Q. ADDITIONAL INFORMATION (EXCLUDED FROM THE AUDITED FINANCIAL STATEMENTS)

Q1 EARNINGS RECONCILIATIONS

Q1.1 Reconciliation of net income before fair value adjustments to distributable earnings

	Group	
	June 2020 R'000	June 2019 R'000
Net income before fair value adjustments	**1 411 026**	**1 797 771**
Adjustments to calculate distributable income	(152 985)	104 897
Straight-line rental income accrual	(118 286)	87 887
Non-controlling interest	21 449	30 959
Taxation paid – Hyprop Mauritius	-	(427)
Net interest adjustments	(4 036)	134
Other fair value adjustments – Edcon	(45 172)	(12 705)
Gruppo non-remittable cash	(5 039)	-
Capital items for distribution purposes	(1 901)	(951)
Distributable earnings	**1 258 041**	**1 902 668**

Q1.2 Reconciliation of cash generated from operations to distributable earnings

	June 2020 R'000	June 2019 R'000
Cash generated from operations	1 733 439	2 149 932
Adjusted for:	(475 398)	(247 264)
(Decrease)/increase in receivables	121 652	49 433
Decrease/(increase) in payables	(46 641)	6 838
Bad debt provision and related balances	(77 682)	(47 052)
Depreciation	(45 860)	(42 209)
Share-based payment expense (net of forfeit credits)	(11 795)	(2 496)
Interest received	88 997	156 043
Interest paid	(637 392)	(617 198)
Dividend received	120 630	221 190
Other non-cash items	2 219	(406)
Non-controlling interest	21 449	30 959
Taxation expense - Mauritius	-	(427)
Sub-Saharan Africa	(9 074)	134
Capital items for distribution purposes	(1 901)	(951)
Capital items - other	-	(1 122)
Distributable earnings	**1 258 041**	**1 902 668**

Q2 NET ASSET VALUES

NAV	Net Asset Value (NAV) per share is calculated by dividing equity and reserves attributable to Hyprop shareholders (as reflected on the statement of financial position) by the number of ordinary shares in issue at the end of the year less treasury shares.
TNAV	Tangible Net Asset Value (TNAV) per share is calculated by dividing tangible net asset value (as calculated below) by the number of ordinary shares in issue at the end of the year less treasury shares.

The effect of outstanding/unvested shares awarded to employees under the share scheme is not material.

Q2.1 Calculation

The following table reflects the net asset and share data used in the NAV and TNAV per share calculations:

	Group		Company	
	June 2020 R'000	June 2019 R'000	June 2020 R'000	June 2019 R'000
Equity and reserves attributable to Hyprop shareholders (R000)	19 346 335	24 452 006	19 732 018	24 540 621
Adjusted for:				
Deferred taxation	95 198	87 561	95 198	87 561
Tangible Net Asset Value (R'000)	**19 441 533**	**24 539 567**	**19 827 217**	**24 628 182**
Number of ordinary shares in issue	255 894 516	255 894 516	255 894 516	255 894 516
Treasury shares	(1 649 191)	(611 519)	-	-
Net number of ordinary shares in issue	**254 245 325**	**255 282 997**	**255 894 516**	**255 894 516**
NAV per share (Rand) (1)	76.09	95.78	77.11	95.90
TNAV per share (Rand)	76.47	96.13	77.48	96.24

(1) The net asset value per share is calculated on the basis that the dividend payable for the six months ended 31 December 2019 of R 3.08 per share, is treated as a liability.

Q. ADDITIONAL INFORMATION (EXCLUDED FROM THE AUDITED FINANCIAL STATEMENTS) *continued*

Q3 FIVE-YEAR REVIEW

	Group				
	June 2020 R'000	June 2019 R'000	June 2018 R'000	June 2017 R'000	June 2016 R'000
Revenue	3 102 342	3 217 848	3 113 713	3 167 649	3 078 221
Rental and other lease income	2 261 122	2 567 150	2 244 650	3 128 062	2 976 420
Straight-line rental income accrual	118 286	(87 887)	(3 847)	39 587	101 801
Recoveries	722 934	738 585	872 910	-	-
Impairment of trade receivables	(77 682)	(47 052)	-	-	-
Property expenses	(1 139 721)	(1 132 002)	(1 049 892)	(1 073 877)	(993 861)
Net property income	**1 884 939**	**2 038 794**	**2 063 821**	**2 093 772**	**2 084 360**
Other operating income	20 871	30 828	-	-	-
Other operating expenses	(89 130)	(72 428)	(55 778)	(78 232)	(76 593)
Operating income	**1 816 680**	**1 997 194**	**2 008 043**	**2 015 540**	**2 007 767**
Net interest	(548 395)	(461 155)	(282 273)	(336 502)	(366 176)
Interest income	88 997	156 043	312 550	294 177	323 759
Interest expense	(637 392)	(617 198)	(594 823)	(630 679)	(689 935)
Net operating income	**1 268 285**	**1 536 039**	**1 725 770**	**1 679 038**	**1 641 591**
Guarantee fee income	22 111	40 542	46 671	36 931	-
Dividends received	120 630	221 190	182 778	146 350	-
Net income before fair value adjustments	**1 411 026**	**1 797 771**	**1 955 220**	**1 862 319**	**1 641 591**
Changes in fair value	(4 636 928)	(587 083)	767 052	973 270	1 227 151
Investment property	(4 668 419)	(337 238)	650 206	1 142 199	1 280 333
Financial guarantees	(16 665)	-	-	-	-
Other investments	(45 172)	(12 705)	-	-	-
Loans receivable at FVTPL	-	(105 809)	-	-	-
Financial asset	314 528	(85 229)	87 761	(163 855)	-
Derivative instruments	(221 200)	(46 102)	29 085	(5 074)	(53 182)
Profit on disposal of investment property	-	2 825	2 697	2 031	-
Loss on disposal of subsidiary	-	-	-	(2 557)	-
Impairment of loans receivables	(289 974)	(1 350 727)	(166 441)	(25 377)	-
Other impairments	-	(29 964)	(10 102)	10 102	(10 102)
Impairment of goodwill	-	-	-	(18 134)	-
Derecognition of financial guarantees	-	185 686	11 984	-	-
Net (loss)/income before equity-accounted investments	**(3 515 876)**	**18 508**	**2 560 410**	**2 801 654**	**2 858 640**
Share of (loss) from joint ventures	-	-	-	(50 380)	(41 007)
Share of income from associate	-	-	-	-	457
(Loss)/Profit before taxation	**(3 515 876)**	**18 508**	**2 560 410**	**2 751 274**	**2 818 090**
Taxation	(7 150)	93 028	(39 486)	(4 340)	(50 930)
(Loss)/Profit for the year	**(3 523 026)**	**111 536**	**2 520 924**	**2 746 934**	**2 767 160**
Total (loss)/profit for the year attributable to shareholders of the Company	(3 401 849)	164 922	2 529 467	2 767 652	2 750 847
Investment property at fair value [(1)]	24 665 964	28 636 718	30 849 201	29 825 333	28 822 197
Distributable income per share (cents)	493	745	757	695	620

[(1)] *Excludes investment property held-for-sale.*

Q4 FINANCIAL INFORMATION ON HYSTEAD

Q4.1 Statement of financial position

(Extracted from management accounts and included for information purposes only)

	Hystead Group	
	June 2020 R'000	December 2019 R'000
Non-current asstes	**15 782 048**	**12 770 970**
Investment property	15 703 889	12 710 535
Other non-current assets	78 159	60 436
Current assets	**662 652**	**722 625**
Receivables and other current assets	181 292	129 512
Cash and cash equivalents	481 360	593 112
Total assets	**16 444 700**	**13 493 595**
Non-current liabilities	**15 268 581**	**12 880 535**
Borrowings – in country	6 566 662	5 846 418
Borrowings – equity	7 808 821	6 318 251
Other non-current liabilities	893 098	715 866
Current liabilities	**1 312 323**	**769 442**
Borrowings – in country	975 982	185 870
Other current liabilities	336 341	583 572
Total liabilities	**16 580 904**	**13 649 977**
Net assets	**(136 204)**	**(156 382)**

Converted to Rand at year-end spot rate R19.45/EUR (2019: R15.74).

Q4.2 Operating/distributable income

(Extracted from management accounts and included for information purposes only)

	Hystead Group	
	June 2020 R'000	December 2019 R'000
Revenue	1 339 716	1 460 791
Operating profit	888 979	917 624
Finance costs	(444 356)	(383 917)
Loss from derivatives	(21 822)	(21 446)
Net income before taxation	**422 801**	**512 261**
Taxation	(148 999)	(150 661)
Net income after taxation	**273 802**	**361 600**
Dividends declared	202 598	368 510
Dividend included in Hyprop's income	120 630	230 386

Converted to Rand at year-end spot rate R17.32/EUR (2019: R16.31).