HYPROP
INVESTMENTS LIMITED

SUMMARISED CONSOLIDATED AUDITED RESULTS
for the year ended 30 June 2020

Headlines

Distributable income excluding the direct impact of Covid-19, of 664 cents per share, in line with **guidance provided** in September 2019

Covid-19
direct impact reduced distributable income by R434 million, to **493 cents per share**

Balance sheet remains healthy despite a reduction of R4.0 billion (13.9%) in the value of the property portfolio

all banking covenants met at 30 June 2020

Steps taken to strengthen the balance sheet

US dollar denominated **debt reduced by $271 million**

Cash of **R1.2 billion retained** to repay debt

Good progress made on the **repositioning of the SA Portfolio**

Relet 15 640m² of the **Edcon** exposure and agreed terms with the new owners of the CNA, Edgars and Jet stores (48 369m²)

Three new Checkers FreshX stores secured

Solar projects **completed** at Woodlands, The Glen and Atterbury Value Mart

Hystead **acquired the remaining 10%** interest in City Center One East and City Center One West in Zagreb, Croatia

Positive progress made in exiting the **sub-Saharan Africa investments**

Achimota and Manda Hill **malls sold**

Key terms agreed for the **sale of Ikeja City Mall**

Commentary

HYPROP PROFILE

Hyprop is a retail-focused REIT listed on the JSE with interests in a R48.5 billion portfolio of shopping centres in South Africa, Eastern Europe and sub-Saharan Africa.

The Company's focus is on creating environments and opportunities for people to connect and have authentic and meaningful experiences. It does so by owning and managing dominant retail centres in mixed-used precincts, in key economic nodes in South Africa and Eastern Europe.

INTRODUCTION

The 2020 financial year has been the most difficult in Hyprop's 32 year history, yet there is a lot to be positive about.

Despite the moribund South African economy, progress was made in the first half of the financial year towards achieving the Group's strategic objectives, which include growing trading densities by repositioning the South African portfolio and introducing capital light revenue streams.

The Hystead assets are held in economies that exhibit better economic metrics than South Africa and significant progress was made in increasing the dominance of the centres in the Eastern European portfolio.

The disposal of the sub-Saharan Africa investments has progressed significantly, albeit in a difficult transacting environment.

Notwithstanding the challenges presented by Covid-19, the Group's focus remains to implement the revised strategy and good progress was made on certain key priorities. Key terms have been agreed for the disposal of Ikeja City Mall in Nigeria and we have reduced the Group's US dollar denominated debt by over \$271 million. Exposure to Edcon was reduced by 15 640m^2 through relettings and terms have been agreed with the new owners of the Edgars, CNA and Jet stores. Three new Checkers FreshX stores were secured as anchor tenants in the SA portfolio. Three of the six solar projects were completed in Gauteng and Canal Walk secured a 5-star Green rating. Projects aimed at increasing the dominance of our European malls continued during the lock down periods and the reaction from shoppers since the malls re-opened has been positive. The first SOKO District, which is part of the Group's non-tangible asset strategy, is scheduled to open in the Rosebank Mall in the first quarter of 2021.

Effects of the Covid-19 pandemic became meaningful from March 2020 and are likely to continue for some time. The lock downs imposed by governments severely impacted economies and businesses, and global financial markets reacted with unprecedented volatility due to the uncertainty over the financial and social impacts of the pandemic.

Hyprop established Covid-19 task teams for each of our South African, Eastern European and sub- Saharan Africa operations. These teams monitored and managed the risks and challenges presented by Covid-19, and ensured the implementation of the relevant guidelines, protocols and preventative measures recommended by the World Health Organisation, local health authorities and governments. The health and safety of our staff, tenants and customers is a priority and we have, and continue to, partner with our tenants and other stakeholders to find solutions that will enable all of us to emerge from Covid-19 with our businesses intact. We commend our front-line staff who ensured that our malls remained open for those tenants that could trade throughout the lock down periods.

The impact of Covid-19 on the South African economy, and the retail sector in particular, has been severe, with both having endured several years of poor growth prior to Covid-19. The relatively stronger Eastern

European economies, where the Group's operations are located, were also not spared and, in addition to the impact of Covid-19, the West African economies of Ghana and Nigeria, were negatively impacted by the decline in the oil price.

As the Covid-19 stringent lock downs are relaxed, we are seeing an increase in foot counts at our malls, and more activity and enquiries from potential new tenants. After months of lock down, we are reaffirming that we are social beings who like to interact and experience life, justifying our strategy of creating environments and opportunities for people to connect and have authentic and meaningful experiences.

FINANCIAL RESULTS

The financial performance of our portfolios was adversely impacted by Covid-19, and the consequent lock downs, as we assisted tenants by granting discounts on contractual rentals, or earned little or no rental income, especially in Eastern Europe, where rentals are linked to tenant turnovers. Certain tenants will require ongoing support and we will endeavour to strike the right balance between maintaining occupancy levels and accepting negative reversions.

In addition, property valuations suffered a decline.

Distributable income	Audited year ended 30 June 2020				Audited year ended 30 June 2019			
	South Africa	Eastern Europe	Sub-Saharan Africa	Group	South Africa	Eastern Europe	Sub-Saharan Africa	Group
Net income before fair value adjustments	**1 362 612**	**142 956**	**(94 542)**	**1 411 026**	**1 627 268**	**266 016**	**(95 513)**	**1 797 771**
Adjustments to calculate distributable income	**(175 049)**	**-**	**22 064**	**(152 985)**	**67 743**	**-**	**37 154**	**104 897**
Straight-line rental income accrual	(125 927)	-	7 641	(118 286)	81 399	-	6 488	87 887
Non-controlling interest	-	-	21 449	21 449	-	-	30 959	30 959
Taxation paid	-	-	-	-	-	-	(427)	(427)
Net interest adjustments	-	-	(4 036)	(4 036)	-	-	134	134
Other fair value adjustments - Edcon	(45 172)	-	-	(45 172)	(12 705)	-	-	(12 705)
Capital items for distribution purposes	(3 950)	-	2 049	(1 901)	(951)	-	-	(951)
Gruppo non-remittable income	-	-	(5 039)	(5 039)	-	-	-	-
Distributable income	**1 187 563**	**142 956**	**(72 478)**	**1 258 041**	**1 695 011**	**266 016**	**(58 359)**	**1 902 668**
Weighted average number of shares for calculating distributable income per share				254 985 466				255 429 272
Distributable income per share	**465.9**	**56.0**	**(28.5)**	**493.4**	**663.6**	**104.1**	**(22.9)**	**744.9**
Percentage change	(29.8%)	(46.2%)		(33.8%)				

Distributable income for the year was R1 258 million, 34% down from R1 903 million for the year ended 30 June 2019. The decrease reflects:

- The direct impact of Covid-19 of R434 million, which includes discounts on contractual rentals in South Africa (R242 million) and Nigeria (R17 million), reduced parking and other income of R25 million in South Africa and no dividend and management fee income from Hystead in the second half of the financial year (anticipated R150 million);
- Rent reversions in the South African portfolio,
- The full year impact of the discount granted to Edcon (R45m) as part of its restructuring in March 2019, and
- The additional interest costs incurred (R130m) as a result of refinancing dollar-denominated debt in Rands at the end of the 2019 financial year.

Distributable income per share for the full year was 493.4 cents (2019: 744.9 cents). The Board of directors has deferred the decision on the settlement of the interim dividend and the declaration of the final dividend until later in the calendar year.

Property valuations

The uncertainty and volatility in financial markets as a result of Covid-19, coupled with the weak South African economy, has put property valuations under pressure. The valuation of the South African investment property portfolio decreased from R28.6 billion at 30 June 2019 to R24.7 billion at 30 June 2020, resulting from increases in capitalisation and discount rates, and reduced forecast net property income, exacerbated by the impact of Covid-19. Similarly, the valuation of Ikeja City Mall reduced from $141 million to $115 million at 30 June 2020.

The Eastern European properties were maintained at the 31 December 2019 external valuations in line with the Group policy of carrying investment properties at external valuation amounts. The Rand value of these properties increased by R2.8 billion, as a result of the depreciation of the Rand against the Euro over the course of the financial year. Given the manner in which the Hystead investment is accounted for, the fair value of the properties is not reflected on the balance sheet, however, the Hystead financial asset was revalued to reflect, inter alia, the acquisition of the additional 10% of the Croatian properties and applicable exchange rate fluctuations.

Notwithstanding the decrease in property valuations and the increase in the value of borrowings (specifically the Euro denominated borrowings guaranteed by Hyprop that were affected by the weaker Rand), all banking covenants were met at 30 June 2020. Steps to be taken to withhold Hystead dividends, to preserve cash on South African distributions and to apply the proceeds from asset disposals to reduce debt, will further strengthen the balance sheet.

SOUTH AFRICAN (“SA”) PORTFOLIO

The portfolio in South Africa includes super-regional centre Canal Walk, large regional centres Clearwater, The Glen, Woodlands, CapeGate, Somerset and Rosebank Malls, regional centre Hyde Park Corner and value centre, Atterbury Value Mart. In addition, the Company has interests in office blocks attached to Canal Walk, Rosebank Mall and Hyde Park Corner, and owns standalone offices Cradock Heights and 17 Baker Street, which form part of the Rosebank precinct.

Financial performance

	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000
Revenue	2 890 219	3 003 847
Contractual revenue	3 132 644	3 003 847
Covid-19 discounts and relief	(242 425)	-
Expenses	(1 105 351)	(1 092 420)
Net property income	**1 784 868**	**1 911 427**
Other operating income	22 705	26 544
Other operating expenses	(87 933)	(71 513)
Net interest	(357 028)	(239 190)
Net operating income before fair value adjustments	**1 362 612**	**1 627 268**
Adjustments to calculate distributable income	(175 049)	67 743
Distributable income	**1 187 563**	**1 695 011**

Distributable income from the South African portfolio decreased by 30%. Revenue lost due to Covid-19 amounted to R267 million, comprising R242 million of rental discounts and deferrals granted between April and June 2020, and an estimated R25 million in lost parking, marketing and promotions income, during the same quarter. Turnover rental income was also negatively impacted.

Other contributors to the decrease in distributable income included the R45 million discount granted to Edcon for the 2020 financial year as part of Edcon's restructuring in March 2019, the impact of rent reversions due to the deteriorating economic conditions prior to Covid-19, and the increase in interest costs following the refinancing of $100 million of sub-Saharan Africa loans in June 2019 (R130 million).

Trading density for the South African retail portfolio to the end of February 2020 increased by 1% year on year. Unfortunately, as a result of the lock down restrictions imposed during March, April, May and June 2020, trading conditions for the majority of tenants were poor during this period. Key trading indicators for the South African malls from March to June 2020 are summarised below:

Trading statistics	Feb 2020[1]	Mar 2020	April 2020	May 2020	June 2020
% of GLA open	99%	97%	31%	79%	87%
Total foot count ('000)	7 885	6 117	2 120	4 552	5 103
% change in foot count year on year	+ 0.4%	(23.8%)	(70.7%)	(38.7%)	(33.4%)
Trading density (R/m²)	3 021	2 348	1 851	2 499	2 452
Cash collections (Rm)	313	235	126	152	225

[1] *Monthly average from July 2019 to February 2020*

Property and other operating expenses increased by 1% over the prior year, partly due to reduced utility and other costs during the lock down periods. The gross cost to income ratio increased from 35.4% to 36.8% and 40,0%, before and after the impact of Covid-19, respectively, mainly as a result of the reduction in revenue. In light of the impact of Covid-19 and ongoing rent reversions, all costs are being reviewed, benchmarked and rebased to ensure that operations remain efficient. Executive and senior management salaries and bonuses have been frozen for the next year and the fees paid to non-executive directors will not be increased.

Cost-to-income ratio - South Africa	Year ended 30 June		
	2020 (After Covid-19) %	2020 (Before Covid-19) %	2019 %
Net basis	21.2	18.9	17.1
Gross basis	40.0	36.8	35.4
Gross cost-to-income ratio	**40.0**	**36.8**	**35.4**
Municipal costs	26.1	24.0	23.3
Bad debts and depreciation	2.8	2.6	2.0
Contractor service level agreements	4.6	4.2	3.9
Maintenance and management costs	6.5	6.0	6.2

Tenant arrears increased to R137m (2019: R32m), reflecting the difficulties tenants are facing. Reducing these arrears is a key priority for the new financial year.

Lettings and vacancies

The average level of rent reversions on the retail portfolio for the eight months ended February 2020 was negative 13.1% on 119 713m² of GLA. By comparison, rent reversions during the last quarter of the year were negative 14.5% on 20 687m² of GLA, an indication of the compounding impact that Covid-19 is having on tenants, and on Hyprop's revenue. On a positive note, annual rental escalations were maintained at 7.1% and the tenant retention ratio was 91%.

Notwithstanding the relaxation of lock down conditions post 30 June 2020, rental rates remain under pressure as tenants look to rebuild their businesses. We will continue to assist key tenants, where appropriate, to ensure we have functional malls and acceptable occupancy levels. Projects are underway to introduce new offerings and tenants in order to differentiate our malls and satisfy community demands in a fast changing retail and digital environment. These offerings include the introduction of storage facilities in deep store spaces and excess parking areas, and collection points for online retailers.

Retail vacancies increased from 0.8% at 30 June 2019 to 2.4% at 30 June 2020, a function of Covid-19 and tenants reassessing their business models and the amount of space they require.

	Total rentable area (m²)		Vacant		Vacancy %	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Retail	664 609	663 197	15 648	5 103	2.4%	0.8%
Office	45 956	43 429	6 111	4 638	13.3%	10.7%
Total	**710 565**	**706 626**	**21 759**	**9 741**	**3.1%**	**1.4%**

Despite the difficult economic environment, our malls remain popular among South Africa's leading retail groups and independent retailers.

A Checkers FreshX opened at the Glen in October 2019 and was a key contributor to the growth in trading density and foot count until February 2020. Construction of the new Checkers FreshX store at Rosebank Mall is progressing well and the store is anticipated to commence trading before the end of the 2020 calendar year. The Checkers board has approved a third Checkers FreshX store at Woodlands, with construction starting on 1 October 2020 and an anticipated opening in the first week of April 2021.

At 30 June 2019 the Edcon group occupied 59 701m^2 in the SA portfolio. This was successfully reduced through relettings to 50 791m^2 by February 2020. Subsequently, the Edcon business rescue practitioner has given notice of termination of leases covering 3 972m^2, with the remaining 48 369m^2 being taken over by the buyers of the CNA, Edgars and Jet brands, albeit at reduced rentals.

We successfully concluded a portfolio deal with Massmart and agreed new 7-year leases on the Game stores, combined with upgrades to the new Game concept store, and new 10-year leases and upgrades to the latest specification for the Builders Warehouse stores at Atterbury Value Mart and Woodlands. The space vacated by the closure of Dion Wired has been relet, at Somerset Mall to Toys R Us, Hyde Park Corner to PNA, and Canal Walk to a new look flagship store for PEP.

The Glen Shopping centre welcomed a number of new tenants including Torga Optical, Daily Café Coffee Shop, Estoril Books and the Repair Desk, while the Mr Price group renewed all their leases for a further five years.

Atterbury Value Mart continues to attract value and premium retailers with Kappa and Timberland becoming new tenants during the year.

Yokiko, a new South African stationery retailer, opened stores at Woodlands and Clearwater and international coffee chain Starbucks opened in Clearwater. Their first store in the Western Cape will open at Canal Walk at the end of November 2020.

At Hyde Park Corner, the former Standard Bank premises are being renovated for a new restaurant concept that will open at the end of 2020. Kamers Makers, which has taken over the former Edgars Cosmetics Gallery space on a four-month trial, had a successful first weekend of trading in September 2020.

Vacancies left by the Edcon brands at Clearwater Mall were filled by Volpes, Coricraft and Incredible Connection who relocated their stores, and Hi-Fi Corporation which will open in October 2020.

CapeGate celebrated its 15 year anniversary with renewals/relets on 74 leases covering 26 700m^2, including upgrades to the Mr Price Home, Sport and apparel stores and a latest specification Cotton-On. The first Ackermans Woman was opened.

Valuations

At 30 June 2020, the valuation of the South African investment property portfolio was R24.7 billion, a decrease of R4.0 billion (13.9%) from 30 June 2019. The decrease reflects, inter alia, the impact of rent reversions on net property income, and increases in the discount, capitalisation and exit capitalisation rates. The overall implied forward yield of the portfolio at 30 June 2020 was 7.6% (2019: 7.2%).

Property valuations

	Rentable area (m²)	Value attributable to Hyprop 30 June 2020 R'000	Value attributable to Hyprop 30 June 2019 R'000	Value per m² 30 June 2020 (R/m²)	Variance % change
Shopping centres	655 078	23 307 964	27 089 718	39 093	(14.0%)
Value centres	48 631	1 178 000	1 411 000	24 223	(16.5%)
Total retail	**703 709**	**24 485 964**	28 500 718	**38 065**	(14.1%)
Stand-alone offices	6 856	180 000	136 000	26 254	32.4%
Total investment property	**710 565**	**24 665 964**	28 636 718	**38 143**	(13.9%)
Building appurtenances		**(206 236)**	(162 288)		
Own use asset adjustment		**(12 897)**	-		
Centre management assets		**2 377**	1 808		
Investment property - statement of financial position		**24 449 208**	28 476 238		
Reversionary capitalisation rate range		6.8% - 9.0%	6.5% - 8.8%		
Weighted average reversionary capitalisation rate		7.4%	6.8%		
Implied effective forward yield		7.6%	7.2%		

Capital expenditure

Total capital expenditure for the year was R212 million, including R44 million for the acquisition of 17 Baker Street, Rosebank (an 8% initial yield). The office block was the last property required for Hyprop to control the corner between Bath and Baker streets, and is adjacent to the vacant site next to the Rosebank Mall. The combined sites will improve efficiency from a development perspective, provide more flexibility in terms of the building structure, and most importantly, provide access from Baker street.

Planned capital expenditure for 2020 was significantly curtailed in the last quarter of the year to preserve cashflow and only critical projects were advanced. R148 million of projects, including the solar projects at the Gauteng malls, generator installations/replacements at various malls, major tenant installation projects and the portfolio wide wi-fi project, have been rolled into the 2021 financial year. Critical capital expenditure projects for 2021 are estimated at R238 million and include replacing the ceiling and air-conditioning at Somerset Mall, tenant fit-outs linked to new leases with major retail groups, and unavoidable replacements of lifts, escalators and generators. Without detracting from the decision that only critical projects will be undertaken, we remain mindful of the need for planned maintenance, end-of-lifecycle replacement of assets and the general upkeep of our properties to ensure they remain fully operational and relevant to tenants and consumers.

INVESTMENTS IN EASTERN EUROPE ("EE")

Hyprop's EE investments, held via a 60% interest in UK-based Hystead Limited (Hystead), include interests in Delta City in Belgrade, Serbia; Delta City in Podgorica, Montenegro; Skopje City Mall in Skopje, North Macedonia; The Mall in Sofia, Bulgaria; and City Center One East and City Center One West, both in Zagreb, Croatia. Hystead acquired the remaining 10% interest in the Croatian assets in December 2019.

The key priority for the EE portfolio is to continue to increase the dominance of the malls through asset management initiatives, upgrading of facilities, securing new tenants, rightsizing existing tenants and extending the malls, where appropriate. Good progress was made prior to March 2020, after which the Balkan countries were placed under Covid-19 lock down. Easing of the lock downs commenced in March 2020 with the last of the malls reopening in mid May 2020.

The current arrangement with PDI Investment Holdings Limited ("PDI"), the 40% shareholder in Hystead, in terms of which Hyprop provides guarantees to Hystead in excess of its 60% interest in Hystead, ends in May 2021, with a 12 month long stop date to implement revised terms. An announcement will be made once negotiations regarding the future structure of the company have been completed.

Financial performance

Hystead's pleasing financial performance for the first half of the year was overshadowed by the impact of the lock downs imposed by the governments of the countries in which the malls are located. As a large proportion of the portfolio's rental income is tenant turnover based, despite continuing rentals from essential services tenants, income reduced by circa €11 million from March to June 2020. With the relaxation of lock down restrictions, tenants' turnovers and foot counts at the malls have recovered, albeit to levels below those of the previous year.

Key trading indicators for the Hystead portfolio are summarised below:

Trading statistics	Feb 2020[1]	March 2020	April 2020	May 2020	June 2020
% of GLA open	98%	57%	13%	61%	92%
Total foot count ('000)	3 716	1 785	433	1 679	2 778
% change in foot count year on year	(0.5%)	(50%)	(88%)	(54%)	(35%)
Trading density (€/m^2)	271	121	169	145	234
Cash collections (€m)	9 283	6 265	2 093	2 587	5 645

[1] *Monthly average from July 2019 to February 2020*

No dividends were declared by Hystead during the second half of the year with cash retained to ensure that operating and borrowing commitments would be met during the Covid-19 lock downs and the recovery period. The guarantee fee paid by PDI to Hyprop (as a result of Hyprop having guaranteed more than its pro-rata share of Hystead's equity debt) is based on the dividends declared by Hystead and reduced accordingly. The dividend and guarantee fee income for the year was R143 million, comprising the dividends and guarantee fees to 31 December 2019. The payment of management fees to Hyprop and PDI by Hystead was suspended in the last quarter of the year.

Financial performance	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000	Year ended 30 June 2020 €'000	Year ended 30 June 2019 €'000
Dividend income	120 630	221 190	7 020	13 080
Guarantee fees	22 111	40 542	1 287	2 397
Foreign exchange gains	215	4 284	-	-
Distributable income	**142 956**	**266 016**	**8 307**	**15 477**
Average exchange rate realised	**17.18**	**16.91**		

Consideration is being given to withholding Hystead dividends until after December 2021 and using the available cash to reduce the Euro denominated equity debt. This will have a positive impact on Hyprop's overall LTV ratio and reduce the currency exposure arising from the use of Rand assets to guarantee Euro borrowings. A decision to retain Hystead dividends will require the agreement of both Hystead shareholders and negotiations in that regard are in progress.

The financial asset which represents Hyprop's investment in Hystead, increased from R218 million at 30 June 2019, to R533 million at 30 June 2020, as a result of the acquisition by Hystead of the additional 10% interest in the Croatian assets in December 2019, and the weakening of the Rand against the Euro.

Investment property

Hystead's invesment property portfolio is independently valued at 31 December each year for purposes of Hystead's financial year end. The property valuations at 30 June 2020 reflect Hystead's directors' valuations, and based on market feedback from the independent valuers, have been retained at the 31 December 2019 valuations.

Investment property valuations

	Year ended 30 June	
	2020 '000	**2019 '000**
Investment property - independent value December 2019 / June 2019 (100%)	**€804 000**	€795 732
Hyprop attributable share[1]	**€482 400**	€458 539
Hyprop attributable share[1]	**R9 381 378**	R7 386 292
Rentable area m²	**247 002**	241 326
Value per m²	**€3 255**	**€3 297**
Cap rate range	**7.0% - 9.3%**	7.0% - 9.3%
Weighted average cap rate	**7.6%**	7.6%
Implied effective forward yield	**7.8%**	8.0%

[1] Based on Hyprop's 60% effective interest in Hystead. (June 2019: Based on Hyprop's 60% effective interest in Hystead, other than Hystead's Croatian assets in which Hyprop had a 54% effective interest due to the 10% minority shareholder in Croatia).

Lettings and Vacancies

The vacancy level in Hystead's malls at 30 June 2020 was 0,9%. New lettings were secured on 12,129 m² of GLA at an average rental increase of 16.5%, and leases over 21,580 m² were renewed at an average rental increase of 1.1%, resulting in a weighted average overall rental increase of 6.1%. Contractual escalations were 1.4%.

City Center One West in Zagreb concluded a deal with Peek and Cloppenburg which invested €1,5 million to convert 475m² of office & storage space to retail space, expanding the store to 3 390m². Massimo Dutti rented an additional 81m² to enlarge their store and Drogerie Markt (DM) completed a refurbishment in March 2020.

City Center One East in Zagreb relocated Sancta Domenica (a successful electronics store) to double their footprint to 475m². Varteks also doubled their footprint to 242m² and Guess opened their first store in the mall.

The following new stores were opened in Delta City Belgrade - Skechers, Yves Rocher, Waycon and Roberto Baressi. Fashion & Friends relocated to their latest concept store of 550m² in May 2020, doubling their turnover in June 2020. Cineplexx, La Coste, Jasmin and Adidas all refurbished their stores to their latest concepts.

The Mall in Sofia welcomed KIK, a leading German discount retailer and a new entry to Bulgaria. Arena Cinema partially upgraded its cinema (including state of the art recliner chairs) and refurbished the common and concession areas. Raffy Bar and Gelato, one of the top restaurant brands in the market, will open in the food court following completion of the food court refurbishment in 2020. Peek and Cloppenburg enlarged their sales area to include brands such as Joop! and Hugo Boss in a new men's section. Madame Coco, which received an award for the best expansion in Europe (Mapic 2019), will open their full concept store in September.

The two year refurbishment of Skopje City Mall continued throughout the lock down period. At a total cost of €6.2 million, the project included the acquisition of an adjacent portion of land (completed in December 2019) on which an outside play area will be created. Public areas, restrooms and corridors are being upgraded and the traffic flow will be improved by adding an additional escalator, creating an additional entrance on the ground floor and introducing rotating doors at the entrances. Positive feedback on the improvements was received from shoppers and tenants as the mall reopened post lock down. Rightsizing of various tenants and the introduction of new brands is almost complete. Koton and Neptune Electronics opened their first flagship store in the center, and international mono brands including Guess, Tommy Hilfiger, Ted Baker and Asics opened their latest design concepts for the first time in the Macedonian market. Literatura MK, an ultra-modern bookstore concept, opened on 500m^2 including a café and terrace. SETEC electronics opened their first Premium IT store in Macedonia. The final stages of the mall's refurbishment will be completed in 2021, and will include upgrades to the food court and interior design, and new Hugo Boss, Max&Co, Polleo and Reserved stores.

Delta City Podgorica renewed all expiring leases for a further 3 to 5 years and new stores were opened by Replay, Diamond Store and Avangardia. Paid parking and a new Skidata parking system were introduced in September 2019, with 60% of the capital cost already recovered through parking income.

Inditex recently announced its plans to close certain stores and increase its focus on online trading. Seven of Hystead's 32 Inditex stores, which include the smaller brands Oysho, Pull and Bear, Stradivarius and Bershka, are earmarked for potential closure in Delta City Podgorica, Delta City Belgrade and The Mall in Sofia. The leading Zara and Massimo Dutti stores will remain open at these malls. We have identified several potential replacement tenants and are in discussions with Defacto, Sportisimo, Nike, Terranova, Pandora, Tiffany, Cropp and House (part of the LPP Group).

INVESTMENTS IN SUB-SAHARAN AFRICA (EXCLUDING SA) ("S-SA")

At 30 June 2020 the S-SA portfolio included a 75% interest in Ikeja City Mall in Lagos, Nigeria, and interests in Accra Mall and West Hills Mall in Accra, Ghana, and Kumasi City Mall in Kumasi, Ghana, held via the Group's 50% interest in AttAfrica.

Hyprop is committed to disposing of its S-SA interests in an orderly manner and the S-SA interests continue to be classified as "Held-for-sale" on the statement of financial position.

The outstanding proceeds from the sale of Manda Hill, concluded in the 2019 financial year, were received during the year and used to settle USD denominated debt.

Subsequent to 30 June 2020, key terms have been agreed for the disposal of Ikeja City Mall based on a valuation of $115 million. The purchasers have concluded their due diligence, however, the sale remains subject to regulatory approvals and the purchasers raising the necessary finance to settle 70% of the purchase price. Appropriate security will be registered for the remaining 30% of the purchase price. The outstanding balance will accrue interest at 8% per annum, payable quarterly, until settled. Net proceeds from the disposal will be applied to reduce the Group's remaining US Dollar-denominated debt of $18 million and thereafter Rand Debt. The investment in Ikeja City Mall has been valued based on the anticipated sale proceeds.

Steps have been taken to preserve and enhance the value of the S-SA interests until the remaining disposals can be concluded. An agreement was reached between the AttAfrica shareholders for Attacq Limited ("Attacq") and Hyprop to acquire the other AttAfrica shareholders' interests in AttAfrica, effective 1 January 2020. Hyprop and Attacq now each hold 50% of the ordinary shares in AttAfrica, and have joint control of AttAfrica in terms of a new shareholder agreement. The shareholding structure and loans to AttAfrica have since been simplified and restructured in the context of the performance of the underlying AttAfrica investments. AttAfrica continues to be equity accounted by Hyprop.

The AttAfrica asset management function was internalised in AttAfrica. In addition, an Africa Exco team was established and key operational changes were made to the management of the Ghanaian portfolio. There is a strong focus on growing revenue streams, recovering outstanding debts and controlling costs. These actions should stabilise the performance of the malls.

The in-country debt at Kumasi City Mall and West Hills Mall has been reduced and is in process of being refinanced on a porfolio basis to lower the cost of borrowings.

Financial performance

	Audited Year ended 30 June	
	2020 R'000	**2019 R'000**
Revenue	212 123	214 001
Contractual revenue	234 812	214 001
Covid-19 discounts and relief	(22 689)	-
Expenses	(112 052)	(86 634)
Net property income	**100 071**	**127 367**
Other operating income	(2 049)	-
Other operating expenses	(1 197)	(915)
Net interest paid	(191 367)	(221 965)
Net operating loss before fair value adjustments	**(94 542)**	**(95 513)**
Adjustments to calculate distributable income	22 064	37 154
Distributable income	**(72 478)**	**(58 359)**

Net property income from Ikeja was impacted by a $1.4 million decline in revenue as a result of Covid-19, and an additional $1.6m of expected credit losses. Year on year net operating income in US Dollars, before the effect of Covid-19, increased 9.4%. The performance in Rands benefited from the devaluation of the Rand against the Dollar over the year. Due to liquidity constraints in the Nigerian foreign exchange market, Ikeja has been unable to secure US Dollars to remit income to its shareholders since December 2019, which has been taken into account in calculating distributable income.

Interest income decreased from 2019 to 2020 as interest income from AttAfrica is only recognised to the extent it is received in cash. $1.7 million of interest income was recevied from AttAfrica prior to 31 December 2019. From 1 January 2020 Hyprop no longer has a preferential right to income from AttAfrica, with no further amounts received in the second half of the financial year. The interest expense decreased as a result of the repayment of $171 million of borrowings between 1 June 2019 and 30 June 2020.

The Group's investment in AttAfrica was impaired by R290 million following a decrease in the valuations of the AttAfrica properties, and raising of a provision for tax recoupments.

NON-TANGIBLE ASSETS

Despite the move towards online shopping, there remains significant demand by customers for authentic and meaningful shopping experiences, including tangibly experiencing products previously sold only by on-line retailers. Many online retailers have realised the opportunity this presents, and there is growing demand for the right exposure to the physical retail environment. Soko District (previously Retail.nxt) is a digital based platform that will enable retailers to integrate online and traditional retail strategies.

In the first major initiative under its non-tangible asset strategy, Hyprop has partnered with EmpiriQ Technologies, a technology based business incubator, for the development of the SOKO District. EmpiriQ Technologies has founded and developed multiple successful technology enabled businesses, with INDLU being the most notable. INDLU is the world's first fully integrated digital property platform that digitally facilitates the complete residential rental property value chain (financing, developments and leasing).

SOKO means "market" in Swahili, and the SOKO District will be a market place where retailers can rent space and reusable shopfittings via a flexible digital leasing platform, without the significant financial commitments of the traditional retail environment. The leasing platform is powered by data driven shopper, product and trend analyses, resulting in location recommendations that will match retailers, products and shoppers, across our portfolio.

Although SOKO will initially target online retailers seeking to promote and market their products, the platform will also be relevant to traditional retailers, particularly emerging and smaller businesses, looking to bring their products to market in an affordable manner. The SOKO digital platform will include an on-line shopping portal, which will facilitate online transactions and distribution via the SOKO District, and will allow traditonal retailers to select the most appropriate location from which to launch and market their products.

Development of the SOKO software platform is progressing well, with a pilot SOKO District scheduled to be operational at the Rosebank Mall in the first quarter of 2021.

NET ASSET VALUE

The Group's net asset value at 30 June 2020 was R76.09 (2019: R95.78) per share. The share price at that date was R22.39 (2019: R69.87).

BORROWINGS

The Company met all of its borrowing covenants at 30 June 2020 and we continue to work closely with the Group's major lenders.

Reducing the Loan to Value ratio and the Company's exposure to Euro and US Dollar denominated borrowings that are secured by Rand denominated assets, are high priorities. These objectives will, inter alia, be achieved through the planned withholding of Hystead dividends, reduced cash distributions by Hyprop and application of proceeds on the sale of assets to debt.

Hyprop's loan-to-value ("LTV") and interest cover ("ICR") ratios at 30 June 2020 were as follows:

Loan to value and interest cover ratios	**Banking covenant**	**30 June 2020**	**30 June 2019**
Interest cover (times)	1.8 - 2	3.0	4.1
LTV - see-through calculation[(1)]	50%	41.4%	35.2%
LTV - fully consolidated[(2)]	N/A	51.7%	44.0%

[(1)] Calculated taking into account Hyprop's attributable share of the net assets of Hystead, the Hystead debt guaranteed by Hyprop and the back-to-back security Hyprop holds from PDI in relation to the guarantees. Methodology used by the majority of Hyprop's lender banks.

[(2)] Calculated taking into account 100% of Hystead's assets and borrowings.

Despite the net repayment of R1.2 billion of Rand and Dollar denominated debt over the financial year, the LTV ratio was negatively impacted by the decrease in the value of investment property and the increase in the Rand value of the Euro and US Dollar denominated loans guaranteed by the Company.

The ICR reduced from 4.1 times cover at 30 June 2019 to 3.0 times cover at 30 June 2020, due to the impact of Covid-19 on net income, an increase in the Group's interest expense following the conversion of US Dollar denominated debt to Rand denominated debt at the end of the 2019 financial year, and the devaluation of the Rand against the US Dollar. The benefit of the reduction in Rand interest rates in the last quarter was limited by the interest rate hedges in place.

Details of the Group's borrowings (including Hystead borrowings guaranteed by Hyprop) are set out in the table below:

Debt summary	**See-through LTV 30 June 2020 Rm**	**Fully consolidated LTV 30 June 2020 Rm**	**See-through LTV 30 June 2019 Rm**	**Fully consolidated LTV 30 June 2019 Rm**
South African debt	4 499	4 499	4 657	4 657
Bank debt	1 159	1 159	1 558	1 558
Corporate bonds	3 340	3 340	3 099	3 099
USD debt	2 039	2 039	2 671	2 671
USD (liabilities associated with assets held-for-sale)	1 312	1 312	1 057	1 057
On balance sheet debt	**7 850**	**7 850**	**8 385**	**8 385**
EUR total debt	-	15 351	-	12 289
EUR debt[1]	6 120	-	4 994	-
Total debt	**13 970**	**23 201**	**13 379**	**20 674**
Portfolio assets				
South African assets	25 644	25 644	30 051	30 051
Investment property portfolio	24 449	24 449	28 476	28 476
Building appurtenances	206	206	162	162
Other assets	989	989	1 413	1 413
USD assets	683	683	1 333	1 333
USD assets held-for-sale	2 099	2 099	2 048	2 048
On balance sheet assets	**28 426**	**28 426**	**33 432**	**33 432**
EUR total assets	-	16 445	-	13 570
EUR assets[2]	5 341	-	4 604	-
Portfolio assets	**33 767**	**44 871**	**38 036**	**47 002**
Loan-to-value ratio	**41.4%**	**51.7%**	**35.2%**	**44.0%**

(1) Hyprop's attributable share of the Hystead debt guaranteed by Hystead shareholders after deducting the back-to-back security received from PDI.
(2) Hyprop's attributable share of Hystead's NAV (total assets less in-country debt) x 60%.

Debt summary continued	30 June 2020	30 June 2019
On balance sheet debt at fixed rates (excludes EUR funding)	65.6%	77.0%
South African debt	84.6%	101.1%
USD debt	36.9%	44.6%
Maturity of interest rate hedges	1.66	2.25
South African debt	2.07	2.58
USD debt	0.24	1.24
Average duration of borrowings	1.77	2.21
South African debt	2.47	2.84
USD debt	0.43	1.35
Cost of funding (including hedges, excl EUR funding)	7.3%	7.7%
South African debt	9.0%	9.3%
USD debt	4.7%	5.4%
Cost of funding (excluding hedges)	5.1%	7.3%
South African debt	5.6%	8.7%
USD debt	4.4%	5.5%
Debt capital market (DCM) % of total debt	23%	22%
Interest cover ratio		
Interest cover ratio (gross)	3.03	4.12
Interest cover ratio (net)	3.44	5.18
Borrowings covenants		
LTV (banks/DCM)	50% - 70% / 55%	50% - 70% / 55%
Interest cover (banks)	1.80 - 2.0	1.75 - 2.0
Unencumbered property assets		
Value (Rm)	6 679	5 276
Percentage of property assets	25.0%	17.0%

Rand denominated debt

The South African bank debt is secured against South African investment properties, while the DCM funding is mainly unsecured.

In the second quarter of the financial year, loans and bonds totalling R1.4 billion were repaid from available cash resources, and the issue of R950 million of new bonds with an average maturity of 3 years and an interest rate margin of 1.5%. In June 2020 an 18-month bond of R100 million was issued at a margin of 2.05%, to bolster cash resources.

At 30 June 2020 Hyprop had a total of R700 million revolving credit facilities, of which R200 million were drawn. The proceeds were held as part of the on-balance sheet cash of R835 million.

Subsequent to 30 June 2020 Rand denominated borrowings changed as follows:

- The HILB06 bond of R425 million was settled on maturity (11 July 2020);
- A new two year secured revolving credit facility of R450 million was raised, which increased the total revolving credit facilities to R1.15 billion;
- An 18-month secured bank term loan of R800 million was drawn. Any residual proceeds from the disposal of the sub-Saharan Africa investments will be applied to the repayment of this loan;
- A 3.5 year secured term loan of R925 million was drawn;
- The net proceeds from the above loans were used to settle US Dollar debt as explained below.

The average interest rate on the above new facilities is 5.7%.

US Dollar-denominated debt

USD-denominated debt reduced from $244 million at 30 June 2019 to $172 million at 30 June 2020 (both amounts include the liabilities associated with assets held for sale) following receipt of the net proceeds of $63 million from the disposal of the interests in Manda Hill and Achimota, and a further $26 million of capital contributed by Hyprop to Hyprop Mauritius.

The outstanding USD-denominated debt at 30 June 2020 comprises:

- $117 million of debt guaranteed by Hyprop and secured against South African investment property. $99 million of this debt was settled in July and August 2020 from the above Rand denominated loan facilities. The remaining $18 million will be settled from the proceeds on disposal of Ikeja City Mall;
- $55 million of in-country asset backed finance in Gruppo Investments (the owner of Ikeja City Mall), which will be transferred on disposal of the property.

The reduction of the $244 million US Dollar denominated debt to $73 million in August 2020, has significantly reduced the Company's exposure to fluctuations in exchange rates, and the effect thereof on the LTV ratio.

Euro-denominated debt

At 30 June 2020, Hyprop had guaranteed €361 million of interest-bearing loans advanced by banks to Hystead. This debt is not consolidated in Hyprop's statement of financial position, however the financial support results in the recognition of a financial liability by Hyprop. Hyprop's obligations under the guarantees are secured against South African investment property. In exchange for providing guarantees which exceed Hyprop's 60% shareholding in Hystead, Hyprop receives a credit enhancement fee from PDI, currently equivalent to 11% of the dividends declared by Hystead.

The devaluation of the Rand against the Euro had a significant effect on the Group's LTV ratio. The following steps are being taken to address the risks posed by the funding structure:

- Restructuring the current Hystead funding arrangements between Hyprop and PDI;
- Subject to an agreement between the Hystead shareholders, withholding distributions by Hystead to Hyprop for the 2020 and 2021 calendar years, and utilising the retained cash to settle Euro denominated equity debt; and
- Refinancing a portion of the Euro denominated equity debt with Rand denominated debt.

The financial liabilities arising from the guarantees provided by Hyprop on behalf of Hystead are recognised at the higher of the day one fair value and the expected credit losses. The value of the financial liabilities increased as a result of an increase in credit default rates, due to Covid-19, and the change in the Rand/Euro exchange rate from June 2019 to June 2020.

EXCHANGE RATES

The functional and reporting currencies for the investments in S-SA and EE are the US Dollar and Euro, respectively. The exchange rates used to convert foreign currency amounts to Rands were as follows:

Exchange rates	30 June 2020		30 June 2019	
	Average rate R	Year end spot rate R	Average rate R	Year end spot rate R
US Dollar	15.58	17.33	14.13	14.15
Euro	17.32	19.45	16.04	16.11
Realised average exhange rate - Euro[1]	17.18		16.91	

[1] *Actual exchange rates at which foreign currency dividends were received in South Africa and converted to Rands.*

BOARD CHANGES

Spiro Noussis was appointed as an independent non-executive director with effect from 27 July 2020. Spiro's knowledge of, and experience in, the Central and Eastern European and United Kingdom property markets will be of significant benefit to the board in managing the Company's European investments.

Louis Norval has announced that he will step down as a director of the Company at the 2020 AGM. The Board thanks Louis for his considerable contribution over the years.

DIVIDEND DECLARATION AND SETTLEMENT

At 30 June 2020, the Group's net asset value was R19.3 billion and the Group had available cash of R835 million and undrawn revolving credit facilities of R500 million. The Group's liquidity position remains strong, however, having regard to the challenging and unpredictable economic environment, the pressure on the market value of the SA portfolio, the desire to reduce gearing levels and feedback from major institutional shareholders, the board is of the view that the Company should retain as much cash as possible while continuing to meet applicable REIT requirements.

The Board of Directors is considering different options in regard to settlement of the interim distribution and declaration of the final distribution for the year ended 30 June 2020, having regard to the minimum REIT distribution requirements. It has therefore resolved that it would be prudent to defer its decision on the payment of the interim dividend and the declaration of the final dividend for the year ended 30 June 2020 until December 2020, or an earlier date should more clarity emerge on the likely future economic environment.

OUTLOOK AND PROSPECTS

The Company will continue to focus on implementing its revised strategy, preserving cash and strengthening the balance sheet through the following:

1. Finalising and implementing the 2020 distributions. Any cash retained will be used to reduce debt;
2. Subject to Hystead shareholder approval, no dividends will be declared by Hystead and the retained funds will be utilised to repay a portion of the Euro denominated debt;
3. Completing the sale of Ikeja City Mall and applying the net proceeds to settle the remaining $18 million of US Dollar debt, with the balance being applied to local debt;
4. Disposing of selected SA assets and utilising the proceeds to settle Rand debt; and
5. Persuing selective acquisitions / transactions in line with the revised strategy.

We will continue to pursue the key priorities of repositioning our SA portfolio, increasing the dominance of the properties in the European portfolio, and implementing the non-tangible asset strategy through projects like SOKO District. Until trading conditions stabilise, capital expenditure will be limited to those projects that are already committed or are absolutely necessary.

The Group's long-term strategies for creating sustainable returns for shareholders will continue, having regard to prevailing market conditions and industry risks. Focus will be on generating a total return for shareholders through balanced and sustainable long term growth in distributable income and net asset value, coupled with conservative balance sheet management. Remuneration policies will align with these objectives.

While the rate of new Covid-19 infections is declining, we remain wary of the possibility of a second wave and the long term effects of the pandemic on what was already a weak local economy. We anticipate further negative rent reversions, although at a lower level than in the last two financial years, the possibility of further decreases in investment property values and increases in administered costs at rates exceeding CPI. Consumer spending is also expected to remain under pressure and consumer behaviour will continue to evolve. We have structured our strategy and business to take account of this and are confident that Hyprop is well positioned to compete going forward.

Having regard to the current economic conditions and the further uncertainty brought about by the continuing impact of Covid-19, the Board has resolved not to provide guidance on distributable income or dividends for the financial year ending 30 June 2021.

BASIS OF PREPARATION

The summarised consolidated results for the year ended 30 June 2020 were prepared in accordance with the JSE Listings Requirements for summarised consolidated results and the requirements of the Companies Act of South Africa. The JSE Listings Requirements require summarised consolidated results to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and as a minimum, contain the information required in terms of IAS 34 Interim financial reporting.

All of the accounting policies applied in the preparation of the Group financial statements are consistent with those applied by Hyprop in its consolidated Group financial statements for the prior financial year.

All amendments to standards that are applicable to Hyprop for its financial year beginning 1 July 2019 have been considered. Based on management's assessment, the amendments do not have a material impact on the Group's annual financial statements.

In particular, the Group has adopted IFRS 16 Leases with effect from 1 July 2019.

Impact on recognition
There was no impact on the recognition of leases in situations where the Group is the lessor. The Group does not have any leases where it is the lessee.

Impact on measurement
The expansion of rental income straight-lining to include inflation-linked leases resulted in a non-material change to the straight-line rental income accrual and amortisation. The adjustment was made prospectively. The rental discounts granted to tenants due to Covid-19 were treated as lease modifications under IFRS 16. This impacted the straight line rental income accrual in the current year.

Impact on disclosure
The Group has provided enhanced disclosures as required by IFRS 16, mainly related to the components of lease income and risk management in relation to exposures to residual asset risk, in its 2020 financial statements.

These summarised consolidated results for the year ended 30 June 2020 have been extracted from the audited consolidated and separate financial statements, but have not been audited. The directors take full responsibility for the preparation of the summarised consolidated results and for ensuring that the financial information has been correctly extracted from the underlying audited consolidated and separate financial statements. The auditor's report does not necessarily report on all of the information included in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the underlying financial information from the registered office of the company or the Company's website.

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

Going concern

The consolidated and separate financial statements for the year ended 30 June 2020 have been prepared on the going concern basis as the directors have reason to believe that the Company and its subsidiaries have adequate resources to continue operations for the ensuing twelve month period.

These summarised consolidated results for the year ended 30 June 2020 were prepared under the supervision of Brett Till CA(SA) in his capacity as CFO.

On behalf of the board

GR Tipper
Chairman

MC Wilken
CEO

BC Till
CFO

21 September 2020

Summarised consolidated statement of comprehensive income

	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000
Revenue	3 102 342	3 217 848
Rental and other lease income	2 261 122	2 567 150
Straight-line rental income accrual	118 286	(87 887)
Recoveries	722 934	738 585
Impairment of trade receivables	(77 682)	(47 052)
Property expenses	(1 139 721)	(1 132 002)
Net property income	**1 884 939**	**2 038 794**
Other operating income	20 871	30 828
Other operating expenses	(89 130)	(72 428)
Operating income	**1 816 680**	**1 997 194**
Net interest	(548 395)	(461 155)
Interest income	88 997	156 043
Interest expense	(637 392)	(617 198)
Net operating income	**1 268 285**	**1 536 039**
Guarantee fee income	22 111	40 542
Dividends received	120 630	221 190
Net income before fair value adjustments	**1 411 026**	**1 797 771**
Changes in fair value	(4 636 928)	(587 083)
Investment property	(4 668 419)	(337 238)
Other investments	(45 172)	(12 705)
Loans receivable at FVTPL	-	(105 809)
Financial asset	314 528	(85 229)
Financial guarantees	(16 665)	-
Derivative instruments	(221 200)	(46 102)
Profit on disposal of investment property	-	2 825
Impairment of loans receivable	(289 974)	(1 350 727)
Other impairments	-	(29 964)
Derecognition of financial guarantees	-	185 686
(Loss)/Profit before taxation	**(3 515 876)**	**18 508**
Taxation	(7 150)	93 028
(Loss)/Profit for the year	**(3 523 026)**	**111 536**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss (net of taxation)	**22 718**	**(44 094)**
Exchange differences on translation of foreign operations	16 217	(46 959)
Exchange differences on translation of foreign operations: non-controlling interest	6 501	2 865
Total comprehensive (loss)/income for the year	**(3 500 308)**	**67 442**
Total (loss)/profit for the year attributable to:		
Shareholders of the company	(3 401 849)	164 922
Non-controlling interests	(121 177)	(53 386)
(Loss) / Profit for the year	**(3 523 026)**	**111 536**
Total comprehensive (loss)/income attributable to:		
Shareholders of the company	(3 385 632)	117 963
Non-controlling interests	(114 676)	(50 521)
Total comprehensive (loss)/income for the year	**(3 500 308)**	**67 442**

Summarised reconciliation - headline earnings

	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000
Earnings - (loss) / profit for the year attributable to shareholders of the company	**(3 401 849)**	**164 922**
Headline earnings adjustments	4 450 404	406 040
Change in fair value of investment property	4 550 133	425 125
Profit on disposal of investment property	-	(2 825)
Other impairments	-	29 964
Non-controlling interest	(99 729)	(46 224)
Headline earnings	**1 048 555**	**570 962**
Total number of shares in issue	255 894 516	255 894 516
Weighted average number of ordinary shares in issue	255 318 829	255 495 272
Fully diluted weighted average number of ordinary shares in issue	255 489 675	255 610 315
Basic earnings per share (cents)	(1 332.4)	64.5
Headline earnings per share (cents)	410.7	223.5
Fully diluted basic earnings per share (cents)	(1 331.5)	64.5
Fully diluted headline earnings per share (cents)	410.4	223.4

Summarised consolidated statement of financial position

	Audited 30 June 2020 R'000	Audited 30 June 2019 R'000
Assets		
Non-current assets	**25 190 146**	**28 876 436**
Investment property	23 874 363	28 027 321
Straight-line rental income accrual	574 845	448 917
Property, plant and equipment	206 236	162 288
Investments in joint ventures	1 730	-
Financial asset	532 972	218 444
Loans receivable	-	18 847
Derivatives	-	619
Current assets	**1 670 640**	**2 729 289**
Loans receivable	681 215	1 333 106
Taxation	-	2 530
Trade and other receivables	154 548	105 625
Derivatives	-	2 691
Cash and cash equivalents	834 877	1 285 337
Assets classified as held-for-sale	**2 098 918**	**2 047 847**
Total assets	**28 959 704**	**33 653 572**
Equity and liabilities		
Equity and reserves	**19 271 458**	**24 491 805**
Equity and reserves attributable to shareholders of the company	19 346 335	24 452 006
Non-controlling interest	(74 877)	39 799
Liabilities		
Non-current liabilities	**4 530 116**	**6 578 987**
Borrowings	4 074 183	6 320 801
Financial guarantees	127 066	110 401
Derivatives	233 669	60 224
Deferred taxation	95 198	87 561
Current liabilities	**3 798 914**	**1 484 480**
Borrowings	2 463 877	1 008 000
Trade and other payables	494 710	469 141
Dividends payable	788 347	-
Derivatives	51 980	7 339
Liabilities associated with assets held-for-sale	**1 359 216**	**1 098 300**
Total liabilities	**9 688 246**	**9 161 767**
Total equity and liabilities	**28 959 704**	**33 653 572**
Equity and reserves attributable to shareholders of the company	19 346 335	24 452 006
Shares in issue (excluding treasury shares)	254 245 325	255 282 997
Net asset value per share (R)	**76.09**	**95.78**

Summarised consolidated statement of changes in equity

	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000
Balance at the beginning of the year	**24 491 805**	**26 395 237**
Opening retained income adjustment	-	1 806
Total comprehensive (loss)/income	**(3 500 308)**	**67 442**
(Loss)/profit for the year	(3 523 026)	111 536
Other comprehensive income/(loss) for the year	22 718	(44 094)
Transactions with shareholders of the company - contributions and distributions	**(1 720 039)**	**(1 972 680)**
Forfeit of shares	(2 208)	(9 009)
Treasury shares purchased	(26 019)	(17 569)
Share-based payment expense	14 003	10 365
Dividends declared	(1 705 815)	(1 956 467)
Balance at the end of the year	**19 271 458**	**24 491 805**

Reconciliation of attributable net (loss)/profit for the year to distributable earnings

	Audited year ended 30 June 2020 R'000	Audited year ended 30 June 2019 R'000
Total (loss) / profit for the year attributable to shareholders of the company	**(3 401 849)**	**164 922**
Adjusted for:	4 659 890	1 737 746
Change in fair value - investment property	4 450 404	378 901
Change in fair value - derivative instruments	221 200	46 102
Change in fair value - financial asset	(314 528)	85 229
Change in fair value - financial guarantees	16 665	-
Change in fair value - loans receivable at FVTPL	-	105 809
Derecognition of financial guarantees	-	(185 686)
Profit on disposal of investment property	-	(2 825)
Impairment of loans receivable	289 974	1 350 727
Other impairments	-	29 964
Taxation	7 150	(93 028)
Capital and other items	(1 901)	(951)
Income from sub-Saharan Africa[1]	(9 074)	23 504
Distributable earnings	**1 258 041**	**1 902 668**

[1] *Net effect of converting IFRS earnings to distributable earnings*

Summarised consolidated statement of cash flows

	Audited Year ended 30 June 2020 R'000	Audited Year ended 30 June 2019 R'000
Net cash flows from operating activities	**316 711**	**(186 730)**
Cash flows generated from operating activities before distributions	1 234 179	1 769 737
Cash generated from operations	1 733 439	2 149 932
Interest received	84 961	174 128
Interest paid	(587 807)	(550 115)
Taxation paid	3 586	(4 208)
Dividends paid	(917 468)	(1 956 467)
Net cash flows from investing activities	**509 127**	**567 235**
Acquisition of and additions to investment property	(140 896)	(95 064)
Additions to property, plant and equipment	(83 695)	(45 051)
Proceeds on disposal of assets classified as held-for-sale	-	201 437
Increase in investment in joint venture	(1 730)	-
Loans receivable advanced	(70 856)	-
Loans receivable repaid	669 396	224 517
Dividends received	136 908	281 396
Net cash flows from financing activities	**(1 248 006)**	**275 645**
Loans repaid	(2 469 969)	(1 414 851)
Loans raised	1 247 982	1 708 078
Purchase of Hyprop shares by Hyprop Share Scheme	(26 019)	(17 582)
Net (decrease)/increase in cash and cash equivalents	**(422 168)**	**656 150**
Effects of changes in exchange rates	(28 137)	(44 950)
Cash and cash equivalents transferred to assets classified as held-for-sale	(155)	(41 356)
Cash and cash equivalents at the beginning of the year	1 285 337	715 493
Cash and cash equivalents at the end of the year	**834 877**	**1 285 337**

Corporate information

Hyprop Investments Limited
(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")

Directors
G.R. Tipper*† (Chairman), M.C. Wilken (CEO), B.C. Till (CFO), A.W. Nauta (CIO), A.A. Dallamore*†, K.M. Ellerine*, Z. Jasper*†, N. Mandindi*†, T.V. Mokgatlha*†, L. Norval*, S. Noussis*†, S. Shaw-Taylor*†

**Non-executive* | *†Independent*

Registered office
Second Floor
Cradock Heights
21 Cradock Avenue
Rosebank 2196
(PO Box 52509, Saxonwold, 2132)

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
PO Box 61051, Marshalltown, 2107

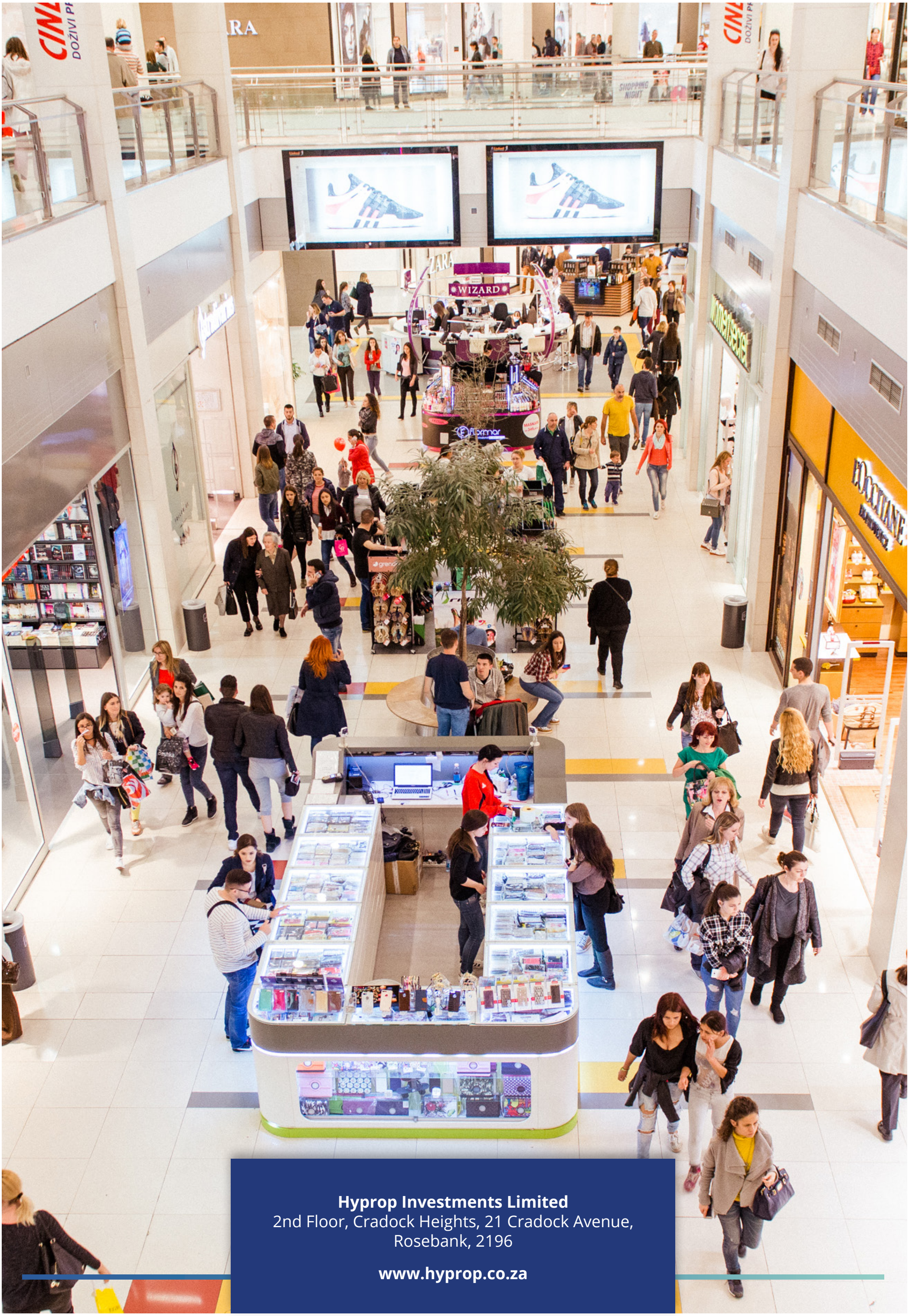
Company secretary
Statucor Proprietary Limited

Sponsor
Java Capital

Investor relations
Lizelle du Toit
Acuminate
t. +27 82 465 1244 | **e.** lizelle@acuminate.net

www.hyprop.co.za

Notes



Hyprop Investments Limited
2nd Floor, Cradock Heights, 21 Cradock Avenue,
Rosebank, 2196

www.hyprop.co.za