong platform for growth and for Heartland Bank to meet the RBNZ's future higher capital requirements. These requirements are for a core capital ratio of 11.50% and a total capital ratio of 16.00% by 1 July 2028.

Australia

The Heartland Australia group (comprising Heartland Australia Holdings Pty Ltd and its subsidiaries) increased borrowings by A$32.9 million (3.0%), largely as a result of new issuance of an A$45 million Medium Term Note (**MTN**) issued in July 2021 to support growth in the portfolio.

Both of Heartland Australia's reverse mortgage funding warehouses are in the process of being expanded, including the introduction of a new mezzanine funder, and extended from their current maturity dates.

Regulatory update

A significant volume of regulatory change continues. Changes to the CCCFA came into force on 1 December 2021 (with the effective date slightly delayed due to COVID-19). Heartland has implemented new processes, including employing new technologies such as bank statement retrieval, to enable it to comply with the changes, and continues to refine these.

New legislation (to be known as the Deposit Takers Act) is being developed to strengthen the regulatory framework for all institutions that take deposits (including Heartland Bank), and introduce a new deposit insurance scheme, overseen by the RBNZ. An exposure draft of the Deposit Takers Bill has been received. Heartland is involved in submissions on the exposure draft through the New Zealand Bankers Association.

Sustainability update

Heartland's sustainability goals for the financial year ended 30 June 2022 (**FY2022**) can be found on page 66 of Heartland's FY2021 Annual Report, and also found at shareholders.heartland.co.nz. Heartland's sustainability strategy is built on three key pillars: environmental conservation, social equity and economic prosperity. The below outlines Heartland's progress towards its sustainability goals in 1H2022.

Environmental conservation

- FY2021 emissions will be formally reported in the FY2022 Annual Report. Further Greenhouse Gas (**GHG**) emissions reductions are expected through FY2021 and 1H2022, due in part to deliberate emissions reduction activity and the impact of COVID-19 on increased remote working.
- Hybrid vehicles placed on order to replace all internal petrol/diesel 4WD vehicles (equating to 23% of Heartland's total fleet), with deliveries expected to be completed by June 2022. Heartland intends to start the process of replacing the remainder of its petrol engine fleet during the 2022 calendar year.
- Continued to provide finance for electric and hybrid vehicles through 'white label' partners who have committed to increasing the number of electric and hybrid vehicle options available in the market.

Social equity

- Rainbow Tick accreditation achieved in November 2021, creating an environment where people feel comfortable bringing their whole selves to work.
- Three new members joined the Rangatahi Advisory Board, a shadow board for employees aged 35 and under, focused on progressing key business initiatives, co-chaired by two of Heartland's emerging leaders.
- Now in its fifth year, the Manawa Ako internship programme continued virtually in January and February 2022, welcoming 26 Māori and Pasifika interns to Heartland Bank.

Economic prosperity

- Total shareholder return (**TSR**) was 128.9% over the last five years (17 February 2017 – 17 February 2022) compared with the NZX50 Index TSR of 80.7% in the same period.
- Maximum loan-to-value ratios (**LVR**) were increased on Heartland's New Zealand and Australian Reverse Mortgage products – the first time LVR limits have increased since 2004, providing customers with increased opportunity to live a more comfortable retirement.

Interim dividend

Heartland is pleased to declare a 1H2022 interim dividend of 5.5 cps (1.5 cps up on 1H2021) despite the partial dividend restrictions imposed by the RBNZ on distributions by banks remaining in force until 1 July 2022. Heartland's interim dividend yield of 7.4%[15] compares with 4.8%[16] in 1H2021.

The interim dividend will be paid on Wednesday 16 March 2022 (**Payment Date**) to shareholders on the company's register as at 5.00pm on Wednesday 2 March 2022 (**Record Date**) and will be fully imputed.

[15] Total fully imputed dividends for 1H2022 (interim) and 2H2021 (final) divided by the closing share price as at 14 February 2022 of $2.35.

[16] Total fully imputed dividends for 1H2021 (interim) and 2H2020 (final) divided by the closing share price as at 9 February 2021 of $1.88.

Heartland has a Dividend Reinvestment Plan (**DRP**), giving eligible shareholders the opportunity to reinvest some or all of their dividend payments into new ordinary shares. The DRP will apply to the final dividend with a 2.0% discount[17].

The DRP offer document and participation form is available on Heartland's shareholder website at shareholders.heartland.co.nz/shareholder-resources/dividends.

Looking forward

Following the momentum experienced in 2H2021, Heartland's 1H2022 NPAT exceeded expectations, despite a challenging backdrop of continued COVID-19 impacts and legislative disruption.

Strong asset growth has been achieved in 1H2022, though growth in 2H2022 is expected to slow in Motor and online Home Loans as a result of the CCCFA legislation impacts. The continued shift in portfolio mix toward higher quality and lower risk assets is also expected to impact NIM in 2H2022, however it is anticipated this will be mitigated as operational efficiency and asset quality continue to improve.

Increased digitalisation and automation have continued to increase Heartland's ability to pass cost-savings to customers in the form of market-leading or competitive rates, thereby leading to the CTI ratio trending downwards. It is anticipated that this will continue through 2H2022.

Heartland expects NPAT for FY2022 to be within the guidance range of $93 million to $96 million.

– ENDS –

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[17] That is, the strike price under the DRP will be 98.0% of the volume weighted average sale price of Heartland shares over the five trading days following the Record Date. For the full details of the DRP and the Strike Price calculation, refer to Heartland Group Holdings Limited DRP offer document dated 10 December 2018.