HYPROP

Summarised Consolidated Audited Results

for the year ended 30 June 2021
("FY2021")

Headlines

Balance sheet strengthened and see-through LTV ratio reduced from 41.4% at 30 June 2020 to 37.2% at 30 June 2021:

- R777 million of equity raised via dividend reinvestment alternative;
- Accelerated bookbuild raised R358 million;
- Valuation of the SA property portfolio decreased by R1.6 billion (5.9%);
- Settled the last $117 million of US Dollar equity debt on the African portfolio;
- Sale of Atterbury Value Mart implemented on 2 July 2021, further strengthening the balance sheet and reducing the see-through LTV to 34.9%.

Ongoing progress in repositioning the SA Portfolio:

- Opened new Checkers FreshX stores in the Rosebank and Woodlands malls;
- Commenced the upgrade of CapeGate's Checkers to a FreshX store;
- Zara secured at Canal Walk, a first for the Hyprop portfolio;
- Solar projects completed at all Gauteng malls;
- First of four self-storage facilities opened at Rosebank Mall;
- Opened the first Soko District, part of the non-tangible asset strategy, at Rosebank Mall.

Covid-19 impact reduced distributable income by R278 million, or 90 cents per share

- R159 million in rental discounts granted to tenants
- R119 million reduction in income from Hystead.

Distributable income reduced from 493.4 cents per share to 336.5 cents per share.

Hystead has accepted an offer to sell Delta City in Belgrade, Serbia for €115 million.

Commentary

Hyprop Profile

Hyprop is a retail-focused REIT listed on the JSE with a R43.3 billion portfolio of shopping centres in South Africa, Eastern Europe and sub-Saharan Africa.

Introduction

The global impact of the Covid-19 pandemic continued to dominate FY2021, with second, third and fourth waves experienced in many jurisdictions. Having previously established the principles and protocols to deal with the pandemic, including policies covering rent relief for tenants, hygiene protocols and working arrangements with the Group's major lenders, the Group was able to navigate this challenging year.

The start-stop nature of the successive lockdowns imposed by governments in regions where the Group operates, made it difficult for retailers to gain momentum towards pre Covid-19 trading levels. We continued providing rent relief to tenants, albeit at a lower total cost than for FY2020, achieving a balance between retaining key tenants, maintaining vacancy levels, ensuring our malls remain functional, and meeting the changing needs of the communities they serve.

We are confident that our strategy and key priorities remain relevant, even in a prolonged Covid-19 environment. The Group is committed to creating safe environments and opportunities for people to connect and have authentic and meaningful experiences. We achieve this by owning and managing dominant retail centres in mixed-use precincts, in key economic nodes in South Africa and Eastern Europe. Our initiatives to grow the Group's non-tangible asset base are progressing well.

The balance sheet was strengthened by R777 million of equity raised from the 82% of shareholders who supported the dividend reinvestment alternative ("FY2020 DRIP") to the FY2020 distribution. This was augmented with R358 million raised in April 2021 via an accelerated bookbuild. Over R1 billion of Rand and US Dollar debt was repaid during FY2021, increasing the total debt repaid over the last two financial years to over R2 billion. The see-through loan-to-value ("LTV") ratio, as calculated by the Group's major lenders, reduced to 37.2%, well below the LTV covenant of 50%.

The sale of Atterbury Value Mart was completed on 2 July 2021, realising R1.1 billion which will be used to further strengthen the Group's balance sheet, and will result in a reduction in the see-through LTV ratio to 34.9%.

The ongoing strategic repositioning of the South Africa portfolio is vital to improving footfall, tenant performance and ultimately rental income. During this repositioning phase, which is expected to last two years, we expect relatively low rental income growth while the tenant mix is optimised and a rental base capable of sustainable growth is achieved. We have introduced a number of new anchor tenants into our malls and have commenced our Golden Thread initiative designed to create a unique Hyprop experience around three pillars - place, brand and people.

The Eastern European portfolio is taking longer to rebound from the impact of Covid-19 than our South Africa and African portfolios. Due to the extended Covid-19 lockdowns in the region – most malls were under varying degrees of lockdown from November 2020 to May 2021. Notwithstanding that, vacancy levels remain below 0.5%, and the malls are dominant in their markets. We are optimistic that trading conditions will improve after the European summer holidays given the progress of the vaccination programmes. Capital projects to maintain the dominance of the malls continued during the financial year.

Hystead has accepted an offer to sell Delta City in Belgrade ("DCB") for €115 million. The buyers have completed their due diligence and all material commercial terms have been agreed. The transaction is subject to certain conditions precedent, including the finalisation of legal agreements. The proceeds from the disposal will be utilised to reduce Hystead's Euro equity debt.

The Hystead shareholders' agreement between Hyprop and PDI Investment Holdings Ltd (PDI) provides for a liquidity event by 31 May 2021, with a longstop date of 31 May 2022. The agreement will continue to apply until revised terms are agreed. Hyprop plans to take control of the Hystead portfolio, in line with it's diversification strategy, and proposals in that regard have been made to Hystead and PDI. Appropriate announcements will be made, should terms be agreed between the parties.

Disposal of the Group's sub-Saharan Africa ("S-SA") portfolio has slowed, with the disposal of Ikeja City Mall delayed due to a US Dollar liquidity shortage in Nigeria. The Group will actively manage the investments while the exit strategy is completed.

Financial Results

Distributable income for FY2021 was R1 035 million, a decrease of R223 million (17.7%) over FY2020. The main reasons for the decrease are a reduction of R119 million in income from Hystead, the additional interest costs of R26 million associated with the refinance of US Dollar denominated equity debt, and a decrease in net property income (before the straight-line rental income accrual and after the effect of the Edcon rental discount) from the SA portfolio of R100 million.

Distributable income

	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Net income before value adjustments	**909 163**	**1 411 026**
Adjustments to calculate distributable income	**125 526**	**(152 985)**
Straight-line rental income accrual	114 705	(118 286)
Non-controlling interests	24 578	21 449
Tax adjustments	(8 268)	-
Net interest adjustments	(1 741)	(4 036)
Other fair value adjustments - Edcon	-	(45 172)
Gruppo non-remittable cash	(55 400)	(5 039)
Loss from equity accounted investments	4 016	-
Capital items for distribution purposes	47 636	(1 901)
Distributable income	**1 034 689**	**1 258 041**
Weighted average number of shares for calculating distributable income per share	307 458 894	254 985 466
Distributable income per share (cents)	336.5	493.4

Performance for the second half of FY2021 was 19% higher than that for the first half, led by the SA portfolio which achieved R571 million of distributable income in the second half, compared to R470 million in the first half.

The number of ordinary shares in issue increased by 53 million (21%) as a result of the FY2020 DRIP and the accelerated book build in April 2021, and contributed to the decrease in distributable income per share.

The independent valuation of the SA portfolio decreased by R1.6 billion from June 2020 to June 2021, following the decrease in net property income. The independent desktop valuation of the Eastern European portfolio was €765 million, in line with the independent valuation reported at 31 December 2020. The independent valuation of the S-SA portfolio reduced by 1% in US Dollars from June 2020.

The Group's liquidity remains strong with cash of R941 million at 30 June 2021 and undrawn facilities of R950 million. In July 2021, the cash proceeds from the sale of Atterbury Value Mart of R1 059 million were received, further bolstering liquidity.

The financial results for each of the Group's operating segments are included in the financial information which follows this commentary.

South African ("SA") Portfolio

The portfolio at 30 June 2021 comprised super-regional centre Canal Walk, large regional centres Clearwater, The Glen, Woodlands, CapeGate, Somerset Mall and Rosebank Mall, 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 owned the standalone offices Cradock Heights and 17 Baker Street, which form part of the Rosebank precinct.

Atterbury Value Mart was sold on 2 July 2021 and was classified as an "asset held-for-sale" at 30 June 2021.

Operating performance

Trading conditions for the SA portfolio were difficult due to Covid-19 and the weak economic environment.

The portfolio generally displayed a direct correlation between the level of lockdown restrictions and trading performance at the malls, with a few exceptions where individual properties showed a high level of resilience. The post Covid-19 recovery is slow and key trading metrics for the portfolio are still below pre-Covid-19 levels – average monthly footfall decreased by 7.6% from FY2020, tenant turnover increased by 3%, trading density decreased by 2.5% and the rent ratio reduced from 9.6% to 9.5%.

Key trading metrics	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
% Change in foot count year-on-year	(21.3%)	(18.2%)	3.7%	172.8%	40.2%	14.4%
Trading Density	2 336	2 494	2 728	2 693	3 000	2 603
% Change in trading density year-on-year	(16.1%)	(4.5%)	16.3%	45.5%	20.2%	6.3%
Collections as % of collectibles	79.4%	95.3%	97.8%	110.1%	86.1%	106.7%
% change in portfolio tenant turnover year-on-year	(18.2%)	(6.8%)	13.6%	366.7%	46.2%	15.0%
Retail Vacancy	2.9%	2.5%	2.7%	2.6%	2.4%	2.4%
Arears (Rm)	117.6	130.1	129.6	130.1	128.8	113.5

Tenant categories that achieved positive turnover growth over FY2020 included electronics, photography and music, selected fashion brands, sports, outdoor goods and wear, home décor, speciality stores and convenience services. The categories struggling to recover are travel and hair and beauty, while the restaurant, cinema and other entertainment categories are still underperforming due to the limits on seating capacity and trading hours.

Leasing and repositioning

Until there is a marked improvement in the SA economy and real growth in retail sales, rentals and cost recovery ratios will remain under pressure. Our priority is to retain key tenants and maintain functional malls.

Rent reversions in the retail portfolio were 23.6%, equivalent to R12.1 million per month (6% of average monthly income), on 140 791m^2 (21.2% of the retail portfolio). The rent reversions should be considered in the context of retail vacancy rates, which remained constant between June 2020 and June 2021, at 2.4% (16 146 m^2), a sound achievement in the current economic climate. The average duration of new leases was 4.1 years and that of renewals 3.4 years, with annual escalations of 6.5%. We have endeavored to mitigate the impact of rent reversions by concluding shorter term leases with an option to review rentals on renewal, and through higher turnover rentals that will yield benefits as tenants' trading improves.

Office vacancies increased to 24% (10 732 m^2) as a result of an increase in the number of employees working from home and companies' reluctance to renew office leases.

	Rentable area (m^2) Total		Vacant (m^2)		Vacancy (%)	
	30 June 2021	**30 June 2020**	**30 June 2021**	**30 June 2020**	**30 June 2021**	**30 June 2020**
Retail	663 354	664 609	16 146	15 648	2.4%	2.4%
Office	44 980	45 956	10 732	6 111	23.9%	13.3%
Total	**708 334**	**710 565**	**26 878**	**21 760**	**3.8%**	**3.1%**

Includes properties held-for-sale

Somerset Mall remains fully let, while vacancies at CapeGate, Clearwater Mall and Woodlands are below 1.5%.

Repositioning the SA portfolio will require changes to the tenant mix of each mall and is likely to result in low income growth for the next two years as tenants downsize space, vacate current locations, new anchor and other tenants are introduced to meet changing shopper preferences, and rentals are reset in line with current market trends.

Significant new lettings during FY2021 included the opening of Checkers FreshX stores in Rosebank Mall in December 2020, and Woodlands in April 2021. Upgrading the existing Checkers at CapeGate to the Checkers FreshX specification is underway and the store will be trading by December 2021. A new Stax opened in Woodlands, taking over the remaining ex-Game space adjacent to the new Checkers FreshX. Starbucks opened stores in Canal Walk, Somerset Mall and Woodlands.

The first Zara store in the SA portfolio will open at Canal Walk in March 2022 in the former Foschini space. Foschini has relocated to the ex-Forever 21 premises and is trading well.

Somerset Mall is fully let and demand for space remains strong. Several new stores were opened during FY2021, including Toys R Us & Babies R Us in the ex-Dion Wired premises, Cotton On, Superga, Fabiani, MRP Sport and Execuspecs. Kingsley Heath and Crossley & Sons expanded their existing stores and an expanded new spec, Totalsports mega store will open in September 2021.

At CapeGate Mr Price upgraded and expanded their apparel store, relocated their MRP Home store and downsized their MRP Sports store, with a significant increase in the turnover of the three stores. A new Ackermans Woman was opened and Cotton On expanded their existing store.

Vacancies at Rosebank Mall reduced from 7.5% to 4.8%, due mainly to new leases being signed with iGnite Fitness, for the old Planet Fitness space, and with several line shops adjacent to the new Checkers FreshX. The new pre-owned iStore is trading well and the first SOKO District opened on the upper level in July 2021. The first of four self-storage facilities planned for the portfolio opened in April 2021.

Hyde Park Corner opened new stores for Tshepo Jeans, a growing South African jeans brand, PNA, Graham Britz Art Gallery, a bakery school for Just Teddy and Always Welcome (a South African coalition of furniture and homeware designers). Tashas revamped their restaurant which was well received by the market.

At The Glen Woolworths' store was rightsized and upgraded, and an upgrade of the Game store is underway. Mr Price's Home and Sports stores were relocated and upgraded, as was Miladys' store. Dis-Chem completed a cosmetic upgrade of their store.

On renewal of the Game lease at Clearwater Mall, the store will be upgraded and will include a new entrance from the parking area to the store. Refurbishment of the central open air food court area, and construction of an external amphitheatre, are planned for completion before the end of the calendar year.

The number of collections at the Pargo collection points in The Glen and Canal Walk continues to grow.

New leases were concluded with the buyers of the former Edcon brands, and the exposure to CNA has been reduced with the space occupied by four of the five CNA's in the portfolio being re-let to new tenants.

Financial performance

Net property income for the SA portfolio was R1 399 million compared to R1 785 million in FY2020. A major difference is the R240 million variance in the Straight-line rental income accrual which changed from positive R126 million in FY2020 to negative R114 million in FY2021, mainly due to the impact of Covid-19 related rental discounts on the accrual. Excluding the effect of the Straight-line rental income accrual, Net property income decreased R145 million (9%) from R1 659 million to R1 514 million. This reduction includes the effect of the Edcon rent reduction of R45 million over FY2020, which is incorporated in the new rentals agreed with the purchasers of the Edcon brands, a R22 million increase in the impairment charge for trade receivables, and the effect of rent reversions in the current and prior years.

The cost to income ratio increased from 40% to 43% due mainly to the decrease in income and the increase in the impairment charge for trade receivables, rather than the 3% increase in property expenses. Electricity cost savings of R9 million were achieved from the solar plants installed at the Gauteng malls, and service contracts with major service providers were restructured, achieving cost savings.

Cost to income ratio - South Africa

	Year ended 30 June	
	2021 %	**2020** %
Net cost to income ratio	25.0	21.2
Gross cost-to-income ratio	**43.4**	**40.0**
Municipal costs	27.4	26.1
Expected credit losses	2.2	1.3
Depreciation	1.8	1.5
Contractor service level agreements	4.4	4.3
Maintenance costs	1.1	1.1
Management costs and other expenses	6.5	5.7

Other operating expenses increased from R88 million to R116 million due to an additional R9 million of costs relating to the SOKO operating company which has been consolidated for the first time, and increases in staff related provisions. The management fees received from Hystead include R12 million of fees relating to FY2020, received in the current year.

Cash flow management remains a priority and cash collections for the year were 102% of billings. Rental arrears decreased from R137 million in June 2020 to R114 million in June 2021 (both net of allowances for Covid-19 discounts).

Investment property valuations

The independent external valuation of the South African investment property portfolio at 30 June 2021 was R23.2 billion, a decrease of R1.6 billion from June 2020. The weighted average reversionary capitalisation rates used by the independent valuers were unchanged from June 2020, however, the weighted average discount rate reduced by 0.6% due to the relatively lower risk environment compared to June 2020, the peak of the Covid-19 first wave. The decrease in the valuation is primarily attributable to lower net property income. The repositioning strategies and an improvement in the tenant mix should result in income growth and create further value in the properties.

Atterbury Value Mart is classified as an asset "held-for-sale" and is carried at the agreed sale price, less costs to sell.

Investment property valuations

	Rentable area (m²)	Value attributable to Hyprop 30 June 2021 R'000	Value attributable to Hyprop 30 June 2020 R'000	Value per m² 30 June 2021 (R/m²)	Variance % change
Shopping centres	652 845	21 921 100	23 307 964	36 943	(6.0%)
Value centres	48 631	1 113 457	1 178 000	22 896	(5.5%)
Total retail	**701 476**	**23 034 557**	**24 485 964**	**35 969**	(5.9%)
Total Stand-alone offices	6 856	170 000	180 000	24 795	(5.6%)
Investment property - independent valuations	**708 332**	**23 204 557**	**24 665 964**	**35 861**	(5.9%)
Property, plant and equipment		(251 238)	(206 236)		
Held-for-sale		(1 113 457)			
Own use asset adjustment		(13 222)	(12 897)		
Centre management assets		4 689	2 377		
Investment property - statement of financial position		**21 831 329**	**24 449 208**		
Reversionary capitalisation rate range		6.75% - 9.25%	6.8% - 9.0%		
Weighted average reversionary capitalisation rate		7.4%	7.4%		
Implied effective forward yield		7.6%	7.6%		

Capital expenditure

Capital expenditure for FY2021 was R290 million. The largest projects were the new Checkers FreshX stores at Rosebank Mall and Woodlands, the ceiling replacement at Somerset Mall, and the solar plants at the Gauteng malls.

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.

Operating performance

The key objective 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.

Trading conditions in the region were constrained for large parts of FY2021 as a result of Covid-19 lockdowns and restrictions. Most centres resumed normal trading from late April 2021, however, restrictions on seating capacity in restaurants and cinemas in certain countries continue. This impacted the key trading metrics – average monthly foot count for FY2021 was 15.6% below FY2020, trading density decreased 7.6%, and the "effort ratio" (total occupancy cost to turnover) increased from 10.8% to 11.1%. On a positive note, spend per head increased 12.9% from FY2020.

Key trading metrics	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
% Change in foot count year-on-year	(33.4%)	(25.9%)	21.1%	407.9%	68.2%	9.1%
Trading density (EURO)	234	192	167	180	241	256
% Change in trading density year-on-year	(1.6%)	(9.6%)	39.1%	7.2%	66.2%	9.4%
Collections as % of collectibles	65%	67%	76%	61%	68%	82%
% change in portfolio tenant turnover year-on-year	(21.5%)	(9.8%)	40.5%	500.5%	70.0%	10.3%
Retail vacancy	0.3%	0.9%	0.8%	0.4%	0.3%	0.3%
Arears (€m)	4.1	3.9	2.7	4.2	3.8	2.0

The quieter trading conditions during the Covid-19 restrictions allowed for certain of the mall upgrade projects to be completed. The food court refurbishment and upgrade at The Mall, Sofia, has been completed, with the final project phase of refurbishing the toilets out to tender. Retiling of the Delta City Belgrade ground floor was completed. Work on the upgrade of the outside terraces at Skopje City Mall is ongoing, and designs for the food court upgrade have been finalised with contractors appointed.

Research into the regulations governing the supply of electricity generated by solar plants to tenants has delayed progress on the feasibility of solar plants at the Croatian malls.

Lettings and vacancies

The vacancy level in the portfolio at 30 June 2021 was 0.3%, affirming the dominance of the malls in their markets. New leases representing 4.4% of the total portfolio (10 968m^2 of GLA) were signed at an average negative reversion of 2.1%. Renewals were concluded over 11 579m^2 of GLA at an average reversion of 5.9%. These reversions resulted in a net reduction in monthly rental income of €32 998. Contractual escalations of new/renewed leases are 0.9% and the average lease duration is 4.6 years.

Over 40 new stores were opened across the portfolio in FY2021, including brands such as Zara, Pandora, Samsung, Hugo Boss, Ted Baker and Okaidi. Replacement tenants have been secured for the seven stores vacated by the Inditex Group as part of Inditex's world-wide store reduction strategy.

Financial performance

Due to the terms of the agreement that governs the relationship between the Hystead shareholders, Hyprop's interest in Hystead is accounted for as a financial asset and is carried at fair value.

The fair value of the financial asset reduced from R533 million in June 2020 to R297 million in June 2021. The decrease reflects a reduction in the dividends that Hyprop expects to receive from Hystead as a result of the expected sale of DCB, the impact of Covid-19 on Hystead's income, increases in the discount rates used in the fair value calculations, and the strengthening of the Rand against the Euro.

Hystead's revenues and operating costs (mainly utilities and impairments of trade receivables) increased from FY2020 to FY2021 as trading and activity levels increased after the initial Covid-19 wave from January to June 2020. Net property income was unchanged at €48 million. Net interest costs reduced after the refinance of €88 million of loans during the year at more favourable interest rates. Foreign exchange losses incurred in FY2020 reversed in FY2021. Net income before value adjustments increased from €22.8 million for the year ended 30 June 2020 to €27 million for the year ended 30 June 2021.

Cash collections for the year remained positive, with arrear rentals reducing from €3.2 million at 30 June 2020 to €2 million at 30 June 2021. At 30 June 2021 Hystead had cash and cash equivalents of €40 million. These amounts are being retained to mitigate the impact of further lock-downs, pending finalisation of the negotiations with PDI and the refinancing/settlement of the equity debt that matures before 30 June 2022. It remains Hyprop's preference to utilise surplus cash in Hystead to reduce the equity debt guaranteed by Hystead's shareholders.

Distributable income

As a result of the manner in which Hyprop accounts for its investment in Hystead, distributable income for the EE portfolio comprises mainly dividends from Hystead and the guarantee fees from PDI. A dividend of €1.7 million was declared by Hystead during FY2021, resulting in a reduction in Hyprop's distributable income from the EE portfolio from R143 million in FY2020 to R19 million in FY2021.

Investment property valuations

The independent desktop valuation of Hystead's investment property portfolio at 30 June 2021 was €765 million. The valuation is 0.4% below the independent valuation at 31 December 2020 (Hystead's latest financial year-end). The decrease is attributable to a reduction in the value of DCB, which is reflected at the agreed sale price in terms of the conditional sale, and an increase in the valuation of the balance of the portfolio. The resultant implied initial yield on the portfolio is 7.3% (December 2020: 6.7%).

Investment property valuations

	30 June 2021 '000	30 June 2020 '000
Investment property - independent value (100%)	€ 765 200	€ 804 000
Hyprop's attributable share[1]	€ 459 120	€ 482 400
Rand / Euro exchange rate	R 17.02	R 19.45
Hyprop's attributable share[1]	R 7 813 258	R 9 381 378
Rentable area m²	245 757	247 002
Value per m²	€ 3 114	€ 3 255
Cap rate range	7.3% - 9.5%	7% - 9.3%
Weighted average cap rate	7.8%	7.6%
Implied effective forward yield	7.3%	7.8%

[1] Based on Hyprop's 60% effective interest in Hystead.

Investments in sub-Saharan Africa (excluding SA) ("S-SA")

The S-SA portfolio comprises 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% shareholding in AttAfrica. It remains Hyprop's intention to exit its S-SA investments.

On 9 November 2020 Hyprop announced that it had concluded an agreement to dispose of its 75% interest in Ikeja City Mall to two new property funds managed by the Actis Group. Conclusion of the transaction has been delayed due to a lack of US Dollar liquidity in Nigeria and the longstop date to implement the transaction has been extended to 31 October 2021. The parties remain committed to the transaction and are working to find alternative ways to implement it. Ikeja City Mall continues to be classified as "held-for-sale" on the statement of financial position.

AttAfrica was recapitalised during FY2021 with all shareholder loans and preference shares being exchanged for new ordinary shares. In terms of the shareholders' agreement, Hyprop has joint control of AttAfrica.

All of the in-country borrowings related to the S-SA assets ($148 million) were refinanced during the year at lower interest rates.

Operating performance

Trading conditions in Ghana and Nigeria remained challenging during FY2021 due to the impact of Covid-19 and the political and economic conditions in the region.

Ikeja City Mall was closed for 10 days, but not damaged, during the riots that occurred in Lagos in November 2020. Ongoing Covid-19 restrictions, including strict curfews and capacity limits applicable to cinemas and restaurants, are adversely affecting activity levels at the mall. Retailers have been impacted by the depreciating Naira and difficulties in importing stock as a result of the lack of foreign exchange. Despite these challenges, Ikeja City Mall remains fully let and produced a good result for FY2021.

The trading performance of the Ghanaian malls improved as the economy is slowly recovering from the impact of the Covid-19 pandemic. In Ghana the vacancy rate reduced from 16.7% to 16.1% and trading density increased by 15.4% in local currency and 10.6% in US Dollars.

Key trading metrics	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
% Change in foot count year-on-year	(3.8%)	(4.3%)	3.4%	62.5%	19.6%	19.6%
Trading density (US$) [2]	223	204	220	212	219	246
% Change in trading density year-on-year [2]	17.8%	16.4%	(10.4%)	61.5%	20.8%	28.9%
Collections as % of collectibles	78.6%	92.3%	186.2%	96.9%	88.3%	110.4%
% change in portfolio tenant turnover year-on-year [2]	(2.7%)	(2.6%)	1.1%	87.9%	29.2%	43.7%
Retail vacancy	11.0%	11.1%	11.6%	11.7%	11.6%	12.1%
Arrears (US$) (m)	18.1	18.2	16.5	16.6	16.8	16.2

[2] Trading density and tenant turnover metrics relate only to the Ghanaian assets and exclude Ikeja City Mall.

Financial performance

The average exchange rate used to convert the S-SA portfolio's results to Rands decreased by 1% from R15.58/$ for FY2020 to R15.43/$ for FY2021.

Net property income for the portfolio increased by 31% from FY2020, underpinned by a 5% increase in revenue (in Rands), and a reduction of R28 million in impairments of trade receivables by Ikeja City Mall.

A net foreign exchange loss of R45 million arose from unrealised currency translation differences in Hyprop Mauritius (functional currency, Rands), due to the strengthening of the Rand against the US Dollar from June 2020 to June 2021.

Net interest paid, which includes interest on bank borrowings in Ikeja City Mall and Hyprop Mauritius, decreased following repayment of $117 million of bank loans by Hyprop Mauritius during FY2021, the reduction in LIBOR over the period, and a decrease in interest rate margins following the refinance of Ikeja's in-country bank loan in February 2021.

As a result of the recapitalisation of AttAfrica, Hyprop Mauritius did not receive any interest on its historic loans to AttAfrica and future income is dependent on AttAfrica declaring dividends. No income was remitted by Ikeja to its shareholders due to the US Dollar liquidity shortage in Nigeria. Accordingly, no distributable income from Ikeja City Mall or AttAfrica has been included in the Group's distributable income for FY2021.

Non-Tangible Assets

Good progress was made on the non-tangible asset strategy in FY2021 with the opening of the first SOKO district at Rosebank Mall in July 2021. Demand from tenants for space in the SOKO District has exceeded our expectations, with a waiting list of 168 online retailers bidding for space. The early trading results for tenants are encouraging.

Hyprop owns 56% of the SOKO operating company ("SOKO") which was founded by Hyprop and EmpiriQ, which developed the suite of software and intellectual property (recognised as an intangible asset on the statement of financial position) used to operate the SOKO district. This includes a digital leasing process and a comprehensive digital trading platform used by SOKO tenants to manage inventory, sales and payments. Data gathered via the SOKO trading platform will be used for shopper, product and trend analyses, that will result in location recommendations and the matching of retailers, products and shoppers across our portfolio.

Following the SOKO project, Hyprop and EmpiriQ have formalised a joint venture to develop technology based non-tangible assets for the retail, property and related sectors, with four projects currently being considered.

The development of a digital omnichannel marketing app is close to finalisation and should be launched in October 2021. The App will enhance our ability to communicate with shoppers and provide a range of unique services, including in mall direction finding, targeted advertising, loyalty programs, gift card purchases, cinema and other booking services, and hassle free paid parking capabilities.

Borrowings

For the second successive year the Group repaid more than R1 billion of debt – FY2020 R1.2 billion and FY2021 R1.0 billion. Following the accelerated book build in April 2021, and receipt of the proceeds from the sale of Atterbury Value Mart on 2 July 2021, the Group has R1.4 billion available to further reduce debt. With the last of the US Dollar "equity debt" having been settled in FY2021, attention will be focused on reducing the Euro denominated "equity debt" in Hystead.

In addition to the above debt repayments, the strengthening of the Rand against the Euro from June 2020 to June 2021 resulted in the Rand value of Hystead's debt reducing by R2 billion. This had a positive impact on the Group's loan to value ratios, notwithstanding the decrease in the values of the Group's property portfolios.

Loan to value and interest cover ratios

	Banking covenant	30 June 2021	30 June 2020
Interest cover (times)	1.75 - 2.0	3.0	3.0
LTV - See through calculation (1)	50% - 70% / 55%	37.2%	41.4%

(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. This methodology is used by Hyprop's lender banks.

The Company met all of its borrowing covenants during FY2021.

Reducing the LTV ratio and the Company's exposure to foreign currency denominated borrowings secured by Rand denominated assets, remain high priorities. The last $117 million of US Dollar equity debt, and a further R825 million of Rand denominated debt, were settled during FY2021 from available cash resources and new Rand facilities.

The interest cover ratio was unchanged at 3.0 times cover, aided by a decrease in the net interest costs from R548 million to R522 million. The reduction in net interest costs was the result of the steady reduction in borrowings over the last two years, notwithstanding the conversion of US Dollar denominated debt to Rand denominated debt at the beginning of FY2021, and the consequent increase in the Group's average cost of funding. The majority of the Group's interest rate exposure is hedged.

The South African bank debt and the guarantees provided by Hyprop for the Hystead equity debt are secured against South African investment properties, while the DCM funding is predominantly unsecured.

Rand denominated debt

At 30 June 2021 Hyprop had R1.15 billion of revolving credit facilities, of which R200 million were utilised.

R1.3 billion of Rand debt matures in FY2022. The intention is to refinance this debt from new bank facilities and/or via the Group's DCM program, while utilising the proceeds from asset disposals, the accelerated bookbuild and cash generated from operations to reduce the Euro denominated loans that mature in FY2022. We have secured new Rand facilities totalling R3.9 billion that will be used within the Group to settle expiring facilities and fund new opportunities.

US Dollar-denominated debt

All US Dollar denominated equity debt has been settled. The remaining US Dollar denominated debt comprises the in-country bank funding in Ikeja City Mall of $57 million. This loan was refinanced in February 2021 for a two-year term.

Euro-denominated debt

At 30 June 2021, Hyprop had guaranteed €362 million of interest-bearing loans advanced by banks to Hystead ("Hystead equity debt"). The Hystead equity 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. In exchange for providing guarantees that 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.

Hystead refinanced €49 million of in-country borrowings with the incumbent lender for two years, and a further €39 million of in-country borrowings were refinanced in July 2021 with a consortium of local banks for 10 years, at a lower interest rate. Both new loans include cash sweeps and limitations on the dividends that my be paid by the respective property companies to Hystead. These restrictions will assist in reducing borrowings.

€188 million of the Hystead equity debt matures in quarter three of 2021. This debt will be settled from the Group's available liquidity, and proceeds on disposal of Hystead's properties, if appropriate.

Net Asset Value

The Group's net asset value per share decreased by 17% from R76.09 at 30 June 2020 to R62.96 at 30 June 2021, primarily due to the 21% increase in the number of ordinary shares in issue following the FY2020 DRIP and the accelerated book build in April 2021, and the reduction in the value of the SA portfolio.

Board Changes

Spiros Noussis was appointed as a non-executive director on 27 July 2020.

Louis Norval resigned as a director at the Annual General Meeting on 24 November 2020. The Board thanks Louis for his considerable contribution to the Group.

Dividend declaration with an election to reinvest the cash dividend for additional shares in Hyprop

A dividend of 336.52921 cents per share for the year ended 30 June 2021 will be paid to shareholders, who will be entitled to elect to reinvest the net cash dividend in return for additional Hyprop shares through a DRIP.

The DRIP is in line with the Company's stated intention to retain as much cash as possible for the 2020 and 2021 financial years, while still complying with the JSE's distribution requirements applicable to REITs.

A circular in this regard is in the process of being prepared and will be distributed to shareholders in due course. A detailed announcement relating to the dividend and the DRIP, including salient dates, the 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 DRIP, will be released separately once the relevant regulatory approvals have been obtained.

The board of directors of Hyprop may, in its discretion, withdraw the DRIP should market conditions warrant such action. Any such withdrawal will be communicated to shareholders prior to the release of the DRIP finalisation announcement on SENS.

Outlook and Prospects

The emergence of new variants of Covid-19 will impact the economies and trading conditions in most jurisdictions in which the Group operates.

We are confident that the Group's strategy and key priorities remain relevant, even in a prolonged Covid-19 environment, and will continue to focus on the following:

1. Completing negotiations and implementing the Hystead liquidity event;
2. Strengthening the balance sheet by:
    a. Retaining cash from the FY2021 distribution via the DRIP;
    b. Reducing the Euro equity debt, and Hystead's in-country debt;
    c. Completing the disposal of Delta City Belgrade; and
    d. Recycling assets that do not accord with the Group's long-term strategy.
3. Repositioning the SA portfolio for sustainable future growth;
4. Increasing the dominance of the properties in the European portfolio; and
5. Pursuing the non-tangible asset strategy.

We remain focused on creating safe environments and opportunities for people to connect and have authentic and meaningful experiences, thereby creating long term sustainable value for all stakeholders.

Covid-19 remains a risk, as does the underperforming local economy. Consumer spending is expected to remain under pressure and consumer behaviour will continue to evolve. While we anticipate further negative rent reversions in South Africa in the short term, our repositioning strategies will enable Hyprop to successfully navigate these challenges.

Until market conditions stabilise, the board anticipates declaring an annual dividend on publication of the Group's year-end results, having regard to the JSE's minimum distribution requirements applicable to REITs, capital expenditure, and other cash flow requirements, and the objective of strengthening the balance sheet. The Board will review the dividend payment frequency and pay-out ratio as market conditions evolve.

Having regard to the current, weak South African economic conditions and the uncertainty of the continuing impact of Covid-19 on the Group's tenants, shoppers, investments and other stakeholders, the Board has resolved not to provide guidance on distributable income and dividends for the financial year ending 30 June 2022.

Basis of Preparation

The summarised consolidated results for the year ended 30 June 2021 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, to 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 2020 have been considered. Based on management's assessment, the amendments do not have a material impact on the Group's annual financial statements.

These summarised consolidated results for the year ended 30 June 2021 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.

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

Going concern

The consolidated and separate financial statements for the year ended 30 June 2021 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 2021 were prepared under the supervision of Brett Till CA(SA), in his capacity as the Chief Financial Officer.

On behalf of the board

GR Tipper
Chairman

MC Wilken
Chief Executive Officer

BC Till
Chief Financial Officer

15 September 2021

Statement of profit or loss and other comprehensive income
for the year ended 30 June 2021

	Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
Revenue	**2 781 339**	**3 102 342**
Rental and other lease income [1]	2 112 847	2 184 811
Straight-line rental income accrual	(114 705)	118 286
Non-lease income [1]	67 165	76 311
Recoveries	716 032	722 934
Changes in expected credit losses - trade receivables	(72 253)	(77 682)
Property expenses	(1 178 249)	(1 139 721)
Net property income	**1 530 837**	**1 884 939**
Other operating income [2]	55 341	18 783
Other operating expenses	(122 718)	(89 130)
Net foreign exchange (loss) / profit [2]	(51 778)	2 088
Operating income	**1 411 682**	**1 816 680**
Net interest	(521 971)	(548 395)
Interest income	26 842	88 997
Interest expense	(548 813)	(637 392)
Net operating income	**889 711**	**1 268 285**
Guarantee fee income	3 635	22 111
Dividends received	19 833	120 630
Loss from equity accounted investments	(4 016)	-
Net income before value adjustments	**909 163**	**1 411 026**
Changes in fair value	(1 661 020)	(4 620 263)
Investment property	(1 587 323)	(4 668 419)
Other investments	-	(45 172)
Financial asset - Hystead	(235 738)	314 528
Derivative instruments	162 041	(221 200)
Changes in expected credit losses - loans receivable	-	(289 974)
Changes in expected credit losses - financial guarantees	16 665	(16 665)
Loss before taxation	**(735 192)**	**(3 515 876)**
Taxation	(101 500)	(7 150)
Loss for the year	**(836 692)**	**(3 523 026)**
Loss for the year attributable to:		
Shareholders of the Company	(811 620)	(3 401 849)
Non-controlling interests	(25 072)	(121 177)
Loss for the year	**(836 692)**	**(3 523 026)**
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to profit or loss (net of taxation)	**(140 162)**	**22 718**
Exchange differences on translation of foreign operations	(153 966)	16 217
Exchange differences on translation of foreign operations: non-controlling interests	13 804	6 501
Total comprehensive loss for the year	**(976 854)**	**(3 500 308)**
Total comprehensive loss for the year attributable to:		
Shareholders of the Company	(965 586)	(3 385 632)
Non-controlling interests	(11 268)	(114 676)
Total comprehensive loss for the year	**(976 854)**	**(3 500 308)**
Basic loss per share (cents)	(297.4)	(1 332.4)
Diluted loss per share (cents)	(296.9)	(1 331.5)

[1] Reallocation of Non-lease income: Casual parking income has been reallocated from Lease income to Non-lease income given the nature of this item which is recognised when the service is rendered. Comparative amounts have been restated accordingly with no change in the amount of casual parking income or total revenue reported for the 2020 financial year. This enhances the disclosure provided.

[2] Reallocation of Foreign exchange gains or losses: Foreign exchange gains and losses have been reallocated from Other operating income to a seperate line. Comparative amounts have been reallocated accordingly.

Statement of financial position
at 30 June 2021

	Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
ASSETS		
Non-current assets	**22 993 712**	**25 190 146**
Investment property	21 398 499	23 874 363
Straight-line rental income accrual	432 830	574 845
Property, plant and equipment	261 306	206 236
Investment in joint ventures	579 510	1 730
Financial asset - Hystead	297 234	532 972
Intangible assets	20 133	-
Loans receivable	4 200	-
Current assets	**908 208**	**1 670 640**
Loans receivable	19 911	681 215
Trade and other receivables	106 282	154 548
Derivatives	4 324	-
Cash and cash equivalents	777 691	834 877
Assets classified as held-for-sale	**2 976 164**	**2 098 918**
Total assets	**26 878 084**	**28 959 704**
EQUITY AND LIABILITIES		
Equity and reserves	**19 291 340**	**19 271 458**
Equity and reserves attributable to shareholders of the company	19 357 485	19 346 335
Stated capital	9 521 178	8 387 031
Non-distributable reserves	8 458 956	10 313 904
Share-based payment reserve	32 058	25 605
Retained income	1 516 877	637 413
Currency translation reserve	(171 584)	(17 618)
Non-controlling interests	(66 145)	(74 877)
Liabilities		
Non-current liabilities	**4 498 965**	**4 530 116**
Borrowings	4 132 704	4 074 183
Financial guarantees	65 837	127 066
Derivatives	113 368	233 669
Deferred taxation	187 056	95 198
Current liabilities	**1 851 666**	**3 798 914**
Borrowings	1 281 593	2 463 877
Financial guarantees	44 564	-
Trade and other payables	507 199	494 710
Taxation	3 746	-
Dividend payable	-	788 347
Derivatives	14 564	51 980
Liabilities associated with assets classified as held-for-sale	**1 236 113**	**1 359 216**
Total liabilities	**7 586 744**	**9 688 246**
Total equity and liabilities	**26 878 084**	**28 959 704**

Statement of cash flows
for the year ended 30 June 2021

	Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
Net cash flows from operating activities	**304 372**	**316 711**
Cash generated from operations	1 728 717	1 733 439
Interest received	27 037	84 961
Interest paid	(497 736)	(587 807)
Taxation (paid) / refunded	(159)	3 586
Cash flows from operating activities before dividends	**1 257 859**	**1 234 179**
Dividends paid	(953 487)	(917 468)
Net cash flows from investing activities	**(281 221)**	**509 127**
Acquisition of and additions to investment property	(180 502)	(140 896)
Additions to property, plant and equipment	(120 879)	(83 695)
Acquisition of subsidiary, net of cash aquired	4 527	-
Increase in investment in joint venture	-	(1 730)
Loans receivable repaid	-	669 396
Loans receivable advanced	(4 200)	(70 856)
Dividends received	19 833	136 908
Net cash flows from financing activities	**124 032**	**(1 248 006)**
Loans repaid	(3 556 339)	(2 469 969)
Loans raised	2 547 069	1 247 982
Shares issued	1 133 302	-
Shares repurchased	-	(26 019)
Net increase / (decrease) in cash and cash equivalents	147 183	(422 168)
Cash and cash equivalents at the beginning of the year	834 877	1 285 337
Effects of changes in exchange rates	(82 477)	(28 137)
Cash and cash equivalents transferred to assets classified as held-for-sale	(121 892)	(155)
Cash and cash equivalents at the end of the year	**777 691**	**834 877**

Summarised Consolidated Statement of Changes in Equity

	Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
Balance at the beginning of the year	**19 271 458**	**24 491 805**
Total comprehensive loss	**(976 854)**	**(3 500 308)**
Loss for the year	(836 692)	(3 523 026)
Other comprehensive (loss) / income for the year	(140 162)	22 718
Transactions with shareholders of the company - contributions and distributions	**996 736**	**(1 720 039)**
Forfeit of shares	(8 036)	(2 208)
Shares issued	1 133 302	-
Treasury shares purchased	-	(26 019)
Share-based payment expense	16 610	14 003
Dividends declared	(165 140)	(1 705 815)
Business combinations	20 000	-
Balance at the end of the year	**19 291 340**	**19 271 458**

Reconciliation of headline earnings

Earnings reconciliation - basic to headline earnings		Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
Loss for the year attributable to shareholders of the company (basic earnings)	A	(811 620)	(3 401 849)
Headline earnings adjustments		1 705 898	4 450 404
Change in fair value of investment property		1 702 028	4 550 133
Non-controlling interests share of change in fair value of investment property		(146)	(99 729)
Loss from equity accounted investments		4 016	-
Headline earnings	B	**894 278**	**1 048 555**

Weighted average number of ordinary shares			
Shares in issue at the beginning of the year		255 894 516	255 894 516
Effect of shares issued during the year		18 620 288	-
Effect of treasury shares held		(1 634 905)	(575 687)
Weighted average number of ordinary shares in issue	C	**272 879 899**	255 318 829
Effect of dilutive shares		506 637	170 846
Diluted weighted average number of ordinary shares in issue	D	**273 386 536**	255 489 675
Basic loss per share (EPS) (cents)	A/C	(297.4)	(1 332.4)
Diluted loss per share (DEPS) (cents)	A/D	(296.9)	(1 331.5)
Headline earnings per share (HEPS) (cents)	B/C	327.7	410.7
Diluted headline earnings per share (DHEPS) (cents)	B/D	327.1	410.4

Reconciliation of attributable net loss for the year to distributable income

	Audited Year ended 30 June 2021 R'000	Audited Year ended 30 June 2020 R'000
Total loss for the year attributable to shareholders of the company	**(811 620)**	**(3 401 849)**
Adjusted for:	1 846 309	4 659 890
Change in fair value - investment property	1 701 881	4 450 404
Change in fair value - derivative instruments	(162 041)	221 200
Change in fair value - financial asset	235 738	(314 528)
Change in expected credit losses - financial guarantees	(16 665)	16 665
Change in expected credit losses - loans receivable	-	289 974
Taxation	92 885	7 150
Capital and other items	47 636	(1 901)
Income from Sub-Saharan Africa[1]	(53 125)	(9 074)
Distributable income	**1 034 689**	**1 258 041**

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

Segmental Analysis - Distributable income

	30 June 2021				30 June 2020			
	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	GROUP R'000	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	GROUP R'000
Revenue	**2 559 028**	**-**	**222 311**	**2 781 339**	**2 890 220**	**-**	**212 122**	**3 102 342**
Rental and other lease income	1 928 082	-	184 765	2 112 847	2 003 636	-	181 175	2 184 811
Gross contractual rental income	2 076 949	-	195 104	2 272 053	2 246 061	-	203 864	2 449 925
Covid-19 rent relief	(148 867)	-	(10 339)	(159 206)	(242 425)	-	(22 689)	(265 114)
Non-lease income	65 650	-	1 515	67 165	74 577	-	1 734	76 311
Straight-line rental income accrual	(114 218)	-	(487)	(114 705)	125 927	-	(7 641)	118 286
Recoveries	679 514	-	36 518	716 032	686 080	-	36 854	722 934
Change in expected credit losses - trade receivables	(58 006)	-	(14 247)	(72 253)	(35 786)	-	(41 896)	(77 682)
Property expenses	(1 101 683)	-	(76 566)	(1 178 249)	(1 069 565)	-	(70 156)	(1 139 721)
Net property income	**1 399 339**	**-**	**131 498**	**1 530 837**	**1 784 869**	**-**	**100 070**	**1 884 939**
Other operating income	50 979	-	4 362	55 341	18 783	-	-	18 783
Other operating expenses	(116 346)	-	(6 372)	(122 718)	(87 933)	-	(1 197)	(89 130)
Net foreign exchange profit / (loss)	(2 878)	(4 242)	(44 658)	(51 778)	3 922	215	(2 049)	2 088
Operating income	**1 331 094**	**(4 242)**	**84 830**	**1 411 682**	**1 719 641**	**215**	**96 824**	**1 816 680**
Net interest	(410 361)	-	(111 610)	(521 971)	(357 028)	-	(191 367)	(548 395)
Net operating income / (loss)	**920 733**	**(4 242)**	**(26 780)**	**889 711**	**1 362 613**	**215**	**(94 543)**	**1 268 285**
Guarantee fee income	-	3 635	-	3 635	-	22 111	-	22 111
Dividends received	-	19 833	-	19 833	-	120 630	-	120 630
Loss from equity accounted investments	-	-	(4 016)	(4 016)	-	-	-	-
Net income / (loss) before value adjustments	**920 733**	**19 226**	**(30 796)**	**909 163**	**1 362 613**	**142 956**	**(94 543)**	**1 411 026**
Adjusted for:	120 942	-	4 584	125 526	(175 049)	-	22 064	(152 985)
Straight-line rental income accrual	114 218	-	487	114 705	(125 927)	-	7 641	(118 286)
Non-controlling interests	3 875	-	20 703	24 578	-	-	21 449	21 449
Tax adjustments	(159)	-	(8 109)	(8 268)	-	-	-	-
Net interest adjustments	-	-	(1 741)	(1 741)	-	-	(4 036)	(4 036)
Other fair value adjustments - Edcon	-	-	-	-	(45 172)	-	-	(45 172)
Loss from equity accounted investments	-	-	4 016	4 016	-	-	-	-
Capital items for distribution purposes	3 008	-	44 628	47 636	(3 950)	-	2 049	(1 901)
Gruppo non-remittable income	-	-	(55 400)	(55 400)	-	-	(5 039)	(5 039)
Distributable income	**1 041 675**	**19 226**	**(26 212)**	**1 034 689**	**1 187 564**	**142 956**	**(72 479)**	**1 258 041**
Weighted number of shares for calculating distributable income per share				307 458 894				254 985 466
Distributable income per share	**338.8**	**6.3**	**(8.5)**	**336.5**	**465.9**	**56.0**	**(28.5)**	**493.4**
Percentage change	(27.3%)	(88.8%)	(70.1%)	(31.8%)	(29.8%)	(46.2%)		(33.8%)

Reconciliation of Cash generated from operations to Distributable income

	Year ended 30 June 2021				Year ended 30 June 2020			
	South Africa	Eastern Europe	Sub-Saharan Africa	GROUP	South Africa	Eastern Europe	Sub-Saharan Africa	GROUP
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Cash generated from operations	**1 599 205**	**(607)**	**130 119**	**1 728 717**	**1 599 373**	**22 326**	**111 740**	**1 733 439**
Working capital changes	(36 359)	-	14 748	(21 611)	36 955	-	38 056	75 011
Depreciation	(48 285)	-	(2 532)	(50 817)	(44 462)	-	(1 398)	(45 860)
Expected credit losses - trade receivables	(58 006)	-	(14 247)	(72 253)	(35 786)	-	(41 896)	(77 682)
Straight-line rental income accrual	(114 218)	-	(487)	(114 705)	125 927	-	(7 641)	118 286
Other non-cash items	(11 243)	-	(42 771)	(54 014)	(7 538)	-	(2 037)	(9 575)
Loss from equity accounted investments	-	-	(4 016)	(4 016)	-	-	-	-
Edcon impairment	-	-	-	-	45 172	-	-	45 172
Net interest	(410 361)	-	(111 610)	(521 971)	(357 028)	-	(191 367)	(548 395)
Dividends received	-	19 833	-	19 833	-	120 630	-	120 630
Net income before value adjustments	**920 733**	**19 226**	**(30 796)**	**909 163**	**1 362 613**	**142 956**	**(94 543)**	**1 411 026**
Straight-line rental income accrual	114 218	-	487	114 705	(125 927)	-	7 641	(118 286)
Non-controlling interests	3 875	-	20 703	24 578	-	-	21 449	21 449
Taxation expense	(159)	-	(8 109)	(8 268)	-	-	-	-
Net interest adjustments	-	-	(1 741)	(1 741)	-	-	(4 036)	(4 036)
Other fair value adjustments - Edcon	-	-	-	-	(45 172)	-	-	(45 172)
Loss from equity accounted investments	-	-	4 016	4 016	-	-	-	-
Capital items for distributable income purposes	3 008	-	44 628	47 636	(3 950)	-	2 049	(1 901)
Gruppo non-remittable income	-	-	(55 400)	(55 400)	-	-	(5 039)	(5 039)
Distributable income	**1 041 675**	**19 226**	**(26 212)**	**1 034 689**	**1 187 564**	**142 956**	**(72 479)**	**1 258 041**

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

	Year ended 30 June 2021 See-through LTV Rm	Year ended 30 June 2020 See-through LTV Rm
Borrowings		
South African borrowings	5 528	4 499
Bank borrowings	2 484	1 159
Corporate bonds	2 916	3 340
Derivative instruments	128	-
Less: cash and cash equivalents	(941)	-
USD borrowings (Rand equivalent)	14	2 039
USD borrowings (Rand equivalent included in liabilities directly associated with non-current assets held-for-sale)	1 154	1 312
On balance sheet borrowings	**5 755**	**7 850**
EUR (Rand equivalent) [1]	5 425	6 120
Total borrowings	**11 180**	**13 970**
Portfolio assets		
South African assets	23 335	25 644
Investment property South African Portfolio	21 831	24 449
Property, plant & equipment	261	206
Other assets	125	989
Assets-held-for-sale	1 118	-
USD assets	585	683
USD assets held-for-sale	1 695	2 099
On balance sheet assets	**25 615**	**28 426**
EUR assets (Rand equivalent) [2]	4 425	5 341
Portfolio assets	**30 040**	**33 767**
Loan-to-value ratio	37.2%	41.4%

[1] Hyprop's attributable share of 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 ((Assets less in-country debt) x 60%)

	Year ended 30 June 2021	Year ended 30 June 2020
Proportion of borrowing costs which are hedged		
South African debt	79.0%	84.6%
USD debt (Rand equivalent)	0.0%	36.9%
EUR debt guaranteed by Hystead shareholders (Rand equivalent)	100.0%	100.0%
EUR debt (Rand equivalent)	77.8%	77.6%
Average term of interest rate hedges (years) (excl. EUR Funding)	**2.0**	**1.7**
South African debt	2.0	2.1
USD debt (Rand equivalent)	N/A	0.2
EUR debt	3.4	4.4
Weighted average term of interest bearing borrowings (years) (excl. EUR funding)	**1.8**	**1.8**
South African debt	1.8	2.5
USD debt (Rand equivalent)	1.7	0.4
EUR debt	2.2	2.7
Cost of funding (including hedges, excl. EUR funding)	**7.7%**	**7.3%**
South African debt	7.8%	9.0%
USD debt	6.3%	4.7%
EUR debt	2.6%	2.8%
Cost of funding (excluding hedges, excl. EUR funding)	**5.6%**	**5.1%**
South African debt	5.5%	5.6%
USD debt	6.3%	4.4%
EUR debt	2.5%	2.4%
Debt Capital Market (DCM) % of total debt	24%	23%
Interest cover ratio		
Interest cover ratio (gross)	3.0	3.0
Interest cover ratio (net)	3.2	3.4
Borrowing covenants		
LTV (Banks / DCM)	50% - 70% / 55%	50% - 70% / 55%
Interest cover (Banks)	1.75 - 2.0	1.75 - 2.0

Exchange rates

	Year ended 30 June 2021		Year ended 30 June 2020	
	Average rate R	Year-end spot rate R	Average rate R	Year-end spot rate R
US Dollar	15.43	14.31	15.58	17.33
Euro	18.38	17.02	17.32	19.45
Realised average exchange rate - Euro[1]	17.80	-	17.18	-

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

Hystead Limited financial information

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

Statement of profit and loss	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Revenue	**1 532 068**	**1 339 717**
Property expenses	(655 929)	(508 562)
Net property income	**876 139**	**831 155**
Other operating income	12 365	17 233
Other operating expenses	(10 231)	(8 510)
Net foreign exchange profit / (loss)	23 097	(34 807)
Net interest	(401 217)	(409 549)
Net income before fair value adjustments and taxation	**500 153**	**395 522**
Fair value movement on investment property	(805 125)	49 101
Fair value movement on derivatives	34 417	(21 822)
Net (loss) / income before taxation	**(270 555)**	**422 801**
Taxation	(34 207)	(148 999)
Net (loss) / income after taxation	**(304 762)**	**273 802**
Converted to Rands at the following average rates	R18.38	R17.32

Statement of financial position	Year ended 30 June 2021 R'000	Year ended 30 June 2020 R'000
Non-current assets	**13 203 304**	**15 782 048**
Investment property	13 153 816	15 703 889
Other non-current assets	49 488	78 159
Current assets	**775 182**	**662 652**
Receivables and other current assets	103 128	181 292
Cash and cash equivalents	672 054	481 360
Total assets	**13 978 486**	**16 444 700**
Non-current liabilities	**(9 907 117)**	**(15 268 581)**
Borrowings in-country	(6 357 041)	(6 566 662)
Borrowings equity	(2 789 682)	(7 808 821)
Other non-current liabilities	(760 394)	(893 098)
Current liabilities	**(4 483 136)**	**(1 312 323)**
Borrowings in-country	(177 991)	(975 982)
Borrowings equity	(4 052 310)	-
Other current liabilities	(252 835)	(336 341)
Total liabilities	**(14 390 253)**	**(16 580 904)**
Net assets	**(411 767)**	**(136 204)**
Converted to Rands at the following spot rates:	R17.02	R19.45

REIT DISCLOSURES

REIT ratios

The second edition of the SA REIT Association's best practice recommendations was issued in November 2019 and is effective for reporting periods commencing on or after 1 January 2020. The comparative figures have been disclosed on the same basis.

SA REIT Funds from Operations (SA REIT FFO) per share

	GROUP 30 June 2021 R'000	GROUP 30 June 2020 R'000
(Loss)/profit per IFRS Statement of comprehensive income (SOCI) attributable to the parent	**(811 620)**	**(3 401 849)**
Adjusted for:		
Accounting / specific adjustments:	**2 012 812**	**4 450 152**
Fair value adjustments to:		
Investment property	1 587 177	4 568 690
Equity instruments held at fair value through profit or loss	235 738	(314 528)
Debt instruments held at fair value through profit or loss	(16 665)	16 665
Asset impairments (excluding goodwill) and reversals of impairment	-	289 974
Deferred tax movement recognised in profit or loss	91 857	7 637
Straight-lining operating lease adjustment	114 705	(118 286)
Foreign exchange and hedging items:	**(99 967)**	**224 599**
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(162 041)	221 200
Foreign exchange gains or losses relating to capital items – realised and unrealised	62 074	3 399
SA REIT FFO:	**1 101 225**	**1 272 902**
Number of shares outstanding at the end of the period (net of treasury shares)	**307 439 291**	**254 245 325**
SA REIT FFO per share (cents) :	**358.2**	**500.7**
Company-specific adjustments (cents per share)	(21.7)	(7.3)
Net interest adjustments	(0.6)	(1.6)
Gruppo non remittable income	(18.0)	(2.0)
Capital and other items	(4.4)	(2.3)
Effects of weighting of shares in issue	0.0	(1.4)
Equity accounted losses	1.3	-
Distributable income per share (cents):	**336.5**	**493.4**

SA REIT Net Asset Value (SA REIT NAV)

	GROUP 30 June 2021 R'000	GROUP 30 June 2020 R'000
Reported NAV attributable to the parent	**19 357 485**	**19 346 335**
Adjustments:		
Dividend to be (declared) / reinvested	(1 034 689)	(165 140)
Goodwill and intangible assets	(20 133)	-
Deferred tax	187 056	95 198
SA REIT NAV:	**18 489 719**	**19 276 393**
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	307 439 291	254 245 325
Effect of dilutive instruments (options under the share scheme)	506 637	170 846
Diluted number of shares in issue	**307 945 928**	**254 416 171**
SA REIT NAV per share (R):	**60.04**	**75.77**

SA REIT loan-to-value

	GROUP 30 June 2021 R'000	GROUP 30 June 2020 R'000
Gross debt* - per statement of financial position	6 678 270	7 977 411
Less:		
Cash and cash equivalents (including held-for-sale)	(941 250)	(876 544)
Add:		
Derivative financial instruments	127 932	285 649
Net debt	**5 864 952**	**7 386 516**
Total assets – per statement of financial position	26 878 084	28 959 704
Less:		
Cash and cash equivalents (including held-for-sale)	(941 250)	(876 544)
Derivative financial assets	(4 324)	-
Intangible assets	(20 133)	
Trade and other receivables	(147 634)	(202 684)
Carrying amount of property-related assets	**25 764 743**	**27 880 476**
SA REIT loan-to-value	**22.8%**	**26.5%**

* Excludes non-consolidated liabilities of Hystead Limited which have been guaranteed by Hyprop.
See page 27 for details of the Company's loan to value ratio as calculated by the Group's major lenders.

SA REIT cost-to-income ratio

	GROUP 30 June 2021 R'000	GROUP 30 June 2020 R'000
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	1 250 502	1 217 403
Administrative expenses per IFRS income statement	122 718	89 130
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature	(1 467)	(1 419)
Company specific adjustments:		
Software development costs	(4 956)	-
Operating costs	**1 366 797**	**1 305 114**
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)*	2 112 847	2 184 811
Utility and operating recoveries per IFRS income statement	716 032	722 934
Gross rental income	**2 828 879**	**2 907 745**
SA REIT cost-to-income ratio	**48.3%**	**44.9%**

* Net of Covid-19 related discounts and relief

SA REIT administrative cost-to-income ratio

	GROUP 30 June 2021 R'000	GROUP 30 June 2020 R'000
Expenses		
Administrative expenses as per IFRS income statement	122 718	89 130
Administrative costs	**122 718**	**89 130**
Rental income		
Contractual rental income per IFRS income statement (excluding straightlining) *	2 112 847	2 184 811
Utility and operating recoveries per IFRS income statement	716 032	722 934
Gross rental income	**2 828 879**	**2 907 745**
SA REIT administrative cost-to-income ratio	**4.3%**	**3.1%**

* Net of Covid-19 related discounts and relief

SA REIT GLA vacancy rate - total

	GROUP 30 June 2021 m^2	GROUP 30 June 2020 m^2
Gross lettable area of vacant space	26 358	21 760
Gross lettable area of total property portfolio	708 334	710 194
SA REIT GLA vacancy rate	3.7%	3.1%

SA REIT Cost of debt

	GROUP 30 June 2021 %	GROUP 30 June 2020 %
Cost of debt - ZAR		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	5.5	5.6
Pre-adjusted weighted average cost of debt	**5.5**	**5.6**
Adjustments:		
Impact of interest rate derivatives	2.3	3.4
Amortised transaction costs imputed into the effective interest rate	0.1	0.1
All-in weighted average cost of debt	**7.9**	**9.1**
Cost of debt - USD		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	6.3	4.4
Pre-adjusted weighted average cost of debt	**6.3**	**4.4**
Adjustments:		
Impact of interest rate derivatives	0.0	0.3
All-in weighted average cost of debt	**6.3**	**4.7**

Corporate Information

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*†, S. Noussis*†, S. Shaw-Taylor*†

*Non-executive | †Independent

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(Incorporated in the Republic of South Africa)
(Registration number 1987/005284/06)
JSE share code: HYP
ISIN: ZAE000190724
Bond issuer code: HYPI
(Approved as a REIT by the JSE)
("Hyprop" or "the Company" or "the Group")