



HYPROP

Summarised Consolidated Audited Results

For the year ended 30 June 2021 (“FY2021”)

HYPROP INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1987/005284/06)
JSE share code: HYP ISIN: ZAE000190724
Bond issuer code: HYP (Approved as a REIT by the JSE)
 (“Hyprop” or “the Company” or “the Group”)
www.hyprop.co.za

Balance sheet strengthened and see-through LTV ratio reduced from 41.4% at 30 June 2020 to 37.2% at 30 June 2021:

- R777 million of equity raised via dividend reinvestment alternative;
- Accelerated bookbuild raised R358 million;
- Valuation of the SA property portfolio decreased by R1.6 billion (5.9%);
- Settled the last \$117 million of US Dollar equity debt relating to the African portfolio;
- Sale of Atterbury Value Mart implemented on 2 July 2021, further strengthening the balance sheet and reducing the see-through LTV to 34.9%.

Ongoing progress in repositioning the SA Portfolio:

- Opened new Checkers FreshX stores in the Rosebank and Woodlands malls;
- Commenced the upgrade of CapeGate’s Checkers to a FreshX store;
- Zara secured at Canal Walk, a first for the Hyprop portfolio;
- Solar projects completed at all Gauteng malls;
- First of four self-storage facilities opened at Rosebank Mall;
- Opened the first SOKO District, part of the non-tangible asset strategy, at Rosebank Mall.

Covid-19 impact reduced distributable income by R278 million, or 90 cents per share

- R159 million in rental discounts granted to tenants
- R119 million reduction in income from Hystead.

Distributable income reduced from 493.4 cents per share to 336.5 cents per share.

Hystead has accepted an offer to sell Delta City in Belgrade, Serbia for €115 million.

	Audited Year ended 30 June 2021	Audited Year ended 30 June 2020
Net operating income (R'000)	889 711	1 268 285
Headline earnings per share (cents)	327.7	410.7
Basic loss per share (cents)	(297.4)	(1 332.4)
Dividend per share (cents)	336.52921	375.00000
Net asset value per share (Rand)	62.96	76.09

Outlook and Prospects

The emergence of new variants of Covid-19 will impact the economies and trading conditions in most jurisdictions in which the Group operates.

We are confident that the Group’s strategy and key priorities remain relevant, even in a prolonged Covid-19 environment, and will continue to focus on the following:

1. Completing negotiations and implementing the Hystead liquidity event;
2. Strengthening the balance sheet by:
 - a. Retaining cash from the FY2021 distribution via the dividend reinvestment plan (DRIP);
 - b. Reducing the Euro equity debt, and Hystead’s in-country debt;
 - c. Completing the disposal of Delta City Belgrade; and
 - d. Recycling assets that do not accord with the Group’s long-term strategy.
3. Repositioning the SA portfolio for sustainable future growth;
4. Increasing the dominance of the properties in the European portfolio; and
5. Pursuing the non-tangible asset strategy.

We remain focused on creating safe environments and opportunities for people to connect and have authentic and meaningful experiences, thereby creating long-term sustainable value for all stakeholders.

Covid-19 remains a risk, as does the underperforming local economy. Consumer spending is expected to remain under pressure and consumer behaviour will continue to evolve. While we anticipate further negative rent reversions in South Africa in the short-term, our repositioning strategies will enable Hyprop to successfully navigate these challenges.

Until market conditions stabilise, the board anticipates declaring an annual dividend on publication of the Group’s year-end results, having regard to the JSE’s minimum distribution requirements applicable to REITs, capital expenditure, and other cash flow requirements, and the objective of strengthening the balance sheet. The Board will review the dividend payment frequency and pay-out ratio as market conditions evolve.

Having regard to the current, weak South African economic conditions and the uncertainty of the continuing impact of Covid-19 on the Group’s tenants, shoppers, investments and other stakeholders, the Board has resolved not to provide guidance on distributable income and dividends for the financial year ending 30 June 2022.

Dividend

A dividend of 336.52921 cents per share for the year ended 30 June 2021 will be paid to shareholders, who will be entitled to elect to reinvest the net cash dividend in return for additional Hyprop shares through a DRIP.

The DRIP is in line with the Company’s stated intention to retain as much cash as possible for the 2020 and 2021 financial years, while still complying with the JSE’s distribution requirements applicable to REITs.

A circular in this regard is in the process of being prepared and will be distributed to shareholders in due course. A detailed announcement relating to the dividend and the DRIP, including salient dates, the discount to the market price at which shareholders will be entitled to subscribe for additional Hyprop shares and the tax treatment of the dividend and the DRIP, will be released separately once the relevant regulatory approvals have been obtained.

The board of directors of Hyprop may, in its discretion, withdraw the DRIP should market conditions warrant such action. Any such withdrawal will be communicated to shareholders prior to the release of the DRIP finalisation announcement on SENS.

Basis of preparation

The summarised consolidated results for the year ended 30 June 2021 were prepared in accordance with the JSE Listings Requirements for summarised consolidated results and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require summarised consolidated results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS),

Hyprop is a retail-focused REIT listed on the JSE. The Company currently has interests in a R43.3 billion portfolio of shopping centres in South Africa, Eastern Europe and sub-Saharan Africa.

the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and as a minimum, to contain the information required in terms of IAS 34 Interim financial reporting.

All of the accounting policies applied in the preparation of the Group financial statements are consistent with those applied by Hyprop in its consolidated Group financial statements for the prior financial year. All amendments to standards that are applicable to Hyprop for its financial year beginning 1 July 2020 have been considered. Based on management’s assessment, the amendments do not have a material impact on the Group’s annual financial statements.

These summarised consolidated results for the year ended 30 June 2021 have been extracted from the audited consolidated and separate financial statements, but have not been audited. The directors take full responsibility for the preparation of the summarised consolidated results and for ensuring that the financial information has been correctly extracted from the underlying audited consolidated and separate financial statements.

Audited financial statements

KPMG Inc. has audited the consolidated and separate financial statements. Key audit matters considered by KPMG are the valuation of investment property, valuation of investment in Hystead, and recoverability of investment in joint venture: AttAfrica. The auditor’s report does not necessarily report on all of the information included in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor’s engagement, they should obtain a copy of the auditor’s report, together with the underlying financial information, from the registered office of the Company or the Company’s website.

15 September 2021

Directors G.R. Tipper^{††} (Chairman),
M.C. Wilken (CEO), B.C. Till (CFO),
A.W. Nauta (CIO), A.A. Dallamore^{††},
K.M. Ellerine^{††}, Z. Jasper^{††}, N. Mandindi^{††},
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Sponsor Java Capital **Investor relations** Lizelle du Toit t. +27 82 465 1244 e. lizelle@hyprop.co.za

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement. The full announcement is available on the JSE website <https://senspdf.jse.co.za/documents/2021/jse/isse/HYPE/E/2021.pdf> and on the Company website at <https://www.hyprop.co.za/annual-results.php>. Copies of the full announcement may also be requested by emailing Lizelle du Toit at lizelle@hyprop.co.za or at the Company’s registered office or at the office of the sponsor, Java Capital, 6th Floor, 1 Park Lane, Weirda Valley, Sandton, at no charge, during office hours from Wednesday 15 September 2021 to Tuesday, 21 September 2021. Any investment decision should be based on the full announcement published on the SENS and on the Company’s website.