

## Hyprop exceeds guidance, delivers on strategic priorities and set for future growth

### Headlines

#### Distributable income outperforms guidance

- Strong operational performance by the South Africa ("SA") and Eastern Europe ("EE") portfolios positively impacted the distributable income per share, ahead of the previous guidance
- Distributable income of R1.41 billion in FY2024 and 370.4 cents per share
- Final dividend of 280 cents per share declared for FY2024 in line with the dividend policy

#### Step closer to Sub-Saharan Africa ("SSA") exit

Binding sale agreements signed in August 2024 for the entire SSA portfolio, with limited number of CPs outstanding

#### Balance sheet strength supported by strong liquidity position

- LTV ratio stable at 36.4% in June 2024 despite the debt funded acquisition of Table Bay Mall
- Strong liquidity position with R803 million of cash and R2 billion of available bank facilities
- €30 million (R600 million) reduction in euro borrowings in line with debt amortisation/reduction strategy
- R500 million new capital raised through the FY2023 DRIP
- Contraction of borrowing margins on new and refinanced facilities
- 80% of the Group interest rate exposure is hedged

#### Repositioning strategy paying off

##### SA portfolio

- Overall reversion rate significantly improved to 5.8%
- Tenants' turnover grew by 5.1%
- Trading density and foot count continued to improve
- Low retail vacancy at 1.8%

##### EE portfolio

- Tenants' turnover increased by 10%
- Trading density grew by 8.9%
- Retail vacancies improved to an impressive 0.1%

#### ESG initiatives on track

- 33% reduction in electricity purchased from councils/Eskom and 12% reduction in water consumption since June 2019
- The Hyprop Foundation and other CSI initiatives contributed a total of R4.7 million towards various projects and initiatives

	Audited June 2024	Audited June 2023	% change
Net operating income (R'000)	1 304 590	1 229 170	6.1%
Headline earnings per share (cents)	299.5	393.9	(24.0%)
Basic earnings per share (cents)	274.3	431.9	(36.5%)
Distributable income per share (cents)	370.4	405.2	(8.6%)
Dividend per share (cents)	280.00000	299.29970	(6.4%)
Net asset value per share (Rands)	60.32	63.39	(4.8%)

#### Dividend policy

Our dividend policy as previously communicated remains unchanged:

- payment of an interim dividend equivalent to 90% of the distributable income from the SA portfolio; and
- payment of a final dividend on finalisation of the Group's annual audited results, so that the total distribution for the financial year (including the interim dividend) 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.

The interim dividend for FY2024 was held over due to risks identified at the time of publishing our interim results. Several of these risks have been mitigated/reduced, or will be reduced through the sale of the SSA portfolio to Lango. The Board has therefore resolved to declare the full dividend of 280 cents per share (R1.065 billion in aggregate) for the year ended 30 June 2024, in line with the dividend policy.

#### Dividend declaration and settlement

The Board has approved and notice is hereby given of a final dividend of 280.00000 cents per share for the year ended 30 June 2024.

The dividend is payable to Hyprop shareholders in accordance with the timetable set out below:

Last date to trade cum dividend \_\_\_\_\_ Tuesday, 8 October 2024  
Shares trade ex dividend \_\_\_\_\_ Wednesday, 9 October 2024  
Record date \_\_\_\_\_ Friday, 11 October 2024  
Payment date \_\_\_\_\_ Monday, 14 October 2024

The above dates and times are subject to change. Any changes will be released on SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 October 2024 and Friday, 11 October 2024, both days inclusive.

In respect of dematerialised shareholders, the dividend will be transferred to the Central Securities Depository Participant ("CSDP") accounts/broker accounts on Monday, 14 October 2024. Certificated shareholders' dividend payments will be posted on or about Monday, 14 October 2024.

Ordinary shares of no par value in issue at 30 June 2024: \_\_\_\_\_ 380 399 133  
Income tax reference number of Hyprop Investments Limited: \_\_\_\_\_ 94205177715

Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividends on the shares will be taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

#### Tax implications for SA resident shareholders

Dividends received by or accrued to SA tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax (dividend tax) in the hands of SA resident shareholders, provided that the SA resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares, a DTD(EX) form (dividend tax: declaration and undertaking to be made by the beneficial owner of a share) to prove their status as SA residents. If resident shareholders have not submitted the above-mentioned documentation to confirm their status as SA residents, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted before the dividend payment.

#### Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends, which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between SA and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 224 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of the DTA;
- A written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed

by the Commissioner of the South African Revenue Service.

If applicable, non-resident shareholders are advised to contact the CSDP, broker or the company to arrange for the abovementioned documents to be submitted before the dividend payment, if such documents have not already been submitted.

#### Outlook and prospects

The Group's performance demonstrates its resilience, despite the macroeconomic challenges it has faced, including high unemployment and constrained disposable income in South Africa, as well as persistently high interest rates, globally.

In South Africa, the sentiment has improved with the newly constituted Government of National Unity ("GNU"). The more stable electricity supply has also had a positive impact on business confidence, retailers and consumers.

On a global level, markets are expecting interest rate cuts in the US to commence by the fourth quarter of the 2024 calendar year. This should encourage the South African Reserve Bank to cut rates and provide some relief to consumers.

Hyprop's strategy is unchanged, and we will continue pursuing the following six strategic initiatives:

- Driving the implementation of sustainable solutions to reduce the impact of the infrastructure challenges we face in South Africa
- Repositioning the SA and EE portfolios to maintain their dominance and retain and grow market share
- Reviewing the portfolios annually to evaluate the case for recycling of assets and to consider new growth opportunities
- Remain focused on exiting SSA and executing the binding sale agreement
- Ensuring our balance sheet is robust
- Developing non-tangible assets aligned to our tangible assets and/or the property sector.

Capital will continue to be allocated in accordance with the Group's capital expenditure framework which prioritises projects to ensure the sustainability of our centres, projects in favoured jurisdictions (the Western Cape in SA and Eastern Europe) and yield enhancing projects (solar plants, tenant installation allowances and redevelopment projects).

Discernible green shoots in the global and domestic economies, combined with Hyprop's sustainable business model, strong balance sheet and prudent capital management, continuous investment in human capital, and environmental initiatives, should position the Group to deliver further growth and value for all our stakeholders over the long term.

The Group's outlook is positive, despite the difficult global economic environment and unique challenges in each of the regions in which we operate. We are optimistic that the peak of inflation and interest rates is near, however the Group's financial performance will still be negatively impacted in the short term by high interest costs.

In the light of the above, Hyprop expects an increase in distributable income per share for the year ending 30 June 2025 of approximately 4% to 7% 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;
- Interest costs are expected to remain elevated until the last quarter of 2024 and as the historic interest rate hedges mature;
- 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 will occur;
- No corporate transactions occur, other than the disposal of the SSA portfolio before 31 December 2024;
- Exchange rates (which have not been hedged) remain in line with those for FY2024 and no material foreign exchange losses are incurred.

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.

**17 September 2024**

This announcement is the responsibility of the directors and is only a summary of the information contained in the audited consolidated annual financial statements for the year ended 30 June 2024 ("2024 AFS") and does not include full or complete details. Any investment decisions by investors and/or shareholders should be based on the 2024 AFS. The 2024 AFS including the audit opinion of the external auditor, KPMG Inc, which sets out the key audit matters and the basis for its unmodified opinion, are available on the JSE website at <https://senspdf.jse.co.za/documents/2024/jse/isse/HYPE/FY2024.pdf> and on the Company website at <https://www.hyprop.co.za/results/annuals-2024/pdf/financial-statements.pdf>.

Copies of the 2024 AFS may also be requested by emailing Boitumelo Nkambule at [boitumelo@hyprop.co.za](mailto:boitumelo@hyprop.co.za) or the Company's registered office.

Hyprop's summarised consolidated audited results for the year ended 30 June 2024 which includes directors' commentary have been published on the Company's website at <https://www.hyprop.co.za/results/annuals-2024/pdf/booklet.pdf>

#### Corporate information

**Directors** S Noussis (Chairman)<sup>†</sup>, MC Wilken (CEO)<sup>§</sup>, BC Till (CFO)<sup>§</sup>, AW Nauta (CIO)<sup>§</sup>, AA Dallamore<sup>†</sup>, L Dotwana<sup>†</sup>, KM Ellering<sup>\*</sup>, RJD Inskip<sup>†</sup>, MRI Isaacs<sup>†</sup>, Z Jasper<sup>†</sup>, TV Mokgatla<sup>†</sup>, BS Mzobe<sup>†</sup>

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