



HYPROP

Condensed Consolidated Interim Results
for the six months ended 31 December 2022 ("HY2023")

Headlines

Distributable income

- 36% increase in Group distributable income to R728 million
- 30% increase in distributable income per share to 203 cents

Robust operational results

- Strong trading metrics reported by the South African (“SA”) and Eastern European (“EE”) portfolios
- Tenant turnover increased by 15.5% and 14.1% in SA and EE respectively, bearing testament to our repositioning initiatives
- Low retail vacancy in SA (1.5%) and EE (0.6%) indicates strong demand for retail space at our centres
- Trading density increased by 14.4% in SA and 15% in EE
- Vacancy rate in the sub-Saharan Africa (excluding South Africa) (“SSA”) portfolio reduced from 10.1% (FY2022) to 7.8%

Balance sheet strength and liquidity maintained

- R500 million additional capital raised through the FY2022 DRIP
- €29 million reduction in Euro borrowings in line with debt amortisation / reduction strategy
- Strong liquidity position with R1.4 billion of cash and R2.0 billion of available bank facilities at 31 December 2022
- LTV ratio increased from 36.4% in June 2022 to 37.2% in December 2022, primarily due to the FY2022 dividend / DRIP and the weakening of the Rand against the Euro
- Refinancing agreed on maturing loans of €210 million, and proposals on R1.46 billion and €60 million being adjudicated

ESG impact

- Next phase of solar-PV being installed at Woodlands Boulevard, Rosebank Mall and Clearwater Mall
- Water management remains a priority with additional Propelair toilets installed at Woodlands and CapeGate
- The Hyprop Foundation partnered with SAPOA to provide financial support to students enrolled in property-related degrees



Commentary

Introduction

Hyprop is a retail Real Estate Investment Trust (REIT) focused on creating spaces and connecting people.

We deliver on our purpose by owning and managing dominant retail centres in mixed-use precincts in key economic nodes in South Africa and Eastern Europe, by positioning the centres to meet community needs and embracing relevant technologies.

Our focus on brand, place and people is underpinned by a sustainable business model, positive social impact and a robust governance framework, to create long-term value for our stakeholders.

The repositioning strategy that we embarked on three years ago, together with the dominance of our SA portfolio has resulted in a strong recovery in SA tenant trading metrics. The EE portfolio's tenant trading metrics improved significantly post Covid-19, due to its differentiated tenant mix, food and entertainment offerings and the centres' strong market positions. The SSA portfolio remains focused on optimising operational performance in the face of an extraordinary tough economic climate in Ghana and US Dollar illiquidity in Nigeria.

The strong improvement in the key trading metrics (tenant turnover, trading density and retail vacancies) of our portfolios is confirmation of our centres' relevance to retailers and shoppers, and that the centres are performing well.



Group financial performance

Distributable income for HY2023 was R728 million, an increase of 36% from R537 million in HY2022. This follows the acquisition and consolidation of the four EE properties from Hystead with effect from 31 March 2022 (“the Hyprop Europe transaction”). The weighted average number of shares in issue increased by 16 million as a result of the FY2022 DRIP, and distributable income per share increased by 30% from 157 cents in HY2022 to 203 cents in HY2023.

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Group distributable income			
Net income before value adjustments	575 562	474 135	1 053 162
Adjusted for:	152 845	62 470	117 640
Straight-line rental revenue accrual	64 936	54 286	42 866
Non-controlling interests	19 606	7 429	14 301
Tax adjustments	(37 993)	(1 351)	(29 764)
Loss from equity accounted investments	89 761	3 589	68 209
Capital items for distribution purposes	16 535	(1 483)	22 028
Distributable income	728 407	536 605	1 170 802
Income not available for distribution - EE and SSA portfolios	(270 099)	(35 784)	(166 963)
Income available for distribution	458 308	500 821	1 003 839
Number of shares for calculating DIPS, IADPS & DPS (Shares in issue net of treasury shares)	358 084 019	341 856 641	341 859 205
Distributable income per share (DIPS)	203.4	156.9	342.5
Income available for distribution per share (IADPS)	128.0	146.5	293.6
Dividend per share (DPS)	-	-	293.6

The independent valuation of the SA investment property portfolio is in line with the June 2022 valuation, while the independent valuation of the EE portfolio decreased by 1% from June 2022. Gruppo Investments remains classified as an asset held-for-sale, and the carrying value of Ikeja City Mall increased from R1.97 billion (\$121.5 million) in June 2022 to R2.17 billion (\$127.7 million) at 31 December 2022.

The balance sheet remains healthy with key credit metrics at similar levels to June 2022 and well within borrowing covenants. The LTV ratio increased slightly from 36.4% in June 2022 to 37.2% in December 2022 and the interest cover ratio reduced from 3.2 times for FY2022 to 2.9 times. The Group’s liquidity position remains strong with R2 billion of unutilised facilities and R1 billion of cash (excluding assets held-for-sale) at 31 December 2022.

The FY2022 DRIP was well supported by shareholders with 84% of shareholders electing to reinvest R844 million of the dividend declared. The reinvestments were limited to a maximum quantum of R500 million in terms of the FY2022 DRIP.

In terms of the Group’s dividend policy communicated to shareholders in September 2022, distributable income from the EE and SSA portfolios is to be retained to, inter alia, strengthen the balance sheet. Distributable income from the SA portfolio will be distributed to shareholders annually upon finalisation of the Group’s audited results. Accordingly, no interim dividend has been declared.



SA portfolio

Operating performance and leasing

The SA portfolio achieved very positive trading metrics and benefited from strong December trading, culminating in tenant turnover growth of 15.5%. Canal Walk reached record turnover of over R1 billion in December 2022. Demand for retail space remained robust, validating our repositioning strategy and responsiveness to tenant and market needs. The retail vacancy rate reduced to 1.5% (June 2022: 2.0%).

Trading density grew by 14.4% and the average monthly foot count increased by 5.9% compared to HY2022. Retail rental reversions for the six months were negative 12.8% on 55 884 m² (FY2022: negative reversions of 13.4%). This is due to the lag between improving tenant turnover and positive rent reversions, albeit some of the tenant turnover growth has been dampened by increased occupancy costs.

Vacancies in the office sector (which comprises only 6.8% of our total gross lettable area) increased marginally to 31.0% from 30.3% in June 2022, reflecting the sustained pressure on the office sector nationally. We are, however, experiencing renewed interest in our office space, driven by loadshedding and work-from-home complications. In light of this trend, we are investigating upgrading our offices to offer a better customer value proposition and ensure the offices continue to support our adjacent retail precincts.

The SA portfolio's key trading metrics are set out below.

South Africa	6 months				
	July - December				August - January
Trading Metrics	2019	2020	2021	2022	2023
Tenant turnover (Rm)	10 838	9 500	10 563	12 204	12 233
% change in portfolio tenant turnover year-on-year	0.6%	(12.3%)	11.2%	15.5%	13.2%
Trading density (R)	3 152	2 879	3 097	3 542	3 532
% change in trading density year-on-year	(0.1%)	(8.7%)	7.6%	14.4%	12.0%
Foot count ('000)	44 862	35 589	37 406	39 595	39 733
% change in foot count year-on-year	(0.9%)	(20.7%)	5.1%	5.9%	3.9%
Retail vacancy as at period end	1.6%	3.0%	2.4%	1.5%	1.5%
Collections as % of net billings	101%	105%	101%	104%	102%
Rental reversion rate (total)	(12.8%)	(22.4%)	(13.1%)	(12.8%)	(10.5%)

All periods exclude Atterbury Value Mart which was sold in July 2021.

Canal Walk welcomed a diverse range of additional tenants during HY2023. These include Ted Baker, Superfine (an African lifestyle accessories brand), S.P.C.C (men's premium denim brand), women's clothing store Rae's Collection, Lindy Lin (fashion brand), and denim store Union DNM. Samsonite and Yuppiefchef opened stores and restaurants Cape Malay House and Bossa are new additions to the food offering. Nike relocated its store and launched its first Nike LIVE Door in Africa, while the Pick n Pay Clothing flagship store relocated to incorporate its sustainability features and "green standards" into the store. Calvin Klein Underwear and Uniq, a clothing brand, will be opening shortly.

MRP Connect, Rocomamas and Factorie opened at CapeGate. Pick n Pay upgraded their store to the latest customer value proposition and Mugg & Bean underwent a complete revamp. The latest specification Suzuki dealership is under development and anticipated to open in Q4 2023. There is an increasing demand from mid-sized national tenants for additional space at CapeGate, which we are incorporating in our Master development plan for the node.



Somerset Mall continues to trade well and remains fully let, with strong demand for additional retail space. Extensions to the centre to add additional GLA and accommodate the tenant demand are being considered. Somerset Mall's new tenants include Puma, Salomon and Xpresso Café, and Checkers FreshX latest specification store should open towards the end of 2023. Several tenants have invested in store upgrades. To celebrate South African arts and enhance our customers' shopping experience, Somerset Mall collaborated with well-known artist and sculptor Marco Olivier to display his unique art sculptures throughout the centre.

Rosebank Mall experienced steady growth during HY2023. Totalsports is expanding its store, and Cotton On was successfully relocated. The latest stores include Footgear, Hi-Fi Corporation and Volpes, and on-the-go patisserie Casa Das Natas commenced trading. The centre has upgraded its baby change rooms and added new furniture to the pause areas to improve the shopping experience. The Rosebank Mall management team assumed responsibility for managing the physical SOKO district, while still using the SOKO technology platform. On average, tenant turnover has increased by 27% since our management interventions. The Rosebank Sunday Market won the 2022 Best Craft Market in the Best Of Joburg Readers' Choice Awards.

Hyde Park Corner welcomed George's Grillhouse, Scape Goat Gallery, Versailles Luxury (an opulent accessories store) and Skins Cosmetics. The Charles Greig Galleries revamp was completed in August 2022.

The upgrade of the Clearwater Mall food court has resulted in a noticeable increase in turnover of restaurants and entertainment tenants.

KFC drive-thru, Hyper Paint, Thabootys (brand owned by media personality Thando Thabethe), Marco Men (formal wear) and Hokkha King (a hubbly store) opened at The Glen Shopping Centre. The Truworths store revamp was completed.

To improve the value offering at Woodlands, West Pack, Pet Zone and Volpes opened in late 2022, taking up most of the space vacated by Food Lover's Market, while Footgear opened near Edgars. The Exclusive Books and Wimpy stores have both been upgraded and Incredible Connection has relocated to significantly larger premises, with a refreshed look. Three drive-thrus are under construction and plan to open post financial year-end.

Financial performance

Net property income increased by R61 million from R635 million in HY2022 to R696 million in HY2023. Contractual rental revenue was in line with HY2022 and increased by 2.5% compared to the six months ended 30 June 2022. This must be considered in the context of Covid-19 discounts that were done away with completely, however, some of these discounts have been factored into new contractual rentals, particularly for those tenants whose rentals are now turnover based, notably the cinemas. Recoveries revenue was 11% higher than HY2022. Municipal and utility recoveries increased by 2%, while diesel and generator cost recoveries increased sixfold. Non-lease revenue was boosted by a once-off insurance claim of R10 million relating to Covid-19 losses and an increase in marketing income (and associated costs) following the change in accounting methodology in FY2022.

Property expenses increased by R66 million (11%) from HY2022. Diesel and generator costs accounted for R32 million (5.5%), municipal and utility costs R13 million (2.2%), and marketing staff costs R6 million (1%), of the increase. Other notable cost increases were information technology and insurance costs.

The direct cost of loadshedding in HY2023 was R19 million. Recoveries of diesel and generator-related costs increased to R22 million, while actual costs increased to R41 million. Initiatives to better manage these costs and the recovery ratio are being investigated.

Tenant arrears decreased from R74 million to R47 million, resulting in a reduction in the allowance for expected credit losses.



The cost to income ratio increased from 45.6% in HY2022 and 44.4% in FY2022 to 45.9% in HY2023. Generator and diesel costs accounted for a 2.3% increase in the cost to income ratio from HY2022, which would otherwise have decreased.

Net interest costs increased by R70 million following the increase in Rand borrowings pursuant to the Hyprop Europe transaction and, to a lesser extent, the increase in interest rates – the portfolio's average interest rate on borrowings (including hedges) increased from 7.6% in FY2022 to 8.4% (compared to a 2.25% increase in the Repo rate). As a result of the increase in net interest costs, distributable income decreased from R499 million in HY2022 to R459 million in HY2023.

Investment property valuations

The independent valuation of the SA portfolio increased from R22.66 billion to R22.72 billion. Terminal capitalisation rates and discount rates used to value certain centres were adjusted upwards by up to 1.5%. These increases were compensated by the improved trading performance of the centres and higher forecast net operating income. The implied yield on the portfolio is 7.2% (FY2022: 7.3%).

Capital expenditure

Capital expenditure for the period was R46 million. Two of the major projects planned for the 2023 financial year, the new Checkers FreshX and food court at Somerset Mall, and the next phase of solar plants at Woodlands, Rosebank Mall and Clearwater Mall, have been delayed until the second half of the year.

EE portfolio

Operating performance and leasing

The EE portfolio delivered solid results for HY2023. Tenant turnover increased by 14% and foot count increased by 16.1%. During the festive season, turnover was up 19% and foot count was 20% higher than in December 2021.

The vacancy rate in the European portfolio was 0.6% at 31 December 2022, with only 1 110m² vacant in The Mall, Sofia.

Eastern Europe Trading Metrics	6 months				
	July - December				August - January
	2019	2020	2021	2022	2023
Tenant turnover (€m)	259	208	241	275	276
% change in portfolio tenant turnover year-on-year	5.5%	(19.8%)	16.1%	14.1%	17.3%
Trading density (€)	262	221	241	277	278
% change in trading density year-on-year	2.2%	(15.7%)	9.1%	15.0%	18.7%
Foot count ('000)	15 187	10 617	11 971	13 904	14 044
% change in foot count year-on-year	1.7%	(30.1%)	12.8%	16.1%	20.0%
Retail vacancy as at period end	0.3%	0.5%	0.4%	0.6%	0.6%
Collections as % of net billings	106%	107%	102%	105%	104%
Rental reversion rate (total)	4.9%	(9.4%)	(0.2%)	4.5%	3.4%

Kiko Milano and Cucina Trattoria (restaurant) opened their doors in Skopje City Mall. Ted Baker, Tudors, Duki Daso, My Time and Zegin relocated to right-sized spaces within the centre and Cosmo underwent a full refurbishment. Two additional food court kiosks, Markt (healthy food) and Choco World, were introduced to further strengthen the offering in the recently upgraded food court.



City Center one East welcomed Sizeer, Submarine Burger, Purex, HETA1 and iStyle. H&M has been completely refurbished in line with the latest H&M international specification. We are investigating expansion plans for the centre to further cement its dominance in the catchment area.

Sizeer opened its doors in City Center one West, and Hervis and Santa Domenica refurbished their stores.

New tenant openings at The Mall in Sofia included Jack and Jones, Cool Club, Scapto Burger, Skarra, Calliope, Robert James Whisky, Phone Exchange, Brilliant Furniture, Barecare and My Geisha. New Yorker, Sport Vision, English Home, Toma Taylor, Miele, Top Shop, Zlatna Ribka and Terranova refurbished their stores. The Inditex brands were successfully replaced with Intersport in the ex-Massimo Dutti premises, and Sinsay (part of the Polish group LPP) has taken beneficial occupation for the ex-ZARA premises and will open for trade at the end of March 2023. Phase one of the toilet refurbishment is complete and phase two is underway.

Financial performance

Distributable income from EE was R243 million (€13.9 million), after providing for local taxation of R50 million (€2.8 million).

Net operating income was ahead of expectations and the forecast prepared for the Hyprop Europe transaction.

Revenue benefitted from fewer Covid-19 concessions, improved turnover rentals and better-than-anticipated renewal rentals. Notwithstanding the high inflation rates, rental indexation adjustments did not have a significant effect on performance. Indexation adjustments are only effective from 1 January in Bulgaria and North Macedonia, while in Croatia monthly indexation was moderated (average indexation of 4.5%) and managed with reference to tenant performance and effort ratios.

Increased costs of electricity, fuel and gas are driving higher inflation across the region, impacting tenant occupancy costs. Our centres have been shielded from most direct energy related cost increases due to fixed price contracts with energy suppliers and / or government subsidies to curtail the effect of energy price increases on businesses. Included in revenue is R17 million (€1 million) of government subsidies received in relation to energy costs in Bulgaria. These subsidies will continue in 2023 and are matched by higher utility costs. Property expenses were well controlled, despite the high inflation rates and energy costs. The cost to income ratio was 39.9%.

Net interest costs increased as a result of the increase in the hedged interest rate on borrowings from 2.7% in FY2022 to 3.2% (compared to a circa 2.2% increase in Euribor over the period).

Investment property valuations

The EE investment properties were independently valued at 31 December 2022 by CBRE. The valuation of the portfolio decreased by 1% in Euros, but increased in Rands from R9.47 billion (€574 million) in June 2022 to R10.30 billion (€569 million) in December 2022. The discount rates used by the independent valuer were increased by between 0.5% and 0.75%, and the terminal capitalisation rates were increased by 0.15% in all instances. The implied yield on the portfolio is 8.2% (FY2022: 7.5%).

Capital expenditure

Capital expenditure for the period was R20 million (€1.1 million). Major projects included bathroom upgrades (phase 1) at The Mall in Sofia, various tenant installation allowances, the building management system upgrade at The Mall, and the underground entrance refurbishment at Skopje City Mall.



SSA (excluding SA) portfolio

Gruppo Investments, which owns Ikeja City Mall in Lagos, Nigeria, remains classified as an asset held-for-sale, pending implementation of the disposal of Ikeja City Mall to an Actis fund. The lack of US Dollar liquidity in Nigeria continues to delay the implementation of the transaction.

For the first time in almost three years, Ikeja managed to procure some US Dollars in Nigeria, however, the amount is not significant and the lack of US Dollar liquidity remains a challenge.

Nigerian presidential elections were held in February 2023 and proceeded relatively smoothly. Ikeja City Mall was closed for election day, as were most formal businesses in Lagos.

Operating performance and leasing

The key trading metrics for the SSA portfolio are presented below in local currency and US Dollars, with the latter impacted by the marked depreciation of the local currencies against the US Dollar. A key priority is to protect the value of the SSA assets by managing the impact of the extraordinary tough economic climate that Ghana faces at present.

Sub-Saharan Africa Trading Metrics	6 months				August - January 2023
	July - December				
	2019	2020	2021	2022	
Tenant turnover (GH\$M)	279	265	309	403	404
% change in portfolio tenant turnover year-on-year	(0.8%)	(4.9%)	16.6%	30.3%	27.5%
Tenant turnover (US\$m)	50	45	51	37	35
% change in portfolio tenant turnover year-on-year	(13.2%)	(10.0%)	12.1%	(27.9%)	(32.7%)
Trading density (GHS)	1 115	1 217	1 351	1 558	1 657
% change in trading density year-on-year	8.9%	9.1%	11.0%	15.3%	24.2%
Trading density (US\$)	201	207	221	141	142
% change in trading density year-on-year	(4.7%)	3.4%	6.7%	(36.2%)	(34.4%)
Foot count ('000) (Ikeja included)	13 950	12 090	13 192	12 264	12 360
% change in foot count year-on-year	(1.1%)	(13.3%)	9.1%	(7.0%)	(6.8%)
Retail vacancy as at period end	12.6%	11.4%	11.6%	7.8%	23.2%*
Collections as % of net billings	114.8%	89.7%	102.5%	97.9%	98.6%

* Retail vacancy rate is due to the exit of Game in Ghana.

Portfolio vacancy levels have reduced from 10.1% in June 2022 to 7.8% in December 2022 as a result of focused asset management. In Nigeria, Ikeja City Mall had a small vacancy at 31 December 2022, after being fully occupied for the past three years. This vacancy was filled shortly after the period end. Following the exit of Game from Ghana at the end of the period, the portfolio vacancy increased to 23.2%. However, we are making progress in securing replacement tenant/s.

Foot count for the SSA portfolio decreased by 7% from HY2022 to HY2023, while portfolio collections for HY2023 remained robust, at 97.9% of billings. Turnover and trading density in Ghana were impacted by a significant depreciation of the Ghanaian Cedi against the US Dollar over the period.

Ikeja City Mall welcomed Puma and is engaging long-standing tenants to renovate their shop fittings to refresh the overall look of the centre, in conjunction with the bathroom upgrade which is underway.



At Accra Mall, Maestro, Chocolate Sayari and Yetra E-Gaming (a world-class E-Gaming centre) opened, which will improve the centre's tenant mix and customer experience. L.C. Waikiki is fitting out and is expected to commence trading soon. Vodafone and Maydan Home Décor have expanded into bigger shops.

West Hills Mall added Easy Prime, Voskos and Pacific Fashion to its fashion offering.

At Kumasi City Mall, Kidsville and Tecno are the latest additions to the tenant mix. Gamel Clothing, Spendstree Photos and Kent's Cup expanded into bigger stores. Astolinks opened for trading in January 2023 and Peer Tek's is scheduled to open in March 2023.

We are closely monitoring the impact of the Cedi depreciation on rentals, collections and occupancy rates.

Financial performance

Net property income (before the rental straight-line accrual) for Ikeja City Mall in US Dollars was in line with HY2022 despite the increase in diesel costs and higher insurance costs (both an increase in cover and an increase in rates). The net property income in Rands was positively impacted by the devaluation of the Rand against the US Dollar.

The net income before tax and value adjustments was negatively impacted by an increase in interest costs as a result of higher borrowings (due to the unavailability of US Dollars and capitalisation of interest) and higher interest rates (prior to hedging these rates), as well as unrealised foreign exchange losses on converting Naira cash deposits to US Dollars for financial reporting purposes.

AttAfrica produced a solid result in US Dollars, increasing net operating income from HY2022, notwithstanding the deterioration in the Ghanaian economy. The equity accounted loss of R89 million is a result of the devaluation of the Ghanaian investment properties and the assumptions made by the independent valuers on the timing and rent reversions to re-let current vacant space.

Investment property valuations

In terms of the sale agreement concluded with Actis for the disposal of Gruppo Investments, the valuation of Ikeja City Mall for purposes of determining the purchase price escalates at 6% per annum. At 31 December 2022, the escalated value in terms of the sale agreement exceeded the independent valuation of Ikeja City Mall of R2.17 billion (\$127.7 million). The carrying value of Ikeja City Mall has been adjusted from the anticipated sales proceeds at 30 June 2022 R1.97 billion (\$121.5 million) to the independent valuation at 31 December 2022 in line with the Group's accounting policy to record the investment property at the lower of the two values.

Non-tangible assets

The SOKO business has been successfully restructured with a separation of the technology platform and the physical district. Strategies to license the SOKO software platform outside the Group have been formulated and execution will commence shortly.

Interest in the Nika electronic gift cards among tenants, retailers and e-commerce operators is growing, while development is ongoing.



ESG

The five UN Sustainable Development Goals (“SDGs”) we have adopted provide a framework to shape, steer, communicate and report our sustainability strategies, goals and activities. Our sustainability framework is built around three goals, namely:

- Creating spaces and connecting people
- Partnering for climate resilience
- Inclusivity across our value chain

Each of the above goals is linked to the SDGs we have committed to.

Waste

A collective zero wet waste program was rolled out during HY2023. Changes to initial on-site solutions were implemented at Somerset Mall, CapeGate and Woodlands to optimise the diversion of waste.

Our targets for the recycling of wet waste were exceeded. Due to the improved recycling of wet waste, the recyclable dry waste is less contaminated and the level of dry waste recycling is increasing steadily.

The overall rate of diversion from landfill continues to increase each month. We continue to monitor, guide and encourage tenants to join us in protecting the environment.

Water

Managing water resources is imperative in South Africa. Projects undertaken to reduce water consumption in HY2023 include:

- The installation of environmentally friendly Propelair toilets in the public ablutions at CapeGate and Woodlands
- The last ablation block at The Glen has been connected to the grey water system
- The second phase of the 2023 project to convert the air-conditioning units serving certain line shops at Hyde Park Corner from water to air-cooled condenser units is underway
- Options are being explored to install a waste-water treatment plant at Canal Walk, with the potential to recycle 80% of all water consumed on-site to irrigation standard.

Energy

As part of the energy management plan, Hyprop is refining its existing business continuity strategy to cater for the eventuality of higher stages of loadshedding and total electricity network collapse. The Group is exploring options to supplement and integrate existing solar and generator capacity with battery storage at its centres. These integrated energy supply systems will assist with countering the high cost of loadshedding.

The next phase of the Gauteng solar-PV rollout at Woodlands, Rosebank Mall and Clearwater Mall has commenced and will be complete by the end of June 2023 at a capital cost of R70 million. Feasibility studies for additional solar panels at The Glen, and new solar installations at CapeGate and Canal Walk, are underway.

Combating global warming

The next phase of the upgrade to zero ozone depletion and global warming-friendly refrigerants is underway at Hyde Park. This is the first part of a three-year plan to phase out less environmentally friendly air conditioners by 2026.

The EE portfolio is undertaking BREAAAM audits, a science-based certification system that rates buildings’ sustainability performance, and these will be concluded by June 2023.



Treasury and borrowings

The Group's total bank and Debt Capital Market (DCM) borrowings increased from R14.1 billion in June 2022 to R14.5 billion in December 2022. Cash and cash equivalents at 31 December 2022 were R1 billion, excluding R370 million of bank balances in Nigeria.

The Group's interest rate hedging policy requires at least 75% of interest costs to be hedged and has provided significant protection against the increase in interest rates over the last 12 months. Interest costs in the EE portfolio are expected to increase in FY2024 as a result of the quantum of interest rate hedges that mature in June 2023. The impact of refinancing and re-hedging ZAR borrowings is less significant due to the "flatter" maturity profile of the ZAR borrowings and hedges.

The LTV ratio increased slightly from 36.4% in June 2022 to 37.2% in December 2022 mainly due to the FY2022 dividend / DRIP and the weakening of the Rand against the US Dollar and Euro. The interest cover ratio reduced from 3.2 times to 2.9 times due to the increase in interest rates and the additional interest costs on Rand debt incurred in March 2022 following the Hyprop Europe transaction.

All the SSA in-country bank borrowings were refinanced during HY2023 and the refinancing of ZAR and Euro borrowings that will mature during the 2023 calendar year is progressing well. Undrawn facilities at 31 December 2022 were R2 billion.

Rand-denominated debt

The Group raised R785 million through a bond auction in November 2022 at margins of 153bps for a three-year term and 169bps for a five-year term. The bond auction was well bid and 2.3 times oversubscribed. Proceeds were used to settle maturing bonds.

On 7 March 2023 it was announced that Hyprop will seek to raise R500 million (potential upside to R750 million) via a bond auction on 31 March 2023. The proceeds will be used to settle maturing DCM funding and to finance capital expenditure.

The Group continues to receive good support from existing and new lenders. Proposals have been received to refinance the R1 460 million (R960 million term loan and R500 million revolving credit facility) maturing in June 2023, and are being adjudicated.

Euro-denominated debt

Total Euro bank borrowings reduced in Euros, from R6.65 billion (€391 million) in June 2022 to R6.88 billion (€380 million) in December 2022 through the amortisation of in-country borrowings. An additional R308 million (€17 million) of in-country borrowings were settled in January 2023, and lower margins were negotiated on borrowings of R630 million (€35 million).

The R2.90 billion (€160 million) term loan in Croatia which matures in June 2023 has been refinanced with the incumbent lender at a lower margin. The refinance will be implemented on the maturity of the existing facility.

R906 million (€50 million) of "equity debt" which matures in July 2023 has been refinanced, and proposals to refinance the remaining R1.09 billion (€60 million) through new term facilities are being considered.



US Dollar-denominated debt

The bank borrowings in Nigeria and the Ghanaian operating companies were successfully refinanced for a further two years to February 2025, and the majority of the interest rate exposure was hedged. R300 million (\$17.5 million) of bank borrowings in AttAfrica were settled from the proceeds of a \$17.5 million equity injection from AttAfrica's shareholders.

The Group's US Dollar denominated borrowings comprise a \$56.5 million term loan advanced to Gruppo Investments in Nigeria. Interest on the loan is being capitalised, as provided in the loan agreement, as Gruppo Investments has not been able to secure US Dollars to settle the interest payments due to the lack of US Dollars in Nigeria.

Net asset value

The Group's net asset value per share decreased by 2.3%, from R60.88 in June 2022 to R59.47 in December 2022 due to the increase in the number of shares in issue following the FY2022 DRIP.

Board changes

Gavin Tipper retired from the Board on 31 December 2022 following his appointment as CEO of Arise, an investment firm in sub-Saharan Africa. Consequently, Spiro Noussis was appointed as the Chairman of the Board. Stewart Shaw-Taylor retired by rotation at the annual general meeting in November 2022 and did not make himself available for re-election. Nonyameko Mandindi resigned from the Board with effect from 5 December 2022 to pursue other interests.

The Board thanks Gavin, Stewart and Nonyameko for their contributions over many years and wishes them well in their future endeavours.

Dividend policy

As previously communicated, our dividend policy is based on our key objectives of maintaining and repositioning our portfolios, strengthening the balance sheet, and reducing the LTV ratio, while meeting shareholder expectations and the minimum distribution requirements for REITs. The policy envisages paying an annual dividend to shareholders on the finalisation of the Group's annual audited results which the Board believes is prudent in light of the deteriorating infrastructure in SA, high inflation and energy costs in EE and unavailability of US Dollars in SSA. Accordingly, no interim dividend has been declared.

Outlook and prospects

Despite the difficult global economic environment, and unique challenges in each of the regions in which we operate, the improved trading metrics of our portfolios demonstrate the strength and relevance of our centres in their markets. This, in conjunction with the Group's strong balance sheet, liquidity and support from investors and financiers, has created a solid base from which the Group will continue to execute its key strategic objectives of generating sustainable returns for shareholders, strengthening the balance sheet and reducing debt, and allocating capital prudently to diversify risk.



We are pursuing the following seven strategic initiatives:

1. Finding and implementing sustainable solutions to reduce the impact of load shedding and its consequent effects
2. Repositioning the SA portfolio
3. Retaining the dominance of the EE portfolio
4. Reviewing the portfolios annually to evaluate the case for recycling of assets and to consider growth opportunities
5. Protecting value in the SSA portfolio pending an exit
6. Developing non-tangible assets aligned to our tangible assets and / or the property sector
7. Ensuring our balance sheet is robust.

We expect to deliver steady growth in distributions from the SA portfolio, while retaining income from the EE and SSA portfolios to strengthen the balance sheet.

Basis of preparation and going concern

The condensed consolidated financial statements for the six months ended 31 December 2022 were prepared in accordance with the JSE Listings Requirements for condensed consolidated results, the requirements of the Companies Act of South Africa and International Financial Reporting Standards (IFRS) (including specifically the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and IAS 34 Interim financial reporting). All amendments to standards that are applicable to Hyprop for its financial year beginning 1 July 2022 have been considered.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2022.

The Company is considering the JSE's report on proactive monitoring of financial statements issued in November 2022 and will incorporate any relevant findings in its annual financial statements for the year ending 30 June 2023. Findings relating to interim financial reporting have been considered in the preparation of these condensed consolidated financial statements for the six months ended 31 December 2022.

These condensed consolidated financial statements have been prepared on the going concern basis as the directors have reason to believe that the Company and the Group have adequate resources to continue operations for the ensuing twelve-month period.

These condensed consolidated financial statements have not been reviewed or reported on by Hyprop's independent external auditors.

The financial information was prepared under the supervision of Brett Till CA(SA) in his capacity as the Chief Financial Officer.

On behalf of the Board



Spiro Noussis
Chairman



Morné Wilken
Chief Executive Officer



Brett Till
Chief Financial Officer

16 March 2023



Condensed consolidated statement of profit or loss and other comprehensive income

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Revenue	2 118 976	1 353 534	3 120 763
Lease revenue ¹	1 562 480	961 366	2 247 341
Non-lease revenue ¹	556 496	392 168	873 422
Changes in expected credit losses - trade receivables	3 490	(19 205)	(8 810)
Property expenses	(963 400)	(622 148)	(1 375 342)
Net property income	1 159 066	712 181	1 736 611
Other operating income	3 997	22 748	32 022
Other operating expenses	(71 067)	(48 415)	(132 266)
Net foreign exchange (losses) / profit	(25 281)	3 933	(21 109)
Operating income	1 066 715	690 447	1 615 258
Net interest	(401 392)	(212 723)	(493 887)
Interest income	25 159	39 207	74 207
Interest expense	(426 551)	(251 930)	(568 094)
Net operating income	665 323	477 724	1 121 371
Loss from equity accounted investments	(89 761)	(3 589)	(68 209)
Net income before value adjustments	575 562	474 135	1 053 162
Changes in fair value	211 308	377 498	690 934
Investment property	121 889	284 716	459 403
Financial asset - Hystead	-	32 962	(7 159)
Derivative instruments	89 419	59 820	238 690
Loss on disposal of investment property	-	(1 135)	(1 135)
Changes in expected credit losses - loans receivable	(1 786)	-	-
Changes in expected credit losses - financial guarantees	-	(85)	-
Impairment of goodwill	-	-	(433 432)
Impairment of intangible asset	-	-	(16 197)
Derecognition of financial guarantees	-	-	65 865
Profit before taxation	785 084	850 413	1 359 197
Taxation	(53 797)	6 869	(15 024)
Profit for the period / year	731 287	857 282	1 344 173
Profit / (loss) for the period / year attributable to:			
Shareholders of the Company	724 229	866 925	1 345 164
Non-controlling interests	7 058	(9 643)	(991)
Profit for the period / year	731 287	857 282	1 344 173
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss (net of taxation)	257 100	83 571	209 589
Exchange differences on translation of foreign operations	262 074	90 870	218 622
Exchange differences on translation of foreign operations: non-controlling interests	(4 974)	(7 299)	(9 033)
Total comprehensive income for the period / year	988 387	940 853	1 553 762
Total comprehensive income for the period / year attributable to:			
Shareholders of the Company	986 303	957 795	1 563 786
Non-controlling interests	2 084	(16 942)	(10 024)
Total comprehensive income for the period / year	988 387	940 853	1 553 762
Basic earnings per share (cents)	209.0	271.1	406.7
Diluted earnings per share (cents)	208.4	270.4	405.4

¹ Revenue has been categorised into Lease revenue and Non-Lease revenue for presentation in the Statement of profit or loss and other comprehensive income. Comparative amounts for the 6 months ended 31 December 2021 have been recategorised accordingly in line with the categorisation in the audited annual financial statements for the year ended 30 June 2022. This enhances the disclosure provided.

Condensed consolidated statement of financial position

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
ASSETS			
Non-current assets	34 164 061	23 398 158	33 369 773
Investment property	31 814 208	21 716 795	31 143 460
Straight-line rental income accrual	415 405	401 885	476 777
Property, plant and equipment	795 261	274 652	778 219
Investments in joint ventures and associate	698 408	575 922	566 210
Financial asset - Hystead	-	330 623	-
Loans receivable	179 938	71 336	219 989
Intangible assets	49	17 197	54
Deferred taxation	771	599	1 087
Derivatives	260 021	9 149	183 977
Current assets	1 302 248	1 995 062	1 552 053
Loans receivable	50 004	21 736	2 558
Taxation	1 183	-	280
Trade and other receivables	217 929	127 281	154 245
Derivatives	26 799	-	7 499
Cash and cash equivalents	1 006 333	1 846 045	1 387 471
Assets classified as held-for-sale	2 593 541	2 116 501	2 354 491
Total assets	38 059 850	27 509 721	37 276 317
EQUITY			
Stated capital	10 904 416	10 399 201	10 399 277
Retained income	1 281 567	1 019 987	1 629 595
Other reserves	9 108 506	8 740 136	8 785 101
Attributable to shareholders of the Company	21 294 489	20 159 324	20 813 973
Non-controlling interests	(73 988)	(83 087)	(43 830)
Total Equity	21 220 501	20 076 237	20 770 143
Liabilities			
Non-current liabilities	7 973 071	3 649 007	8 736 408
Borrowings	6 985 645	3 333 716	7 807 219
Derivatives	194	72 867	11 038
Financial guarantees	-	66 349	-
Provisions	7 617	1 523	4 570
Deferred taxation	979 615	174 552	913 581
Current liabilities	7 278 401	2 405 034	6 290 734
Borrowings	6 494 131	1 811 767	5 276 584
Derivatives	1 207	71	5 934
Financial guarantees	-	44 564	-
Trade and other payables	681 115	547 531	713 731
Provisions	31 036	-	52 991
Taxation	70 912	1 101	97 332
Dividend payable	-	-	144 162
Liabilities associated with assets classified as held-for-sale	1 587 877	1 379 443	1 479 032
Total liabilities	16 839 349	7 433 484	16 506 174
Total equity and liabilities	38 059 850	27 509 721	37 276 317
Equity and reserves attributable to shareholders of the Company	21 294 489	20 159 324	20 813 973
Shares in issue (net of treasury shares)	358 084 019	341 856 641	341 859 205
Net asset value per share (R)	59.47	58.97	60.88

Condensed consolidated statement of cash flows

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Net cash flows from operating activities	(440 887)	(439 121)	357 172
Cash generated from operations	1 110 041	780 051	1 837 635
Interest received	24 934	39 195	74 093
Interest paid	(348 541)	(215 719)	(481 336)
Taxation paid	(77 501)	(7 959)	(38 531)
Cash flows from operating activities before dividends	708 933	595 568	1 391 861
Dividends paid	(1 149 820)	(1 034 689)	(1 034 689)
Net cash flows from investing activities	(345 528)	950 401	(1 346 076)
Acquisition of and additions to investment property	(34 470)	(65 179)	(152 033)
Additions to property, plant and equipment	(32 190)	(41 512)	(141 497)
Consideration paid for business combination / reduction in non-controlling interests	(58 247)	-	(2 883 022)
Cash and cash equivalents acquired in business combination / asset acquisition	-	-	949 561
Proceeds on disposal of non-current assets held-for-sale	-	1 058 792	1 051 198
Increase in investment in joint venture	(221 961)	-	(54 909)
Loans receivable repaid	2 505	-	17 787
Loans receivable advanced	(1 165)	(1 700)	(133 161)
Net cash flows from financing activities	420 224	603 597	1 695 603
Loans repaid	(1 311 614)	(420 234)	(2 590 882)
Loans raised	1 249 305	148 031	3 423 827
Derivatives purchased	(14 581)	-	(13 100)
Shares issued	497 114	875 800	875 758
Net (decrease) / increase in cash and cash equivalents	(366 191)	1 114 877	706 699
Cash and cash equivalents at the beginning of the period / year	1 387 471	777 691	777 691
Exchange gains on cash and cash equivalents	34 389	29 494	60 011
Increase in cash classified as held-for-sale	(49 336)	(76 017)	(156 930)
Cash and cash equivalents at the end of the period / year	1 006 333	1 846 045	1 387 471



Condensed consolidated statement of changes in equity

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Balance at the beginning of the period / year	20 770 143	19 291 340	19 291 340
Total comprehensive income	988 387	940 853	1 553 762
Profit for the period / year	731 287	857 282	1 344 173
Other comprehensive income	257 100	83 571	209 589
Transactions with shareholders of the company - contributions and distributions	(505 787)	(155 956)	(74 959)
CUP awards forfeited	(10 083)	(4 883)	(9 222)
Transfer of shares - LTIP	4 630	-	-
Shares issued	497 114	875 800	875 758
Share-based payment expense	6 820	7 816	15 893
Business combinations	-	-	77 301
Dividends declared	(1 004 268)	(1 034 689)	(1 034 689)
Transactions with non-controlling shareholders - contributions and distributions	(32 242)	-	-
Balance at the end of the period / year	21 220 501	20 076 237	20 770 143



Condensed reconciliation of headline earnings

		Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Earnings reconciliation - basic to headline earnings				
Profit for the period / year attributable to shareholders of the Company (basic earnings)	A	724 229	866 925	1 345 164
Headline earnings adjustments		59 156	(226 903)	116 995
Change in fair value of investment property		(56 953)	(230 430)	(416 537)
Non-controlling interests share of change in fair value of investment property		26 348	(1 197)	22 814
Impairment of goodwill		-	-	433 432
Impairment of intangible asset		-	-	16 197
Non-controlling interests share of impairment of intangible asset		-	-	(7 120)
Loss from equity accounted investments		89 761	3 589	68 209
Loss on disposal of investment property		-	1 135	-
Headline earnings	B	783 385	640 022	1 462 159
Weighted average number of ordinary shares				
Shares in issue at the beginning of the period / year		343 438 921	309 070 057	309 070 057
Effect of shares issued during the period / year		4 557 814	12 327 962	23 257 834
Effect of treasury shares held		(1 545 653)	(1 611 882)	(1 596 465)
Weighted average number of ordinary shares in issue	C	346 451 082	319 786 137	330 731 426
Effect of dilutive shares		1 078 759	809 805	1 067 515
Diluted weighted average number of ordinary shares in issue	D	347 529 841	320 595 942	331 798 941
Basic earnings per share (EPS) (cents)	A/C	209.0	271.1	406.7
Diluted earnings per share (DEPS) (cents)	A/D	208.4	270.4	405.4
Headline earnings per share (HEPS) (cents)	B/C	226.1	200.1	442.1
Diluted headline earnings per share (DHEPS) (cents)	B/D	225.4	199.6	440.7



Reconciliation of attributable profit for the period / year to distributable income

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Profit for the period / year attributable to shareholders of the Company	724 229	866 925	1 345 164
Adjusted for:	4 178	(330 321)	(174 362)
Change in fair value - investment property	(30 605)	(231 627)	(393 722)
Change in fair value - derivative instruments	(89 419)	(59 820)	(238 690)
Change in fair value - financial asset	-	(32 962)	7 159
Change in expected credit losses - financial guarantees	-	85	-
Change in expected credit losses - loans receivable	1 786	-	-
Derecognition of Financial guarantee	-	-	(65 865)
Loss on disposal of investment property	-	1 135	1 135
Loss from equity accounted investments	89 761	3 589	68 209
Impairment of intangible asset	-	-	9 077
Impairment of goodwill	-	-	433 432
Taxation	16 120	(9 238)	(17 173)
Capital and other items	16 535	(1 483)	22 076
Distributable income	728 407	536 604	1 170 802
Income not available for distribution	(270 099)	(35 783)	(166 963)
Income available for distribution	458 308	500 821	1 003 839



Segmental analysis - Distributable income

	Unaudited 31 December 2022				Unaudited 31 December 2021				Audited 30 June 2022			
	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000
Revenue	1 341 361	627 495	150 120	2 118 976	1 233 220	-	120 314	1 353 534	2 597 851	285 337	237 575	3 120 763
Lease revenue	912 316	539 751	110 413	1 562 480	860 536	-	100 830	961 366	1 830 134	233 448	183 759	2 247 341
Non-lease revenue	429 045	87 744	39 707	556 496	372 684	-	19 484	392 168	767 717	51 889	53 816	873 422
Change in expected credit losses - trade receivables	5 742	3 592	(5 844)	3 490	(12 848)	-	(6 357)	(19 205)	(9 618)	(1 156)	1 964	(8 810)
Property expenses	(651 109)	(254 099)	(58 192)	(963 400)	(585 660)	-	(36 488)	(622 148)	(1 176 535)	(118 344)	(80 463)	(1 375 342)
Net property income	695 994	376 988	86 084	1 159 066	634 712	-	77 469	712 181	1 411 698	165 837	159 076	1 736 611
Other operating income	816	79	3 102	3 997	13 418	-	9 330	22 748	21 091	-	10 931	32 022
Other operating expenses	(53 431)	(12 416)	(5 220)	(71 067)	(42 627)	-	(5 788)	(48 415)	(113 162)	(10 482)	(8 622)	(132 266)
Net foreign exchange profit / (loss)	335	4 138	(29 754)	(25 281)	1 695	3 172	(934)	3 933	(338)	(13 260)	(7 511)	(21 109)
Operating income	643 714	368 789	54 212	1 066 715	607 198	3 172	80 077	690 447	1 319 289	142 095	153 874	1 615 258
Net interest	(239 284)	(95 687)	(66 421)	(401 392)	(168 645)	-	(44 078)	(212 723)	(358 400)	(45 544)	(89 943)	(493 887)
Net operating income / (loss)	404 430	273 102	(12 209)	665 323	438 553	3 172	35 999	477 724	960 889	96 551	63 931	1 121 371
Loss from equity accounted investments	-	-	(89 761)	(89 761)	-	-	(3 589)	(3 589)	-	-	(68 209)	(68 209)
Net income / (loss) before value adjustments	404 430	273 102	(101 970)	575 562	438 553	3 172	32 410	474 135	960 889	96 551	(4 278)	1 053 162
Changes in fair value	98 604	6 884	105 820	211 308	386 272	-	(8 859)	377 413	560 892	37 275	92 767	690 934
Loss on disposal of investment property	-	-	-	-	(1 135)	-	-	(1 135)	(1 135)	-	-	(1 135)
Impairment of loans receivables	(1 786)	-	-	(1 786)	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	(433 432)	-	(433 432)
Impairment of intangible asset	-	-	-	-	-	-	-	-	(16 197)	-	-	(16 197)
Derecognition of financial guarantees	-	-	-	-	-	-	-	-	65 865	-	-	65 865
Profit / (loss) before taxation	501 248	279 986	3 850	785 084	823 690	3 172	23 551	850 413	1 570 314	(299 606)	88 489	1 359 197
Taxation	(5 775)	(49 841)	1 819	(53 797)	13 260	-	(6 391)	6 869	17 497	(17 637)	(14 884)	(15 024)
Profit / (loss) for the period / year	495 473	230 145	5 669	731 287	836 950	3 172	17 160	857 282	1 587 811	(317 243)	73 605	1 344 173
Calculation of distributable income (non-IFRS information)												
Net income / (loss) before value adjustments	404 430	273 102	(101 970)	575 562	438 553	3 172	32 410	474 135	960 889	96 551	(4 278)	1 053 162
Adjusted for:	54 821	(30 061)	128 085	152 845	60 680	-	1 790	62 470	43 875	4 427	69 338	117 640
Straight-line rental revenue accrual	53 604	13 161	(1 829)	64 936	58 356	-	(4 070)	54 286	36 173	5 181	1 512	42 866
Non-controlling interests	1 983	295	17 328	19 606	4 200	-	3 229	7 429	7 938	413	5 950	14 301
Tax adjustments	-	(39 357)	1 364	(37 993)	-	-	(1 351)	(1 351)	(208)	(17 637)	(11 919)	(29 764)
Loss from equity accounted investments	-	-	89 761	89 761	-	-	3 589	3 589	-	-	68 209	68 209
Capital items for distribution purposes	(766)	(4 160)	21 461	16 535	(1 876)	-	393	(1 483)	(28)	16 470	5 586	22 028
Distributable income¹	459 251	243 041	26 115	728 407	499 233	3 172	34 200	536 605	1 004 764	100 978	65 060	1 170 802
Income not available for distribution	-	(243 063)	(27 036)	(270 099)	-	-	(35 784)	(35 784)	-	(97 675)	(69 288)	(166 963)
Income available for distribution	459 251	(22)	(921)	458 308	499 233	3 172	(1 584)	500 821	1 004 764	3 303	(4 228)	1 003 839
Number of shares for calculating DIPS, IADPS & DPS (Shares in issue net of treasury shares)	-	-	-	358 084 019	-	-	-	341 856 641	-	-	-	341 859 205
Distributable income per share (DIPS)	128.3	67.9	7.2	203.4	146.0	0.9	10.0	156.9	293.9	29.5	19.1	342.5
Income available for distribution per share (IADPS)	128.3	(0.0)	(0.3)	128.0	146.0	0.9	(0.5)	146.5	293.9	1.0	(1.3)	293.6
Dividend per share (DPS)	-	-	-	-	-	-	-	-	-	-	-	293.6

¹ Distributable income and distributable income per share for the period ended 31 December 2021 have been recalculated using the same methodology applied in the audited financial statements for the year ended 30 June 2022. Net income from the SSA portfolio has been included in Distributable income, but not as income available for distribution. This enhances the disclosure and comparability of the results.

Segmental analysis - Financial position

	Unaudited 31 December 2022				Unaudited 31 December 2021				Audited 30 June 2022			
	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000
Assets												
Non-current assets	22 872 995	10 577 955	713 111	34 164 061	22 491 582	330 623	575 953	23 398 158	22 828 206	9 975 333	566 234	33 369 773
Investment property	22 715 427	10 309 381	66	33 024 874	22 393 301	-	31	22 393 332	22 667 121	9 731 311	24	32 398 456
Other non-current assets	157 568	268 574	713 045	1 139 187	98 281	330 623	575 922	1 004 826	161 085	244 022	566 210	971 317
Current assets	366 851	918 560	16 837	1 302 248	1 941 880	21 036	32 146	1 995 062	518 694	1 015 825	17 534	1 552 053
Cash and cash equivalents	245 426	744 805	16 102	1 006 333	1 816 608	-	29 437	1 846 045	431 570	939 879	16 022	1 387 471
Other current assets	121 425	173 755	735	295 915	125 272	21 036	2 709	149 017	87 124	75 946	1 512	164 582
Assets classified as held-for-sale	-	-	2 593 541	2 593 541	-	-	2 116 501	2 116 501	-	-	2 354 491	2 354 491
Investment property	-	-	2 168 979	2 168 979	-	-	1 840 408	1 840 408	-	-	1 974 509	1 974 509
Other assets	-	-	424 562	424 562	-	-	276 093	276 093	-	-	379 982	379 982
Total assets	23 239 846	11 496 515	3 323 489	38 059 850	24 433 463	351 659	2 724 600	27 509 721	23 346 900	10 991 158	2 938 259	37 276 317
Liabilities												
Non-current liabilities	5 317 823	2 655 248	-	7 973 071	3 582 659	66 349	-	3 649 008	4 219 790	4 516 636	(18)	8 736 408
Borrowings	5 133 973	1 851 672	-	6 985 645	3 333 716	-	-	3 333 716	4 033 585	3 773 634	-	7 807 219
Other non-current liabilities	183 850	803 576	-	987 426	248 943	66 349	-	315 292	186 205	743 002	(18)	929 189
Current liabilities	1 981 490	5 284 089	12 822	7 278 401	2 347 391	44 564	13 079	2 405 034	2 948 565	3 328 922	13 247	6 290 734
Borrowings	1 412 562	5 069 958	11 611	6 494 131	1 799 632	-	12 135	1 811 767	2 361 715	2 903 758	11 111	5 276 584
Other current liabilities	568 928	214 131	1 211	784 270	547 759	44 564	944	593 267	586 850	425 164	2 136	1 014 150
Liabilities associated with assets classified as held-for-sale	-	-	1 587 877	1 587 877	-	-	1 379 443	1 379 443	-	-	1 479 032	1 479 032
Borrowings	-	-	1 533 372	1 533 372	-	-	1 323 638	1 323 638	-	-	1 404 220	1 404 220
Other liabilities	-	-	54 505	54 505	-	-	55 805	55 805	-	-	74 812	74 812
Total liabilities	7 299 313	7 939 337	1 600 699	16 839 349	5 930 050	110 913	1 392 522	7 433 485	7 168 355	7 845 558	1 492 261	16 506 174
Net asset value / equity	15 940 533	3 557 178	1 722 790	21 220 501	18 503 412	240 746	1 332 078	20 076 236	16 178 545	3 145 600	1 445 998	20 770 143

Reconciliation of Cash generated from operations to Distributable income

	Unaudited 31 December 2022				Unaudited 31 December 2021				Audited 30 June 2022			
	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000	SA R'000	EE R'000	SSA R'000	Group R'000
Cash generated from operations	680 077	347 785	82 179	1 110 041	698 134	3 172	78 745	780 051	1 479 974	208 981	148 680	1 837 635
Working capital changes	38 275	49 720	7 471	95 466	14 524	-	3 609	18 133	(52 384)	(27 398)	(707)	(80 489)
Depreciation and amortisation	(29 074)	(16 504)	(1 543)	(47 121)	(30 559)	-	(1 237)	(31 796)	(56 434)	(16 690)	(2 668)	(75 792)
Expected credit losses - trade receivables	5 742	3 592	(5 844)	3 490	(12 848)	-	(6 357)	(19 205)	(9 618)	(1 156)	1 964	(8 810)
Straight-line rental revenue accrual	(53 604)	(13 161)	1 829	(64 936)	(58 356)	-	4 070	(54 286)	(36 173)	(5 181)	(1 512)	(42 866)
Other non-cash items	2 298	(2 643)	(29 880)	(30 225)	(3 697)	-	1 247	(2 450)	(6 076)	(16 461)	8 117	(14 420)
Loss from equity accounted investments	-	-	(89 761)	(89 761)	-	-	(3 589)	(3 589)	-	-	(68 209)	(68 209)
Net interest	(239 284)	(95 687)	(66 421)	(401 392)	(168 645)	-	(44 078)	(212 723)	(358 400)	(45 544)	(89 943)	(493 887)
Net income / (loss) before value adjustments	404 430	273 102	(101 970)	575 562	438 553	3 172	32 410	474 135	960 889	96 551	(4 278)	1 053 162
Straight-line rental revenue accrual	53 604	13 161	(1 829)	64 936	58 356	-	(4 070)	54 286	36 173	5 181	1 512	42 866
Non-controlling interests	1 983	295	17 328	19 606	4 200	-	3 229	7 429	7 938	413	5 950	14 301
Taxation expense	-	(39 357)	1 364	(37 993)	-	-	(1 351)	(1 351)	(208)	(17 637)	(11 919)	(29 764)
Loss from equity accounted investments	-	-	89 761	89 761	-	-	3 589	3 589	-	-	68 209	68 209
Capital items for distributable income purposes	(766)	(4 160)	21 461	16 535	(1 876)	-	393	(1 483)	(28)	16 470	5 586	22 028
Distributable income	459 251	243 041	26 115	728 407	499 233	3 172	34 200	536 605	1 004 764	100 978	65 060	1 170 802
Income not available for distribution	-	(243 063)	(27 036)	(270 099)	-	-	(35 784)	(35 784)	-	(97 675)	(69 288)	(166 963)
Income available for distribution	459 251	(22)	(921)	458 308	499 233	3 172	(1 584)	500 821	1 004 764	3 303	(4 228)	1 003 839

Revenue

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Gross contractual rental revenue	1 335 906	932 768	2 032 912
COVID-19 rent relief	-	(48 591)	(44 859)
Contractual rental revenue	1 335 906	884 177	1 988 053
Turnover rent	63 570	12 996	33 687
Operating cost recoveries	195 271	93 961	215 559
Marketing and promotions revenue - tenants	32 669	24 518	52 908
Rental and other lease revenue	1 627 416	1 015 652	2 290 207
Straight-line rental revenue accrual	(64 936)	(54 286)	(42 866)
Lease revenue¹	1 562 480	961 366	2 247 341
Municipal recoveries	407 766	339 113	729 690
Other recoveries	75 748	14 445	40 015
Recoveries	483 514	353 558	769 705
Casual parking revenue	50 156	38 610	80 809
Marketing and promotions revenue	22 826	-	22 908
Non-lease revenue¹	556 496	392 168	873 422
Revenue	2 118 976	1 353 534	3 120 763

¹ Revenue has been categorised into Lease revenue and Non-Lease revenue for presentation in the Statement of profit or loss and other comprehensive income. Comparative amounts for the 6 months ended 31 December 2021 have been recategorised accordingly in line with the categorisation in the audited annual financial statements for the year ended 30 June 2022. This enhances the disclosure provided.



Investment property

Reconciliation from independent valuation to net carrying value

	Rentable area (m ²)	Value attributable to Hyprop R'000	Weighted average value per m ² (R/m ²)
Unaudited			
31 December 2022			
Retail shopping centres	845 353	32 857 386	41 564
Stand-alone offices	6 856	175 400	25 583
Independent valuation	852 209	33 032 786	41 435
Straight-line rental revenue accrual	-	(415 405)	-
Property, plant and equipment	-	(795 261)	-
Own use asset adjustment	-	(15 151)	-
Centre management assets	-	7 239	-
Investment property - statement of financial position	-	31 814 208	-

Unaudited

31 December 2021

Retail shopping centres	652 270	22 224 143	37 514
Stand-alone offices	6 856	165 000	24 066
Independent valuation	659 126	22 389 143	37 375
Straight-line rental revenue accrual	-	(401 885)	-
Property, plant and equipment	-	(263 120)	-
Own use asset adjustment	-	(13 222)	-
Centre management assets	-	5 879	-
Investment property - statement of financial position	-	21 716 795	-

Audited

30 June 2022

Retail shopping centres	839 589	32 226 422	41 116
Stand-alone offices	6 856	167 200	24 387
Independent valuation	846 445	32 393 622	40 981
Straight-line rental revenue accrual	-	(476 777)	-
Property, plant and equipment	-	(766 840)	-
Own use asset adjustment	-	(13 445)	-
Centre management assets	-	6 900	-
Investment property - statement of financial position	-	31 143 460	-



Investment property

Valuation assumptions

	Unaudited 31 December 2022 %	Unaudited 31 December 2021 %	Audited 30 June 2022 %
SA			
Exit cap rates	6.8 to 10.0	6.8 to 9.0	6.8 to 10
Weighted average exit cap rates	7.5	7.4	7.5
Discount rates	11.8 to 13.8	11.3 to 13.8	11 to 13.8
Weighted average discount rate	12.1	12.0	11.7
Retail vacancy levels	0.0 to 3.0	n/a	0.0 to 2.0
Office vacancy levels	0.0 to 3.0	n/a	0.0 to 2.0
Average market rental growth rate	4.2	n/a	3.5
EE			
Exit cap rates	7.4 to 9.7	7.3 to 9.5	7.3 to 9.0
Weighted average exit cap rates	7.8	6.8	7.7
Discount rates	9.3 to 11.3	8.3 to 10.3	8.5 to 10.5
Weighted average discount rate	9.6	7.7	9.0
Retail vacancy levels	0.0 to 1.5	n/a	0.0 to 1.5
Average market rental growth rate	4.0	n/a	4.0
SSA - Ikeja City Mall¹			
Exit cap rate	8.5	n/a	n/a
Weighted average exit cap rate	8.5	n/a	n/a
Discount rate	10.5	n/a	n/a
Weighted average discount rate	10.5	n/a	n/a
Retail vacancy levels	2.5	n/a	n/a
Average market rental growth rate	2.0	n/a	n/a

¹ Ikeja City Mall is classified as an asset held-for-sale and is recorded at the lower of the independent valuation (December 2022) or the anticipated sale proceeds (December 2021 and June 2022).



Investment property

Valuation sensitivity

The valuations of the investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the change in fair value of the investment property in the statement of profit or loss.

		Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
SA				
Exit cap rates	- Increase by 0.25%	(514 760)	(571 098)	(524 935)
	- Decrease by 0.25%	550 834	619 169	561 874
Discount rates	- Increase by 0.25%	(211 522)	(236 089)	(214 255)
	- Decrease by 0.25%	214 244	240 081	222 055
Retail vacancy levels	- Increase by 0.25%	(46 625)	n/a	(52 609)
	- Decrease by 0.25%	40 754	n/a	21 337
Office vacancy levels	- Increase by 0.25%	(1 276)	n/a	(957)
	- Decrease by 0.25%	743	n/a	618
Average market rental growth rate	- Increase by 0.25%	160 474	177 768	163 821
	- Decrease by 0.25%	(150 296)	(175 563)	(167 666)
EE				
Exit cap rates	- Increase by 0.25%	(146 656)	n/a	(145 902)
	- Decrease by 0.25%	161 141	n/a	156 081
Discount rates	- Increase by 0.25%	(161 141)	n/a	(154 384)
	- Decrease by 0.25%	170 194	n/a	157 777
Retail vacancy levels	- Increase by 0.25%	(800)	n/a	(33 931)
	- Decrease by 0.25%	800	n/a	33 931
Average market rental growth rate	- Increase by 1.0%	70 612	n/a	64 468
	- Decrease by 1.0%	(77 855)	n/a	(67 861)
SSA - Ikeja City Mall¹				
Exit cap rate	- Increase by 0.50%	(76 908)	n/a	n/a
	- Decrease by 0.50%	86 522	n/a	n/a
Discount rate	- Increase by 0.50%	(38 708)	n/a	n/a
	- Decrease by 0.50%	39 707	n/a	n/a

¹ Ikeja City Mall is classified as an asset held-for-sale and is recorded at the lower of the independent valuation (December 2022) or the anticipated sale proceeds (December 2021 and June 2022).

Derivatives

Interest rate swaps / caps

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Maturity profile			
Non-current assets	260 021	9 149	183 977
Current assets	26 799	-	7 499
Non-current liabilities	(194)	(72 867)	(11 038)
Current liabilities	(1 207)	(71) ¹	(5 934)
Total derivatives	285 419	(63 788)	174 504

¹ The current liability in December 2021 is a foreign exchange contract.

Movement reconciliation - Total derivatives

Balance at the beginning of the period / year	174 504	(123 608)	(123 608)
Acquired through business combination	-	-	43 602
Currency translation difference	6 915	-	2 720
New contracts entered into	14 581	-	13 100
Fair value adjustment	89 419	59 820	238 690
Balance at the end of the period / year	285 419	(63 788)	174 504

Fair value measurement methodology

Derivatives are categorised as level 2 financial instruments and are valued using market comparison techniques. The valuation of the derivative instruments (interest rate swaps) was determined by discounting the future cash flows using the swap curves as applicable. Similar contracts are traded in active markets and the fair values are based on actual transactions in similar instruments.

Borrowings

Loan to value and interest cover ratios

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
Fully consolidated Loan to value ratio			
Loans			
Hyprop gross borrowings	15 013 148	6 469 121	14 488 023
<i>Add / (Less):</i>			
Cash and cash equivalents	(1 376 158)	(2 677 072)	(1 707 960)
Derivatives	1 401	72 937	16 972
Dividend payable	-	-	144 162
Hystead bank borrowings	-	12 423 448	-
Net borrowings	13 638 391	16 288 434	12 941 197
Assets			
Hyprop total assets	38 059 850	27 509 721	37 276 317
<i>Add / (Less):</i>			
Goodwill and intangible assets	(820)	(17 197)	(1 141)
Financial asset	-	(330 623)	-
Cash and cash equivalents	(1 376 158)	(2 677 072)	(1 707 960)
Derivatives	-	(9 149)	-
Hystead total assets	-	14 759 955	-
Assets	36 682 872	39 235 635	35 567 216
Loan to value ratio	37.2%	41.5%	36.4%
Banking / DCM covenant (%)	50.0 - 55.0%	50.0 - 55.0%	55.0%
Interest cover ratio			
Interest cover ratio (gross)	2.9	3.2	3.2
Interest cover ratio (net)	3.0	3.6	3.6



Borrowings

Costs and hedging

	Reported as	Unaudited 31 December 2022	Unaudited 31 December 2021	Audited 30 June 2022
Proportion of borrowing costs which are hedged				
ZAR debt	Percentage	81.5	85.9	77.0
EUR debt	Percentage	82.6	87.7	80.8
USD debt	Percentage	93.0	-	-
Weighted average term of interest bearing borrowings¹				
ZAR debt	Years	3.3	1.4	1.9
EUR debt	Years	2.1	1.5	2.0
EUR debt	Years	4.9	2.0	2.5
USD debt (Rand equivalent)	Years	2.2	1.2	0.7
Average term of interest rate hedges¹				
ZAR debt	Years	1.4	2.3	1.9
ZAR debt	Years	1.3	2.3	1.8
EUR debt	Years	1.4	2.9	1.9
USD debt (Rand equivalent)	Years	2.2	n/a	n/a
Cost of funding (excluding hedges)¹				
ZAR debt	Percentage	7.4	5.8	4.8
ZAR debt	Percentage	9.0	5.7	6.8
EUR debt	Percentage	4.7	2.4	2.5
USD debt	Percentage	10.3	6.4	7.1
Cost of funding (including hedges)¹				
ZAR debt	Percentage	5.9	7.4	5.3
ZAR debt	Percentage	8.4	7.6	7.6
EUR debt	Percentage	3.2	2.5	2.7
USD debt	Percentage	9.9	6.4	7.1
Other				
Debt Capital Market (DCM) % of total borrowings	Percentage	15.2	38.2	15.4
Unencumbered assets	R' million	5 048	2 628	2 648

¹ Group average values for the 6 months ended 31 December 2021 exclude Euro debt metrics as the debt was not consolidated at that time.

Exchange rates

The exchange rates used to convert foreign currency amounts to Rands are as follows:

	Unaudited 31 December 2022		Unaudited 31 December 2021		Audited 30 June 2022	
	Average rate R	Period-end spot rate R	Average rate R	Period-end spot rate R	Average rate R	Period-end spot rate R
Euro	17.55	18.11	17.43	17.98	17.15	16.97
US Dollar	17.33	16.98	15.02	15.89	15.21	16.25
Realised average exchange rate - Euro ²	n/a	n/a	17.10	n/a	17.63	n/a

² Actual exchange rates at which foreign currency management fees / dividends were received in South Africa and converted to Rands.



Related party disclosures

Related parties are entities that are subsidiaries, joint ventures, co-investors of the Group, and individuals that are directors and / or prescribed officers of the Group. The Group, in the ordinary course of business, entered into various transactions with related parties.

Related-party transactions and balances - entities

Entities that are related parties and with whom the Group transacted during the period / year are listed below:

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
South Africa			
Conventurist - associate			
Loan receivable	127	-	1 251
Loan balance	1 913	-	1 251
Cumulative ECLs	(1 786)	-	-
Interest received	77	-	51
EmpiriQ - co-investor			
Loan receivable	2 389	-	1 251
Interest received	77	-	51
Eastern Europe			
Hystead - Subsidiary (former financial asset)			
Acquisition of 4 Eastern European properties from Hystead (Purchase consideration)	-	-	2 883 022
Financial asset	-	330 623	-
Asset management and accounting fee income	-	12 338	-
Financial guarantees provided by Hyprop on behalf of Hystead			
Debt guaranteed	-	6 521 803	-
Fair value of financial guarantees	-	110 913	-
Guarantee liability as a percentage of debt guaranteed (%)	-	1.7	-
PDI - Former non-controlling shareholder / co-investor			
Acquisition of PDI Free Carry Equity: purchase consideration	(1 010)	-	27 237
Dividend payable	-	-	144 162
AMZ Holdings - Non-controlling shareholder (Successor in title to PDI)			
Borrowings	3 538	-	3 210
Trade and other payables	11	-	-
Interest expense	105	-	-
Interest income	7	-	-
Contributions and distributions	3 224	-	-
Homestead Group Holdings - Non-controlling shareholder (Successor in title to PDI)			
Borrowings	35 770	-	28 891
Trade and other payables	110	-	-
Interest expense	1 063	-	-
Interest income	75	-	-
Contributions and distributions	29 018	-	-
Sub-Saharan Africa			
AttAfrica - joint venture			
Borrowings	11 611	10 864	11 112
Attacq Ltd - co-investor			
Borrowings	-	1 271	-
Fees received	816	1 080	1 608
AIH International Ltd - co-investor			
Borrowings	443 175	384 034	408 415



Related party disclosures

Directors' interests in Hyprop shares

Unaudited 31 December 2022	Direct beneficial	Indirect beneficial	Total
Non-executive directors ¹	-	3 000 000	3 000 000
Executive directors ²	888 295	110 407	998 702
Total	888 295	3 110 407	3 998 702

Unaudited 31 December 2021

Independent non-executive directors	39 612	-	39 612
Non-executive directors ¹	-	3 000 000	3 000 000
Executive directors ²	633 810	79 464	713 274
Total	673 422	3 079 464	3 752 886

Audited 30 June 2022

Independent non-executive directors	39 618	-	39 618
Non-executive directors ¹	-	3 000 000	3 000 000
Executive directors ²	594 527	79 464	673 991
Total	634 145	3 079 464	3 713 609

¹ Exposure in terms of off-market derivative transactions (Long call 2 000 000 shares, short call 500 000 shares, short put 1 500 000 shares) at varying strike prices.

² Shares include those awarded under the Share incentive scheme and the LTIP.

Directors' remuneration

R'000	Fees	Basic salary	Pension fund contributions	Performance bonus ³	Vested shares	Other benefits	Total
Unaudited 31 December 2022							
Independent non-executive directors	3 763	-	-	-	-	-	3 763
Non-executive directors	309	-	-	-	-	-	309
Executive directors	-	5 608	460	11 633	528	78	18 307
Total	4 072	5 608	460	11 633	528	78	22 379

³ Performance bonus amounts include cash bonuses and restricted shares awarded under the LTIP.

Unaudited 31 December 2021

Independent non-executive directors	2 143	-	-	-	-	-	2 143
Non-executive directors	218	-	-	-	-	-	218
Executive directors	106	5 026	431	7 720	96	78	13 457
Total	2 467	5 026	431	7 720	96	78	15 818

Audited 30 June 2022

Independent non-executive directors	4 831	-	-	-	-	-	4 831
Non-executive directors	406	-	-	-	-	-	406
Executive directors	209	10 361	878	7 720	178	156	19 502
Total	5 446	10 361	878	7 720	178	156	24 739



Financial instruments

Accounting classifications and fair value hierarchy

The following table reflects the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Unaudited 31 December 2022	Carrying amount			Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1)			
	Fair value through profit or loss R'000	Other R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets measured at fair value							
Derivative instruments - non-current	260 021	-	-	260 021	260 021	-	260 021
Derivative instruments - current	26 799	-	-	26 799	26 799	-	26 799
	286 820	-	-	286 820	286 820	-	286 820
Financial assets not measured at fair value							
Loans receivable - non-current	-	-	179 938	179 938	n/a	225 245	225 245
Loans receivable - current	-	-	50 004	50 004	n/a	n/a	n/a
Trade and other receivables - financial instruments ²	-	-	165 601	165 601	n/a	n/a	n/a
Cash and cash equivalents	-	-	1 376 158	1 376 158	n/a	n/a	n/a
	-	-	1 771 701	1 771 701	n/a	225 245	225 245
Financial liabilities measured at fair value							
Derivative instruments - non-current	194	-	-	194	194	-	194
Derivative instruments - current	1 207	-	-	1 207	1 207	-	1 207
	1 401	-	-	1 401	1 401	-	1 401
Financial liabilities not measured at fair value							
Long-term portion of interest-bearing borrowings	-	-	8 519 017	8 519 017	n/a	n/a	n/a
Short-term portion of interest-bearing borrowings	-	-	6 494 131	6 494 131	n/a	n/a	n/a
Trade and other payables - financial instruments ³	-	-	543 556	543 556	n/a	n/a	n/a
	-	-	15 556 704	15 556 704	n/a	n/a	n/a

¹ Balances in the tables above include assets held-for-sale where applicable and they are shown as current / short-term.

² Trade and other receivables comprises gross trade receivables less expected credit losses, and excludes prepayments, municipal deposits and sundry receivables.

³ Trade and other payables includes trade payables, accrued expenses, tenant deposits, gift card liabilities, value added tax and interest payable, and excludes rent received in advance, municipal and employee provisions and sundry payables.

Financial instruments

Accounting classifications and fair value hierarchy

	Carrying amount			Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1)			
	Fair value through profit or loss R'000	Other ⁴ R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
Unaudited 31 December 2021							
Financial assets measured at fair value							
Financial asset - Hystead	330 623	-	-	330 623	-	330 623	330 623
Derivative instruments - non-current	9 149	-	-	9 149	9 149	-	9 149
	339 772	-	-	339 772	9 149	330 623	339 772
Financial assets not measured at fair value							
Loans receivable - non-current	-	-	71 336	71 336	n/a	n/a	n/a
Loans receivable - current	-	-	21 736	21 736	n/a	n/a	n/a
Trade and other receivables - financial instruments ²	-	-	102 200	102 200	n/a	n/a	n/a
Cash and cash equivalents	-	-	2 085 622	2 085 622	n/a	n/a	n/a
	-	-	2 280 894	2 280 894	n/a	n/a	n/a
Financial liabilities measured at fair value							
Derivative instruments - non-current	72 867	-	-	72 867	72 867	-	72 867
Derivative instruments - current	71	-	-	71	71	-	71
	72 938	-	-	72 938	72 938	-	72 938
Financial liabilities not measured at fair value							
Long-term portion of interest-bearing borrowings	-	-	4 657 354	4 657 354	n/a	n/a	n/a
Short-term portion of interest-bearing borrowings	-	-	1 811 767	1 811 767	n/a	n/a	n/a
Financial guarantees - non-current	-	66 349	-	66 349	n/a	n/a	n/a
Financial guarantees - current	-	44 564	-	44 564	n/a	n/a	n/a
Trade and other payables - financial instruments ³	-	-	433 665	433 665	n/a	n/a	n/a
	-	110 913	6 902 786	7 013 699	n/a	n/a	n/a

¹ Balances in the tables above include assets held-for-sale where applicable and they are shown as current / short-term.

² Trade and other receivables comprises gross trade receivables less expected credit losses, and excludes prepayments, municipal deposits and sundry receivables.

³ Trade and other payables includes trade payables, accrued expenses, tenant deposits, gift card liabilities, value added tax and interest payable, and excludes rent received in advance, municipal and employee provisions and sundry payables.

⁴ Financial guarantees are initially measured at fair value and subsequently at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from contracts with customers.

Financial instruments

Accounting classifications and fair value hierarchy

	Carrying amount				Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1)			
	Fair value through profit or loss R'000	Other R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000	
Audited 30 June 2022								
Financial assets measured at fair value								
Derivative instruments - non-current	183 977	-	-	183 977	183 977	-	183 977	
Derivative instruments - current	7 499	-	-	7 499	7 499	-	7 499	
	191 476	-	-	191 476	191 476	-	191 476	
Financial assets not measured at fair value								
Loans receivable - non-current	-	-	219 989	219 989	n/a	206 269	n/a	
Loans receivable - current	-	-	2 558	2 558	n/a	n/a	n/a	
Trade and other receivables - financial instruments ²	-	-	134 284	134 284	n/a	n/a	n/a	
Cash and cash equivalents	-	-	1 707 960	1 707 960	n/a	n/a	n/a	
	-	-	2 064 791	2 064 791	-	206 269	-	
Financial liabilities measured at fair value								
Derivative instruments - non-current	11 038	-	-	11 038	11 038	-	11 038	
Derivative instruments - current	5 934	-	-	5 934	5 934	-	5 934	
	16 972	-	-	16 972	16 972	-	16 972	
Financial liabilities not measured at fair value								
Long-term portion of interest-bearing borrowings	-	-	7 810 765	7 810 765	n/a	n/a	n/a	
Short-term portion of interest-bearing borrowings	-	-	6 677 257	6 677 257	n/a	n/a	n/a	
Trade and other payables - financial instruments ³	-	-	536 647	536 647	n/a	n/a	n/a	
	-	-	15 024 669	15 024 669	n/a	n/a	n/a	

¹ Balances in the tables above include assets held-for-sale where applicable and they are shown as current / short-term.

² Trade and other receivables comprises gross trade receivables less expected credit losses, and excludes prepayments, municipal deposits and sundry receivables.

³ Trade and other payables includes trade payables, accrued expenses, tenant deposits, gift card liabilities, value added tax and interest payable, and excludes rent received in advance, municipal and employee provisions and sundry payables.

Transfers between levels

There were no transfers in either direction between level 1, 2, or 3 during the current or prior periods for the financial assets and financial liabilities.



SA REIT Association's best practice recommendations ratios

SA REIT Funds from Operations (SA REIT FFO) per share	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 ¹ R'000	Audited 30 June 2022 R'000
Profit / (loss) per IFRS Statement of comprehensive income (SOCI) attributable to the parent	724 229	866 925	1 345 164
Adjusted for:			
Accounting / specific adjustments:	(12 699)	(269 044)	(9 207)
Fair value adjustments to:			
Investment property	(95 998)	(285 914)	(436 588)
Equity instruments held at fair value through profit or loss	-	(32 962)	7 159
Debt instruments held at fair value through profit or loss	-	85	-
Depreciation and amortisation of intangible assets	-	3 566	5 167
Impairment of goodwill or the recognition of a bargain purchase gain	-	-	433 432
Asset impairments (excl. goodwill) and reversals of impairments	1 786	-	9 077
Gains or losses on the modification of financial instruments	-	-	(65 865)
Deferred tax movement recognised in profit or loss	16 120	(13 105)	(17 173)
Straight-lining operating lease adjustment	65 393	54 286	42 866
Transaction costs expensed in accounting for a business combination	-	5 000	12 718
Adjustments arising from investing activities:-	-	1 135	1 135
Gains or losses on disposal of:			
Investment property and property, plant and equipment	-	1 135	1 135
Foreign exchange and hedging items:	(72 452)	(55 887)	(217 581)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(89 419)	(59 820)	(238 690)
Foreign exchange gains or losses relating to capital items – realised and unrealised	16 967	3 933	21 109
SA REIT FFO:	639 078	543 129	1 119 511
Number of shares outstanding at end of period (net of treasury shares)	358 084 019	341 856 641	341 859 205
SA REIT FFO per share (cents):	178.5	158.9	327.5
Company-specific adjustments (cents per share)	24.9	(2.0)	15.0
Capital and other items	(0.1)	(3.0)	(5.0)
Equity accounted losses	25.0	1.0	20.0
Distributable income per share (cents)¹	203.4	156.9	342.5

¹ Distributable income and distributable income per share for the period ended 31 December 2021 have been recalculated using the same methodology applied in the audited financial statements for the year ended 30 June 2022. Net income from the SSA portfolio has been included in Distributable income, but not as income available for distribution. This enhances the disclosure and comparability of the results.

SA REIT Association's best practice recommendations ratios

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
SA REIT Net Asset Value (SA REIT NAV)			
Reported NAV attributable to the parent	21 294 489	20 159 324	20 813 969
<i>Adjustments:</i>			
Dividend to be declared / reinvested	-	-	(1 003 839)
Fair value of certain derivative financial instruments	(285 419)	63 788	(174 503)
Goodwill and intangible assets	(49)	(17 197)	(54)
Deferred tax	978 844	173 953	912 494
SA REIT NAV:	21 987 865	20 379 868	20 548 067
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)	358 084 019	341 856 641	341 859 205
Effect of dilutive instruments (awards under the CUP and LTIP)	1 078 759	809 805	1 067 515
Diluted number of shares in issue	359 162 778	342 666 446	342 926 720
SA REIT NAV per share (R)	61.22	59.47	59.92
SA REIT loan-to-value			
Gross debt - per Statement of financial position	15 013 148	6 580 034	14 488 023
<i>Less:</i>			
Cash and cash equivalents	(1 376 158)	(2 085 622)	(1 707 960)
Restricted cash - Hystead NCI dividends payable and Gruppo cash	187 272	-	355 655
<i>(Less) / Add:</i>			
Derivative financial instruments	(285 419)	63 788	(174 503)
Net debt	13 538 843	4 558 200	12 961 215
Total assets – per Statement of financial position	38 059 850	27 509 721	37 276 317
<i>Less:</i>			
Cash and cash equivalents	(1 376 158)	(2 085 622)	(1 707 960)
Derivative financial assets	(286 820)	(9 149)	(191 476)
Intangible assets	(49)	(17 197)	(54)
Trade and other receivables	(272 666)	(193 762)	(213 739)
Carrying amount of property-related assets	36 124 157	25 203 991	35 163 088
SA REIT loan-to-value	37.5%	18.1%	36.9%

¹ Balances in the table above include assets held-for-sale where applicable.

² December 2021 excludes non-consolidated liabilities of Hystead Limited which were guaranteed by Hyprop. Refer to page 29 for details of the Company's loan-to-value ratio, as calculated by the Group's major lenders, and compliance with banking covenants.



SA REIT Association's best practice recommendations ratios

	Unaudited 31 December 2022 R'000	Unaudited 31 December 2021 R'000	Audited 30 June 2022 R'000
SA REIT cost-to-income ratio			
Expenses			
Operating expenses per IFRS income statement of comprehensive income (<i>includes utilities</i>)	959 910	641 353	1 384 152
Administrative expenses per IFRS statement of comprehensive income	71 067	48 415	132 266
<i>Exclude:</i>			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation in respect of intangible assets	(811)	(3 566)	(6 739)
<i>Company specific adjustments:</i>			
Software development costs	-	(1 231)	-
Transaction costs expensed in accounting for a business combination	-	-	(12 718)
Operating costs	1 030 166	684 971	1 496 961
Rental income			
Contractual rental income ¹	1 627 416	1 015 652	2 290 207
Utility and operating recoveries	483 514	353 558	769 705
Gross rental income	2 110 930	1 369 210	3 059 912
SA REIT cost-to-income ratio	48.8%	50.0%	48.9%
SA REIT administrative cost-to-income ratio			
Expenses			
Administrative expenses	71 067	48 415	132 266
Administrative costs	71 067	48 415	132 266
Rental income			
Contractual rental income ¹	1 627 416	1 015 652	2 290 207
Utility and operating recoveries	483 514	353 558	769 705
Gross rental income	2 110 930	1 369 210	3 059 912
SA REIT administrative cost-to-income ratio	3.4%	3.5%	4.3%

¹ Net of COVID-19 related discounts and relief, and excluding the straight-line rental revenue accrual.



SA REIT Association's best practice recommendations ratios

	Unaudited 31 December 2022 m ²	Unaudited 31 December 2021 m ²	Audited 30 June 2022 m ²
SA REIT GLA vacancy rate - Total			
Gross lettable area of vacant space	24 177	26 223	27 112
Gross lettable area of total property portfolio	874 432	659 126	868 669
SA REIT GLA vacancy rate	2.8%	4.0%	3.1%

SA REIT - cost of debt

ZAR	%	%	%
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	9.0	5.7	6.8
Pre-adjusted weighted average cost of debt	9.0	5.7	6.8
<i>Adjustments:</i>			
Impact of interest rate derivatives	(0.8)	1.8	0.7
Amortised transaction costs imputed into the effective interest rate	0.1	0.1	0.2
All-in weighted average cost of debt	8.4	7.6	7.6

EUR

Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	4.7	n/a	2.5
Pre-adjusted weighted average cost of debt	4.7	n/a	2.5
<i>Adjustments:</i>			
Impact of interest rate derivatives	(1.5)	n/a	0.2
All-in weighted average cost of debt	3.2	n/a	2.7

USD

Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	10.3	6.4	7.1
Pre-adjusted weighted average cost of debt	10.3	6.4	7.1
<i>Adjustments:</i>			
Impact of interest rate derivatives	(0.4)	-	-
All-in weighted average cost of debt	9.9	6.4	7.1



Corporate Information

Directors

S. Noussis[†] (Chairman), M.C. Wilken (CEO), B.C. Till (CFO), A.W. Nauta (CIO), A.A. Dallamore[†], L. Dotwana[†], K.M. Ellerine[†], R.J. Inskip[†], Z. Jasper[†], T.V. Mokgatlha[†], B.S. Mzobe[†]
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(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE share code: HYP

ISIN: ZAE000190724

Bond issuer code: HYPI

(Approved as a REIT by the JSE)

("Hyprop" or "the Company" or "the Group")