HYPROP

INVESTMENTS LIMITED

CONDENSED CONSOLIDATED INTERIM RESULTS

for the six months ended 31 December 2020

HEADLINES

Balance sheet strengthened and see-through LTV ratio reduced from 41.4% at 30 June 2020 to **38.8%** at 31 December 2020;

- Reduction of R942 million in interest bearing debt, including $117 million of US Dollar equity debt;
- All US Dollar equity debt ($289 million) settled over the last 18 months;
- Retention of R777 million from 2020 distributions, post 31 December 2020.

Ongoing progress in repositioning the SA Portfolio:

- Renegotiated leases on former Edcon space with the new buyers
- Checkers FreshX opened in Rosebank Mall and two further Checkers FreshX stores in the pipeline
- Zara secured at Canal Walk, a first for the Hyprop portfolio
- Solar projects completed at all Gauteng malls

Diluted distributable income of
161 cents per share

Covid-19 impact reduced distributable income by R244 million, equivalent to 83 cents per share

R112 million in **rental discounts granted to tenants**

R113 million **reduction in dividends from Hystead**

R19 million **reduction in parking income** in South Africa

Valuation
of Hystead property portfolio down by €35.6 million (4.4%)

Agreement signed in January 2021 for the **disposal of Atterbury Value Mart**

Commentary

HYPROP PROFILE

Hyprop is a retail-focused REIT listed on the JSE with a R45.4 billion portfolio of shopping centres in South Africa, Eastern Europe and sub-Saharan Africa.

INTRODUCTION

Despite the challenges faced in the 2020 calendar year, positive progress is being made in implementing the Group's revised strategy.

The period was dominated by the global impact of the Covid-19 pandemic. Trading conditions improved as the first wave of Covid-19 lockdown restrictions were relaxed globally, however, the second wave and the new variants of the virus saw infection rates increase to higher levels than before, forcing many countries to impose new lockdown restrictions and reducing people's propensity to visit shopping malls. The Group's European portfolio, in particular, was heavily impacted by the second wave lockdown restrictions.

Operating in a Covid-19 environment is the new norm and our teams have adapted well. Protocols and procedures to deal with the risks posed by Covid-19 have become entrenched at all our malls and the relevant guidance from governments and other regulatory bodies is followed.

With restrictions affecting trading hours, especially during December 2020, the seating capacity of restaurants and other entertainment offerings, as well as the psyche of many shoppers, trading conditions were difficult for many tenants. Notwithstanding these challenges, a limited number of tenants are performing strongly.

In the light of the changing environment as a result of Covid-19 and the resultant acceleration of the digital economy, we have ensured that our strategy and key priorities remain relevant. Covid-19 affirmed that humans are social beings and the Company remains committed to its purpose of creating safe environments and opportunities for people to connect and have authentic and meaningful experiences. We will achieve this by owning and managing dominant retail centres in mixed-used precincts, in key economic nodes in South Africa and Eastern Europe. Our initiatives to grow the Group's non-tangible asset base are being intensified and good progress is being made.

FINANCIAL RESULTS

The financial performance for the period was impacted by the effects of Covid-19 on all of the portfolios. Although the level of Covid-19 related discounts granted to tenants reduced relative to the six months ended 30 June 2020 ("the prior six months"), we continue to assist our tenants on a selective basis as their businesses recover. This has enabled us to manage vacancy levels, retain key tenants and ensure that the malls remain fully functional and continue to meet the needs of the communities they serve.

Distributable income

	6 months 31 December 2020 R'000	6 months 31 December 2019 R'000	12 months 30 June 2020 R'000
Net income before fair value adjustments	**431 310**	**815 606**	**1 411 026**
Adjustments to calculate distributable income	**41 910**	**41 293**	**(152 985)**
Straightline rental income accrual	105 514	61 636	(118 286)
Non-controlling interest	7 401	6 161	21 449
Net interest adjustments	(1 741)	(3 403)	(4 036)
Other fair value adjustments - Edcon	(8 126)	(23 603)	(45 172)
Capital items for distribution purposes	(29 419)	502	(1 901)
Gruppo non-remittable income	(31 719)	-	(5 039)
Distributable income	**473 220**	**856 899**	**1 258 041**

Distributable income for the period was R473 million, a decrease of 45% from that for the six months ended 31 December 2019 (prior to Covid-19) ("the comparable period") and an increase of 18% over the distributable income for the prior six months. The overall result was impacted by Covid-19 related discounts of R112 million granted to tenants in South Africa and Nigeria, rent reversions in the South African portfolio, a decrease of R113 million in income from Hystead and an increase in borrowing costs following the refinancing of Dollar denominated debt into Rands.

Distributable income per share (calculated based on the actual number of shares in issue on 31 December 2020, less treasury shares held) for the period was 186.1 cents versus 335.6 cents in the comparable period.

The effect of the additional 40.4 million shares (15.7% of the issued ordinary shares) issued in January 2021 pursuant to the share reinvestment alternative relating to the distributions for the 2020 financial year, results in a further reduction in the distributable income per share to 160.6 cents per share.

Normalised distributable income for the South African portfolio for the period, adjusted for the impact of Covid-19, is approximately R620 million.

The valuations of the South African and the sub-Saharan African portfolios reduced marginally in the period, with the European portfolio decreasing by 4.3%. Further details are provided in the individual portfolio reviews.

The Group's see-through LTV ratio improved from 41.4% in June 2020 to 38.8% as a result of the repayment of R942 million of debt (including all remaining Dollar denominated equity debt) and the Rand strengthening against the Euro and US Dollar.

In January 2021 the Company settled the dividends payable for the 2020 financial year of which R777 million (82%) was reinvested for new Hyprop shares via the share reinvestment alternative, and R182 million was paid to shareholders in cash.

The Group's liquidity remains strong with cash of R528 million at 31 December 2020, and undrawn facilities of R1.15 billion.

SOUTH AFRICAN ("SA") PORTFOLIO

The portfolio in South Africa includes 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 owns the standalone offices Cradock Heights and 17 Baker Street, which form part of the Rosebank precinct. Subsequent to 31 December 2020 an agreement was signed for the disposal of Atterbury Value Mart.

Operating performance

The majority of our malls displayed resilience during the Covid-19 lockdowns and recovered quickly when the lockdown restrictions were eased, with trading densities and foot counts improving steadily, albeit not to pre-Covid-19 levels. Certain categories of tenants achieved good growth in trading densities, including electronics / photography at 17.5%, home furnishings / art / décor at 2.7% and speciality stores at 0.7%.

Key trading metrics	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
% Change in foot count year-on-year	(30.1%)	(23.9%)	(19.3%)	(13.7%)	(18.0%)	(17.2%)
Trading density (R)	2 428	2 585	2 392	2 670	3 116	4 098
% Change in trading density year-on-year	(13.0%)	(9.0%)	(10.1%)	(0.7%)	(5.9%)	(7.4%)
Cash collections [(1)]	86.8%	81.2%	96.2%	113.4%	82.9%	120.5%
% change in portfolio tenant turnover year-on-year	(18.8%)	(14.1%)	(11.6%)	(3.8%)	(8.5%)	(9.7%)
Retail vacancy	2.7%	3.3%	3.6%	3.1%	2.7%	3.0%
Arrears (Rm)	164	174	168	135	126	107

[1] % of average monthly billings, before Covid-19 discounts, for the period.

Leasing strategies for each mall have been formulated based on demographic studies and market research to ensure we meet the needs of the communities we serve.

Vacancies in the retail portfolio increased from 2.4% in June 2020 to 3.0% in December 2020. Achieving the right balance between vacancies, rent reversions and Covid-19 discounts is critical to maintaining the functionality of our malls, particularly in these times. Maintaining the historic low vacancy levels is also key to preserving the long-term value of the properties, and we continue to partner with our tenants to find beneficial long-term solutions for all stakeholders.

	Rentable area (m^2) Total		Vacant (m^2)		Vacancy %	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020	31 December 2020	30 June 2020
Retail	664 251	664 609	20 126	15 648	3.0%	2.4%
Office	45 942	45 956	7 425	6 111	16.2%	13.3%
Total	**710 193**	**710 565**	**27 551**	**21 759**	**3.9%**	**3.1%**

Leasing and innovation

Rental rates remain under pressure, and this has been compounded by the impact of Covid-19. New and / or renewed leases were concluded on 74 460 m^2 (11.2% of retail GLA) during the period at an average negative reversion rate of 22.7%. This equates to a reduction in monthly rental income of circa R5 million (equivalent to 2.4% of average monthly rental). There has also been a noticeable increase in the number of tenants who are reluctant to commit to longer term leases until economic conditions improve. This may however be beneficial in the long run as the impact of Covid-19 dissipates, and the benefits of repositioning the SA portfolio accrue to justify higher rentals on future renewals. The average duration of new leases was 4.1 years and that of renewals was 3.2 years, with annual escalations decreasing to 6.5%. The lower escalation rate may reduce future rent reversions.

The repositioning of the SA portfolio requires changes to the tenant mix of each mall and the current environment provides an opportunity to accelerate these initiatives as existing tenants seek to downsize their space or vacate current locations.

Phase one of the installation of high-speed free Wi-Fi at all malls is largely complete, with phase two commencing shortly. The Wi-Fi project will provide free and convenient connectivity for shoppers, and will form the backbone of a digital customer engagement strategy, which will assist our marketing teams to better understand the needs of our consumers.

New lettings included the opening of a Checkers FreshX in Rosebank Mall in December 2020. This was a catalyst for a number of new leases of line shops adjacent to the new Checkers, which were previously vacant or on monthly tenancies. The old Game premises at Woodlands Boulevard is being replaced by a Checkers FreshX store and a Stax. We have also agreed terms with Checkers to upgrade their store at CapeGate to the Checkers FreshX specification.

Somerset Mall and Atterbury Value Mart are fully let and CapeGate's vacancy level is 0.5%. Cotton On and Toys R Us signed new leases at Somerset Mall, and Seattle Coffee and Stellies (an authentic clothing store) opened. The Mr Price Group relocated and upgraded their stores at CapeGate with an encouraging increase in turnover.

Interest from prospective tenants for Hyde Park Corner has increased. PNA, Graham Britz Art Gallery, a bakery school for Just Teddy, Always Welcome (a South African coalition of furniture and homeware designers) and Tshepo Jeans, a growing South African jeans brand, opened during the period. Tshepo Jeans has a twitter following of more than 65 000 and reflects the emergence of new, young, entrepreneurial retailers. KOL, a new restaurant and co-working space established by the founders of Willoughby's, will open at Hyde Park Corner in March 2021.

In February 2021 Canal Walk secured Zara as a new tenant - the first in our South African portfolio. The overall project includes the relocation of Foschini to vacant space left by Forever 21. The first Starbucks in the Western Cape opened in Canal Walk, and the first Starbucks in Pretoria will open at Woodlands Boulevard later this year.

Several initiatives are being piloted to improve foot counts at the malls, including Pargo collection points at Canal Walk and The Glen. Collections at these points are steadily increasing and it is encouraging that a number of these collections are for products not sold in our malls, meaning that we are broadening our customers' choices without increasing lettable area. Parkupp is a parking app that gives users the ability to secure parking on a flexible basis and is being tested at Canal Walk and Rosebank Mall.

A portion of the unutilised parking area at Rosebank Mall is being converted into a self-storage facility which will be operational in June 2021. Self-storage facilities are also being planned at Canal Walk, Clearwater Mall and The Glen.

Financial performance

	6 months 31 December 2020 R'000	6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Revenue	1 179 763	1 483 450	2 890 219
Contractual and other revenue	1 388 512	1 542 050	3 006 717
Straightline rental income accrual	(104 266)	(58 600)	125 927
COVID discounts and relief	(104 483)	-	(242 425)
Property expenses	(591 446)	(570 888)	(1 105 351)
Net property income	**588 317**	**912 562**	**1 784 868**
Other operating income	33 015	13 249	18 788
Net foreign exchange (loss) / profit	(1 495)	(641)	3 917
Other operating expenses	(40 637)	(49 877)	(87 933)
Loss from equity accounted investments	(392)	-	-
Net interest	(206 608)	(175 185)	(357 028)
Net income before fair value adjustments	**372 200**	**700 108**	**1 362 612**
Adjustments to calculate distributable income	98 113	35 499	(175 049)
Distributable income	**470 313**	**735 607**	**1 187 563**

Distributable income from the South African portfolio decreased by 36% from R736 million in the comparable period to R470 million, and was 4% higher than in the prior six months.

Contractual and other revenue decreased by 10% over the comparable period due to rent reversions and reductions in parking income (R19 million decrease), lower turnover rentals (R2 million decrease), and lower marketing and promotions income (R7 million decrease), due to Covid-19. Municipal and other operating cost recoveries were R29 million lower due to less utility consumption during the lockdown periods.

Property expenses increased over the comparable period due to an increase in the allowance for expected credit losses. Excluding this increase, property expenses were well controlled and decreased by 3%, utility costs were down 3.6%, contractor and service level agreement costs were down 3.8%, and maintenance and management costs were in line with the comparable period.

Notwithstanding the decrease in operating costs (excluding expected credit losses), the cost to income ratio increased by 5.6% over the comparable period, from 37% to 42.6%, due to the decrease in income.

Cost to income ratio - South Africa

	6 months 31 December		
	2020 (After Covid-19) %	2020 (Before Covid-19) %	**2019 %**
Net basis	**28.0**	25.3	**18.9**
Gross basis	**46.0**	42.6	**37.0**
Gross cost-to-income ratio	**46.0**	42.6	**37.0**
Municipal costs	**28.7**	26.6	**24.8**
Bad debts & depreciation	**4.8**	4.4	**1.5**
Contractor service level agreements	**4.8**	4.5	**4.2**
Maintenance & management costs	**7.7**	7.1	**6.5**

Other operating expenses decreased by R8 million over the comparable period due to savings in staff costs and bonuses, credits as a result of shares awarded in terms of the Long-term Incentive Scheme not vesting in July 2020, and savings in other corporate overheads. The management fees received from Hystead included R12 million from the 2020 financial year.

Rental arrears decreased from R137 million in June 2020 to R107 million in December 2020 (both net of allowances for Covid-19 discounts) as a result of a focus on cash collections. The difficult economic environment and higher risk of tenant failures were considered in providing for expected credit losses on arrear rentals.

Investment property valuations

The independent valuation of the South African investment property portfolio at 31 December 2020 was R24.4 billion, a decrease of R283 million from June 2020. Discount and capitalisation rates remained largely unaltered from June 2020. The main reason for the decrease in the independent valuations was the decrease in rental income following rent reversions and pressure on rental rates.

Atterbury Value Mart is classified as an asset-held-for-sale and is carried at the agreed sale price.

Capital expenditure

Capital expenditure for the period was R143 million. The largest projects were the new Checkers FreshX store at Rosebank Mall and initial work on the replacement of the ceiling at Somerset Mall, which will continue in the second half of the financial year.

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.

The current arrangement with PDI Investment Holdings Limited ("PDI"), the 40% shareholder in Hystead, in terms of which Hyprop provides guarantees to Hystead that exceed its 60% interest, continues until May 2021, with a 12 month long stop date to negotiate and implement revised terms. Discussions with PDI regarding the future structure and funding of Hystead are ongoing.

Operating performance

The restrictions relating to the first wave of Covid-19 in the Balkan region were lifted in May 2020, allowing tenants to resume business. Regrettably, the recovery was slower than anticipated and trading conditions remained challenging for most of the period. In November 2020 lockdown restrictions were re-imposed as the second wave of Covid-19 spread through Europe. These restrictions ranged from hard lockdowns to restrictions on trading and trading hours, limits on seating in restaurants, and mall shopper capacity limits. With the roll out of the vaccination program in Europe, trading conditions are expected to improve in the second half of 2021.

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.

Improvement projects continued notwithstanding the Covid-19 restrictions. The upgrade of the food court at The Mall, Sofia is nearing completion and has set a new standard in the region. The redevelopment of Skopje City Mall is progressing, and the upgrade of the outside terrace areas and the new playground should be completed imminently. Retiling of the ground floor in Delta City, Belgrade has commenced. New projects to improve the environmental sustainablilty of the malls, including installation of solar plants, are being investigated.

Key trading metrics for the period reflect the difficult environment.

Key trading metrics	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
% Change in foot count year-on-year	(30.9%)	(30.1%)	(22.0%)	(22.7%)	(35.7%)	(43.5%)
Trading density (EURO)	202	194	230	242	220	280
% Change in trading density year-on-year	(16.6%)	(16.1%)	(13.1%)	(8.0%)	(26.3%)	(22.3%)
Cash collections (1)	83.2%	74.5%	81.0%	77.3%	74.2%	71.9%
% Change in portfolio tenant turnover year-on-year	(16.8%)	(16.8%)	(13.6%)	(8.3%)	(26.5%)	(38.8%)
Retail vacancy	0.8%	0.6%	0.6%	0.5%	0.5%	0.4%
Arrears	€1.8m	€2.8m	€2.1m	€2.6m	€2.8m	€3.0 m

[1] - % of average monthly billings, before Covid-19 discounts, for the period.

Lettings and Vacancies

The vacancy level in the portfolio at 31 December 2020 was 0.4%. Leases representing 2.4% of the total portfolio (5 834 m^2 of GLA) were renewed at an average negative reversion of 6.4%. New leases were concluded over 3 952m^2 of GLA at an average negative reversion of 14.7%. These reversions resulted in a net reduction in monthly rental income of €38 000. Contractual escalations were 1.2%.

23 new stores were opened during the period, with a further 23 new stores planned for the first quarter of 2021:

Mall	New stores opened in the period	New stores planned for Q1 of 2021
Delta City Podgorica	Sorbina	Pandora, Coin Casa
The Mall, Sofia	Vinopoly, Subra, Raffy, JV Gold, Unicredit Bank (enlargement of current store), Sara Pen, Ikiga, Madame coco, Hesburger, Ribs Brothers	Zaza, Lumar, Samsung, Teilor, Opticplasa, Kigili, RepEAT, Okaidi, Sizeer, Mona, Lolita, Tezenes
Delta City Belgrade	N Sport, PS Fashion, Telenor, Atelier, Ninia	Usta Pida, Marwell, LL Gourmet, Polleo Sport, City Gourmet
Skopje City Mall	Setec, Hugo Boss, Ted Baker, Beosport, Kares, Max&Co, Amigos (Mexican restaurant)	
City Center One West	Triumph	Mona
City Center One East		Mavi Jeans, Shoetique, FINA

Replacement tenants have been secured for 6 of the 7 stores to be vacated by the Inditex Group as part of their restructuring.

Financial performance

In terms of the agreements that govern the relationship between the Hystead shareholders, Hyprop's interest in Hystead is accounted for as a financial asset carried at fair value.

The fair value of the financial asset reduced from R533 million in June 2020 to R294 million in December 2020. The decrease reflects a reduction in the dividends that Hyprop expects to receive from Hystead, taking into account 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 year end is 31 December. The following information (which is not consolidated in the Group's results) has been extracted from the unaudited financial information for the year ended 31 December 2020.

Hystead Limited financial information

	12 months 31 December 2020 €'000	12 months 31 December 2019 €'000
Revenue	67 739	89 588
Contractual and other revenue	85 786	90 400
Straightline rental income accrual	353	(812)
COVID discounts and relief	(18 400)	-
Property expenses	(27 843)	(32 520)
Net property income	**39 896**	**57 068**
Other operating income	463	1 175
Other operating expenses	(391)	(754)
Net interest paid	(26 173)	(23 545)
Net income before fair value adjustments and taxation	**13 795**	**33 944**
Change in fair value of investment property	(33 054)	(1 213)
Loss on derivatives	(1 558)	(1 315)
Net (loss) / income before taxation	**(20 817)**	**31 416**
Taxation	(623)	(9 240)
Net (loss) / income after taxation	**(21 440)**	**22 176**

Net income before fair value adjustments and taxation decreased from €34 million for the year ended 31 December 2019 to €14 million as a result of Covid-19. Revenue was impacted by rental discounts and lost turnover-based rentals of €18.4 million, partly offset by savings in property expenses of €5 million. The decrease in net income resulted in a decrease in the dividends paid by Hystead during the period.

Distributable Income

	Rands			Euros		
	6 months 31 December 2020 R'000	**6 months 31 December 2019 R'000**	**12 months 30 June 2020 R'000**	**6 months 31 December 2020 €'000**	**6 months 31 December 2019 €'000**	**12 months 30 June 2020 €'000**
Dividend income	19 833	115 348	120 630	1 020	7 020	7 020
Guarantee fees	3 635	21 142	22 111	187	1 287	1 287
Foreign exchange (loss) / gains	(3 011)	163	215	-	-	-
Distributable income	**20 457**	**136 653**	**142 956**	**1 207**	**8 307**	**8 307**
Average exchange rate realised	**17.80**	**16.45**	**17.18**			

As a result of the manner in which Hyprop accounts for its investment in Hystead, distributable income for the European portfolio comprises mainly dividends from Hystead and the guarantee fees from PDI. A dividend of €1.7 million was declared by Hystead during the period, resulting in a reduction in Hyprop's distributable income from the European portfolio to R20 million from R137 million in the comparable period.

Hyprop's preference is for Hystead to apply its earnings to settling the equity debt guaranteed by the Hystead shareholders.

Investment property valuations

Hystead's investment property portfolio is independently valued at 31 December each year for purposes of Hystead's financial year end.The portfolio valuation decreased by €35.6 million from 31 December 2019 to 31 December 2020. The decrease is attributable to a 25 basis points increase in the discount and cap rates used, and lower net operating income given the current environment. The resultant initial yield on the portfolio is 6.7% (2019: 7.8%) which will improve as the impact of Covid-19 dissipates and net operating income reverts to historic levels.

	31 December 2020 '000	**31 December 2019 '000**	**30 June 2020 '000**
Investment property - independent value (100%)	€ 768 400	€ 804 000	€ 804 000
Hyprop attributable share[1]	€ 461 040	€ 482 400	€ 482 400
Hyprop attributable share[1]	R 8 293 971	R 7 594 761	R 9 381 378
Rentable area m^2	246 592	241 583	247 003
Value per m^2	€ 3 116	€ 3 328	€ 3 255
Cap rate range	7.3% - 9.5%	7% - 9.3%	7% - 9.3%
Weighted average exit cap rate	7.9%	7.6%	7.6%
Implied effective forward yield	6.7%	7.8%	7.8%

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

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

At 31 December 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's intention is to reduce its exposure to S-SA.

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. The transaction remains subject to the fulfilment of certain conditions precedent, including certain fundraising requirements. Given the current lack of liquidity in Nigeria, fulfilling this condition is taking longer than anticipated, however, the parties remain committed to the transaction and are working to fulfil the conditions precedent and / or find alternative ways to implement the transaction. Ikeja City Mall has been classified as "Held-for-sale" on the statement of financial position.

Operating performance

Despite accolades for the Ghanaian government's handling of the Covid-19 pandemic, trading conditions in Ghana and Nigeria remained challenging during the period. Ikeja City Mall was not damaged in the protests that occurred in Lagos during October 2020, although it was closed and access to the Mall was affected during those disruptions.

Subsequent to the relaxation of Covid-19 restrictions in Nigeria and Ghana, key trading metrics improved - Ikeja City Mall remains fully let, vacancies have reduced at West Hills Mall and Kumasi City Mall, and trading densities in local currency increased at the Ghanaian malls. These increases were partially eroded by local currency depreciation against the US dollar, however, trading density in US dollars was still higher in 2020 than in 2019.

Currency depreciation is placing pressure on rentals, collections and occupancy rates. Managing cash collections and vacancy rates are key short term priorities.

Key trading metrics	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
% Change in foot count year-on-year	(15.3%)	(21.1%)	(16.4%)	(9.1%)	(8.3%)	(7.9%)
Trading density (US$) [2]	166	180	193	182	215	310
% Change in trading density year-on-year [2]	(3.2%)	(8.5%)	3.6%	12.0%	9.9%	7.5%
Cash collections [1]	83%	103%	89%	84%	88%	99%
% Change in portfolio tenant turnover year-on-year [2]	(17.7%)	(22.6%)	(11.9%)	(0.6%)	7.4%	(10.9%)
Retail vacancy	14.2%	14.1%	13.7%	13.5%	12.8%	11.4%
Arrears (US$m)	16.9	16.8	16.9	17.4	18.1	18.0

(1) % of average monthly billings, before Covid-19 discounts, for the period

(2) Trading density and tenant turnover metrics relate only to the Ghanaian assets and exclude Ikeja City Mall

All of the in-country borrowings related to the S-SA assets ($148 million) were refinanced during the period at lower interest rates, resulting in an annual saving of $404 000 to the AttAfrica shareholders. In addition, certain long outstanding VAT amounts in Ghana were recovered, adding a boost to cashflow.

Financial performance

	6 months 31 December 2020 R'000	6 months 31 December 2019 R'000	12 months 30 June 2020 R'000
Revenue	111 282	110 648	212 123
Contractual and other revenue	120 227	113 684	242 453
Straightline rental income accrual	(1 248)	(3 036)	(7 641)
COVID discounts and relief	(7 697)	-	(22 689)
Property expenses	(40 430)	(44 722)	(112 052)
Net property income	**70 852**	**65 926**	**100 071**
Net foreign exchange profit	31 392	-	(2 049)
Other operating expenses	(1 631)	(254)	(1 197)
Net interest paid	(61 960)	(86 827)	(191 367)
Net income before fair value adjustments	**38 653**	**(21 155)**	**(94 542)**
Adjustments to calculate distributable income	(56 203)	5 794	22 064
Distributable income	**(17 550)**	**(15 361)**	**(72 478)**

The average exchange rate used to convert the S-SA portfolio's results to Rands increased from R14.58/$ in the comparable period to R16.27/$, distorting a comparison in Rands. Ikeja's revenue in Dollars, before Covid-19 related discounts and relief, decreased by 6%. Covid-19 related discounts granted to tenants were $473 000, significantly lower than in the previous six months. Property expenses reduced by 6% as costs were tightly managed, other than the bad debt expense which halved.

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 during the period.

The liquidity constraints in the Nigerian foreign exchange market persisted throughout the period and no income was remitted by Ikeja City Mall to its shareholders. Accordingly, no distributable income has been included from Ikeja, and no income was recognised or received from AttAfrica.

Although the value of the Group's investment in AttAfrica increased marginally in Dollars, the strengthening of the Rand against the Dollar over the period resulted in a decrease in the carrying value of the investment of R56 million.

NON-TANGIBLE ASSETS

Progress on the Group's non-tangible asset strategy continued.

The first SOKO District pilot at Rosebank Mall is on schedule to open in June 2021. 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 that exist in the traditional retail environment. The leasing platform is powered by data driven shopper, product and trend analysis, that will result in location recommendations that 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 online shopping portal, that will facilitate online transactions and distribution via the SOKO District, and will allow retailers to select the most appropriate locations from which to launch and market their products.

Various other initiatives to develop technology based non-tangible assets in the retail, property and related sectors are being pursued.

BORROWINGS

As a result of the Rand strengthening against the Euro, the net repayment of R942 million of borrowings, and the nominal change in the value of the Group's South African investment properties (which are used to secure the Group's borrowings) between June 2020 and December 2020, the Group's see-through loan to value ratio reduced, increasing the headroom between the corporate LTV ratios and the bank covenants. The Company met all of its borrowing covenants at 31 December 2020.

Loan to value and interest cover ratios

	Banking Covenant	31 December 2020	30 June 2020
Interest cover (times)	1.75 - 2.0	2.6	3.0
LTV - See through calculation [1]	50% - 70% / 55%	38.8%	41.4%
LTV - Fully consolidated [2]	N/A	49.8%	51.7%

[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 Hyprop's lender banks.

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

Reducing the LTV ratio and the Company's exposure to Euro and Dollar denominated borrowings that are secured by Rand denominated assets, are priorities. The last $117 million of Dollar equity debt, and a further R650 million of Rand denominated debt, were settled during the period from available cash resources and new Rand facilities.

The interest cover ratio reduced from 3.0 times cover at 30 June 2020 to 2.6 times cover at 31 December 2020 due to the reduction in operating income and the increase in interest costs following the refinance of Dollar denominated debt into Rands. The interest cover ratios remain healthy.

Rand denominated debt

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

At 31 December 2020 Hyprop had R1.15 billion of revolving credit facilities. These are fully available for utilisation after settling the 2020 dividend in January 2021.

Bonds totalling R417 million under Hyprop's DCM program are due for redemption in the 2021 calendar year. These will be settled from available cash resources and / or revolving credit facilities. Additional Rand facilities have been earmarked for settlement in the 2021 calendar year from the proceeds of asset disposals and / or cash generated from operations.

US Dollar-denominated debt

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

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

	31 December 2020 Hyprop LTV Rm	31 December 2019 Hyprop LTV Rm	30 June 2020 Hyprop LTV Rm
South African debt	5 817	4 449	4 499
Bank debt	2 683	1 208	1 159
Corporate bonds	2 913	3 241	3 340
Derivative instruments	221	-	-
Less: cash and cash equivalents	(528)	-	-
USD debt (Rand equivalent)	20	1 619	2 039
USD debt (Rand equivalent included in liabilities directly associated with non-current assets held-for-sale)	1 149	1 051	1 312
On balance sheet debt (net)	**6 458**	**7 119**	**7 850**
EUR debt (Rand equivalent) [1]	5 734	4 951	6 120
Total debt	**12 192**	**12 071**	**13 970**
Portfolio assets			
South African assets	24 531	28 268	25 644
Investment property South African Portfolio	23 020	27 460	24 449
Building appurtenances	226	160	206
Other assets	154	648	989
Assets-held-for-sale	1 131	-	-
USD assets	604	585	683
USD assets held-for-sale	1 726	2 010	2 099
On balance sheet assets	**26 861**	**30 863**	**28 426**
EUR assets [2]	4 595	4 477	5 341
Portfolio assets	**31 456**	**35 340**	**33 767**
Loan-to-value ratio	**38.8%**	**34.2%**	**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 ((Total assets less in-country debt) x 60%)*

	31 December 2020	31 December 2019	30 June 2020
On balance sheet debt at fixed rates (excludes EUR funding)	**52.2%**	**78.5%**	**65.6%**
South African debt	60.0%	99.0%	84.6%
USD debt	0.0%	40.3%	36.9%
Maturity of interest rate hedges	**1.8**	**1.9**	**1.7**
South African debt	1.8	2.2	2.1
USD debt	N/A	0.8	0.2
Average duration of borrowings	**2.0**	**2.3**	**1.8**
South African debt	2.3	3.1	2.5
USD debt	0.2	0.9	0.4
Cost of funding (including hedges, excl EUR funding)	**7.9%**	**7.8%**	**7.3%**
South African debt	8.1%	9.3%	9.0%
USD debt	6.2%	5.5%	4.7%
Cost of funding (excluding hedges)	**5.5%**	**7.4%**	**5.1%**
South African debt	5.4%	8.5%	5.6%
USD debt	6.2%	5.4%	4.4%
Debt Capital Market (DCM) % of total debt	**23%**	**27%**	**23%**
Interest cover ratio			
Interest cover ratio (gross)	2.6	3.8	3.0
Interest cover ratio (net)	2.7	4.4	3.4
Borrowings covenants			
LTV (Banks / DCM)	50% - 70% / 55%	50% - 70% / 55%	50% - 70% / 55%
Interest cover (Banks)	1.75 - 2.0	1.75 - 2.0	1.75 - 2.0

Euro-denominated debt

At 31 December 2020, Hyprop had guaranteed €362 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 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.

The strengthening of the Rand against the Euro resulted in a decrease in the Rand equivalent of this guaranteed equity debt.

€49 million of Hystead's in-country debt matures in quarter one of 2021. An agreement was reached with the incumbent lender to refinance this loan for a further two years, albeit on more restrictive terms, including a cash sweep and limitations on dividends being paid by the respective property companies to Hystead.

€188 million of the guaranteed Euro equity debt in Hystead matures in quarter four of 2021. The Hyprop Board has approved an in principle proposal to reduce Hyprop's exposure to the Euro denominated debt in Hystead, including utilising the proceeds from asset disposals and / or refinancing a portion of this debt in Rands. Work on these initiatives with the respective lenders has commenced with a view to agreeing all aspects of the refinancing / restructuring with the lenders and PDI by 30 June 2021.

NET ASSET VALUE

The Group's net asset value at 31 December 2020 was R74.48 (30 June 2020: R76.09) per share, after deducting the dividend payable for the 2020 financial year of R953 million. The adjusted net asset value per share, taking into account the portion of the dividend payable for the 2020 financial year that was reinvested under the share reinvestment alternative, and the additional new shares issued pursuant thereto, is R66.91.

EXCHANGE RATES

The exchange rates used to convert foreign currency amounts to Rands are as follows:

	31 December 2020		31 December 2019		30 June 2020	
	Average rate R	Period-end spot rate R	Average rate R	Period-end spot rate R	Average rate R	Year-end spot rate R
US Dollar	16.27	14.65	14.58	14.04	15.58	17.33
Euro	19.20	17.99	16.31	15.74	17.32	19.45
Realised average exchange rate - Euro[1]	17.80	-	16.43	-	17.18	-

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

BOARD CHANGES

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

DIVIDEND DECLARATION

Given the ongoing uncertainty related to Covid-19 and Hyprop's established objectives to reduce debt and strengthen its balance sheet, the Board considers it prudent to defer any decision on the declaration of a dividend to shareholders until publication of Hyprop's annual results in September 2021.

OUTLOOK AND PROSPECTS

In the short-term Hyprop will continue to focus on preserving cash and strengthening the balance sheet through the following:

1. Utilising dividends declared by Hystead to reduce Euro dominated debt;
2. Disposing of the S-SA assets in line with the exit strategy and applying the net proceeds to settle debt;
3. Limiting capital expenditure to projects that are already committed and those that are a necessity;
4. Implementing the disposal of Atterbury Value Mart; and
5. Recycling assets that do not accord with the long-term strategy.

On a longer-term basis, the Company will continue to reposition the SA portfolio, increase the dominance of the properties in the European portfolio, and pursue the non-tangible asset strategy.

The Hyprop team is committed to creating long-term sustainable value for all stakeholders, having regard to prevailing market conditions and industry risks. We remain focused on our purpose of creating safe environments and opportunities for people to connect and have authentic and meaningful experiences.

A third Covid-19 wave remains a risk, as do the long-term effects of the pandemic on an underperforming local economy. We anticipate further negative rent reversions and increases in costs, particularly administered costs such as municipal and utility charges, at rates exceeding CPI. Consumer spending is expected to remain under pressure and consumer behaviour will continue to evolve. We believe that our strategy and positioning will enable Hyprop to successfully navigate these challenges.

BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 31 December 2020 were prepared in accordance with the JSE Listings Requirements for condensed consolidated results, the requirements of the Companies Act of South Africa and International Financial Reporting Standards (IFRS) (including specifically the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and IAS 34 Interim financial reporting).

All amendments to standards that are applicable to Hyprop for its financial year beginning 1 July 2020 have been considered. The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2020.

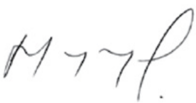
Going concern

These condensed consolidated financial statements 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 condensed consolidated financial statements have not been reviewed or reported on by Hyprop's independent external auditors.

The financial information was prepared under the supervision of Brett Till CA(SA) in his capacity as Chief Financial Officer.

On behalf of the Board



GR Tipper
Chairman

MC Wilken
Chief Executive Officer

BC Till
Chief Financial Officer

1 March 2021


rosebank

Condensed consolidated statement of comprehensive income

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Revenue	**1 291 044**	**1 594 097**	**3 102 342**
Rental and other lease income[1]	1 042 239	1 284 629	2 261 122
Straightline rental income accrual	(105 514)	(61 636)	118 286
Recoveries[1]	354 319	371 104	722 934
Impairment of trade receivables	(44 755)	(11 976)	(77 682)
Property expenses	(587 121)	(603 630)	(1 139 721)
Net property income	**659 168**	**978 491**	**1 884 939**
Other operating income	59 901	12 770	20 871
Asset management fees	33 015	13 249	18 783
Net foreign exchange profit / (loss)	26 886	(479)	2 088
Other operating expenses	(42 267)	(50 132)	(89 130)
Operating income	**676 802**	**941 129**	**1 816 680**
Net interest	(268 568)	(262 013)	(548 395)
Interest income	19 441	61 457	88 997
Interest expense	(288 009)	(323 470)	(637 392)
Net operating income	**408 234**	**679 116**	**1 268 285**
Guarantee fee income	3 635	21 142	22 111
Dividends received	19 833	115 348	120 630
Loss from equity accounted investments	(392)	-	-
Net income before fair value adjustments	**431 310**	**815 606**	**1 411 026**
Changes in fair value	(477 822)	(928 462)	(4 636 928)
Investment property	(294 799)	(1 060 244)	(4 668 419)
Other investments	(8 126)	(23 603)	(45 172)
Financial asset	(239 200)	151 548	314 528
Financial guarantees	-	-	(16 665)
Derivative instruments	64 303	3 837	(221 200)
Impairment of loans receivable	(55 263)	(168 891)	(289 974)
Loss before taxation	**(101 775)**	**(281 747)**	**(3 515 876)**
Taxation	(14 599)	(3 933)	(7 150)
Loss for the period / year	**(116 374)**	**(285 680)**	**(3 523 026)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss (net of taxation)	**(123 990)**	**(7 817)**	**22 718**
Exchange differences on translation of foreign operations	(135 757)	(7 745)	16 217
Exchange differences on translation of foreign operations: non-controlling interests	11 767	(72)	6 501
Total comprehensive loss for the period / year	**(240 364)**	**(293 497)**	**(3 500 308)**
Total loss for the period / year attributable to:			
Shareholders of the company	(108 973)	(279 519)	(3 401 849)
Non-controlling interest	(7 401)	(6 161)	(121 177)
Loss for the period / year	**(116 374)**	**(285 680)**	**(3 523 026)**
Total comprehensive loss attributable to:			
Shareholders of the company	(244 730)	(287 264)	(3 385 632)
Non-controlling interest	4 366	(6 233)	(114 676)
Total comprehensive loss for the period / year	**(240 364)**	**(293 497)**	**(3 500 308)**

[1]Operating cost recoveries comprise mainly fixed contractual amounts recovered from tenants in terms of the lease agreements. These are categorised as "lease income" in terms of IFRS 16: Leases. Comparative amounts for December 2019 have been reallocated accordingly.

Condensed consolidated statement of financial position

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
ASSETS			
Non-current assets	**23 554 840**	**28 007 517**	**25 190 146**
Investment property	22 576 823	27 069 206	23 874 363
Straightline rental income accrual	443 164	390 318	574 845
Property, plant and equipment	226 066	159 579	206 236
Investment in joint ventures	15 015	-	1 730
Financial asset	293 772	369 992	532 972
Loans receivable	-	18 422	-
Current assets	**1 158 208**	**1 214 497**	**1 670 640**
Loans receivable	624 220	584 546	681 215
Taxation	-	2 540	-
Trade and other receivables	117 929	209 877	154 548
Derivatives	36	7 905	-
Cash and cash equivalents	416 023	409 629	834 877
Assets classified as held-for-sale	**2 969 189**	**2 010 301**	**2 098 918**
Total assets	**27 682 237**	**31 232 315**	**28 959 704**
EQUITY AND LIABILITIES			
Equity and reserves	**18 866 336**	**23 288 040**	**19 271 458**
Equity and reserves attributable to shareholders of the company	18 936 848	23 254 474	19 346 335
Non-controlling interest	(70 512)	33 566	(74 877)
Liabilities			
Non-current liabilities	**5 593 648**	**4 536 752**	**4 530 116**
Borrowings	5 178 647	4 275 524	4 074 183
Financial guarantees	127 066	110 401	127 066
Derivatives	178 160	59 303	233 669
Deferred taxation	109 775	91 524	95 198
Current liabilities	**2 004 809**	**2 327 011**	**3 798 914**
Borrowings	437 151	1 792 521	2 463 877
Trade and other payables	570 957	525 495	494 710
Dividends payable	953 489	-	788 347
Derivatives	43 212	8 995	51 980
Liabilities associated with assets held-for-sale	**1 217 444**	**1 080 512**	**1 359 216**
Total liabilities	**8 815 901**	**7 944 275**	**9 688 246**
Total equity and liabilities	**27 682 237**	**31 232 315**	**28 959 704**
Equity and reserves attributable to shareholders of the company	18 936 848	23 254 474	19 346 335
Shares in issue (excluding treasury shares)	254 263 750	255 345 725	254 245 325
Net asset value per share (R)	**74.48**	**91.07**	**76.09**

Condensed consolidated statement of cash flows

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Net cash flows from operating activities	**692 288**	**(83 067)**	**316 711**
Cash flows generated from operating activities before distributions	692 288	834 400	1 234 179
Cash generated from operations	911 772	1 094 000	1 733 439
Interest received	19 441	61 457	84 961
Interest paid	(238 903)	(321 057)	(587 807)
Taxation paid	(22)	-	3 586
Dividends paid	-	(917 467)	(917 468)
Net cash flows from investing activities	**(131 120)**	**467 997**	**509 127**
Acquisition of and additions to investment property	(78 813)	(105 319)	(140 896)
Additions to property, plant and equipment	(61 574)	(23 247)	(83 695)
Increase in investment in joint venture	(10 566)	-	(1 730)
Loans receivable advanced	-	(70 856)	(70 856)
Loans receivable repaid	-	627 878	669 396
Dividends received	19 833	39 541	136 908
Net cash flows from financing activities	**(829 044)**	**(1 266 295)**	**(1 248 006)**
Loans repaid	(2 561 022)	(2 466 427)	(2 469 969)
Loans raised	1 731 978	1 200 132	1 247 982
Purchase of Hyprop shares by Hyprop Share Scheme	-	-	(26 019)
Net decrease in cash and cash equivalents	**(267 876)**	**(881 365)**	**(422 168)**
Effects of changes in exchange rates	(80 479)	(11 008)	(28 137)
Cash and cash equivalents transferred to assets classified as held-for-sale	(70 499)	16 665	(155)
Cash and cash equivalents at the beginning of the period / year	834 877	1 285 337	1 285 337
Cash and cash equivalents at the end of the period / year	**416 023**	**409 629**	**834 877**

Condensed consolidated statement of changes in equity

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Balance at the beginning of the period / year	**19 271 458**	**24 491 805**	**24 491 805**
Total comprehensive loss	**(240 364)**	**(293 497)**	(3 500 308)
Loss for the period / year	(116 374)	(285 680)	(3 523 026)
Other comprehensive (loss) / income for the period / year	(123 990)	(7 817)	22 718
Transactions with shareholders of the company - contributions and distributions	**(164 758)**	**(910 268)**	**(1 720 039)**
Forfeit of shares	(8 033)	-	(2 208)
Treasury shares purchased	-	-	(26 019)
Share-based payment expense	8 417	7 195	14 003
Dividends declared / paid	(165 142)	(917 463)	(1 705 815)
Balance at the end of the period / year	**18 866 336**	**23 288 040**	**19 271 458**

Condensed reconciliation of headline earnings

Earnings		Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Loss for the period / year attributable to shareholders of the company	A	**(108 973)**	**(279 519)**	**(3 401 849)**
Headline earnings adjustments		400 312	1 121 879	4 450 404
Change in fair value Investment property		400 312	1 121 879	4 550 133
Non-controlling interest		-	-	(99 729)
Headline earnings	B	**291 339**	**842 360**	**1 048 555**
Shares in issue (number of shares)				
Shares in issue at the end of the period / year		255 894 516	255 894 516	255 894 516
Less Treasury shares at the end of the period / year		(1 630 766)	(548 791)	(1 649 191)
Net shares in issue at the end of the period / year	C	**254 263 750**	**255 345 725**	**254 245 325**
Shares issued post period / year end		40 380 816	-	-
Diluted shares in issue at the end of the period / year	D	**294 644 566**	**255 345 725**	**254 245 325**
Weighted average number of ordinary shares (WANOS) in issue				
WANOS in issue	E	254 255 539	255 318 396	255 318 829
Shares issued post period / year end		40 380 816		
Diluted WANOS		**294 636 355**	**255 318 396**	**255 318 829**
Effect of dilutive shares (Employee share scheme)		593 521	260 592	170 846
Fully diluted WANOS	F	**295 229 876**	**255 578 988**	**255 489 675**
Basic loss per share (cents)	A/E	(42.9)	(109.5)	(1 332.4)
Headline earnings per share (cents)	B/E	114.6	329.9	410.7
Fully diluted basic loss per share (cents)	A/F	(36.9)	(109.4)	(1 331.5)
Fully diluted headline earnings per share (cents)	B/F	98.7	329.6	410.4

Reconciliation of attributable net loss to distributable income

		Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Total loss for the period / year attributable to shareholders of the company		**(108 973)**	**(279 519)**	**(3 401 849)**
Adjusted for:		582 193	1 136 418	4 659 890
Change in fair value - investment property		400 312	1 121 879	4 450 404
Change in fair value - derivative instruments		(64 303)	(3 837)	221 200
Change in fair value - financial asset		239 200	(151 548)	(314 528)
Change in fair value - financial guarantee		-	-	16 665
Impairment of loans receivable		55 262	168 891	289 974
Taxation		14 599	3 933	7 150
Capital and other items		(29 417)	503	(1 901)
Income from Sub-Saharan Africa[1]		(33 460)	(3 403)	(9 074)
Distributable income	G	**473 220**	**856 899**	**1 258 041**

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

WANOS for calculating distributable income per share	H			254 985 466
Distributable income per share (cents)	G/C;G/H	186.1	335.6	493.4
Diluted distributable income per share (cents)	G/D;G/H	160.6	335.6	493.4

Reconciliation of net income / (loss) before fair value adjustments to distributable income

	6 months 31 December 2020				6 months 31 December 2019				12 months 30 June 2020			
	SA	EE	S-SA	GROUP	SA	EE	S-SA	GROUP	SA	EE	S-SA	GROUP
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Net income / (loss) before fair value adjustments	**372 200**	**20 457**	**38 653**	**431 310**	**700 108**	**136 653**	**(21 155)**	**815 606**	**1 362 612**	**142 956**	**(94 542)**	**1 411 026**
Adjustments to calculate distributable income	**98 113**	**-**	**(56 203)**	**41 910**	**35 499**	**-**	**5 794**	**41 293**	**(175 049)**	**-**	**22 064**	**(152 985)**
Straightline rental income accrual	104 266	-	1 248	**105 514**	58 600	-	3 036	**61 636**	(125 927)	-	7 641	**(118 286)**
Non-controlling interest	-	-	7 401	**7 401**	-	-	6 161	**6 161**	-	-	21 449	**21 449**
Net interest adjustments	-	-	(1 741)	**(1 741)**	-	-	(3 403)	**(3 403)**	-	-	(4 036)	**(4 036)**
Other fair value adjustments - Edcon	(8 126)	-	-	**(8 126)**	(23 603)	-	-	**(23 603)**	(45 172)	-	-	**(45 172)**
Capital items for distribution purposes	1 973	-	(31 392)	**(29 419)**	502	-	-	**502**	(3 950)	-	2 049	**(1 901)**
Gruppo non-remittable income	-	-	(31 719)	**(31 719)**	-	-	-	**-**	-	-	(5 039)	**(5 039)**
Distributable income	**470 313**	**20 457**	**(17 550)**	**473 220**	**735 607**	**136 653**	**(15 361)**	**856 899**	**1 187 563**	**142 956**	**(72 478)**	**1 258 041**
Weighted average number of shares for calculating distributable income per share[1]	**-**	**-**	**-**	**294 644 566**	**-**	**-**	**-**	**255 345 725**	**-**	**-**	**-**	**254 985 466**
Diluted distributable income per share	**159.6**	**6.9**	**(6.0)**	**160.6**	**288.1**	**53.5**	**(6.0)**	**335.6**	**465.9**	**56.0**	**(28.5)**	**493.4**

[1] The number of shares in issue used to calculate diluted distributable income per share for the six months ended 31 December 2020 includes the shares issued in January 2021 pursuant to the dividend reinvestment alternative relating to the 2020 distributions.

Reconciliation of cash generated from operations to distributable income

	6 months 31 December 2020				6 months 31 December 2019				12 months 30 June 2020			
	SA R'000	EE R'000	S-SA R'000	GROUP R'000	SA R'000	EE R'000	S-SA R'000	GROUP R'000	SA R'000	EE R'000	S-SA R'000	GROUP R'000
Cash generated from operations	**835 476**	**624**	**75 672**	**911 772**	**1 005 196**	**21 305**	**67 499**	**1 094 000**	**1 599 372**	**22 326**	**111 741**	**1 733 439**
Working capital changes	(95 154)	-	1 263	**(93 891)**	(58 135)	-	12 533	**(45 602)**	36 955	-	38 056	**75 011**
Depreciation	(23 386)	-	(1 309)	**(24 695)**	(21 320)	-	(739)	**(22 059)**	(44 462)	-	(1 398)	**(45 860)**
Expected credit losses	(39 464)	-	(5 291)	**(44 755)**	(2 824)	-	(10 585)	**(13 409)**	(35 786)	-	(41 896)	**(77 682)**
Straightlining	(104 266)	-	(1 248)	**(105 514)**	(58 600)	-	(3 036)	**(61 636)**	125 927	-	(7 641)	**118 286**
Other non-cash items	(2 132)	-	31 526	**29 394**	(12 627)	-	-	**(12 627)**	(7 538)	-	(2 037)	**(9 575)**
Equity accounted loss	(392)	-	-	**(392)**	-	-	-	**-**	-	-	-	**-**
Edcon impairment	8 126	-	-	**8 126**	23 603	-	-	**23 603**	45 172	-	-	**45 172**
Net interest	(206 608)	-	(61 960)	**(268 568)**	(175 185)	-	(86 827)	**(262 012)**	(357 028)	-	(191 367)	**(548 395)**
Dividends received	-	19 833	-	**19 833**	-	115 348	-	**115 348**	-	120 630	-	**120 630**
Net income before fair value adjustments	**372 200**	**20 457**	**38 653**	**431 310**	**700 108**	**136 653**	**(21 155)**	**815 606**	**1 362 612**	**142 956**	**(94 542)**	**1 411 026**
Straightlining	104 266	-	1 248	**105 514**	58 600	-	3 036	**61 636**	(125 927)	-	7 641	**(118 286)**
Non-controlling interest	-	-	7 401	**7 401**	-	-	6 161	**6 161**	-	-	21 449	**21 449**
Net interest adjustments	-	-	(1 741)	**(1 741)**	-	-	(3 403)	**(3 403)**	-	-	(4 036)	**(4 036)**
Edcon impairment	(8 126)	-	-	**(8 126)**	(23 603)	-	-	**(23 603)**	(45 172)	-	-	**(45 172)**
Capital items for distributable income purposes	1 973	-	(31 392)	**(29 419)**	502	-	-	**502**	(3 950)	-	2 049	**(1 901)**
Gruppo non-remittable income	-	-	(31 719)	**(31 719)**	-	-	-	**-**	-	-	(5 039)	**(5 039)**
Distributable income	**470 313**	**20 457**	**(17 550)**	**473 220**	**735 607**	**136 653**	**(15 361)**	**856 899**	**1 187 563**	**142 956**	**(72 478)**	**1 258 041**

Investment property carrying value

	Rentable area (m²)	Value attributable to Hyprop Unaudited 31 December 2020 R'000	Value attributable to Hyprop Audited 30 June 2020 R'000	Value per m² Unaudited 31 December 2020 (R/m²)	Value per m² Variance % change
Shopping centres	654 706	23 074 000	23 307 964	38 747	-1.0%
Value centres	48 631	1 124 800	1 178 000	23 129	-4.5%
Total retail	**703 337**	**24 198 800**	**24 485 964**	**37 667**	**-1.2%**
Total stand-alone offices	6 856	183 800	180 000	26 808	2.1%
Investment property - Independent valuations	**710 193**	**24 382 600**	**24 665 964**	**37 821**	**-1.1%**
Building appurtenances		(226 066)	(206 236)		
Held-for-sale		(1 124 800)	-		
Own use asset adjustment		(13 879)	(12 897)		
Centre management assets		2 132	2 377		
Investment property - Statement of financial position		**23 019 987**	**24 449 208**		
Reversionary capitalisation rate range		6.8% - 9.0%	6.8% - 9.0%		
Weighted average reversionary capitalisation rate		7.4%	7.4%		
Implied effective forward yield		7.7%	7.6%		

Valuation Sensitivity [1]

The valuations of the investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the change in fair value of the investment property in the statement of profit or loss.

	Unaudited 31 December 2020 % change	Audited 30 June 2020 % change	Unaudited 31 December 2020 R'000	Audited 30 June 2020 R'000
Increase in reversionary capitalisation rates	0.25	0.25	(589 065)	(630 311)
Decrease in reversionary capitalisation rates	0.25	0.25	626 049	675 237
Increase in discount rate	0.25	0.25	(238 160)	(251 395)
Decrease in discount rate	0.25	0.25	236 308	254 619
Increase in average market rental growth rate	0.25	0.25	209 900	199 400
Decrease in average market rental growth rate	0.25	0.25	(215 300)	(215 700)

[1] *Value Sensitivities exclude assets held-for-sale*

Investment in Hystead Limited

The following disclosures are made for the group's 60% investment in Hystead which is accounted for as a financial asset, measured at fair value through profit or loss.

Carrying value and net movement for the period / year	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Balance at the beginning of the period / year	532 972	218 444	218 444
Fair value adjustment	(239 200)	151 548	314 528
Balance at the end of the period / year	**293 772**	**369 992**	**532 972**
Movements through profit or loss			
Movement on financial asset	(918 681)	43 347	1 122 979
Movement on deferred gains on financial asset	679 481	108 201	(808 451)
Total fair value adjustment to financial asset	**(239 200)**	**151 548**	**314 528**

Measurement of fair value

The following tables show the valuation techniques and significant unobservable inputs used in measuring the level 3 financial asset:

Valuation technique	Unobservable inputs	Movement in input	Effect on estimated fair value
Financial asset – Hystead Discounted cash flow: The valuation is calculated as the present value of the anticipated future net cash flows expected to be generated by the underlying shopping centres after deducting the head office costs within the Hystead group. The cash flow projections include specific estimates for 10 years (December 2019: 10 years). The expected net cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted cap rate.	Annual growth rate	Increase	Increase
	Terminal growth rate	Decrease	Decrease
	Exit cap rate	Increase	Decrease
	Discount rate	Decrease	Increase

Valuation assumptions Level 3 - significant unobservable inputs	Unaudited 6 months 31 December 2020	Unaudited 6 months 31 December 2019	Audited 12 months 30 June 2020
Financial asset - Hystead			
Annual growth rate	9.2% to 632.5%	(6.4%) to 4%	1.3% to 18.1%
Weighted average annual growth rate	114.1%	0.4%	6.5%
Terminal growth rate	0.0%	0.0%	0.0%
Weighted average terminal growth rate	0.0%	0.0%	0.0%
Discount rate	6.3% to 8.3%	6.0% to 8.0%	6.0% to 8.0%
Weighted average discount rate	7.0%	6.9%	6.9%
Exit capitalisation rates	5.3% to 7.5%	5.0% to 7.3%	5.0% to 7.3%
Weighted average exit capitalisation rate	5.9%	5.7%	5.8%

Valuation sensitivity

The valuation of the investment in Hystead is sensitive to changes to the unobservable inputs. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the fair value of the investment in Hystead in the statement of profit or loss.

Inputs		Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Annual growth rate	- Increase by 0.5%	76 636	91 660	96 653
	- Decrease by 0.5%	(76 636)	(91 660)	(96 653)
Terminal growth rate	- Increase by 0.5%	6 386	4 471	6 904
	- Decrease by 0.5%	(6 386)	(4 471)	(6 904)
Exit capitalisation rate	- Increase by 0.5%	(98 350)	(95 013)	(124 268)
	- Decrease by 0.5%	98 350	95 013	124 268
Discount rate	- Increase by 0.5%	(76 636)	(69 304)	(85 607)
	- Decrease by 0.5%	76 636	69 304	85 607

Financial Guarantees

Hyprop and PDI Investment Holdings Limited (PDI) have guaranteed EUR401.6 million of loans advanced by banks to Hystead as follows:

- Hyprop EUR361.4 million (June 2020: EUR361.5 million)
- PDI EUR40.2 million (June 2020: EUR40 million)

PDI has provided back-to-back guarantees to Hyprop for a further EUR46.8 million (June 2020: EUR46.8 million) (equivalent to 11.6% of the EUR401.6 million (June 2020: EUR401.5 million) guaranteed debt).

For the EUR73.5 million of debt (18.3% of the EUR401.5 million guaranteed debts) which Hyprop has guaranteed in excess of its pro rata 60% interest in Hystead, Hyprop receives 60% of the related dividends declared to PDI from Hystead, which equates to 11% (60% x 18.3%) of the dividends paid by Hystead, as a guarantee fee (the credit enhancement fee). This agreement is in place until May 2021.

There were no changes to the guarantees granted during the period.

The guarantees issued by Hyprop on behalf of Hystead are recognised as financial liabilites on the statement of financial position at the higher of the day one fair value or expected credit loss value.

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Balance at the beginning of the period / year	**127 066**	**110 401**	**110 401**
Fair value adjustments	-	-	16 665
Balance at the end of the period / year	**127 066**	**110 401**	**127 066**

Measurement of fair value

The following tables show the valuation techniques and significant unobservable inputs used in measuring the level 3 financial guarantees:

Valuation technique	Unobservable inputs	Movement in input	Effect on estimated fair value
Discounted cash flow: Contractual future cash flows related to each loan were calculated and then multiplied by an appropriate probability of default (PD) and loss given default (LGD). The amounts were then discounted (using risk free rates) to either the inception date of the exposure or the valuation date to obtain the day one fair value or expected credit loss (ECL). For the ECL calculations, these can be calculated for either a 12 month period (stage 1) or lifetime (stage 2). Depending on the stage or exposure, the relevant ECL value was chosen and compared to the day one fair value.	Probability of default (PD)	Increase	Increase
	Loss given default (LGD)	Decrease	Decrease
	Credit rating	Decrease	Increase

Valuation assumptions Level 3 - significant unobservable inputs	Unaudited 6 months 31 December 2020	Unaudited 6 months 31 December 2019	Audited 12 months 30 June 2020
Financial guarantees			
Risk Free rate	EUR IOS and USD IOS	EUR IOS and USD IOS	EUR IOS and USD IOS
Data used for probability of default (PD)	Publicly available IMF data and management input	Market traded instruments	Publicly available IMF data and management input
Loss given default (LGD)	Between 20% and 30% for EUR guarantees and between 30% and 40% for USD guarantees	20%	Between 20% and 30% for EUR guarantees and between 30% and 40% for USD guarantees
Credit rating	BB+ to BBB-	BB+ to BBB	BB+ to BBB-

Transfers between levels

There were no transfers in either direction between levels 1 and 2 during the current or prior periods, nor were there any transfers out of level 2 or 3 during the current or prior periods for the financial asset and financial liabilities.

Valuation sensitivity

The valuation of the financial guarantees is sensitive to changes to the unobservable inputs. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the carrying value of the financial guarantees on the statement of financial position.

Change in credit risk	31 December 2020 R'000
One notch better credit risk than Hyprop	(49 287)
One notch worse credit risk than Hyprop	32 533

FINANCIAL INSTRUMENTS

A. Accounting classifications and fair value hierarchy

The following table reflects the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

	Carrying amount			Fair value and fair value hierarchy		
Unaudited 31 December 2020	**Fair value through profit or loss R'000**	**Amortised cost R'000**	**Total R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
Financial assets measured at fair value						
Financial asset	293 772	-	293 772	-	293 772	293 772
Derivative instruments – current	36	-	36	36	-	36
	293 808	**-**	**293 808**	**36**	**293 772**	**293 808**
Financial assets not measured at fair value						
Loans receivable – current	-	624 220	624 220	-	-	-
Trade and other receivables (including held-for-sale)[1]	-	178 041	178 041	-	-	-
Cash and cash equivalents (including held-for-sale)	-	528 189	528 189	-	-	-
	-	**1 330 450**	**1 330 450**	**-**	**-**	**-**
Financial liabilities measured at fair value						
Derivative instruments – non-current	178 160	-	178 160	178 160	-	178 160
Derivative instruments – current	43 212	-	43 212	43 212	-	43 212
Financial guarantees – non-current	127 066	-	127 066	-	127 066	127 066
	348 438	**-**	**348 438**	**221 372**	**127 066**	**348 438**
Financial liabilities not measured at fair value						
Long-term portion of interest-bearing borrowings (including held-for-sale)	-	5 178 647	5 178 647	-	-	-
Short-term portion of interest-bearing borrowings (including held-for-sale)	-	1 586 073	1 586 073	-	-	-
Trade and other payables (including held-for-sale)[2]	-	467 571	467 571	-	-	-
	-	**7 232 291**	**7 232 291**	**-**	**-**	**-**

[1] The following items are excluded from this balance: prepayments, municipal deposits and sundry receivables.

[2] The following items are excluded from this balance: staff provisions, municipal provisions and VAT payables.

Unaudited 31 December 2019	Carrying amount			Fair value and fair value hierarchy		
	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets measured at fair value						
Financial asset	369 992	-	369 992	-	369 992	369 992
Derivative instruments – current	7 905	-	7 905	7 905	-	7 905
	377 897	**-**	**377 897**	**7 905**	**369 992**	**377 897**
Financial assets not measured at fair value						
Loans receivable – non-current	-	18 422	18 422	-	-	-
Loans receivable – current	-	584 546	584 546	-	-	-
Trade and other receivables (including held-for-sale)[1]	-	269 772	269 772	-	-	-
Cash and cash equivalents (including held-for-sale)	-	434 476	434 476	-	-	-
	-	**1 307 216**	**1 307 216**	**-**	**-**	**-**
Financial liabilities measured at fair value						
Derivative instruments – non-current	59 303	-	59 303	59 303	-	59 303
Derivative instruments – current	8 995	-	8 995	8 995	-	8 995
Financial guarantees – non-current	110 401	-	110 401	-	110 401	110 401
	178 699	**-**	**178 699**	**68 298**	**110 401**	**178 699**
Financial liabilities not measured at fair value						
Long-term portion of interest-bearing borrowings (including held-for-sale)	-	5 326 782	5 326 782	-	-	-
Short-term portion of interest-bearing borrowings (including held-for-sale)	-	1 792 522	1 792 522	-	-	-
Trade and other payables (including held-for-sale)[2]	-	367 428	367 428	-	-	-
	-	**7 486 732**	**7 486 732**	**-**	**-**	**-**

[1] *The following items are excluded from this balance: prepayments, municipal deposits and sundry receivables.*
[2] *The following items are excluded from this balance: staff provisions, municipal provisions and VAT payables.*

Audited 30 June 2020	Carrying amount			Fair value and fair value hierarchy		
	Fair value through profit or loss R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
Financial assets measured at fair value						
Financial asset	532 972	-	532 972	-	532 972	532 972
	532 972	**-**	**532 972**	**-**	**532 972**	**532 972**
Financial assets not measured at fair value						
Loans receivable – current	-	681 215	681 215	-	-	-
Trade and other receivables (including held-for-sale)[1]	-	226 747	226 747	-	-	-
Cash and cash equivalents (including held-for-sale)	-	876 544	876 544	-	-	-
	-	**1 784 506**	**1 784 506**	**-**	**-**	**-**
Financial liabilities measured at fair value						
Derivative instruments – non-current	233 669	-	233 669	233 669	-	233 669
Derivative instruments – current	51 980	-	51 980	51 980	-	51 980
Financial guarantees – non-current	127 066	-	127 066	-	127 066	127 066
	412 715	**-**	**412 715**	**285 649**	**127 066**	**412 715**
Financial liabilities not measured at fair value						
Long-term portion of interest-bearing borrowings (including held-for-sale)	-	4 074 183	4 074 183	-	-	-
Short-term portion of interest-bearing borrowings (including held-for-sale)	-	3 776 162	3 776 162	-	-	-
Trade and other payables (including held-for-sale)[2]	-	346 315	346 315	-	-	-
	-	**8 196 660**	**8 196 660**	**-**	**-**	**-**

[1] The following items are excluded from this balance: prepayments, municipal deposits and sundry receivables.
[2] The following items are excluded from this balance: staff provisions, municipal provisions and VAT payables.

RELATED PARTY DISCLOSURES

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market rates with related parties.

Related parties with whom the group transacted during the period / year were:

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Audited 12 months 30 June 2020 R'000
Natal Mahogany (SOKO) - joint venture			
Investment in shares	13 678	-	-
Equity accounted loss	(2 326)	-	-
AttAfrica SA - joint venture			
Investment in shares	1 730	-	-
Equity accounted earnings	1 934	-	-
AttAfrica - joint venture			
Loan receivable (net of impairments)	603 195	584 546	658 456
Interest received	-	24 883	29 510
Hystead - financial asset			
Financial asset	293 772	369 992	532 972
Asset management and accounting fee income	31 335	12 814	18 108
Dividend income	19 833	115 348	120 630
Dividends receivable included in trade and other receivables	-	92 085	-
Financial guarantees given by Hyprop on behalf of Hystead			
Debt guaranteed by Hyprop on behalf of Hystead	6 575 910	5 688 503	7 030 929
Fair value of financial guarantees given by Hyprop on behalf of Hystead	127 066	110 401	127 066
Guarantee liability as a percentage of debt guaranteed (%)	1.9	1.9	1.8
PDI Investment Holdings Limited - co-investor			
Credit enhancement fee: income	3 635	21 142	22 111
Credit enhancement fee: receivable included in trade and other receivables	-	16 878	-
Directors' remuneration			
Independent non-executive directors	2 123	2 146	3 870
Non-executive directors	434	465	876
Total executive directors	**5 515**	**7 123**	**12 546**
Basic salary	5 012	4 695	9 831
Pension fund contributions	425	505	728
Performance bonus (paid in December)	-	1 830	1 831
Other benefits	78	93	156
Directors' interests in Hyprop shares	**3 598 505**	**614 857**	**638 935**
Independent non-executive directors	35 000	37 940	35 000
Non-executive directors[2]	3 000 000	378 000	378 000
Executive directors[1]	563 505	198 917	225 935

[1] Includes shares awarded under the Hyprop Employee Share Scheme

[2] Exposure in terms of off-market derivative transactions (Long call 2 000 000 shares, short call 500 000 shares, short put 1 500 000 shares) at varying strike prices.

REIT RATIOS

SA REIT Association's best practice recommendations

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

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Unaudited 12 months 30 June 2020 R'000
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	**(108 973)**	**(279 519)**	**(3 401 849)**
Adjusted for:			
Accounting / specific adjustments:	709 352	1 147 445	4 450 152
Fair value adjustments to:			
Investment property	294 799	1 060 244	4 568 690
Equity instruments held at fair value through profit or loss	239 200	(151 548)	(314 528)
Debt instruments held at fair value through profit or loss	-	-	16 665
Asset impairments (excluding goodwill) and reversals of impairment	55 263	168 891	289 974
Deferred tax movement recognised in profit or loss	14 576	8 222	7 637
Straightlining operating lease adjustment	105 514	61 636	(118 286)
Foreign exchange and hedging items:	(88 660)	(3 837)	226 428
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(64 303)	(3 837)	221 200
Foreign exchange gains or losses relating to capital items – realised and unrealised	(24 357)	-	5 228
Other adjustments:			
Adjustments made for equity-accounted equities	392	-	-
SA REIT FFO:	**512 111**	**864 089**	**1 274 731**
Number of shares outstanding at the end of the period (net of treasury shares)	254 263 750	255 345 725	254 245 325
SA REIT FFO per share (cents) :	**201.4**	**338.4**	**501.4**
Company-specific adjustments (cents per share)	(40.8)	(2.8)	(8.0)
Net interest adjustments	(0.7)	(1.3)	(1.6)
Gruppo non remittable income	(12.5)	-	(2.0)
Capital and other items	(2.1)	(1.5)	(3.0)
Effects of weighting of shares in issue	-	-	(1.4)
Dilutive effects of shares issued in January 2021 pursuant to the dividend reinvestment alternative relating to the 2020 distributions	(25.5)	-	-
Diluted distributable income per share (cents) :	**160.6**	**335.6**	**493.4**

SA REIT Net Asset Value (SA REIT NAV)

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Unaudited 12 months 30 June 2020 R'000
Reported NAV attributable to the parent	**18 936 848**	**23 254 474**	**19 346 335**
Adjustments:			
Dividend to be (declared) / reinvested	777 331	(788 347)	(165 142)
Deferred tax	109 775	91 524	95 198
SA REIT NAV:	**19 823 954**	**22 557 651**	**19 276 391**
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)	**254 263 750**	**255 345 725**	**254 245 325**
Effect of dilutive instruments (*Options under the share scheme and shares issued in January 2021 pursuant to the dividend reinvestment alternative relating to the 2020 distributions.*)	40 974 337	260 592	170 846
Diluted number of shares in issue	**295 238 087**	**255 606 317**	**254 416 171**
SA REIT NAV per share (R):	**67.15**	**88.25**	**75.77**

SA REIT loan-to-value

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Unaudited 12 months 30 June 2020 R'000
Gross debt* - per statement of financial position	6 891 786	7 229 705	7 977 411
Less:			
Cash and cash equivalents	(528 189)	(434 476)	(876 544)
Add:			
Derivative financial instruments	221 336	60 393	285 649
Net debt	**6 584 933**	**6 855 622**	**7 386 516**
Total assets – per statement of financial position	27 682 237	31 232 315	28 959 704
Less:			
Cash and cash equivalents (including held-for-sale)	(528 189)	(434 476)	(876 544)
Derivative financial assets	(36)	(7 905)	-
Trade and other receivables	(117 929)	(209 877)	(154 548)
Carrying amount of property-related assets	**27 036 083**	**30 580 057**	**27 928 612**
SA REIT loan-to-value	**24.4%**	**22.4%**	**26.5%**

* *Excludes non-consolidated liabilities of Hystead Limited which have been guaranteed by Hyprop. Refer to page 15 for Hyprop's LTV calculation which takes the Hystead guaranteed liabilities, and associated assets, into account.*

SA REIT cost-to-income ratio

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Unaudited 12 months 30 June 2020 R'000
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	631 876	615 606	1 217 403
Administrative expenses per IFRS income statement	42 267	50 132	89 130
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(745)	(245)	(1 419)
Operating costs	**673 398**	**665 493**	**1 305 114**
Rental income			
Contractual rental income per IFRS income statement (excluding straightlining)*	1 042 239	1 284 629	2 261 122
Utility and operating recoveries per IFRS income statement	354 319	371 104	722 934
Gross rental income	**1 396 558**	**1 655 733**	**2 984 056**
SA REIT cost-to-income ratio	**48.2%**	**40.2%**	**43.7%**

** Net of COVID-19 related discounts and relief*

SA REIT administrative cost-to-income ratio

	Unaudited 6 months 31 December 2020 R'000	Unaudited 6 months 31 December 2019 R'000	Unaudited 12 months 30 June 2020 R'000
Expenses			
Administrative expenses as per IFRS income statement	42 267	50 132	89 130
Administrative costs	**42 267**	**50 132**	**89 130**
Rental income			
Contractual rental income per IFRS income statement (excluding straightlining) *	1 042 239	1 284 629	2 261 122
Utility and operating recoveries per IFRS income statement	354 319	371 104	722 934
Gross rental income	**1 396 558**	**1 655 733**	**2 984 056**
SA REIT administrative cost-to-income ratio	**3.0%**	**3.0%**	**3.0%**

** Net of COVID-19 related discounts and relief*

SA REIT GLA vacancy rate

	Unaudited 6 months 31 December 2020 m²	Unaudited 6 months 31 December 2019 m²	Unaudited 12 months 30 June 2020 m²
SA REIT GLA vacancy rate - TOTAL			
Gross lettable area of vacant space	27 551	15 466	21 760
Gross lettable area of total property portfolio	710 193	706 558	710 194
SA REIT GLA vacancy rate	**3.9%**	**2.2%**	**3.1%**
SA REIT GLA vacancy rate - RETAIL			
Gross lettable area of vacant space	20 126	10 613	15 648
Gross lettable area of retail property portfolio	664 251	663 090	664 609
SA REIT GLA vacancy rate	**3.0%**	**1.6%**	**2.4%**

SA REIT Cost of debt

	Unaudited 6 months 31 December 2020 %	Unaudited 6 months 31 December 2019 %	Unaudited 12 months 30 June 2020 %
Cost of debt - ZAR			
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	5.4	8.5	5.6
Pre-adjusted weighted average cost of debt	**5.4**	**8.5**	**5.6**
Adjustments:			
Impact of interest rate derivatives	2.7	0.8	3.4
Amortised transaction costs imputed in the effective interest rate	0.1	0.1	0.1
All-in weighted average cost of debt	**8.2**	**9.4**	**9.1**
Cost of debt - USD			
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	**6.2**	**5.4**	**4.4**
Pre-adjusted weighted average cost of debt	**6.2**	**5.4**	**4.4**
Adjustments:			
Impact of interest rate derivatives	**0.0**	**0.1**	**0.3**
All-in weighted average cost of debt	**6.2**	**5.5**	**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. Nousis[*†], S. Shaw-Taylor[*†]
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SUBWAY

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")