

SUMMARISED CONSOLIDATED AUDITED RESULTS

for the YEAR ended 30 JUNE 2023
and GUIDANCE for the year ending 30 June 2024



Growth in distributable income

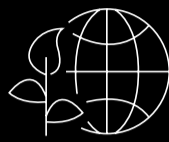
- 24% increase in distributable income to **R1.451 billion**
- 18% increase in distributable income per share to **405.2 cents**



Portfolios continue to deliver high quality operational performances

Continued improvement in trading metrics across our South African ("SA") and Eastern European ("EE") portfolios provide positive endorsement of our repositioning and active asset management initiatives.

- **Tenant turnover increased** by 12.8% and 15.9% in SA and EE, respectively
- **Retail vacancies maintained at very low levels** of 1.2% in SA and 0.3% in EE
- **Trading densities grew** by 11.8% in SA and 16.9% in EE
- SA portfolio's foot count up 5.2%, while EE experienced an impressive 14.3% increase



ESG initiatives on track

- MSCI upgraded Hyprop's **ESG rating to 'AA' from 'A'**, recognising our improved corporate governance practices and green building initiatives
- **The second phase of the Gauteng solar PV project was completed** at Woodlands Boulevard and Rosebank Mall
- We **saved 39 078 kl of water** following the installation of Propelair toilets
- **Implementation of our zero-waste strategy reduced average organic waste** diverted from landfills from **65 tons/month to 60.25 tons/month**
- The Hyprop Foundation together with our centres contributed a total of R5.4 million towards its various initiatives



Strong balance sheet and liquidity

- **R500 million new capital raised** through the FY2022 DRIP
- **€36 million (R730 million) reduction in Euro borrowings** in line with debt amortisation/reduction strategy
- **Strong liquidity position with R1.2 billion of cash and R2.3 billion** of available bank facilities, before the 2023 dividend payment
- **LTV ratio decreased** to 36.3% in June 2023
- **Refinanced over R5 billion of borrowings in FY2023**, and R2 billion post year end at lower margins than previously achieved

	Audited June 2023	Audited June 2022
Net operating income (R'000)	1 229 170	1 121 371
Headline earnings per share (cents)	393.9	442.1
Basic earnings per share (cents)	431.9	406.7
Distributable income per share (cents)	405.2	342.50
Dividend per share (cents)	299.29970	293.64090
Net asset value per share (Rands)	63.39	60.88

Dividend policy

Our dividend policy is based on our key objectives of maintaining and repositioning our portfolios, maintaining a healthy balance sheet, and reducing the LTV ratio, while meeting shareholder expectations and the minimum distribution requirements for REITs. As a result of changes in the composition of the Group's distributable income since FY2022 and feedback received from shareholders, the dividend policy previously communicated has been refined as follows:

- payment of an interim dividend equivalent to 90% of the distributable income from the South African portfolio, commencing for the interim period ending 31 December 2023; and
- payment of a final dividend on finalisation of the Group's annual audited results, such that the total distribution for the financial year is equivalent to 75% of the Group's distributable income from the SA and EE portfolios.

The balance of the distributable income will be retained to manage borrowings and fund capital expenditure in the normal course.

A dividend of 299.3 cents per share (R1.07 billion in aggregate) will be paid to shareholders for the year ended 30 June 2023. Subject to obtaining the necessary regulatory approvals, shareholders will be entitled to elect to reinvest the net cash dividend in return for additional Hyprop shares through a dividend reinvestment alternative ("FY2023 DRIP"), limited to a maximum aggregate reinvestment amount of R500 million.

Amounts raised from the FY2023 DRIP will be used to fund capital expenditure beyond the Group's normal requirements, primarily to ensure energy security for the SA portfolio, and new opportunities being pursued by the Group, with the Company meeting the minimum distribution requirements applicable to REITs.

A detailed announcement relating to the dividend and the FY2023 DRIP, including salient dates, any discount to the market price at which shareholders will be entitled to subscribe for additional Hyprop

shares and the tax treatment of the dividend and the FY2023 DRIP, will be released separately once the relevant regulatory approvals have been obtained. The board of directors of Hyprop may, in its discretion, withdraw or amend the FY2023 DRIP should market conditions warrant such action. Any such withdrawal will be communicated to shareholders prior to the release of the FY2023 DRIP finalisation announcement on SENS.

Outlook and prospects

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, maintaining a strong balance sheet and reducing debt, and allocating capital prudently to diversify risk.

We are pursuing the following six strategic initiatives:

1. Driving the implementation of sustainable solutions to reduce the impact of loadshedding and its consequent effects in SA
2. Repositioning the SA and the EE portfolios to retain and grow market share
3. Reviewing the portfolios annually to evaluate the case for recycling of assets, increase our exposure to favourable geographies and consider new growth opportunities
4. Protecting value in the SSA portfolio pending an exit
5. Ensuring our balance sheet is robust
6. Developing non-tangible assets aligned to our tangible assets and/or the property sector.

Despite the difficult global economic environment, and unique challenges in each of the regions in which we operate, we are cautiously optimistic that the peak of inflation and interest rates will soon be reached. The Group's financial performance will however be negatively impacted in the short term by

higher interest costs as borrowings are refinanced, and interest rate hedges mature and are replaced at the prevailing high interest rates. Navigating South Africa's energy supply challenges has come at great cost to the Group and our tenants, with no imminent solution in sight.

In the light of the above, Hyprop expects a reduction in distributable income per share for the year ending 30 June 2024 of approximately 10% to 15% mainly due to higher interest costs and based on the following key assumptions:

- Forecast investment property income is based on contractual rental escalations and market-related renewals;
- Appropriate allowances for vacancies and rent reversions have been incorporated into the forecast;
- Maturing borrowings are refinanced at prevailing interest rates and margins;
- No further deterioration in the SA economy or loadshedding;
- No major economic, socio-political or other regional/global disruptions occur;
- No major corporate and tenant failures occur;
- No corporate transactions occur, other than the disposal of Ikeja City Mall by 30 June 2024;
- Exchange rates (which have not been hedged) are in line with those at 30 June 2023; and
- The FY2023 DRIP is supported by shareholders and R500 million of new capital is raised.

Shareholders should note that the guidance above is subject to change, certain assumptions may not materialise, plans may change, and unanticipated events and circumstances may affect the Group strategy or the actions it takes.

The guidance has not been reviewed or reported on by the Company's auditors.

KPMG Inc. has audited the Company and Group financial statements. Their unqualified audit report is available from the registered office of the Company or on the Company's website.

20 September 2023

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in Hyprop's consolidated audited annual financial statements for the year ended 30 June 2023 ("the full announcement") and does not include full or complete details.

The full announcement has been released on SENS and is available on

the JSE website at <https://senspdf.jse.co.za/documents/2023/jse/isse/HYPE/FY2023.pdf> and on the Company website at <https://www.hyprop.co.za/results/annuals-2023/pdf/financial-statements.pdf>.

Copies of the full announcement may also be requested by emailing Boitumelo Nkambule at boitumelo@hyprop.co.za

or at the Company's registered office. Any investment decision should be based on the full announcement published on the Company's website.

Hyprop's summarised consolidated audited results for the year ended 30 June 2023, which includes directors' commentary, have been published on the Company's website at <https://www.hyprop.co.za/results/annuals-2023/pdf/booklet.pdf>

Corporate information

Directors S Noussis (Chairman)*, MC Wilken (CEO), BC Till (CFO), AW Nauta (CIO), AA Dallamore*, L Dotwana*, KM Ellering*, RJD Inskip*, Z Jasper*, TV Mokgatla*, BS Mzobe*

*Executive | *Non-executive | *Independent

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