HYPROP INVESTMENTS LIMITED AND ITS SUBSIDIARIES

REGISTRATION NUMBER: 1987/005284/06

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - AUDITED

FOR THE YEAR ENDED 30 JUNE 2023

The preparation of these Consolidated and separate financial statements has been supervised by: Brett Till CA(SA), CFO of the Group.

Contents

Basis of preparation

These consolidated and separate financial statements have been prepared in accordance with IFRS, the SA Financial Reporting Requirements as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

Approval of the annual financial statements

The Audited Consolidated and Separate Annual Financial Statements, set out on pages 23 to 138, were approved by the Board of directors on 19 September 2023.

Responsibility statement on internal financial controls

for the year ended 30 June 2023

Each of the directors, whose names are stated below, hereby confirm that:

- the AFS set out on pages 23 to 138, fairly present in all material respects the financial position, financial performance and cash flows of Hyprop in terms of IFRS;

- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the AFS false or misleading;

- internal financial controls have been put in place to ensure that material information relating to Hyprop and its consolidated subsidiaries has been provided to effectively prepare the financial statements of Hyprop;

- the internal financial controls are adequate and effective and can be relied upon in compiling the AFS, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

- where we are not satisfied,we have disclosed to the ARC and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and taken steps to remedy the deficiencies; and

- We are not aware of any fraud involving directors.

MC Wilken
CEO

BC Till
CFO

Johannesburg
19 September 2023

Declaration by the company secretary

I declare that, to the best of my knowledge, the Company has lodged with the Companies and Intellectual Property Commission, for the financial year ended 30 June 2023, all such returns as are required of a public company in terms of section 88 of the Companies Act of South Africa, as amended, and that all such returns are true, correct and up to date.

F Nkosi
Company secretary

Johannesburg
19 September 2023

Report of the Audit and Risk committee

for the year ended 30 June 2023

INTRODUCTION

The audit and risk committee (the ARC) has the pleasure of submitting its report for the year ended 30 June 2023, as required by section 94(7)(f) of the Companies Act of South Africa.

The primary role of the ARC is to assist the Board in monitoring risk and the Group's systems and processes to identify, assess and manage risks, and monitor the integrity of financial reporting systems, internal controls and financial disclosures in the Group's annual financial statements (AFS).

FOCUS AREAS IN 2023

Areas of focus included:

- **Global events:** Monitoring and considering the impact of rising interest rates and inflation on the Group's operations and borrowing costs, particularly in West Africa, where the effects of these factors were compounded by severe devaluations of local currencies against the US Dollar;
- **Borrowings and interest rate exposure:** Monitoring implementation of the Group's debt refinancing initiatives and compliance with banking covenants in the light of rising interest rates, and approving the revised interest rate hedging policy; and
- **Risk management:** Recommending the updated risk management policy to the Board for approval and monitoring implementation thereof across all portfolios, including the revised risk reporting framework.

STATUTORY DUTIES

The ARC is governed by a formal charter that codifies its independent role and responsibilities in providing oversight and recommendations to the Board for consideration and final approval. These responsibilities include those recommended by the King IV Report on Corporate Governance™ (King IV) and:

- Overseeing integrated reporting, including consideration of significant judgements and reporting decisions;
- Monitoring compliance with the risk policy and procedures;
- Ensuring that a combined assurance model is applied to provide a coordinated approach to all assurance activities;
- Reviewing the expertise, resources and experience of the Company's finance function, and satisfying itself as to the suitability of the expertise and experience of the Chief Financial Officer;
- Overseeing internal audit, and in particular, the appointment and/or rotation of the internal audit service providers;
- Overseeing the external audit process and recommending the re-appointment of the external auditor; and
- Submitting any relevant matter concerning the Company's accounting policies, financial controls, records, reporting and risk management to the Board.

FUNCTIONS

In addition to the above, the ARC covered matters relating to compliance, litigation, budgeting and forecasting, taxation and accounting policy choices, and supported the Board in the following areas:

- Reviewing the work of the internal auditors, particularly for the eastern European portfolio which was integrated into the Group's internal audit and other risk management processes;
- Monitoring established guidelines for the use of the external auditor for non-audit services to maintain independence;

- Monitoring compliance with Real Estate Investment Trust (REIT) requirements, in accordance with the JSE Listings Requirements, and confirming that the risk management policy, which prohibits the Company from entering into derivative transactions not in the ordinary course of business, has been complied with in all material respects;
- Considering significant technical accounting matters and management's proposed accounting treatment there-of;
- Reviewing the Company's assessment of whether it has any prescribed officers to ensure compliance with the Companies Act and the JSE Listings Requirements;
- Reviewing the updated risk management policy and recommending same to the Board for approval, as well as updates to various other policies within its mandate; and
- Considering improvements to the Group's financial reporting in line with the results of the JSE proactive monitoring process and the Group's own internal objectives.

COMPOSITION AND MEETINGS

Details of the ARC members and their attendance at meetings during the year are set out in the Governance section of the Integrated Annual Report. All members of the ARC are independent non-executive directors in compliance with the Companies Act of South Africa and as recommended by King IV.

Stewart Shaw-Taylor retired by rotation as a director and a member of the ARC at the annual general meeting held on 25 November 2022 and did not make himself available for re-election. The ARC thanks Stewart for his significant contribution to the Committee and the Company over the years.

The ARC met four times during the year. The external and internal auditors and executive management are invited to attend ARC meetings.

SIGNIFICANT FINANCIAL STATEMENT REPORTING ISSUES

A significant part of the financial reporting process includes making estimates and exercising judgement. The ARC reviewed and evaluated the main judgements, estimates and assumptions made by management and the conclusions drawn from the available information and evidence.

The ARC ensured that these matters were covered by the work of the external auditor.

The key issues involving estimates and judgements during the year are set out below:

	Key issue	Judgement in financial reporting	Audit and risk committee review	Conclusion
1	**Valuation of investment properties**	Investment property is the Group's most significant asset and is measured at fair value, with changes in fair value recognised in profit or loss. The Group uses independent valuers to value its investment properties. The valuation involves making significant judgements, especially regarding the current market conditions, discount and capitalisation rates, rental	Broll Valuation and Advisory Serves and Viking Valuation (South Africa), CBRE (Eastern Europe) and Mills Fitchet (sub-Saharan Africa) continued to serve as independent valuers for the Group. De Leeuw Group was appointed as an independent valuer in South Africa for the year ended 30 June 2023, replacing Jones Lang LaSalle. The ARC considered the independence and qualifications of the appointed independent valuers, as well as the rotation of properties between the three valuers in South Africa.	The ARC endorsed the independent valuations of the investment properties and the relevant disclosures in the financial statements.

	Key issue	Judgement in financial reporting	Audit and risk committee review	Conclusion
		growth rates and vacancy levels. The key assumptions and estimations used to perform the independent investment property valuations are determined by the independent valuers.	The ARC reviewed the external valuations, including the discount rates and reversionary capitalisation rates applied by the independent valuers, and the manner in which the independent valuers took the prevailing economic circumstances into account in performing the valuations. The ARC also reviewed the adequacy of the disclosures relating to investment properties included in the financial statements.	
2	**Classification of Gruppo as an asset held-for-sale**	On 9 November 2020 Hyprop announced that Hyprop Mauritius (as one of the sellers) had concluded an agreement (the SPA) to dispose of its 75% interest in Gruppo to two new property funds managed by the Actis Group (the Ikeja transaction). The Ikeja transaction remains subject to the fulfilment of certain conditions precedent, including certain fundraising requirements by the purchaser. Given the current lack of US Dollar liquidity in Nigeria, fulfilling this condition is taking longer than anticipated. Judgements were applied in determining whether Gruppo should be classified as an asset held-for-sale in accordance with IFRS 5 - *Non-current assets held for sale and discontinued operations*, particularly given the time which has passed since the Ikeja transaction was initially concluded.	The ARC reviewed management's assessment of whether Gruppo should continue to be classified as an asset held for sale having regard to, inter alia, the following events which occurred during the year ended 30 June 2023: • The extension of the longstop date for implementation of the Ikeja transaction; • The Ikeja transaction was approved by the Federal Competition and Consumer Protection Commission (FCCPC) in June 2023. The approval is valid for 12 months; • In June 2023, the Nigerian Central Bank announced the relaxation of certain exchange controls; and that an addendum to the SPA is at an advanced stage of negotiation/ preparation. These events are positive developments as they confirm the parties' commitment to the Ikeja transaction and increase the likelihood of its implementation. Cognisance was also taken of the proviso's in IFRS 5.9 relating to events beyond the Company's control and guidance was obtained from the external auditors.	The ARC concurred with management's assessment that Gruppo should continue to be classified as an asset held-for-sale as a result of the progress made during the year towards implementation of the Ikeja transaction.

The ARC also considered:

- The accounting treatment of the co-owned assets and joint operations (Canal Walk and The Glen);
- The assessment of the recoverable amount of the investment in AttAfrica; and
- The methodology applied by management to determine the allowance for expected credit losses and the overall allowance for expected credit losses relative to trade receivables at 30 June 2023.

Where appropriate, the ARC sought input and views from the external auditor and other experts.

RISK MANAGEMENT AND COMBINED ASSURANCE FRAMEWORK

One of the ARC's key focus areas for 2023 was to review and recommend the updated risk management policy to the Board for approval, and monitoring implementation thereof across all portfolios. This included the use of a risk management tool to assess the likelihood of occurrence, and quantify the potential severity, of over 100 risks (covering operations, finance, information technology and governance) common to the REIT industry. Support in reviewing the results of the individual portfolio risk assessments was provided by the Group's divisional and information technology risk committees. Results of the individual portfolio and group risk assessments were collated and summarised to identify the most significant risks to the Group, which include:

- **Energy supply risk** – the impact of loadshedding in South Africa and risk of a total electricity grid collapse;
- **Property concentration risk** – over exposure to certain asset classes and geographic regions, as well as the inability of municipalities to deliver basic services;
- **Inflation and interest rate risk** – the impact of rising inflation and interest rates on financial and operational performance;
- **Currency risk** – the liquidity constraints in the Nigerian foreign exchange market since January 2020 and significant devaluation of the Nigerian and Ghanaian currencies against the US Dollar in the last quarter of the financial year; and
- **Sovereign risk** – risks arising from governments' actions (examples include South Africa's grey listing, changes in exchange controls in Nigeria and default on government debt in Ghana).

The ARC reviewed the Group risk matrices, management's mitigation actions, and the combined assurance dashboards. The ARC provided feedback on management's recommendations on actions to mitigate identified risks, and the ARC is satisfied that sound risk management practices are in place to mitigate identified risks.

The ARC receives feedback from management, the external auditor, internal audit and the Group's independent ethics reporting telephone line on any concerns, complaints or allegations relating to internal financial controls, the financial statements, violations of laws and questionable business, accounting or auditing practices. No matters requiring the ARC's intervention were reported during the year.

Separate meetings are held with management, the external auditor and the internal auditor every quarter unless a greater frequency is requested.

INTERNAL FINANCIAL CONTROLS

In terms of the JSE Listings Requirements, the CEO and CFO are required to sign a responsibility statement on internal financial controls (see page 3 of the AFS).

The ARC reviewed the basis on which the CEO and CFO concluded that the above statement can be signed in respect of the 2023 AFS.

The ARC is satisfied that the Company has established appropriate financial reporting procedures and controls, and that these procedures and controls are operating, as required by paragraph 3.84(g)(ii) of the JSE Listings Requirements.

GOING CONCERN, SOLVENCY AND LIQUIDITY

The ARC reviewed the Company's solvency and liquidity assessments and confirmed to the Board that:

- The Company and the Group are solvent and have adequate resources to continue operating for the ensuing 12 months; and
- It is appropriate to adopt the going concern basis in preparing the Company and Group financial statements.

In assessing the Company and Group's ability to continue as going concerns, the ARC reviewed the Company and Group's budgets and cashflow forecasts (which take into account the effect of the prevailing high inflation and interest rate environment), available cash balances, existing unutilised and available new borrowing facilities, and the Group's debt maturity profile (taking into account that certain short term borrowings were refinanced post 30 June 2023).

EXTERNAL AUDITOR

The ARC considered a report from KPMG motivating its independence and is satisfied with the external auditor's independence. The ARC is also satisfied with the terms, nature, scope and proposed fee of the external auditor for the year ended 30 June 2023.

The ARC considered and is satisfied with the suitability of KPMG and the designated audit partner Akhin Lalloo in accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements.

The ARC monitors the Group's policy on the provision of non-audit services by the Group's auditors and has noted the policy decision taken by KPMG not to provide non-audit services to its audit clients, other than where these services relate to an attest or similar function. Having regard to this policy, the ARC approved the following:

- The appointment of KPMG Services Proprietary Limited to provide limited assurance reports for selected sustainability development indicators;
- The appointment of KPMG Nigeria to provide tax advisory services in relation to historic taxation matters to Gruppo Investments Nigeria Limited, a subsidiary of Hyprop, whose external auditor is Ernst & Young (Nigeria); and
- The appointment of KPMG to provide limited assurance reports relating to mortgage bonds for bank facilities, and bonds issued in terms of the Company's domestic medium term note programme.

INTERNAL AUDITORS

BDO is appointed as the internal auditor for the South African portfolio and Ernst & Young as the internal auditor for the European portfolio. Property management for the sub-Saharan Africa portfolio is outsourced to a third party service provider and reliance is placed on their systems and processes. The ARC is satisfied with the terms, nature, scope and proposed fees of the internal auditors for the year ended 30 June 2023.

CHIEF FINANCIAL OFFICER AND FINANCIAL REPORTING

The consolidated and separate financial statements were audited in compliance with section 30 of the Companies Act of South Africa. Brett Till CA(SA), the Chief Financial Officer (CFO), is responsible for this set of financial statements and has supervised the preparation thereof. The ARC is satisfied that the CFO has the necessary expertise and experience to carry out his duties, as required by paragraph 3.84(g)(i) of the JSE Listings Requirements.

RECOMMENDATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements are prepared by management, reviewed by the ARC and the Board and audited by the external auditor. The ARC has recommended the consolidated and separate financial statements to the board for approval.

Thabo Mokgatlha
Audit committee chair

19 September 2023

Directors' report

for the year ended 30 June 2023

The directors have the pleasure of presenting their report, which forms part of the consolidated annual financial statements for the year ended 30 June 2023 (AFS).

RESPONSIBILITY STATEMENT

The directors are responsible for:

- the preparation and fair presentation of the consolidated and separate AFS of Hyprop, comprising the statements of financial position, the statements of profit or loss and other comprehensive income, changes in equity and cash flows, as well as the notes to the AFS, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, the SA Financial Reporting Requirements as issued by the Accounting Practices Committee, financial pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements;
- preparing the directors' report; and
- implementing internal controls as they determine necessary for preparing the consolidated AFS that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

INTRODUCTION AND OVERVIEW

Hyprop is a South African based, retail-focused Real Estate Investment Trust (REIT) listed on the Johannesburg Stock Exchange (JSE), with a market capitalisation at 30 June 2023 of R11bn. The Group holds interests in a R43bn portfolio of shopping centres in South Africa (SA), Eastern Europe (EE) and Sub-Saharan Africa, excluding South Africa (SSA).

The SA portfolio includes super regional centre Canal Walk, large regional centres Clearwater, The Glen, Woodlands, CapeGate, Somerset Mall and Rosebank Mall, and small regional centre Hyde Park Corner.

The Group's EE portfolio comprises The Mall in Sofia, Bulgaria, City Center One East and City Center One West, both in Zagreb, Croatia, and Skopje City Mall in Skopje, North Macedonia.

The SSA portfolio includes interests in Ikeja City Mall in Lagos, Nigeria, Accra Mall and West Hills Mall in Accra, Ghana, and Kumasi City Mall in Kumasi, Ghana.

STRATEGY

The Group's purpose is focused towards creating spaces and connecting people. Hyprop achieves this by owning and managing dominant retail centres in mixed-use precincts in key economic nodes in South Africa and Eastern Europe, and developing non-tangible assets for the retail and property sectors.

The SA portfolio comprises 60% of the Group's assets and 62% of distributable income, and is likely to remain above 50% in the foreseeable future. The Group is exploring expansion opportunities outside South Africa, particularly in Eastern Europe, where the existing EE portfolio provides a strong base from which new investments can be pursued and managed.

The Group remains committed to disposing of the Sub-Saharan Africa investments, albeit this process is taking longer than originally anticipated.

The Group aims to generate a sustainable total return for shareholders through balanced growth in distributable income and net asset value, based on a conservative balance sheet.

THE IMPACT OF GLOBAL AND NATIONAL EVENTS

Despite the emergence of new Covid-19 variants from time to time, none of which have had the same impact as those of 2020 and 2021, most businesses have put Covid-19 behind them. The Group's key trading metrics continued to improve in the 2023 financial year and surpassed pre-Covid-19 levels.

The Group has not been directly affected by the war in Ukraine other than the resultant impact of high inflation and multi-fold increases in interest rates, which impacted the Group's performance in the 2023 financial year.

There are signs that the interest rate cycle may have peaked, however, it will take some time for interest rates to return to historic averages. The prevailing high interest rates will have a more significant impact on the Group's financial performance in 2024 as existing interest rate hedges expire and are replaced. The Group continues to monitor its interest rate exposure and compliance with banking covenants. The interest rate hedging policy has been reviewed and adapted based on the lessons learnt during the current extreme interest rate cycle.

Between October 2022 and March 2023, the SA economy was severely disrupted by the unprecedented increase in loadshedding, driving business confidence down and increasing financial pressure on businesses across all sectors. To mitigate the impact of loadshedding the Group has significantly invested in alternative energy supply solutions (mainly solar plants and diesel generators) over the last three years and the cost of running the diesel generators increased from R17m in 2022 to R104m in 2023. Although most of these costs can be on-charged to tenants, this increases their cost of occupancy and is not a sustainable long term solution. We are encouraged by the steps taken to deregulate the energy sector, promote the development of new electricity generating capacity, and the reduction in loadshedding since May 2023, however, there is still a lot to do to ensure energy security for the country and stimulate economic growth.

Inflation in the eastern European countries where the Group operates peaked in the high teens in early 2023 and has since retracted to the mid-teens. Tenant turnovers were bolstered by the high inflation and compensated for the increase in costs. Energy prices have started reducing, and the Bulgarian government's electricity cost subsidy has ended. Growth prospects in the region remain favourable.

Following the political changes in Nigeria in May 2023, various economic reforms were undertaken by the new government, including the relaxation of certain exchange controls. While these initiatives should foster long term growth and economic development, the initial impact has been a severe devaluation of the Naira against the US Dollar, without an improvement in liquidity, and spiralling inflation. Notwithstanding the currency and inflation hedges in our leases, the trading environment in west Africa is anticipated to remain challenging for the short to medium term.

SUBSIDIARIES, JOINT ARRANGEMENTS AND JOINT VENTURES

Details of investments in subsidiaries, joint arrangements and joint ventures are included in notes E4 - *Investments in subsidiaries* and E5 - *Investments in joint arrangements and associates,* of the AFS.

There were no changes to the subsidiaries, joint arrangements and joint ventures during the year.

Directors' report

for the year ended 30 June 2023

FINANCIAL RESULTS

Details of the Group and Company's financial performance for the year ended 30 June 2023 are set out in the attached AFS.

The Group's net profit for the year was R1 486m (2022: R1 344m). The increase in net profit is mainly due to the inclusion of the results of the EE portfolio for the full financial year. Distributable income for the year increased from R1 171m in 2022 to R1 451m in 2023 and distributable income per share increased from 342.5 cents to 405.2 cents.

The main factors impacting the change in distributable income per share are:

- the consolidation of the results of the EE portfolio for the entire 2023 financial year, compared to 3 months in 2022;
- the increase in interest costs on new Rand borrowings incurred in March 2022 pursuant to the Hystead transaction and the increase in interest rates;
- the realised foreign exchange loss of R60m on conversion of Naira to US Dollars by Ikeja City Mall; and
- the effect of an additional 16.1m shares (equivalent to 4.75% of the number of shares in issue) issued in November 2022 pursuant to the DRIP offered to shareholders with the 2022 dividend.

DIVIDENDS

On 28 September 2022 the Board declared a dividend of 293.6 cents per share for the year ended 30 June 2022 (the 2022 dividend). Shareholders had the option to reinvest the 2022 dividend in return for Hyprop shares, subject to a maximum reinvestment of R500m, which was supported by 84% of shareholders.

On 19 September 2023 the Board declared a dividend of 299.3 cents per share for the year ended 30 June 2023 (the 2023 dividend). Shareholders have the option to reinvest the 2023 dividend in return for Hyprop shares, subject to a maximum reinvestment of R500m.

DIRECTORATE, DIRECTORS' INTERESTS AND COMPANY SECRETARY

Directorate

Richard Inskip was appointed as an independent non-executive director on 1 July 2022.

Stewart Shaw-Taylor retired by rotation at the annual general meeting on 25 November 2022 and did not offer himself for re-election. Nonyameko Mandindi resigned as a director on 5 December 2022 and Gavin Tipper resigned as a director effective 31 December 2022 to take up a full-time position. The Board thanks Gavin, Stewart and Nonyameko for their considerable contributions to the Company and wishes them well in their future endeavours.

Following Gavin Tipper's resignation, Spiro Noussis was appointed as Chairman of the Board effective from 31 December 2022.

Directors' report

for the year ended 30 June 2023

The directors who served during the 2023 financial year are:

Independent non-executive directors	Non-executive directors	Executive directors
GR Tipper (*Chairman*)	KM Ellerine	AW Nauta (CIO)
S Noussis *(Chairman)*		BC Till (CFO)
AA Dallamore		MC Wilken (CEO)
L Dotwana		
R Inskip		
Z Jasper		
N Mandindi		
TV Mokgatlha		
B Mzobe		
S Shaw-Taylor		

Directors' interests in shares of the Company

The interests of directors in the shares of the Company at 30 June 2023 were:

Number of shares	30 June 2023			30 June 2022		
	Direct beneficial	Indirect beneficial	Total	Direct beneficial	Indirect beneficial	Total
Independent non-executive directors						
GR Tipper	-	-	-	15 281	-	**15 281**
S Shaw-Taylor	-	-	-	24 337	-	**24 337**
Non-executive directors						
KM Ellerine [1]	-	3 000 000	**3 000 000**	-	3 000 000	**3 000 000**
Executive directors						
MC Wilken[2]	419 841	91 447	**511 288**	263 200	78 106	**341 306**
BC Till[2]	248 243	6 215	**254 458**	166 612	1 358	**167 970**
AW Nauta[2]	220 211	12 745	**232 956**	164 715	-	**164 715**
Total	**888 295**	**3 110 407**	**3 998 702**	**634 145**	**3 079 464**	**3 713 609**

[1]*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.*

[2]*Includes shares awarded under the Hyprop Employee Incentive Scheme.*

There have been no changes to the above interests between 30 June 2023 and the date of this report.

Directors' interests in contracts

No material contracts in which directors had an interest were entered into during the year.

Company secretary

Fundiswa Nkosi served as the Company Secretary for the 2023 financial year.

The business and postal address of the Company Secretary and the Company's registered office are set out in note R4 - *Administration,* of the AFS.

CAPITAL STRUCTURE AND BORROWINGS

Share capital
Details of the Company's authorised and issued share capital are set out in note G1 - *Share capital and treasury shares,* of the AFS.

Pursuant to the 2022 DRIP, 16 127 649 new Hyprop shares were issued on 7 November 2022 at R31.00 per share.

There have been no changes to the authorised or issued share capital between 30 June 2023 and the date of this report.

Borrowings
The Company's borrowings are not limited by its Memorandum of Incorporation, however, in terms of the JSE Listings Requirements, a REIT's total consolidated liabilities may not exceed 60% of its consolidated gross asset value, as reflected in its latest published AFS or results. Should the 60% threshold be exceeded, the Company may lose its REIT status.

Details of the Group's borrowings are set out in note H1 - *Borrowings*, of the AFS. At 30 June 2023 the Group had unutilised RCF and term loan facilities of R1 672m.

The Group's loan-to-value (LTV) and interest cover ratios are set out in note H4 - *Covenants and capital management,* of the AFS. The Group's LTV ratio decreased slightly to 36.3% (2022: 36.4%). The Company complied with all of its borrowing covenants at 30 June 2023.

TAX STATUS

Hyprop is a REIT (Real Estate Investment Trust) in accordance with the South African Income Tax Act and in terms of the JSE Listings Requirements.

In terms of section 25BB of the Income Tax Act, a dividend paid/payable to Hyprop shareholders is deductible against Hyprop's taxable income. Dividends received by South African shareholders are free of dividend withholding tax.

All subsidiary companies are liable for taxation in accordance with the taxation laws in their jurisdiction of tax residence.

ACQUISITIONS AND DISPOSALS

Ikeja City Mall
On 9 November 2020, Hyprop announced that Hyprop Mauritius (as one of the sellers) had concluded an agreement (the SPA) to dispose of its 75% interest in Ikeja City Mall to two new property funds managed by the Actis Group (the Ikeja transaction). The Ikeja transaction remains subject to the fulfilment of certain conditions precedent, including certain fundraising requirements. Given the current lack of US Dollar liquidity in Nigeria, fulfilling this condition is taking longer than anticipated.

The following events occurred during the year ended 30 June 2023:
- The longstop date for implementation of the Ikeja transaction was extended;
- The Ikeja transaction was approved by the Federal Competition and Consumer Protection Commission (FCCPC) in June 2023. The approval is valid for 12 months;
- In June 2023, the Nigerian Central Bank announced the relaxation of certain exchange controls;

and an addendum to the SPA is at an advanced stage of negotiation/ preparation.

These events are positive developments as they confirm the parties' commitment to the Ikeja transaction and increase the likelihood of its implementation. It remains Hyprop's intention to exit its SSA investments.

Acquisition of shares in Hystead

On 31 May 2022, PDI elected not to retain the PDI free carry equity (equivalent to 18.29% of the shares in Hystead), which shares were acquired by the Group and increased the Group's shareholding in Hystead to 78.29%. The estimated purchase price was €1.6m (R27.5m). Based on an initial adjustment account a further amount of €55k (R1.1m) was paid to PDI and a further €372k (R7.7m) has been provided to be paid to PDI pending finalisation of Hystead's income tax assessment for the 2022 financial year.

SPECIAL RESOLUTIONS

Special resolutions were passed at the Company's annual general meeting held on 25 November 2022 relating to:

1. a general authority for the Company or any of its subsidiaries to acquire ordinary shares issued by the Company, in terms of sections 46 and 48 of the Companies Act of South Africa;
2. the Company providing direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to subsidiaries and/or any other company or corporation that is or becomes related or interrelated; and
3. approval of the fees payable by the Company to non-executive directors for their services as directors.

ADMINISTRATION AND MANAGEMENT

Property and asset management in Hyprop's SA operations are internalised. No property or asset management fees were paid to third parties in South Africa during the year.

Ikeja City Mall in Lagos, Nigeria is managed externally by Broll. The asset management for the SSA portfolio is done internally by the Group.

The Croatian properties, City Center One East and City Center One West are managed externally by CC Real, while the rest of the EE portfolio's property management is done internally. All asset management for the EE properties is done internally by the Group.

AUDIT AND RISK COMMITTEE REPORT

The report of the audit and risk committee is set out on pages 4 to 9 of the AFS.

The committee has fulfilled its responsibilities during the year, including having satisfied itself as to the independence of the external auditor and their suitability for reappointment for the ensuing year.

Directors' report

for the year ended 30 June 2023

AUDITOR

KPMG Inc., and the designated audit partner Akhin Lalloo, were reappointed as the independent external auditor for the 2023 financial year in accordance with section 90 of the Companies Act of South Africa at the annual general meeting held on 25 November 2022.

GOING CONCERN

The AFS are prepared on the basis of accounting policies applicable to a going concern. This basis takes into account that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Details of the matters considered by the Board in assessing the Company and Group's ability to continue as going concerns are set out in note A5 - *Going concern*, of the AFS.

The Board considers that the Company and the Group have adequate resources to continue operating for the ensuing 12 months and that it is appropriate to adopt the going concern basis in preparing the consolidated and separate AFS.

TRADING STATEMENTS

Hyprop uses dividend per share as the relevant measure of its financial results for trading statement purposes.

APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Hyprop Investments Limited, as identified in the first paragraph, were approved by the Board of directors on 19 September 2023 and are signed on its behalf by:

S Noussis	**MC Wilken**	**BC Till**
Chairman	Chief Executive Officer	Chief Financial Officer

Johannesburg, 19 September 2023

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Independent Auditor's Report

To the shareholders of Hyprop Investments Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Hyprop Investments Limited (the Group and Company) set out on pages 23 to 138, which comprise the statements of financial position at 30 June 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Hyprop Investments Limited at 30 June 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property - Group and Company	
Refer to the key judgements and estimations note A2.1, Material Policy choices and A2.2 Estimates, assumptions and judgements and the investment property notes E1 to E1.9 and Assets and liabilities held-for-sale notes E6 to E6.4 to the consolidated and separate financial statements.	
Key audit matter	**How the matter was addressed in our audit**
The Group's and Company's most significant assets are its investment property portfolio. The portfolio comprises predominantly of retail shopping centers in South Africa, Sub-Saharan Africa and Eastern Europe. For the current year investment property was categorised under continuing operations and held for sale. Investment property is measured at fair value, with changes in fair value recognised in profit or loss. In respect of investment property held for sale the property is measured at the lower of an independent valuation and the anticipated sale price. The Group and Company used external independent valuers to value the investment properties using the discounted cash flow model. The valuation process involves making significant assumptions and judgements, accordingly investment property has been classified as level 3 in terms of the fair value hierarchy. The valuation of the Group's and Company's investment property was determined to be a key audit matter in the current year due to: • The magnitude of the investment property portfolio held by the Group and Company; • The significant judgements and estimation required in determining the key inputs and assumptions which are estimated the cash flow assumptions, average market rental growth rates, vacancy levels, exit capitalisation rates and discount rates used in the valuation	Our response to the key audit matter included performing the following audit procedures: • Evaluating the professional competence and objectivity of the external independent valuers engaged by the Group and Company to determine the fair value of the properties through inspection of declarations and certifications with relevant professional bodies. • Obtaining an understanding of the external independent valuation process and methodologies adopted, the significant assumptions used and critical judgements applied in the valuation process through inquiry with management and the external valuers and inspection of the valuation reports. • Assessing and challenging the assumptions used and information provided to the external independent valuers by management to value the properties by performing the following procedures: • Assessing the reasonability of management's budgeting process by performing a retrospective review, which entails comparing prior year forecasted cashflows against current year actual results and following up and understanding any discrepancies noted.

Valuation of investment property - Group and Company Refer to the key judgements and estimations note A2.1, Material Policy choices and A2.2 Estimates, assumptions and judgements and the investment property notes E1 to E1.9 and Assets and liabilities held-for-sale notes E6 to E6.4 to the consolidated and separate financial statements.	
Key audit matter	**How the matter was addressed in our audit**
process; and • The significant audit effort required to evaluate the methodologies and assumptions applied by management.	• Assessing the external independent valuers year-on-year cash flow assumptions, including average market rental growth rates, vacancy levels, exit capitalisation rates and discount rates by comparing it to the current economic outlook and available market information relating to such inputs. • We evaluated a sample of investment properties, and engaged our internal corporate finance specialist to evaluate the appropriateness of the external valuations performed. The specialist procedures included evaluating the appropriateness of the valuation methodologies used by the external independent valuers based on their knowledge of the industry and challenging the inputs used against industry benchmarks and available market information. • In respect of investment property held for sale we evaluated whether the property was measured at the lower of the independent valuation and the anticipated sale price by comparing the valuation amount, as evaluated above, against the sales price in the sale agreement. • Assessing the adequacy and completeness of the Investment property disclosures in accordance with IAS 40, Investment Property and IFRS 13, Fair value measurement.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Hyprop Investments Limited and its subsidiaries consolidated and separate financial statements for the year ended 30 June 2023", which includes the Directors' report, the Report of the Audit and Risk Committee, Declaration by the company secretary as required by the Companies Act of South Africa which we obtained prior to the date of this report, and the 2023 Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Hyprop Investments Limited for eight years.

KPMG Inc.

Per A Lalloo
Chartered Accountant
(SA) Registered Auditor
Director
19 September 2023

Statements of profit or loss and other comprehensive income

for the year ended 30 June 2023

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
Revenue	D1.2	**4 373 940**	**3 120 763**	**2 736 775**	**2 598 251**
Lease revenue		3 265 128	2 247 341	1 865 472	1 830 076
Non-lease revenue		1 108 812	873 422	871 303	768 175
Changes in expected credit losses - trade receivables	N5.4.6	16 611	(8 810)	39	(9 347)
Property expenses	D4.1	(1 945 030)	(1 375 342)	(1 295 813)	(1 160 174)
Net property income		**2 445 521**	**1 736 611**	**1 441 001**	**1 428 730**
Other operating income	D2	13 508	32 022	7 411	21 923
Other operating expenses	D4.2	(150 527)	(132 266)	(113 896)	(113 290)
Net foreign exchange (losses)/ gains	D5	(224 869)	(21 109)	363	2 963
Operating income		**2 083 633**	**1 615 258**	**1 334 879**	**1 340 326**
Net interest	D6.2	(854 463)	(493 887)	(498 703)	(351 194)
Interest income		53 040	74 207	44 256	76 887
Interest expense		(907 503)	(568 094)	(542 959)	(428 081)
Net operating income		**1 229 170**	**1 121 371**	**836 176**	**989 132**
Dividend income	D3.2	-	-	151 871	-
Loss from equity accounted investments	E5.5.3	(150 694)	(68 209)	-	-
Net income before value adjustments		**1 078 476**	**1 053 162**	**988 047**	**989 132**
Changes in fair value		490 171	690 934	281 219	560 890
Investment property	E1.5.3	434 145	459 403	277 212	374 930
Financial asset - Hystead		-	(7 159)	-	4 177
Derivative instruments	H2.4	56 026	238 690	4 007	181 783
Loss on disposal of investment property		-	(1 135)	-	(1 135)
Changes in expected credit losses - loans receivable	F1.4.2	(2 767)	-	2 472	16 163
Reversal/ impairment of investment in subsidiary	E7.3.2	-	-	208 149	52 521
Impairment of goodwill	E7.3.1	(8 775)	(433 432)	-	-
Impairment of intangible asset	E7.3.1	-	(16 197)	-	-
Derecognition of financial guarantees	H3.5	-	65 865	-	65 865
Profit before taxation		**1 557 105**	**1 359 197**	**1 479 887**	**1 683 436**
Taxation	D7.3	(71 581)	(15 024)	(5 627)	16 413
Profit for the year		**1 485 524**	**1 344 173**	**1 474 260**	**1 699 849**
Profit for the year attributable to:					
Shareholders of the Company		1 521 216	1 345 164	1 474 260	1 699 849
Non-controlling interests		(35 692)	(991)	-	-
Profit for the year		**1 485 524**	**1 344 173**	**1 474 260**	**1 699 849**
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss		**843 394**	**209 589**	**-**	**-**
Exchange differences on translation of foreign operations		861 946	218 622	-	-
Exchange differences on translation of foreign operations: non-controlling interest		(18 552)	(9 033)	-	-
Total comprehensive income for the year		**2 328 918**	**1 553 762**	**1 474 260**	**1 699 849**
Total comprehensive income/(loss) for the year attributable to:					
Shareholders of the Company		2 383 162	1 563 786	1 474 260	1 699 849
Non-controlling interests		(54 244)	(10 024)	-	-
Total comprehensive income for the year		**2 328 918**	**1 553 762**	**1 474 260**	**1 699 849**
Basic earnings per share (cents)	B3.3	431.9	406.7		
Diluted earnings per share (cents)	B3.3	430.4	405.4		

Statements of financial position

at 30 June 2023

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
ASSETS					
Non-current assets		**35 749 056**	**33 369 773**	**29 106 382**	**28 363 161**
Investment property	*E1.4*	33 446 043	31 143 460	22 272 372	21 924 452
Straight-line rental revenue accrual	*E1.9*	388 346	476 777	313 834	396 656
Property, plant and equipment	*E2.2*	982 745	778 219	438 445	334 657
Investments in subsidiaries	*E4.3*	-	-	5 933 771	5 494 892
Investments in joint ventures	*E5.5.1*	637 475	566 210	-	-
Loans receivable	*F1.2*	162 532	219 989	136 825	124 630
Intangible assets		59	54	-	-
Deferred taxation	*I1.3*	1 116	1 087	-	-
Derivatives	*H2.3*	130 740	183 977	11 135	87 874
Current assets		**1 491 959**	**1 552 053**	**722 036**	**528 369**
Loans receivable	*F1.2*	50 189	2 558	-	11 364
Taxation	*I2.2*	23 110	280	-	-
Trade and other receivables	*F2.2*	214 339	154 245	279 634	86 786
Derivatives	*H2.3*	157 241	7 499	73 558	-
Cash and cash equivalents	*F3.2*	1 047 080	1 387 471	368 844	430 219
Assets classified as held-for-sale	*E6.3*	**2 629 682**	**2 354 491**	**-**	**-**
Investment property and property, plant and equipment		2 422 555	1 974 509	-	-
Cash and cash equivalents		154 023	320 489	-	-
Other assets		53 104	59 493	-	-
Total assets		**39 870 697**	**37 276 317**	**29 828 418**	**28 891 530**
EQUITY					
Stated capital	*G1.2*	10 904 343	10 399 277	10 970 921	10 471 387
Retained income		1 829 625	1 629 595	1 565 778	1 500 718
Other reserves	*G2.2*	9 965 751	8 785 101	9 349 443	8 945 285
Attributable to shareholders of the Company		**22 699 719**	**20 813 973**	**21 886 142**	**20 917 390**
Non-controlling interests		(130 637)	(43 830)	-	-
Total equity		**22 569 082**	**20 770 143**	**21 886 142**	**20 917 390**
LIABILITIES					
Non-current liabilities		**10 878 000**	**8 736 408**	**5 848 542**	**5 025 452**
Borrowings	*H1.3*	9 738 356	7 807 219	5 654 745	4 794 710
Derivatives	*H2.3*	14 795	11 038	6 562	11 038
Financial guarantees	*H3.4*	-	-	427	44 536
Share-based payment liability	*L2.3*	1 068	-	-	-
Provisions	*I4.3*	10 663	4 570	10 663	4 570
Deferred taxation	*I1.3*	1 113 118	913 581	176 145	170 598
Current liabilities		**4 744 812**	**6 290 734**	**2 093 734**	**2 948 688**
Borrowings	*H1.3*	3 894 580	5 276 584	1 424 965	2 361 715
Derivatives	*H2.3*	4 434	5 934	649	5 561
Financial guarantees	*H3.4*	-	-	44 536	427
Trade and other payables	*I3.2*	773 682	713 731	581 816	538 852
Provisions	*I4.3*	62 477	52 991	41 688	41 925
Taxation	*I2.2*	9 639	97 332	80	208
Dividend payable	*E8.4.1*	-	144 162	-	-
Liabilities associated with assets classified as held-for-sale	*E6.3*	**1 678 803**	**1 479 032**	**-**	**-**
Bank borrowings		1 075 460	995 805	-	-
Other borrowings		512 437	408 415	-	-
Other liabilities		90 906	74 812	-	-
Total liabilities		**17 301 615**	**16 506 174**	**7 942 276**	**7 974 140**
Total equity and liabilities		**39 870 697**	**37 276 317**	**29 828 418**	**28 891 530**

Statements of changes in equity

for the year ended 30 June 2023

GROUP R'000	Note	Stated capital	Retained income	Other reserves	Subtotal	Non-controlling interests	Total equity
		Attributable to shareholders of the Company					
Balance at 30 June 2021		**9 521 178**	**1 516 877**	**8 319 430**	**19 357 485**	**(66 145)**	**19 291 340**
Total comprehensive income/(loss)		**-**	**1 345 164**	**218 622**	**1 563 786**	**(10 024)**	**1 553 762**
Profit/(loss) for the year		-	1 345 164	-	**1 345 164**	(991)	**1 344 173**
Other comprehensive income/(loss) for the year		-	-	218 622	**218 622**	(9 033)	**209 589**
Transactions with shareholders of the Company		**878 099**	**(1 232 446)**	**247 049**	**(107 298)**	**32 339**	**(74 959)**
CUP awards vested		2 341	3 312	(5 653)	**-**	-	**-**
CUP awards forfeited		-	-	(9 222)	**(9 222)**	-	**(9 222)**
Shares issued	*G1.2*	875 758	-	-	**875 758**	-	**875 758**
Share-based payment expense		-	-	15 893	**15 893**	-	**15 893**
Business combinations		-	-	44 962	**44 962**	32 339	**77 301**
Dividends declared	*B2.2*	-	(1 034 689)	-	**(1 034 689)**	-	**(1 034 689)**
Net transfer to non-distributable reserves		-	(201 069)	201 069	**-**	-	**-**
Balance at 30 June 2022		**10 399 277**	**1 629 595**	**8 785 101**	**20 813 973**	**(43 830)**	**20 770 143**
Total comprehensive income		**-**	**1 521 216**	**861 946**	**2 383 162**	**(54 244)**	**2 328 918**
Profit for the year		-	1 521 216	-	**1 521 216**	(35 692)	**1 485 524**
Other comprehensive income for the year		-	-	861 946	**861 946**	(18 552)	**843 394**
Transactions with shareholders of the Company		**505 066**	**(1 321 186)**	**318 704**	**(497 416)**	**-**	**(497 416)**
CUP awards vested		2 299	2 196	(4 495)	**-**	-	**-**
CUP awards forfeited		-	-	(10 643)	**(10 643)**	-	**(10 643)**
Transfer of shares - LTIP		5 726	(1 096)	-	**4 630**	-	**4 630**
Shares issued	*G1.2*	497 041	-	-	**497 041**	-	**497 041**
Share-based payment expense		-	-	15 825	**15 825**	-	**15 825**
Dividends declared	*B2.2*	-	(1 004 269)	-	**(1 004 269)**	-	**(1 004 269)**
Net transfer to non-distributable reserves		-	(318 017)	318 017	**-**	-	**-**
Transactions with non-controlling interests	*E8.4.1*	-	-	-	**-**	(32 563)	**(32 563)**
Balance at 30 June 2023		**10 904 343**	**1 829 625**	**9 965 751**	**22 699 719**	**(130 637)**	**22 569 082**

Statements of changes in equity

for the year ended 30 June 2023

COMPANY R'000	Note	Stated capital	Retained income	Other reserves	Total equity
Balance at 30 June 2021		**9 595 629**	**1 511 659**	**8 269 516**	**19 376 804**
Total comprehensive income		**-**	**1 699 849**	**-**	**1 699 849**
Profit for the year		-	1 699 849	-	1 699 849
Transactions with shareholders of the Company		**875 758**	**(1 710 790)**	**675 769**	**(159 263)**
CUP awards vested		-	4 072	(5 653)	(1 581)
CUP awards forfeited		-	-	(9 222)	(9 222)
Shares issued	*G1.2*	875 758	-	-	875 758
Share-based payment expense		-	-	15 893	15 893
Dividends declared	*B2.2*	-	(1 040 111)	-	(1 040 111)
Net transfer to non-distributable reserves		-	(674 751)	674 751	-
Balance at 30 June 2022		**10 471 387**	**1 500 718**	**8 945 285**	**20 917 390**
Total comprehensive income		**-**	**1 474 260**	**-**	**1 474 260**
Profit for the year		-	1 474 260	-	1 474 260
Transactions with shareholders of the Company		**499 534**	**(1 409 200)**	**404 158**	**(505 508)**
CUP awards vested		-	2 748	(4 495)	(1 747)
CUP awards forfeited		-	-	(10 643)	(10 643)
Shares issued	*G1.2*	499 534	-	-	499 534
Share-based payment expense		-	-	15 825	15 825
Dividends declared	*B2.2*	-	(1 008 477)	-	(1 008 477)
Net transfer to non-distributable reserves		-	(403 471)	403 471	-
Balance at 30 June 2023		**10 970 921**	**1 565 778**	**9 349 443**	**21 886 142**

Statements of cash flows

for the year ended 30 June 2023

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
Net cash flows from operating activities		**303 553**	**357 172**	**(16 407)**	**93 840**
Cash generated from operations	*J1*	2 437 584	1 837 635	1 469 544	1 489 911
Interest received	*J2.5*	51 781	74 093	36 568	75 493
Interest paid	*J2.4*	(881 765)	(481 336)	(513 834)	(431 453)
Taxation paid	*J2.1*	(154 227)	(38 531)	(208)	-
Cash flows from operating activities before dividends		**1 453 373**	**1 391 861**	**992 070**	**1 133 951**
Dividends paid	*J2.3*	(1 149 820)	(1 034 689)	(1 008 477)	(1 040 111)
Net cash flows from investing activities		**(571 393)**	**(1 346 076)**	**(462 373)**	**(2 288 276)**
Acquisition of and additions to investment property	*E1.5.3*	(98 190)	(152 033)	(72 816)	(151 221)
Additions to property, plant and equipment	*E2.3*	(190 902)	(141 497)	(163 558)	(133 598)
Reduction in non-controlling interest		(58 797)	-	-	-
Consideration paid for business combination	*E8.2.1*	-	(2 883 022)	-	-
Cash and cash equivalents acquired in business combination/asset acquisition	*E8*	-	949 561	-	-
Proceeds on disposal of non-current assets held-for-sale		-	1 051 198	-	1 051 198
Increase in investment in subsidiary	*E4.4*	-	-	(230 730)	(3 068 283)
Increase in investment in joint venture	*E5.5.1*	(221 959)	(54 909)	-	-
Loans receivable repaid	*F1.4.1*	3 805	17 787	15 022	24 017
Loans receivable advanced	*F1.4.1*	(5 350)	(133 161)	(10 291)	(10 389)
Net cash flows from financing activities		**(332 168)**	**1 695 603**	**416 990**	**1 864 038**
Loans repaid	*H1.4*	(6 184 198)	(2 590 882)	(2 512 502)	(1 067 725)
Loans raised	*H1.4*	5 371 615	3 423 827	2 432 158	2 069 105
Derivative purchased	*H2.4*	(16 626)	(13 100)	(2 200)	(13 100)
Shares issued	*G1.2*	497 041	875 758	499 534	875 758
Net (decrease)/increase in cash and cash equivalents		**(600 008)**	**706 699**	**(61 790)**	**(330 398)**
Cash and cash equivalents at the beginning of the year		1 387 471	777 691	430 219	747 423
Exchange gains on cash and cash equivalents		93 151	60 011	415	-
Decrease/(Increase) in cash classified as held-for-sale		166 466	(156 930)	-	13 194
Cash and cash equivalents at the end of the year	*F3.2*	**1 047 080**	**1 387 471**	**368 844**	**430 219**

A. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

A1 MATERIAL ACCOUNTING POLICIES

A1.1 Statement of compliance

Hyprop is incorporated in South Africa and is a listed REIT. The Company's registered office is 2nd floor Cradock Heights, 21 Cradock Avenue, Rosebank, Johannesburg, 2196. The Group owns and manages retail and office investment properties in South Africa, Eastern Europe and Sub-Saharan Africa.

These consolidated and separate financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

The Audited Consolidated and Separate Annual Financial Statements were approved by the Board of directors on 19 September 2023.

A1.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis, except for the measurement of investment properties, investment property classified as held-for-sale and certain financial instruments, which are recorded at fair value, and incorporate the significant accounting policies set out below and in the individual notes to the financial statements.

All accounting policies applied in the preparation of these consolidated and separate financial statements are consistent with those applied in the consolidated and separate financial statements for the year ended 30 June 2022, except as disclosed in note A3 - *Changes in accounting policies and disclosures.*

The financial information presented in the consolidated and separate financial statements comprises that of the parent company, Hyprop Investments Ltd, together with its subsidiaries, including consolidated joint operations and joint ventures, presented as a single entity.

All values are presented in South African Rand, the functional currency of Hyprop, and are rounded to the nearest thousand Rand, unless indicated otherwise.

A1.3 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and entities controlled by the Group. Control is achieved when the Group:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that one or more of the elements listed above have changed during the year.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the Group. The results of subsidiaries acquired or disposed during the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal, as applicable.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, with any resultant gain or loss recognised in profit or loss.

All intergroup transactions, unrealised profits and balances between Group entities are eliminated on consolidation.

A1.4 Non-controlling interests

Non-controlling interests are measured at the proportionate share of the non-controlling shareholders’ interest in the identifiable net assets of the relevant entity at the acquisition date, and are adjusted for the non-controlling shareholders' proportion of any subsequent profit or loss at each reporting date.

A. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

A2 KEY JUDGEMENTS AND ESTIMATES

A2.1 Material policy choices

The following accounting policy elections have been made by the Group (excluding elections applied as transitional arrangements on adoption of new or amended reporting standards):

Item	Option	Policy choice and impact	Note
Investment property	IAS 40: *Investment property* allows a choice between the fair value model and the cost model in recording investment property. The choice is made at a portfolio level.	The Group continues to apply the fair value model for all investment properties.	E1
Investments in subsidiaries, joint operations and associates	In terms of IAS 27: *Consolidated and separate financial statements,* investments in subsidiaries, associates and joint arrangements can be accounted for in the separate financial statements either at: cost; or at fair value in accordance with IFRS 9: *Financial instruments;* or using the equity method as described in IAS 28: *Investments in associates and joint ventures.*	The Company has elected to recognise investments in subsidiaries and associates at cost in the separate financial statements. Joint operations are accounted for using the proportionate share method. In addition, joint ventures are accounted for on the equity accounting basis in the consolidated financial statements.	E4, E5

A2.2 Estimates, assumptions and judgements

Accounting policies for specific items in the financial statements are included in the relevant note to the financial statements. Assumptions and estimates are an integral part of financial reporting and as such have an impact on the amounts reported for the Group's income, expenses, assets and liabilities. Judgement in these areas is based on historical experience and reasonable expectations relating to future events.

Estimates, assumptions and judgements are applied in the following significant areas:

Item	Nature of judgement or estimation	Note
Investment property valuations	The valuation of investment properties requires judgement in the determination of, inter alia, future cash flows, appropriate discount rates, rental growth rates, vacancy rates and capitalisation rates. The Group's policy is to obtain independent valuations of its investment properties and report investment properties at the lower of that value or a directors' valuation based on arms length bona fide commercial offers for specific properties. The key assumptions and estimations used to perform the independent investment property valuations are determined by the independent valuers.	E1.7
Interests in co-owned assets/joint operations: *Canal Walk and The Glen*	Judgement is required to identify the relevant activities of the co-owned assets to determine whether the assets were classified as joint operations or joint ventures. Interests in co-owned assets are categorised as interests in joint operations as there is shared control of the co-owned assets.	E5

A. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

A2 KEY JUDGEMENTS AND ESTIMATES

A2.2 Estimates, assumptions and judgements

Item	Nature of judgement or estimation	Note
Classification as an Asset held-for-sale: *Gruppo*	On 9 November 2020 Hyprop announced that Hyprop Mauritius (as one of the sellers) had concluded an agreement (the SPA) to dispose of its 75% interest in Gruppo to two new property funds managed by the Actis Group (the Ikeja transaction). The Ikeja transaction remains subject to the fulfilment of certain conditions precedent, including certain fundraising requirements by the purchaser. Given the current lack of US Dollar liquidity in Nigeria, fulfilling this condition is taking longer than anticipated. The parties have agreed that the sellers may engage other potential buyers for the property and, should the sellers wish to enter into an agreement with such potential buyers, they may terminate the SPA prior to the long stop date. During the year ended 30 June 2023: - the longstop date for implementation of the Ikeja transaction was extended. - the Ikeja transaction was approved by the Federal Competition and Consumer Protection Commission (FCCPC) in June 2023. The approval is valid for 12 months. - In June 2023 the Nigerian central bank announced the relaxation of certain exchange controls. This is seen as a positive development, increasing the likelihood of US Dollars being procured by the purchaser to settle the purchase price; and an addendum to the SPA is at an advanced stage of negotiation/preparation. It remains Hyprop's intention to exit its Sub-Saharan African investments and the parties remain committed to the Ikeja transaction. As a result of the progress made during the year towards implementation of the Ikeja transaction, as stated above, Gruppo continues to be designated as held-for-sale at 30 June 2023. Gruppo is reported under the Sub-Saharan Africa segment.	E6.2.1
Taxation	The Group is subject to income tax in numerous jurisdictions. Judgement is required in determining the tax liabilities as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Management has assessed the Group's tax obligations and the potential tax consequences arising from, inter alia, normal trading activities, acquisitions and disposals, interest and dividends paid by Group companies and the acquisition and disposal of assets during the year. The Group recognises liabilities for anticipated tax obligations based on estimates of the taxes that are likely to become due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions. A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.	I1.2

A. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

A3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

A3.1 New and amended IFRS Standards that have been adopted in the current year

The Group has considered and where appropriate/applicable adopted the following new/amended accounting standards, none of which had a material impact on the financial statements for the current year.

- Disclosure of accounting policies (Amendments to IAS 1: *Presentation of financial statements* and IFRS practice statement 2: *Making materiality judgements) (effective 1 January 2023)*
- Onerous Contracts – Cost of fulfilling a contract (Amendments to IAS 37: *Provisions, Contingent Liabilities and Contingent Assets) (effective for contracts for which an entity has not yet fulfilled all its obligations on or after 1 January 2022)*
- Annual Improvements to IFRS Standards 2018-2020 *(effective 1 January 2022)*
- Property, plant and equipment: Proceeds before intended use (Amendments to IAS 16: *Property, plant and equipment) (effective 1 January 2022)*
- Reference to the Conceptual Framework (Amendments to IFRS 3: *Business combinations) (effective 1 January 2022)*

A4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of approval of these consolidated and separate financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective. These have not been early adopted by the Group.

Management anticipates that all of the pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements.

A4.1 Standards expected to have a material impact, which are not yet effective *(Impact assessed)*

There are no standards in this category.

A4.2 Standards expected to have a material impact, which are not yet effective *(Impact not assessed)*

There are no standards in this category.

A4.3 Standards expected to have an immaterial impact, which are not yet effective

The standards below are expected to have an immaterial impact on the Group.

A4.3.1 Definition of accounting estimate (Amendments to IAS 8: *Accounting policies, changes in accounting estimates and errors*) *(effective 1 January 2023)*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events only, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

A4.3.2 Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12: *Income taxes*) *(effective 1 January 2023)*

The amendments require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The proposed amendments will typically apply to transactions such as leases for the lessee and decommissioning obligations.

A4.3.3 Lease liability in a sale and leaseback (Amendments to IFRS 16: *Leases*) *(effective 1 January 2024)*

The amendments require a seller-lessee to subsequently measure variable lease payments arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application.

A4.3.4 Non-current liabilities with covenants (Amendments to IAS 1: *Presentation of financial statements*) *(effective 1 January 2024)*

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.
The new amendments are effective for annual reporting periods beginning on or after 1 January 2024 and override the previous amendments issued under "*Classification of liabilities as current or non-current (Amendments to IAS 1)* " whose effective date is now deferred to 1 January 2024.

A. ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

A5 GOING CONCERN

The Company and Group financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

In assessing the Company and Group's ability to continue as going concerns, the Board and the ARC have reviewed the Company and Group's budgets and cashflow forecasts (which take into account the effect of the prevailing high inflation and interest rate environment), available cash balances, existing unutilised and available new borrowing facilities, and the Group's debt maturity profile.

For the year ended 30 June 2023, the Company recorded a net profit for the year of R1 474m, and the Group R1 486m. The Group's net income before value adjustments for the year was R1 078m and cash generated by operations was R2 438m. At 30 June 2023 the Group's net asset value was R22 569m, the Group had cash balances of R1 201m (including assets held-for-sale) and available undrawn facilities of R1 672m, which underpin the Group's strong liquidity.

At 30 June 2023 the Company's current liabilities exceeded its current assets by R1 372m and the Group's current liabilities exceeded its current assets by R3 253m (excluding assets and liabilities held-for-sale), due to borrowings which mature in less than one year (see note H1.3 - *Maturity profile*). On 3 July 2023 current borrowings of €109.7m (R2 250m) were refinanced for periods ranging from 12 months to 3 years, and a new R750m facility was secured in August 2023. The remaining R1 644m of short-term borrowings due in the 2024 financial year (comprising mainly €10m (R205m) amortisation of Euro borrowings and R1 425m maturing Rand facilities) will be settled from cash generated from operations, and are covered by the Group's available facilities of R1 672m, or will be refinanced in keeping with the Group's historic practice.

Accordingly, the directors consider that the Company and the Group have adequate resources to continue operating for the ensuing 12 months and that it is appropriate to adopt the going concern basis in preparing the Company and Group financial statements.

B. PERFORMANCE ANALYSES

B1 DISTRIBUTABLE INCOME AND DIVIDEND PER SHARE FOR THE YEAR

		GROUP and COMPANY	
		June 2023	June 2022
B1.1	**Distributable income per share for the year (Non-IFRS information)**	Cents	Cents
		405.2	**342.5**
	Six months ended 31 December	203.4	157.0
	Six months ended 30 June	201.8	185.5
B1.2	**Dividend per share for the year**	Cents	Cents
	Year ended 30 June - final dividend declared after year end	299.3	293.6

No interim dividend was declared for the 2022 and 2023 financial years.

B2 DIVIDENDS DECLARED/PAID DURING THE YEAR

B2.1	Dividend per share declared (cents)		
		293.6	**336.5**
	Final dividend declared	293.6	336.5

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
B2.2	Total dividend declared	R'000	R'000	R'000	R'000
	Dividends declared/paid[1]	**1 004 269**	**1 034 689**	**1 008 477**	**1 040 111**
	Final dividend in respect of the year ended 30 June 2022 (30 June 2021)	1 004 269	1 034 689	1 008 477	1 040 111

[1] *This amount is reflected in the statement of changes in equity*

On 28 September 2022 it was announced that the Board had declared a distribution of 293.64090 cents per share for the year ended 30 June 2022. Shareholders were given the option to reinvest the 2022 dividend in return for Hyprop shares, subject to a maximum quantum of R500m in aggregate.

Shareholders holding 289 827 493 Hyprop shares (equivalent to 84.4% of the total number of issued Hyprop shares prior to the share reinvestment alternative) elected the share reinvestment alternative, resulting in the issue of 16 127 649 new Hyprop shares, and R500m of cash being retained by Hyprop as new equity. A net cash dividend of R508m was paid.

B3 EARNINGS PER SHARE

Earnings – The calculation of basic and headline earnings per share is based on the total profit or loss attributable to shareholders of the Company, adjusted as shown in the reconciliation below.

Number of shares – The weighted average number of ordinary shares in issue is based on the actual number of ordinary shares in issue adjusted for the treasury shares held by the Group, and has been used to calculate basic earnings per share and headline earnings per share. Where there are changes to the number of shares in issue during the year a time weighting factor is applied to those changes.

Diluted number of shares – The diluted weighted average number of ordinary shares in issue is calculated after taking into account the effect of all potentially dilutive shares which may be issued under the Group's share-based long-term incentives (See note L2 - *Long -term incentives).*

B. PERFORMANCE ANALYSES

B3 EARNINGS PER SHARE

B3.1 Earnings reconciliation - basic to headline earnings	Note	GROUP June 2023 R'000	June 2022 R'000
Profit for the year attributable to shareholders of the Company (Basic earnings)		1 521 216	1 345 164
Headline earnings adjustments		**(133 892)**	**116 995**
Change in fair value of investment property		(325 649)	(416 537)
Impairment of goodwill	*E7.3.1*	8 775	433 432
Impairment of intangible asset	*E7.3.1*	-	16 197
Non-controlling interests share of change in fair value of investment property		30 219	22 814
Non-controlling interests share of impairment of intangible asset	*E7.3.4*	-	(7 120)
Loss from equity accounted investments	*E5.5.3*	150 694	68 209
Loss on PPE written off		2 069	-
Headline earnings		**1 387 324**	**1 462 159**

B3.2 Weighted average number of ordinary shares	GROUP June 2023 # of shares	June 2022 # of shares
Shares in issue at the beginning of the year	343 438 921	309 070 057
Effect of shares issued during the year	10 295 184	23 257 834
Effect of treasury shares held	(1 514 361)	(1 596 465)
Weighted average number of ordinary shares in issue	**352 219 744**	**330 731 426**
Effect of dilutive shares	1 253 125	1 067 515
Diluted weighted average number of ordinary shares in issue	**353 472 869**	**331 798 941**

B3.3 Earnings per share (cents per share)	GROUP June 2023 cents	June 2022 cents
Basic earnings per share (EPS) *Basic earnings divided by the weighted average number of ordinary shares in issue.*	431.9	406.7
Diluted earnings per share (DEPS) *Basic earnings divided by the diluted weighted average number of ordinary shares in issue.*	430.4	405.4
Headline earnings per share (HEPS) *Headline earnings divided by the weighted average number of ordinary shares in issue.*	393.9	442.1
Diluted headline earnings per share (DHEPS) *Headline earnings divided by the diluted weighted average number of ordinary shares in issue.*	392.5	440.7

B. PERFORMANCE ANALYSES

B4 NET ASSET VALUES

Net asset value

NAV per share is calculated by dividing the equity and reserves attributable to shareholders of the Company (as reflected on the Statement of financial position) by the number of ordinary shares in issue at the end of the year less treasury shares.

Tangible net asset value (Non-IFRS information)

TNAV per share is calculated by dividing TNAV (as calculated below) by the number of ordinary shares in issue at the end of the year less treasury shares.

The effect of outstanding/unvested shares awarded to employees under the CUP and LTIP is not material.

B4.1 Calculation

The following table reflects the net asset and share data used in the NAV and TNAV per share calculations:

		GROUP	
		June 2023	**June 2022**
	Note	**R'000**	**R'000**
Equity attributable to shareholders of the Company		22 699 719	20 813 973
Adjusted for:			
Intangible assets		(59)	(54)
Net deferred taxation liability	*I1.4*	1 112 002	912 494
TNAV		**23 811 662**	**21 726 413**

		GROUP	
		June 2023	**June 2022**
		# of shares	**# of shares**
Number of ordinary shares in issue	*G1.3*	359 566 570	343 438 921
Treasury shares	*G1.3*	(1 482 551)	(1 579 716)
Net number of ordinary shares in issue		**358 084 019**	**341 859 205**
NAV per share (Rand)		63.39	60.88
TNAV per share (Rand)		66.50	63.55

C. SEGMENTAL ANALYSIS

C1 OVERVIEW AND DEFINITIONS

An operating segment is:

- a component of an entity that engages in business activities from which it may earn revenue;
- the operating results of which are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated and to assess its performance; and
- for which financial information is available.

The Group's identification of its segments and the measurement of segment results are based on the Group's internal management reporting used for day-to-day decision-making and reviewed by the Chief Executive Officer (who is the Group's chief operating decision maker). The segments have been identified according to their location. The primary measures of segment performance are net operating income and distributable income.

The segments are supported by the Group head office, which provides support in the areas of finance, treasury, legal, human resources, governance and compliance, risk management and information technology.

Properties (of any previous segment) that have been classified as held-for-sale according to IFRS 5: *Non-current assets held-for-sale and discontinued operations,* are reported under their geographic segments. There is one property which is held-for-sale (2022: One).

The Group comprises the following business segments and sectors:

Business Segment	Description and basis of segmentation	Sector
South Africa	The SA portfolio comprises all South African shopping malls and offices irrespective of size. There are eight centres in this segment (2022: eight). Included in this segment are the combined results of the various support services provided to the Group from South Africa including: Group finance, treasury, asset management and development, human resources, legal and compliance, information technology, investor relations, marketing and facilities management.	**SA**
Eastern Europe	The EE portfolio comprises retail shopping malls in Bulgaria, Croatia and North Macedonia, held through the Group's 100% subsidiary Hyprop Europe. There are four properties in this segment (2022: four). In 2022 the four EE properties were held via Hyprop Europe and the results of these properties were consolidated with effect from 31 March 2022. For further details see Note E8 - *Changes in shareholding.*	**EE**
Sub-Saharan Africa	The SSA portfolio comprises interests in four shopping centres in Nigeria and Ghana, held through Hyprop Mauritius, a wholly owned subsidiary, and AttAfrica, a joint venture. Ikeja City Mall in Nigeria, included in this segment, is classified as held-for-sale in both 2022 and 2023.	**SSA**

C. SEGMENTAL ANALYSIS

C2 SEGMENTAL ANALYSIS – PROFIT OR LOSS

June 2023 R'000	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Revenue	**2 738 924**	**1 338 653**	**296 363**	**4 373 940**
Lease revenue	1 866 626	1 167 201	231 301	**3 265 128**
Non-lease revenue	872 298	171 452	65 062	**1 108 812**
Changes in expected credit losses - trade receivables	3	3 237	13 371	**16 611**
Property expenses	(1 305 024)	(538 690)	(101 316)	**(1 945 030)**
Utilities	(858 731)	(242 470)	(77 128)	**(1 178 329)**
Contractual services	(139 097)	(88 094)	(4 450)	**(231 641)**
Salaries and staff-related expenses	(116 836)	(28 702)	(6 183)	**(151 721)**
Depreciation and amortisation	(59 621)	(45 860)	(3 285)	**(108 766)**
Maintenance	(47 924)	(35 869)	(3 356)	**(87 149)**
Management and other costs	(82 815)	(97 695)	(6 914)	**(187 424)**
Net property income	**1 433 903**	**803 200**	**208 418**	**2 445 521**
Other operating income	5 962	-	7 546	**13 508**
Other operating expenses	(113 923)	(29 802)	(6 802)	**(150 527)**
Salaries and staff-related expenses	(79 218)	(25 104)	(5 732)	**(110 054)**
Depreciation and amortisation	(1 597)	-	(28)	**(1 625)**
Management and other costs	(33 108)	(4 698)	(1 042)	**(38 848)**
Net foreign exchange gains/(losses)	385	2 836	(228 090)	**(224 869)**
Operating income	**1 326 327**	**776 234**	**(18 928)**	**2 083 633**
Net interest	(507 165)	(197 896)	(149 402)	**(854 463)**
Interest income	35 853	9 384	7 803	**53 040**
Interest expense	(543 018)	(207 280)	(157 205)	**(907 503)**
Net operating income/(loss)	**819 162**	**578 338**	**(168 330)**	**1 229 170**
Loss from equity accounted investments	-	-	(150 694)	**(150 694)**
Net income/(loss) before value adjustments	**819 162**	**578 338**	**(319 024)**	**1 078 476**
Changes in fair value	281 219	83 974	124 978	**490 171**
Changes in expected credit losses - loans receivable	(2 767)	-	-	**(2 767)**
Impairment of goodwill	-	(8 775)	-	**(8 775)**
Profit/(loss) before taxation	**1 097 614**	**653 537**	**(194 046)**	**1 557 105**
Taxation	(5 463)	(64 276)	(1 842)	**(71 581)**
Profit/(loss) for the year	**1 092 151**	**589 261**	**(195 888)**	**1 485 524**

Calculation of distributable income *(Non-IFRS information)*

	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Net income/(loss) before value adjustments	819 162	578 338	(319 024)	**1 078 476**
Adjusted for:	84 646	(53 153)	340 916	**372 409**
Straight-line rental revenue accrual	82 822	22 386	(4 828)	**100 380**
Tax adjustments	55	(72 836)	(1 865)	**(74 646)**
Loss from equity accounted investments	-	-	150 694	**150 694**
Capital items for distribution purposes	(1 458)	(3 348)	168 101	**163 295**
Non-controlling interests	3 227	645	28 814	**32 686**
Distributable income	**903 808**	**525 185**	**21 892**	**1 450 885**
% of Group	**62%**	**36%**	**2%**	

C. SEGMENTAL ANALYSIS

C2 SEGMENTAL ANALYSIS – PROFIT OR LOSS

June 2022 R'000	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Revenue	**2 597 851**	**285 337**	**237 575**	**3 120 763**
Lease revenue	1 830 134	233 448	183 759	**2 247 341**
Non-lease revenue	767 717	51 889	53 816	**873 422**
Changes in expected credit losses - trade receivables	(9 618)	(1 156)	1 964	**(8 810)**
Property expenses	(1 176 535)	(118 344)	(80 463)	**(1 375 342)**
Utilities	(769 530)	(51 089)	(53 867)	**(874 486)**
Contractual services	(134 534)	(18 454)	(3 713)	**(156 701)**
Salaries and staff-related expenses	(106 347)	(7 740)	(5 299)	**(119 386)**
Depreciation and amortisation	(54 873)	(15 353)	(2 657)	**(72 883)**
Maintenance	(46 706)	(8 004)	(3 448)	**(58 158)**
Management and other costs	(64 545)	(17 704)	(11 479)	**(93 728)**
Net property income	**1 411 698**	**165 837**	**159 076**	**1 736 611**
Other operating income	21 091	-	10 931	**32 022**
Other operating expenses	(113 162)	(10 482)	(8 622)	**(132 266)**
Salaries and staff-related expenses	(72 177)	(2 016)	(6 659)	**(80 852)**
Depreciation and amortisation	(1 561)	-	(11)	**(1 572)**
Management and other costs	(39 424)	(8 466)	(1 952)	**(49 842)**
Net foreign exchange losses	(338)	(13 260)	(7 511)	**(21 109)**
Operating income	**1 319 289**	**142 095**	**153 874**	**1 615 258**
Net interest	(358 400)	(45 544)	(89 943)	**(493 887)**
Interest income	69 681	1 970	2 556	**74 207**
Interest expense	(428 081)	(47 514)	(92 499)	**(568 094)**
Net operating income	**960 889**	**96 551**	**63 931**	**1 121 371**
Loss from equity accounted investments	-	-	(68 209)	**(68 209)**
Net income/(loss) before value adjustments	**960 889**	**96 551**	**(4 278)**	**1 053 162**
Changes in fair value	560 892	37 275	92 767	**690 934**
Loss on disposal of investment property	(1 135)	-	-	**(1 135)**
Impairment of goodwill	-	(433 432)	-	**(433 432)**
Impairment of intangible asset	(16 197)	-	-	**(16 197)**
Derecognition of financial guarantees	65 865	-	-	**65 865**
Profit/(loss) before taxation	**1 570 314**	**(299 606)**	**88 489**	**1 359 197**
Taxation	17 497	(17 637)	(14 884)	**(15 024)**
Profit/(loss) for the year	**1 587 811**	**(317 243)**	**73 605**	**1 344 173**

Calculation of distributable income *(Non-IFRS information)*	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Net income/(loss) before value adjustments	960 889	96 551	(4 278)	**1 053 162**
Adjusted for:	43 875	4 427	69 338	**117 640**
Straight-line rental revenue accrual	36 173	5 181	1 512	**42 866**
Tax adjustments	(208)	(17 637)	(11 919)	**(29 764)**
Loss from equity accounted investments	-	-	68 209	**68 209**
Capital items for distribution purposes	(28)	16 470	5 586	**22 028**
Non-controlling interests	7 938	413	5 950	**14 301**
Distributable income	**1 004 764**	**100 978**	**65 060**	**1 170 802**
% of Group	**86%**	**9%**	**5%**	

C. SEGMENTAL ANALYSIS

C3 SEGMENTAL ANALYSIS – FINANCIAL POSITION

June 2023 R'000	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Assets				
Non-current assets	23 109 743	11 996 642	642 671	**35 749 056**
Investment property	22 272 372	11 173 671	-	**33 446 043**
Straight-line rental revenue accrual	313 834	74 512	-	**388 346**
Property, plant and equipment	438 575	544 092	78	**982 745**
Investments in joint ventures	-	-	637 475	**637 475**
Loans receivable	72 711	89 821	-	**162 532**
Intangible assets	-	59	-	**59**
Deferred taxation	1 116	-	-	**1 116**
Derivatives	11 135	114 487	5 118	**130 740**
Current assets	575 553	876 936	39 470	**1 491 959**
Loans receivable	-	50 189	-	**50 189**
Taxation	-	23 110	-	**23 110**
Trade and other receivables	128 020	84 270	2 049	**214 339**
Derivatives	73 558	65 445	18 238	**157 241**
Cash and cash equivalents	373 975	653 922	19 183	**1 047 080**
Assets classified as held-for-sale	-	-	2 629 682	**2 629 682**
Investment property	-	-	2 422 555	**2 422 555**
Cash and cash equivalents	-	-	154 023	**154 023**
Other assets	-	-	53 104	**53 104**
Total assets	**23 685 296**	**12 873 578**	**3 311 823**	**39 870 697**
% of Group	**60%**	**32%**	**8%**	
Liabilities				
Non-Current liabilities	5 087 099	5 790 901	-	**10 878 000**
Borrowings	4 893 770	4 844 586	-	**9 738 356**
Derivatives	6 562	8 233	-	**14 795**
Share-based payment liability	-	1 068	-	**1 068**
Provisions	10 663	-	-	**10 663**
Deferred taxation	176 104	937 014	-	**1 113 118**
Current liabilities	2 051 710	2 679 104	13 998	**4 744 812**
Borrowings	1 426 534	2 455 108	12 938	**3 894 580**
Derivatives	649	3 785	-	**4 434**
Trade and other payables	582 760	189 954	968	**773 682**
Provisions	41 687	20 790	-	**62 477**
Taxation	80	9 467	92	**9 639**
Liabilities associated with assets classified as held-for-sale	-	-	1 678 803	**1 678 803**
Bank borrowings	-	-	1 075 460	**1 075 460**
Other borrowings	-	-	512 437	**512 437**
Other liabilities	-	-	90 906	**90 906**
Total liabilities	**7 138 809**	**8 470 005**	**1 692 801**	**17 301 615**
% of Group	**41%**	**49%**	**10%**	
Net asset value/equity	**16 546 487**	**4 403 573**	**1 619 022**	**22 569 082**
% of Group	**73%**	**20%**	**7%**	

C. SEGMENTAL ANALYSIS

C3 SEGMENTAL ANALYSIS – FINANCIAL POSITION

June 2022 R'000	SOUTH AFRICA	EASTERN EUROPE	SUB-SAHARAN AFRICA	GROUP
Assets				
Non-current assets	22 828 206	9 975 333	566 234	**33 369 773**
Investment property	21 924 452	9 219 008	-	**31 143 460**
Straight-line rental revenue accrual	396 656	80 121	-	**476 777**
Property, plant and equipment	346 011	432 184	24	**778 219**
Investments in joint ventures	-	-	566 210	**566 210**
Loans receivable	72 126	147 863	-	**219 989**
Intangible assets	-	54	-	**54**
Deferred taxation	1 087	-	-	**1 087**
Derivatives	87 874	96 103	-	**183 977**
Current assets	518 694	1 015 825	17 534	**1 552 053**
Loans receivable	-	2 558	-	**2 558**
Taxation	-	280	-	**280**
Trade and other receivables	87 124	65 609	1 512	**154 245**
Derivatives	-	7 499	-	**7 499**
Cash and cash equivalents	431 570	939 879	16 022	**1 387 471**
Assets classified as held-for-sale	-	-	2 354 491	**2 354 491**
Investment property	-	-	1 974 509	**1 974 509**
Cash and cash equivalents	-	-	320 489	**320 489**
Other assets	-	-	59 493	**59 493**
Total assets	**23 346 900**	**10 991 158**	**2 938 259**	**37 276 317**
% of Group	**63%**	**29%**	**8%**	
Liabilities				
Non-Current liabilities	4 219 790	4 516 636	(18)	**8 736 408**
Bank borrowings	4 033 585	3 773 634	-	**7 807 219**
Derivatives	11 038	-	-	**11 038**
Provisions	4 570	-	-	**4 570**
Deferred taxation	170 597	743 002	(18)	**913 581**
Current liabilities	2 948 565	3 328 922	13 247	**6 290 734**
Bank borrowings	2 361 715	2 903 758	11 111	**5 276 584**
Derivatives	5 561	373	-	**5 934**
Trade and other payables	535 033	178 298	400	**713 731**
Provisions	46 256	6 735	-	**52 991**
Taxation	-	95 596	1 736	**97 332**
Dividend payable	-	144 162	-	**144 162**
Liabilities associated with assets classified as held-for-sale	-	-	1 479 032	**1 479 032**
Bank borrowings	-	-	995 805	**995 805**
Other borrowings	-	-	408 415	**408 415**
Other liabilities	-	-	74 812	**74 812**
Total liabilities	**7 168 355**	**7 845 558**	**1 492 261**	**16 506 174**
% of Group	**43%**	**48%**	**9%**	
Net asset value/equity	**16 178 545**	**3 145 600**	**1 445 998**	**20 770 143**
% of Group	**78%**	**15%**	**7%**	

D. PROFIT OR LOSS

D1 REVENUE AND MINIMUM LEASE PAYMENTS

D1.1 Accounting policy

Revenue consists of:

a. Lease revenue – governed by IFRS 16: *Leases*
b. Non-lease revenue – governed by IFRS 15: *Revenue from contracts with customers.*

Lease revenue – governed by IFRS 16: *Leases*

Lease revenue comprises contractual rental revenue (for retail, office, storage and parking space), contractual operating cost recoveries and contractual contributions towards marketing and promotions. Contractual rental revenue (including tenant parking revenue and contractual fixed operating cost recoveries) is recognised on a straight-line basis over the term of the lease.

Contingent rentals/turnover rentals (variable rentals based on the turnover achieved by a tenant) are included in revenue when the amounts can be reliably measured.

Non-lease revenue – governed by IFRS 15: *Revenue from contracts with customers*

Non-lease revenue comprises revenue from recoveries (primarily of utility costs), marketing, promotions and casual parking which is recognised when the service is rendered. Non-lease revenue represents the transaction price (i.e. the amount of the consideration which the entity expects to receive) for services provided, net of value added tax.

The Group retains primary responsibility for the provision of the services to tenants, and considers itself the principal supplier of such services in this respect. Accordingly, the Group maintains its recording of non-lease revenue on a gross basis.

Non-lease revenue is recognised on an accrual basis in line with the service being provided.

Performance obligations related to non-lease revenue: Recoveries

a)	When the entity typically satisfies its performance obligations	Services are rendered during the month. Revenue is recognised over a period of time (the month in which the service is rendered).
b)	The significant payment terms	Payment from tenants is due on the 1st of each month.
c)	Variability of the consideration payable	Utility recoveries are charged either at a flat rate per unit, or at a variable rate per unit depending on time of use.
d)	The nature of the goods or services that the entity has undertaken/agreed to transfer	Services rendered include the provision of utilities, cleaning, security and marketing services for a calendar month.

Performance obligations related to non-lease revenue: Parking, Marketing and Promotions

a)	When the entity typically satisfies its performance obligations	Services are rendered continuously in a given month. Revenue is recognised (for expediency) at the end of the month in which the service is rendered.
b)	The significant payment terms	Payment from customers is due immediately after parking usage. Payment for marketing and promotions revenue is agreed for each specific event, and may include payment of a deposit with the balance due within 30 days of the event's completion.
c)	Variability of the consideration payable	Parking revenue is charged at a flat rate per space based on the duration of usage. Marketing and promotions revenue is based on standard rates depending on the nature of the services provided (digital advertising, billboards, exhibitions, etc)
d)	The nature of the goods or services that the entity has undertaken/agreed to transfer	Services rendered include the provision of covered and open parking bays, indoor and outdoor advertising and events venues.

D. PROFIT OR LOSS

D1 REVENUE AND MINIMUM LEASE PAYMENTS

D1.2 Revenue	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Gross contractual rental revenue	2 687 232	2 032 912	1 689 033	1 687 736
COVID-19 rent relief [1]	15 857	(44 859)	15 857	(41 780)
Contractual rental revenue	**2 703 089**	**1 988 053**	**1 704 890**	**1 645 956**
Turnover rent	187 899	33 687	57 641	17 358
Operating cost recoveries [2]	406 271	215 559	147 423	156 312
Marketing and promotion revenue - tenants	68 249	52 908	38 340	46 624
Rental and other lease revenue	**3 365 508**	**2 290 207**	**1 948 294**	**1 866 250**
Straight-line rental revenue accrual	(100 380)	(42 866)	(82 822)	(36 174)
Total Lease revenue	**3 265 128**	**2 247 341**	**1 865 472**	**1 830 076**
Municipal recoveries	816 093	729 690	655 307	649 200
Other recoveries	149 601	40 015	100 937	28 751
Recoveries revenue	**965 694**	**769 705**	**756 244**	**677 951**
Casual parking revenue	99 029	80 809	83 216	75 996
Marketing and promotions revenue	44 089	22 908	31 843	14 228
Total Non-lease revenue	**1 108 812**	**873 422**	**871 303**	**768 175**
Total Revenue	**4 373 940**	**3 120 763**	**2 736 775**	**2 598 251**

[1] Rental discounts and deferrals granted to tenants due to COVID-19 lockdowns/restrictions. The recovery in 2023 arises from the proceeds of a Covid-19 related insurance claim and reversal of unutilised provisions for Covid-19 discounts.

[2] Operating cost recoveries comprise mainly fixed contractual amounts recovered from tenants in terms of the lease agreements. These are categorised as "lease revenue" in terms of IFRS 16: Leases.

D1.3 Minimum lease payments receivable

Minimum lease payments receivable comprise contractual rental revenue and contractual operating costs recoverable from tenants in terms of existing lease agreements.

The minimum lease payments receivable from tenants have been classified into the following time periods:

	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Short term (up to one year)	2 645 563	2 624 215	1 676 372	1 727 629
Medium term (greater than one year and up to five years)	5 254 619	5 376 768	3 048 236	3 161 482
Long term (greater than five years)	1 298 328	1 737 198	854 781	781 183
Total minimum lease payments receivable	**9 198 510**	**9 738 181**	**5 579 389**	**5 670 294**

Minimum lease payment disclosures are based on undiscounted amounts and exclude held-for-sale properties.

D2 OTHER OPERATING INCOME

	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Asset management fees	9 178	32 022	3 081	21 923
Other income	4 330	-	4 330	-
Other operating income	**13 508**	**32 022**	**7 411**	**21 923**

D3 DIVIDEND INCOME

D3.1 Accounting policy

Dividend income is recognised in the Statement of profit or loss and other comprehensive income when the dividend has been declared.

D3.2 Profile

	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Dividends received from Hyprop Europe	-	-	151 871	-
Total	**-**	**-**	**151 871**	**-**

D. PROFIT OR LOSS

D4 EXPENSES

D4.1 Property expenses

	Note	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Utilities		**1 178 329**	**874 486**	**858 731**	**769 529**
Back up power		154 852	50 737	103 554	17 228
Power		506 523	363 047	286 596	303 354
Rates, taxes and levies		429 773	396 390	405 214	390 583
Refuse		34 689	19 179	18 174	15 323
Water and waste		46 811	38 916	39 512	36 823
Other utility expenses		5 681	6 217	5 681	6 218
Contractual services		**231 641**	**156 701**	**138 942**	**133 900**
Cleaning		84 002	54 603	47 071	45 422
Infrastructure maintenance		8 845	6 388	6 602	6 030
Landscaping		5 233	4 652	4 795	4 366
Parking management		19 242	17 549	17 716	17 209
Security		87 248	65 368	60 612	58 124
Other contractual services		27 071	8 141	2 146	2 749
Salaries and staff-related expenses		**151 721**	**119 386**	**108 969**	**101 328**
Bonuses		22 463	18 223	17 159	16 861
Recruitment costs and training		1 651	1 059	1 642	763
Salaries		122 656	91 936	85 915	80 429
Other staff costs		4 951	8 168	4 253	3 275
Depreciation and amortisation		**108 766**	**72 883**	**58 729**	**48 738**
Depreciation		108 766	69 080	58 729	48 738
Amortisation		-	3 803	-	-
Maintenance		**87 149**	**58 158**	**47 924**	**46 609**
Air-conditioning		21 932	19 149	16 441	16 170
Other maintenance		65 217	39 009	31 483	30 439
Management and other costs		**187 424**	**93 728**	**82 518**	**60 070**
Audit fees – external	*D4.3*	4 727	2 653	1 853	1 729
Audit fees – internal		1 473	355	473	355
Computer expenses and licences		8 631	6 232	7 721	5 803
Insurance		24 822	12 029	11 096	8 614
Legal fees		6 787	3 159	1 942	2 367
Marketing		79 664	38 900	39 304	27 868
Professional fees		13 995	13 340	7 469	4 621
Property management costs		31 473	6 004	-	-
Reinstatement of premises		3 375	4 094	2 703	3 362
Other property costs		12 477	6 962	9 957	5 351
Property expenses		**1 945 030**	**1 375 342**	**1 295 813**	**1 160 174**

D. PROFIT OR LOSS

D4 EXPENSES

D4.2 Other operating expenses

		GROUP		COMPANY	
		June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Salaries and staff-related expenses		**110 054**	**80 852**	**79 218**	**72 177**
Bonuses		32 265	19 843	24 996	19 363
Recruitment costs and training		1 899	1 961	1 899	1 961
Salaries		64 085	52 834	46 019	45 141
Share-based payment expense	*L2.4*	6 153	6 529	5 185	6 529
Other staff costs		5 652	(315)	1 119	(817)
Depreciation and amortisation		**1 625**	**1 572**	**1 597**	**1 561**
Depreciation		1 625	1 572	1 597	1 561
Management and other costs		**38 848**	**49 842**	**33 081**	**39 552**
Audit fees – external	*D4.3*	3 914	2 834	3 642	2 132
Audit fees – internal		342	615	342	532
Computer expenses and licences		2 041	2 181	1 997	2 168
Corporate social investment		2 478	4 887	2 477	3 039
Insurance		3 738	552	3 724	531
Investor relations and related costs		2 339	2 452	2 339	2 452
Legal fees		862	1 308	191	531
Non-executive directors' remuneration		6 442	5 019	6 442	4 974
Professional fees		1 816	5 150	561	2 527
Ratings and regulatory fees		3 612	2 107	3 612	2 107
Transaction costs		-	12 718	-	12 718
Other		11 264	10 019	7 754	5 841
Other operating expenses		**150 527**	**132 266**	**113 896**	**113 290**

D4.3 Audit fees

Included in property- and other operating expenses in D4.1 and D4.2 are amounts paid to the external auditors of the Group (KPMG Inc. (Johannesburg) and their affiliates worldwide) and the external auditors of subsidiaries (other than KPMG) for services rendered as follows:

Group auditors *(KPMG and their affiliates)*	**7 920**	**11 167**	**5 645**	**9 344**
Audit fees *(the attest function)*	7 561	5 487	5 495	3 861
Professional fees *(other approved services)*	359	5 680	150	5 483
Other auditors	**1 547**	**-**	**-**	**-**
Audit fees *(the attest function)*	1 080	-	-	-
Professional fees *(other approved services)*	467	-	-	-
Total	**9 467**	**11 167**	**5 645**	**9 344**

D. PROFIT OR LOSS

D4 EXPENSES

D4.4 Operating expense commitments

Group companies have entered into various service contracts for the cleaning, upkeep and general maintenance of their investment properties. Operating expense commitments payable under existing service contracts to service providers in the ensuing 12 months have been classified as follows:

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Short term (up to one year)	103 152	74 288	13 647	13 712
Property expenses	**103 152**	**74 288**	**13 647**	**13 712**

Amounts exclude held-for-sale properties.

Contracts which can be terminated on one month's notice have been included for one month only.

D5 NET FOREIGN EXCHANGE (LOSSES)/ GAINS

	GROUP June 2023	GROUP June 2022	COMPANY June 2023	COMPANY June 2022
Foreign exchange gains	7 186	4 000	565	2 963
Foreign exchange losses	(232 055)	(25 109)	(202)	-
Net foreign exchange (losses)/gains	**(224 869)**	**(21 109)**	**363**	**2 963**
Realised net foreign exchange (losses)/gains	(60 493)	3 152	(20)	3 302
Unrealised net foreign exchange (losses)/gains	(164 376)	(24 261)	383	(339)
Net foreign exchange (losses)/gains	**(224 869)**	**(21 109)**	**363**	**2 963**

The realised foreign exchange losses arose on conversion of Naira to US Dollars to settle interest payments on bank borrowings.

The unrealised foreign exchange losses arose mainly on the translation of Naira monetary assets to US Dollars for financial reporting purposes.

D6 INTEREST

D6.1 Accounting policy

Interest income

Interest earned on cash invested at financial institutions or in money market funds is recognised on an accrual basis using the effective interest rate method. Interest earned on loans receivable is recognised on an accrual basis using the effective interest rate method, other than loans which are credit impaired (stage 3 loans) where interest is only accrued on the net balance (i.e. the outstanding balance less credit impairments).

Interest expense

Interest expense is calculated using the effective interest rate method. Borrowing costs, except those capitalised to a qualifying asset, are recognised as an expense in the period in which they are incurred.

D6.2 Profile

	GROUP June 2023	GROUP June 2022	COMPANY June 2023	COMPANY June 2022
Interest income	**53 040**	**74 207**	**44 256**	**76 887**
Bank balances and money market funds	36 657	66 636	28 194	64 045
Loans receivable - Related parties	203	-	9 266	7 291
Loans receivable - Other	16 180	7 571	6 796	5 551
Interest expense	**(907 503)**	**(568 094)**	**(542 959)**	**(428 081)**
Borrowings	(870 887)	(538 088)	(542 959)	(428 081)
Non-controlling shareholder loan	(36 616)	(30 006)	-	-
Net interest	**(854 463)**	**(493 887)**	**(498 703)**	**(351 194)**

D. PROFIT OR LOSS

D7 TAXATION

D7.1 Accounting policy

Normal and deferred taxes are recognised as income or an expense and included in the Statement of profit or loss and other comprehensive income for the year.

The charge for normal taxation includes expected tax payable or receivable on the taxable income or loss for the year and any adjustment for taxation payable or receivable in respect of prior years.

D7.2 Profile

Hyprop is a REIT in terms of the South African Income Tax Act (the Income Tax Act) and the JSE Listings Requirements. In terms of section 25BB of the Income Tax Act, a qualifying distribution declared to Hyprop shareholders is deductible against Hyprop's taxable income. As a consequence of this deduction, Hyprop's South African taxable income and normal income taxation is usually reduced to nil.

Group companies are subject to tax in accordance with the laws of their jurisdictions of incorporation/tax residence. The standard rates of income tax in the jurisdictions in which the Group operates are:

D7.2.1 Income Tax rates used

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	%	%	%	%
South Africa	*D7.2.2*	27	28	27	28
EE					
Croatia		18	18		
Bulgaria		10	10		
North Macedonia		10	10		
Netherlands		25.8	25.8		
United Kingdom	*D7.2.3*	25	19		
SSA					
Nigeria		30	30		
Mauritius		3	3		

Certain dividends and interest payments made by Group companies are subject to withholding taxes as follows:

SSA			
Nigeria		10	10

D7.2.2 Change in tax rate - South Africa

In February 2022 it was announced that the corporate income tax rate for South African tax resident companies would reduce from 28% to 27% for the companies' tax (financial) years commencing on or after March 2022. The reduced income tax rate applies to all South African tax resident Group companies from the commencement of the Group's 2023 financial year.

Normal income tax for the South African tax resident Group companies has been calculated based on the prevailing 27% (2022: 28%) income tax rate. Deferred taxes at 30 June 2022 and 2023 have been calculated based on the income tax rate of 27%.

D7.2.3 Change in tax rate - United Kingdom

The UK corporate tax rate was increased effective from 1 April 2023 to 25% and is applicable prospectively from the effective date.

D. PROFIT OR LOSS

D7 TAXATION

D7.3 Taxation expense

Major components of the taxation expense	Note	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Normal taxation		**27 211**	**29 674**	**-**	**-**
Current year		72 115	29 674	-	-
Prior years		(44 904)	-	-	-
Withholding taxes		3 362	2 755	-	-
Carbon taxation		80	208	80	208
Deferred taxation		**40 928**	**(17 613)**	**5 547**	**(16 621)**
Current year		31 129	(18 770)	5 547	(16 621)
Assessed loss utilised		9 799	1 157	-	-
Total taxation expense		**71 581**	**15 024**	**5 627**	**(16 413)**

D7.4 Reconciliation of taxation expense

	Note	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Profit before tax		**1 557 105**	**1 359 196**	**1 479 887**	**1 683 436**
Notional taxation at standard income tax rate in each jurisdiction		299 180	350 427	399 569	471 362
Adjusted for:		**(227 599)**	**(335 403)**	**(393 942)**	**(487 775)**
REIT qualifying distribution		(277 835)	(263 247)	(277 835)	(263 247)
Permanent differences	*D7.5*	7 329	(185 323)	(116 187)	(202 539)
Normal taxation - prior year		(44 904)	-	-	-
Deferred taxation - Assessed loss utilised		9 799	1 157	-	-
Reversal of deferred tax on disposal of assets		-	(15 879)	-	(15 879)
Change in tax rate		-	(6 318)	-	(6 318)
Deferred tax asset not recognised		42 430	130 506	-	-
Carbon tax		80	208	80	208
Taxation relating to CFC income		1 157	738	-	-
Taxable portion of foreign dividends		30 374	-	-	-
Withholding taxes		3 362	2 755	-	-
Currency translation differences		609	-	-	-
Total taxation expense		**71 581**	**15 024**	**5 627**	**(16 413)**
Effective tax rate		4.6%	1.1%	0.4%	-1.0%

D7.5 Permanent differences

	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Changes in fair value:				
Investment property	(109 662)	(137 657)	(74 847)	(104 980)
Derivative instruments	(6 184)	(50 362)	(1 082)	(50 899)
Financial asset - Hystead	-	(1 170)	-	(1 170)
Foreign exchange (gains) / losses	52 851	(14 675)	1 397	(14 675)
Derecognition of financial guarantees	-	(18 442)	-	(18 442)
Straight-line rental revenue accrual	23 958	10 798	22 362	10 129
Profit on disposal of assets	-	318	-	318
Non-taxable dividend income	-	-	(10 631)	-
Changes in expected credit losses - loan receivable	747	-	(667)	(4 526)
Impairment of investment in subsidiary	-	-	(56 200)	(14 706)
Impairment of Goodwill	1 419	-	-	-
Impairment of intangible asset	-	4 535	-	-
Loss from equity accounted investments	40 687	19 099	-	-
Other	3 513	2 233	3 481	(3 588)
Total permanent differences	**7 329**	**(185 323)**	**(116 187)**	**(202 539)**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E1 INVESTMENT PROPERTY

E1.1 Accounting policy

Investment properties are properties held to earn rental revenue and/or for capital appreciation.
Income from investment property is recognised as revenue as set out in note D1 - *Revenue.*

Investment property is initially recognised at cost. Cost includes initial transaction costs, costs incurred subsequently to extend or refurbish investment property and the cost of any development rights.

Investment property is subsequently measured at fair value.

Gains or losses arising from changes in fair value, after deducting the straight-line rental revenue accrual, are included in net profit or loss (in the line Changes in fair value - investment property) for the period in which they arise. These gains or losses are transferred to non-distributable reserves in the statement of changes in equity.
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the property.

The gain or loss arising on the disposal/derecognition of investment properties is calculated as the difference between the net disposal proceeds and the carrying amount of the investment property. Realised gains or losses are recognised in profit or loss for the year and transferred to/from non-distributable reserves in the statement of changes in equity.

E1.2 Key judgements and estimations

The valuation of investment properties requires judgement in the determination of, inter alia, the future cash flows, appropriate discount rates and capitalisation rates used to calculate the fair value of the investment property. Refer: E1.7.3 - *Valuation assumptions* and A2.2 - *Estimates, assumptions and judgements.*

E1.3 Profile

South African properties — **Sub-Saharan African property**

Co-owned

Canal Walk
80%

The Glen
75.16%

Ikeja City Mall*
75%

100% owned

CapeGate

Rosebank Mall

17 Baker Street
(offices)

Cradock Heights
(offices)

Somerset Mall

Woodlands

Clearwater Mall

Hyde Park Corner

Western Cape — Gauteng — Lagos, Nigeria

** Classified as held-for-sale as at 30 June 2023 and 2022*

European properties

100% owned

Skopje, North Macedonia

Sofia, Bulgaria

East Zagreb, Croatia

West Zagreb, Croatia

E. PROPERTY INVESTMENTS AND RELATED ITEMS
E1 INVESTMENT PROPERTY
E1.4 Net carrying value

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
Continuing operations	R'000	R'000	R'000	R'000
Historical cost	23 446 928	21 112 820	12 264 526	12 193 817
Accumulated fair value movements	9 999 115	10 030 640	10 007 846	9 730 635
Total investment property - continuing operations	**33 446 043**	**31 143 460**	**22 272 372**	**21 924 452**
Assets held-for-sale				
Historical cost	2 664 412	2 406 681	-	-
Accumulated fair value movements	(271 274)	(453 223)	-	-
Total investment property - assets held-for-sale	**2 393 138**	**1 953 458**	**-**	**-**
Total investment property	**35 839 181**	**33 096 918**	**22 272 372**	**21 924 452**

E1.5 Movement reconciliation
E1.5.1 Continuing operations

Investment property at the beginning of the year	31 143 460	21 398 499	21 924 452	21 398 499
Acquired through business combination	-	8 919 002	-	-
Capital expenditure	95 817	151 826	72 816	151 221
Scrapped/written off assets	(3 277)	-	(1 553)	-
Currency translation difference	1 929 271	307 696	-	-
Net change in fair value[1]	318 097	366 635	277 212	374 930
Change in fair value	212 889	325 280	194 390	338 756
Straight-line rental revenue accrual	105 208	41 355	82 822	36 174
Reclassification to Property, plant and equipment	(37 325)	(198)	(555)	(198)
Total investment property - continuing operations	**33 446 043**	**31 143 460**	**22 272 372**	**21 924 452**

E1.5.2 Assets held-for-sale

Investment property at the beginning of the year	1 953 458	2 707 773	-	1 069 823
Capital expenditure	2 373	208	-	-
Disposals	-	(1 069 823)	-	(1 069 823)
Currency translation difference	321 259	222 533	-	-
Net change in fair value[1]	116 048	92 767	-	-
Change in fair value	120 876	91 255	-	-
Straight-line rental revenue accrual	(4 828)	1 512	-	-
Total investment property - held-for-sale	**2 393 138**	**1 953 458**	**-**	**-**

E1.5.3 Movement reconciliation - Total

Investment property at the beginning of the year	33 096 918	24 106 272	21 924 452	22 468 322
Acquired through business combination	-	8 919 002	-	-
Capital expenditure	98 190	152 033	72 816	151 221
Disposals/scrapped/written off assets	(3 277)	(1 069 823)	(1 553)	(1 069 823)
Currency translation difference	2 250 530	530 229	-	-
Net change in fair value[1]	434 145	459 403	277 212	374 930
Change in fair value	333 765	416 537	194 390	338 756
Straight-line rental revenue accrual	100 380	42 866	82 822	36 174
Reclassification to Property, plant and equipment	(37 325)	(198)	(555)	(198)
Total investment property	**35 839 181**	**33 096 918**	**22 272 372**	**21 924 452**

[1] *The net change in fair value in the current and prior years is unrealised and is recorded in the Statement of profit or loss on the line "Changes in fair value: Investment property".*

E1.6 Reconciliation to independent valuation - continuing operations

Net carrying value of investment property[2]	33 446 043	31 143 460	22 272 372	21 924 452
Straight-line rental revenue accrual	388 346	476 777	313 834	396 656
Property, plant and equipment	982 745	766 840	438 445	334 657
Fair value relating to owner occupied building	14 719	13 445	14 719	13 445
Centre management assets	(7 269)	(6 900)	(7 269)	(6 900)
Independent valuation[2]	**34 824 584**	**32 393 622**	**23 032 101**	**22 662 310**

[2] *Excludes property held-for-sale, refer to note E6 - Assets and liabilities held-for-sale.*

Refer note C – *Segmental analysis,* for a breakdown of investment property, revenue and expenses by segment.
Refer to note D1.2 - *Revenue* for a breakdown of investment property revenue.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E1 INVESTMENT PROPERTY

E1.7 Valuation methodology

The Group’s policy is to obtain independent valuations of the investment properties and report investment properties at the lower of that value, or a directors' valuation based on arms-length bona fide commercial offers for specific properties.

Investment properties are independently valued every six months with full valuations being prepared at the financial year end of the relevant owner entity and directors valuations, supported by independent desktop valuations, being prepared at the half-year reporting date.
Investment property fair value measurements are categorised as level 3 (refer to note M1.1 - *Accounting policy* for the definition of level 3).

The valuation methods applied by the independent valuers are the same as those applied in the prior year.

E1.7.1 Who

Valuations of the South African investment properties were performed by valuers registered in terms of section 19 of the Property Valuers Professional Act 47 of 2000. Valuations of the non-South African properties were performed by valuers who are members of the Royal Institution of Chartered Surveyors (RICS), as detailed below:

Company and lead valuer(s)	Qualification	Properties valued
Viking Valuation Trevor King Managing director	BSc Hons (Building Science, UCT), Dip Surveying (UK, Reading University), Professional Registered Valuer and member of SA Council for the Property Valuers Profession, Chartered Valuation Surveyor and Associate Member of the Royal Institute of Chartered Surveyors (MRICS).	Canal Walk and Somerset Mall (Cape Town, South Africa), Rosebank Mall, Cradock Heights and 17 Baker Street (Johannesburg, South Africa) (Retail and office)
De Leeuw Group Pieter Venter and Gemma Moore Directors	MRICS Senior Valuers, Registered RICS Valuers, Registered as Professional Valuers with the South African Council for Property Valuers Profession (SACPVP) in terms of section 20(2) a of the Property Valuers Profession Act,2000.	Clearwater Mall, Hyde Park Corner *(Johannesburg, South Africa)* *(Retail and offices)*
Broll Valuation and Advisory Services Shawn Crous Director: Valuations	MRICS Senior Valuer, Chartered Valuation Surveyor, Registered RICS Valuer, Member of the South African Institute of Valuers (SAIV) and registered as a Professional Valuer with the South African Council for Property Valuers Profession (SACPVP) in terms of section 20(2) a of the Property Valuers Profession Act,2000.	Woodlands and The Glen (Johannesburg, South Africa), CapeGate (Cape Town, South Africa) (Retail)
CBRE Nebojša Nešovanović Senior Director, Head of Valuation Department SEE	Bachelor's and Master's degree from University of Belgrade respectively in Engineering and Transportation engineering. Member of the Royal Institute of Chartered Surveyors (MRICS)	Skopje City Mall *(Skopje, North Macedonia),* The Mall *(Sofia, Bulgaria),* City Center One East *(Zagreb, Croatia),* City Center One West *(Zagreb, Croatia)* *(Retail)*
Mills Fitchet Thomas Bate Partner/member	BSc (Urban Land Economics) University of Westminster London, MSc (Reading University UK), Chartered Valuation Surveyor (RICS).	Ikeja City Mall *(Lagos, Nigeria)* *(Retail)*

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E1 INVESTMENT PROPERTY

E1.7 Valuation methodology

E1.7.2 How

Details of the valuation methodologies used to value investment property, as well as the significant unobservable inputs used, are set out in the table below:

Type	Valuation Methodology	Unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Investment properties – continuing operations	***Discounted cash flow:*** The valuation models calculate the present value of the future net cash flows expected to be generated by each investment property. The cash flow projections include specific estimates for five years (for SA and SSA) and ten years (for EE). The expected net cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate.	• Estimated cashflows at the end of the current leases • Vacancy levels • Discount rate • Exit cap rate • Average market rental growth rate	The estimated fair value increases if: • Estimated rentals increase • Vacancy levels decline • Discount rates (market yields) decline • Exit cap rates decline, or • Average market rental growth rate increases (and vice versa).
Investment properties – held-for-sale	***Discounted cash flow*** *:* Investment property held-for-sale is measured at fair value which, in instances where the property is already sold or is the subject of a binding sale agreement, but not yet transferred, is based on the independent valuation (discounted cashflows) or anticipated sale price net of costs to sell in terms of IFRS 5: *Non-current assets held for sale and discontinued operations.*	• Estimated cashflows at the end of the current leases • Vacancy levels • Discount rate • Exit cap rate • Average market rental growth rate	The estimated fair value increases if: • Estimated rentals increase • Vacancy levels decline • Discount rates (market yields) decline • Exit cap rates decline, or • Average market rental growth rate increases (and vice versa).

Ikeja City Mall is classified as held-for-sale and is carried at the lower of the independent valuation and the anticipated sales proceeds, net of costs to sell. See note E6 - *Assets and liabilities held-for-sale.*

E1.7.3 Valuation assumptions

The key assumptions used by the valuers in determining the fair values of the investment properties are in the following ranges:

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
	%	%	%	%
SA				
Exit cap rates	6.8 to 9.3	6.8 to 10	6.8 to 9.3	6.8 to 10
Weighted average exit cap rates	7.5	7.5	7.5	7.5
Discount rates	12 to 13.8	11 to 13.8	12 to 13.8	11 to 13.8
Weighted average discount rate	12.2	11.7	12.2	11.7
Retail vacancy levels	0.0 to 3.0	0.0 to 2.0	0.0 to 3.0	0.0 to 2.0
Average market rental growth rate	4.8	3.5	4.8	3.5
EE				
Exit cap rates	7.4 to 9.7	7.3 to 9	n/a	n/a
Weighted average exit cap rates	7.8	7.7	n/a	n/a
Discount rates	9.3 to 11.3	8.5 to 10.5	n/a	n/a
Weighted average discount rate	9.6	9.0	n/a	n/a
Retail vacancy levels	0 to 1.5	0 to 1.5	n/a	n/a
Average market rental growth rate	1.7 to 2	4.0	n/a	n/a
SSA				
Exit cap rates	8.5	n/a	n/a	n/a
Weighted average exit cap rates	8.5	n/a	n/a	n/a
Discount rates	10.5	n/a	n/a	n/a
Weighted average discount rate	10.5	n/a	n/a	n/a
Retail vacancy levels	2.5	n/a	n/a	n/a
Average market rental growth rate	2.0	n/a	n/a	n/a

The property valuations, including the discount and capitalisation rates used in the property valuations, are dependent on a number of factors such as location, accessibility, layout and tenant mix, visitor communication, tenant performance, potential for improvement in passing rent in the future, lease covenants and unexpired lease period, operating cost recovery ratio's and the risks inherent in the property.

These factors are assessed for each individual property based on its specific circumstances by the independent property valuers.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E1 INVESTMENT PROPERTY

E1.7 Valuation methodology

E1.7.3 Valuation assumptions

SOUTH AFRICA

The valuers have considered the specific circumstances of the individual properties, their historic and projected financial performance, changes in the factors noted above and key performance indicators of the properties in performing their valuations.

The weighted average discount rate for the SA portfolio increased by 0.5% from 2022 to 2023 following the increase in interest rates over the last 12 months, inflationary pressures and South Africa's current economic challenges. The discount rates used in the valuations of four of the SA properties increased by between 1.0% and 1.5%, The discount rates for the remaining properties were unchanged.

Exit capitalisation rates were unchanged from 2022 for all but two of the properties, where the exit cap rates increased by 0.25% and 0.5% for similar reasons. The implied yield on the portfolio is 7.3% (2022: 7.3%).

EASTERN EUROPE

The weighted average discount rate for the EE portfolio increased by 0.6% from 2022 to 2023 due to a combination of the increase in interest rates, and inflation.

The discount rates used in the valuations of the four EE properties were increased by between 0.5% and 0.75%.

Exit capitalisation rates used in the valuations of all four properties increased by 0.15% for similar reasons noted above, however it is anticipated that the impact of these factors should dissipate in time. The implied yield on the portfolio is 8.6% (2022: 7.5%).

SUB-SAHARAN AFRICA

There were no changes to the discount and exit cap rates used by the independent valuer to value Ikeja City Mall given Ikeja's resilience and stable financial performance, despite the challenges in Nigeria, and strong market position. The valuation takes into account short-term discounts being granted to tenants to assist them in the current volatile economic environment.

The valuer has noted in the valuation report that the valuation was prepared on the basis of "material uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global (The Royal Institute of Chartered Surveyors global valuation standards guideline). They note that the uncertainty arises due to the elevated global risk from, inter alia, the aftermath of quantitative easing, rising interest rates and inflation, a strong dollar which negatively affects emerging economies, the war in Europe, and unpredictable commodity prices. The above could have significant unpredictable impact on the economy and real estate market.

E1.7.4 Valuation sensitivity

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

			GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
Increase/(Decrease)	*% change*	*% change*	R'000	R'000	R'000	R'000
SA						
Increase in exit cap rates	0.25	0.25	(527 671)	(524 935)	(527 671)	(524 935)
Decrease in exit cap rates	0.25	0.25	564 542	561 874	564 542	561 874
Increase in discount rates	0.25	0.25	(218 099)	(214 255)	(218 099)	(214 255)
Decrease in discount rates	0.25	0.25	220 897	222 055	220 897	222 055
Increase in Retail vacancy levels	0.25	0.25	(46 517)	(52 609)	(46 517)	(52 609)
Decrease in Retail vacancy levels	0.25	0.25	47 940	21 337	47 940	21 337
Increase in Office vacancy levels	0.25	0.25	(863)	(957)	(863)	(957)
Decrease in Office vacancy levels	0.25	0.25	558	618	558	618
Increase in average market rental growth rates	0.25	0.25	193 485	163 821	193 485	163 821
Decrease in average market rental growth rates	0.25	0.25	(191 922)	(167 666)	(191 922)	(167 666)
EE						
Increase in exit cap rates	0.25	0.25	(168 256)	(145 902)	n/a	n/a
Decrease in exit cap rates	0.25	0.25	180 567	156 081	n/a	n/a
Increase in discount rates	0.25	0.25	(184 671)	(154 384)	n/a	n/a
Decrease in discount rates	0.25	0.25	188 775	157 777	n/a	n/a
Increase in Retail vacancy levels	0.25	0.25	(16 415)	(33 931)	n/a	n/a
Decrease in Retail vacancy levels	0.25	0.25	-	33 931	n/a	n/a
Increase in average market rental growth rates	1.0	1.0	227 761	64 468	n/a	n/a
Decrease in average market rental growth rates	1.0	1.0	(223 657)	(67 861)	n/a	n/a
SSA						
Increase in exit cap rates	0.25	n/a	(45 729)	n/a	n/a	n/a
Decrease in exit cap rates	0.25	n/a	48 500	n/a	n/a	n/a
Increase in discount rates	0.25	n/a	(22 510)	n/a	n/a	n/a
Decrease in discount rates	0.25	n/a	22 797	n/a	n/a	n/a
Increase in Retail vacancy levels	0.25	n/a	(4 642)	n/a	n/a	n/a
Decrease in Retail vacancy levels	0.25	n/a	4 640	n/a	n/a	n/a
Increase in average market rental growth rates	1.0	n/a	(458)	n/a	n/a	n/a
Decrease in average market rental growth rates	1.0	n/a	473	n/a	n/a	n/a

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E1 INVESTMENT PROPERTY

E1.8 Mortgaged properties

First mortgage bonds have been registered over South African, European and Nigerian investment property as security for secured interest-bearing borrowings and for guarantees provided by Hyprop for certain of the interest bearing borrowings in the EE portfolio.

In the case of Standard Bank, Rand Merchant Bank, and Nedbank, South African properties are mortgaged to secure a pool of borrowings. For further disclosure on the Group's borrowing covenants see note H4.1 - *External restrictions.*

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
Fair value of investment property mortgaged as security[1]		32 102 235	31 705 761	17 887 410	20 014 111
Secured borrowings	*H1.2*	(10 786 807)	(11 290 853)	(3 487 113)	(4 645 563)
Secured borrowings held-for-sale	*H1.2*	(1 075 460)	(995 805)	-	-
Secured revolving credit and term facilities not drawn	*H1.5.4*	(1 672 396)	(2 643 701)	(1 650 000)	(2 600 000)
Total secured borrowings		**(13 534 663)**	**(14 930 359)**	**(5 137 113)**	**(7 245 563)**
Fair value of unencumbered investment property		5 144 700	2 648 200	5 144 700	2 648 200

[1] **2023**

The fair value of investment property mortgaged as security comprises Canal Walk (80%), The Glen (75.16%), CapeGate, Woodlands, Clearwater, Rosebank, Skopje City Mall, The Mall, Sofia, City Center One East, City Center One West and Ikeja City Mall (held-for-sale).

2022

The fair value of investment property mortgaged as security comprises Canal Walk (80%), The Glen (75.16%), Somerset Mall (30%), CapeGate, Hyde Park Corner, Woodlands, Clearwater, Rosebank, Skopje City Mall, The Mall, Sofia, City Center One East, City Center One West and Ikeja City Mall (held-for-sale).

E1.9 Straight-line rental revenue accrual

Balance at the beginning of the year	476 777	432 830	396 656	432 830
Currency translation difference	17 909	3 001	-	-
Acquired through business combination	-	82 300	-	-
Reversal of straight-line rental revenue accrual	(100 380)	(42 866)	(82 822)	(36 174)
Reallocated (to)/from assets held-for-sale	(5 960)	1 512	-	-
Balance at the end of the year	**388 346**	**476 777**	**313 834**	**396 656**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E2 PROPERTY, PLANT AND EQUIPMENT

E2.1 Accounting policy

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write down the cost to the estimated residual value, in equal monthly instalments over the estimated useful lives of the assets, at the following rates in the current and prior years:

Building appurtenances:	3 to 20 years
Tenant installations:	period of the lease
Owner occupied building:	20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary. There were no adjustments to the above rates in the current and prior years.

Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the Group and the cost thereof can be reliably measured. All other expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses on the disposal of property, plant and equipment are recognised in profit or loss and are calculated as the difference between the proceeds and the carrying value of the item sold.

E2.2 Net carrying value

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Cost				
Building appurtenances	1 536 010	1 541 062	617 583	478 057
Tenant installations	496 792	410 154	168 258	144 224
Owner occupied building	17 810	17 254	17 810	17 255
Total cost	**2 050 612**	**1 968 470**	**803 651**	**639 536**
Accumulated depreciation				
Building appurtenances	(710 667)	(906 939)	(261 533)	(220 395)
Tenant installations	(353 780)	(280 756)	(100 254)	(81 928)
Owner occupied building	(3 420)	(2 556)	(3 419)	(2 556)
Total accumulated depreciation	**(1 067 867)**	**(1 190 251)**	**(365 206)**	**(304 879)**
Net carrying value				
Building appurtenances	825 343	634 123	356 050	257 662
Tenant installations	143 012	129 398	68 004	62 296
Owner occupied building	14 390	14 698	14 391	14 699
Total net carrying value	**982 745**	**778 219**	**438 445**	**334 657**

E2.3 Movement reconciliation - net carrying value

GROUP R'000	Building appurtenances	Tenant installations	Owner occupied building	Total PPE
Balance at 30 June 2021	**214 647**	**31 306**	**15 353**	**261 306**
Capital expenditure	97 298	44 199	-	**141 497**
Acquired through business combination	364 409	66 677	-	**431 086**
Currency translation difference	15 336	2 895	-	**18 231**
Assets written off	(118)	-	-	**(118)**
Reclassified from investment properties	133	-	198	**331**
Classified as held-for-sale	(3 489)	-	-	**(3 489)**
Depreciation	(54 093)	(15 679)	(853)	**(70 625)**
Balance at 30 June 2022	**634 123**	**129 398**	**14 698**	**778 219**
Capital expenditure	156 932	33 970	-	**190 902**
Currency translation difference	78 493	12 458	-	**90 951**
Assets written off	(2 299)	-	-	**(2 299)**
Reclassified from investment properties / intangible assets	39 817	308	555	**40 680**
Classified as held-for-sale	(5 317)	-	-	**(5 317)**
Depreciation	(76 406)	(33 122)	(863)	**(110 391)**
Balance at 30 June 2023	**825 343**	**143 012**	**14 390**	**982 745**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E2 PROPERTY, PLANT AND EQUIPMENT

E2.3 Movement reconciliation - net carrying value

COMPANY R'000	Building appurtenances	Tenant installations	Owner occupied building	Total PPE
Balance at 30 June 2021	**204 579**	**31 306**	**15 353**	**251 238**
Capital expenditure	89 604	43 994	-	**133 598**
Assets written off	(79)	-	-	**(79)**
Reclassified from investment properties	-	-	198	**198**
Depreciation	(36 442)	(13 004)	(852)	**(50 298)**
Balance at 30 June 2022	**257 662**	**62 296**	**14 699**	**334 657**
Capital expenditure	139 525	24 034	-	**163 559**
Reclassified from investment properties	-	-	555	**555**
Depreciation	(41 137)	(18 326)	(863)	**(60 326)**
Balance at 30 June 2023	**356 050**	**68 004**	**14 391**	**438 445**

E3 CAPITAL COMMITMENTS

Details of approved capital expenditure for the year ended 30 June 2024 (30 June 2023) are set out below.

	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Approved and committed	142 441	18 230	137 907	12 077
Approved but not yet committed	372 275	403 715	362 093	400 000
Total capital commitments[1]	**514 716**	**421 945**	**500 000**	**412 077**

[1] *These balances do not include the co-owners' portions of capital expenditure for Canal Walk and The Glen.*

Capital commitments exclude held-for-sale properties.

The capital expenditure will be financed from available cash resources, cash generated by operations, banking facilities and debt capital market funding.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E4 INVESTMENTS IN SUBSIDIARIES

E4.1 Accounting policy election

For accounting policy elections applied to investments in subsidiaries refer to note A2.1 - *Material policy choices*

E4.2 Profile

The Group's direct and indirect holdings in subsidiaries are summarised below:
For a complete Group structure see note Q3 - *Group structure*

Name and Country of incorporation/ operation	Status	Nature of activities	COMPANY June 2023 % held[1]	June 2022 % held[1]
Incorporated in South Africa				
Hyprop Investments Employee Incentive Scheme (Pty) Ltd	Active	Hedging the obligations arising from share awards made to employees.	100	100
Hyprop Foundation NPC	Active	Coordination of Hyprop's corporate social investment initiatives.	100	100
African Land Investments (Pty) Ltd	Dormant[4]	Dormant[4]	100	100
West Africa Asset Management (Pty)	Active	Asset management services for properties in Sub-Saharan Africa.	73.12	73.12
Natalmahogany (Pty) Ltd	Active	Developer and operator of NTER	56.04	56.04
Incorporated in the United Kingdom				
Hyprop UK Ltd	Active	Intermediate holding company	100	100
Hystead Ltd[2]	Active	Intermediate holding company	78.29	78.29
Incorporated in the Netherlands				
Hyprop Europe BV	Active	Holding company for European subsidiaries	100	100
Balkan Retail NV[3]	Active	Intermediate holding company	100	100
KH Retail BV[3]	Active	Intermediate holding company	100	100
KH Holdco BV[3]	Active	Intermediate holding company	100	100
Incorporated in North Macedonia				
SCM Retail dooel Skopje[3]	Active	Owner of Skopje City Mall	100	100
Incorporated in Bulgaria				
AP Retail I EOOD[3]	Active	Owner of The Mall, Sofia	100	100
Incorporated in Croatia				
Manta doo[3]	Active	Owner of City Center One East and City Center One West	100	100
Incorporated in Mauritius				
Hyprop Investments (Mauritius) Ltd	Active	Indirect investment in and development of income-producing properties in Sub-Saharan Africa.	100	100
Hyprop Ikeja Mall Ltd	Active	Holding company for Gruppo.	100	100
Incorporated in Nigeria				
Gruppo Investment Nigeria Ltd	Active/Held-for-sale	Owner of Ikeja City Mall.	75	75

[1] *Proportion of ownership interest and voting power held by the Group.*

[2] *Subsidiary effective 31 May 2022. Prior to 31 May 2022 the investment in Hystead was classified as a financial asset.*

[3] *Subsidiary effective 31 March 2022. Prior to 31 March 2022 the shares in these companies were held (directly or indirectly) by Hystead which was classified as a financial asset.*

[4] *Dormant company means a company that is not trading and has no income.*

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E4 INVESTMENTS IN SUBSIDIARIES

E4.3 Carrying value

		COMPANY	
		June 2023	June 2022
Shares at cost	*Note*	R'000	R'000
SA		*	**1 383**
Hyprop Employee Incentive Scheme		*	*
Hyprop Foundation		*	*
Natalmahogany		25 000	25 000
less Accumulated impairments	*E7.2.1*	(25 000)	(23 617)
EE		**3 320 019**	**3 110 487**
Hyprop Europe		2 889 810	2 889 810
Hyprop UK		430 209	430 209
less Cumulative impairments	*E7.2.2*	-	(209 532)
SSA		**2 613 752**	**2 383 022**
African Land		758 264	758 264
Hyprop Mauritius		2 618 437	2 387 707
West Africa Asset Management		*	*
less Cumulative impairments	*E7.2.3*	(762 949)	(762 949)
Total carrying value		**5 933 771**	**5 494 892**

** Amounts less than R1 000.*

E4.4 Movement reconciliation

Net carrying value at the beginning of the year		5 494 892	2 068 248
SA			
Subscription for shares in Natalmahogany		-	4 579
Capitalisation of loan to Natalmahogany		-	4 000
Impairment[1] - Natalmahogany	*E7.2.1*	(1 383)	(23 617)
EE			
Subscription for shares in Hyprop UK		-	430 209
Subscription for shares in Hyprop Europe		-	2 889 810
Reversal of impairment/(Impairment)[1] - Hyprop Europe	*E7.2.2*	209 532	(209 532)
SSA			
Subscription for shares in Hyprop Mauritius		230 730	45 525
Reversal of impairment[1] - Hyprop Mauritius	*E7.2.3*	-	285 670
Total carrying value		**5 933 771**	**5 494 892**

[1] For further details on impairments see note E7 - Impairments

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E4 INVESTMENTS IN SUBSIDIARIES

E4.5 Summary of audited financial information

The summarised audited financial information for significant subsidiaries with non-controlling interests is set out below. Natalmahogany and WAAM are not considered significant subsidiaries to the Group based on their relative net asset value.

The summarised statement of financial position for Gruppo is set out in Note E6 - *Assets and liabilities held-for-sale,* and the summarised statement of profit or loss and other comprehensive income for Gruppo is set out in note C2 - *Segmental analysis - Sub-Saharan Africa.*

E4.5.1 Hystead

Hystead was classified as a subsidiary with effect from 31 May 2022. The summarised statement of profit or loss and other comprehensive income for Hystead is presented for the 12 months ended 30 June 2023 (2022: period 1 to 30 June 2022).

Summarised statement of financial position	**HYSTEAD**	
	100%	**100%**
	June 2023	**June 2022**
	R'000	**R'000**
Non-current assets	**-**	**147 863**
Other non-current assets	-	147 863
Current assets	**47 489**	**606 308**
Cash and cash equivalents	27 275	606 308
Other current assets	20 214	-
Total assets	**47 489**	**754 171**
Non-current liabilities	**-**	**147 863**
Shareholder loans	-	147 863
Current liabilities	**317**	**451 297**
Dividends payable	-	360 406
Other current liabilities	317	90 891
Total liabilities	**317**	**599 160**
Total net assets	**47 172**	**155 011**
% held by non-controlling interests	21.71%	21.71%
Total non-controlling interests	**10 241**	**33 653**
Converted to Rand at the following exchange rate:		
Year-end spot rate (Rands/Euro)	20.52	16.97

The dividends payable in 2022 relate to the distribution of Hystead's accumulated reserves at 31 May 2022 and were payable to Hyprop UK (60%) and to PDI (or its successors in title) (40%).

In October 2022, Hystead distributed €7.4m to its shareholders as a capital reduction which resulted in a payment to non-controlling shareholders of R32,7m.

E. PROPERTY INVESTMENTS AND RELATED ITEMS
E4 INVESTMENTS IN SUBSIDIARIES
E4.5 Summary of audited financial information
E4.5.1 Hystead

Summarised statement of profit or loss and other comprehensive income	HYSTEAD	
	100% June 2023 R'000	100% June 2022 R'000
Revenue	**-**	**-**
Expenses	**-**	**-**
Depreciation and amortisation	-	-
Property expenses	-	-
Changes in expected credit losses - trade receivables	-	-
Net property income	**-**	**-**
Other operating income	-	-
Other operating expenses	(1 253)	(1 202)
Net foreign exchange (loss)/profit	(314)	51
Operating income	**(1 567)**	**(1 151)**
Net interest	**(1 455)**	**(751)**
Interest income	7 469	728
Interest expense	(8 924)	(1 479)
Loss before taxation	**(3 022)**	**(1 902)**
Taxation	43 993	-
Profit/(loss) for the year	**40 971**	**(1 902)**
Other comprehensive income *(currency translation reserve)*	(3 399)	8 000
Total comprehensive income	**37 572**	**6 098**
Profit/(loss) for the year attributable to:	**40 971**	**(1 902)**
The Group	32 076	(1 489)
Non-controlling interests	8 895	(413)
Other comprehensive (loss)/income attributable to:	**(3 399)**	**8 000**
The Group	(2 661)	6 263
Non-controlling interests	(738)	1 737
Total comprehensive income attributable to:	**37 572**	**6 098**
The Group	29 415	4 774
Non-controlling interests	8 157	1 324
Converted to Rand at the following exchange rate:		
12 months (2022: 1 month) average rate (Rands/Euro)	18.60	16.70

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E5 INVESTMENTS IN JOINT ARRANGEMENTS AND ASSOCIATES

E5.1 Accounting policy

Joint arrangements are those entities, assets or properties over which the Group has joint control, established by contractual agreements regarding decisions about relevant activities that significantly affect the returns of the arrangements. Joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of the investor, and are accounted for as follows:

Joint operation

When the Group has rights to the assets and obligations for the liabilities relating to a joint arrangement, it accounts for its proportionate share of the assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation, in accordance with the applicable IFRS.

Joint venture

When the Group has rights only to the net assets of the arrangement, it accounts for its interest using the equity method.

Associate

When the Group has only significant influence, it accounts for its interest using the equity method.

The above treatment will apply in all cases, except Assets held-for-sale.

Held-for-sale

When the investment is classified as held-for-sale, it is accounted for in accordance with IFRS 5: *Non-current assets held for sale and discontinued operations* .

E5.2 Key judgements and estimates

For key judgements and estimates applied to investments in joint arrangements refer to note A2.2 - *Estimates, assumptions and judgements.*

E5.3 Profile

The Group's direct and indirect holdings in joint arrangements and associates (and the resultant effective economic interests) are summarised below:
For a complete Group structure see note Q3 - *Group structure.*

				GROUP AND COMPANY	
Name	Principal place of business	Partner/co-investor	Status	June 2023 % held	June 2022 % held
Joint operations					
Canal Walk Shopping Centre	Cape Town, South Africa	Ellerine Brothers	Active	80	80
The Glen Shopping Centre	Johannesburg, South Africa	Ellerine Brothers	Active	75.16	75.16
Joint venture – held through Hyprop Mauritius					
AttAfrica Ltd	Mauritius	AIH International Ltd	Active	50	50
Associates					
Coventurist (Pty) Ltd	South Africa	EmpiriQ	Active	50	50

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E5 INVESTMENTS IN JOINT ARRANGEMENTS AND ASSOCIATES

E5.4 Joint operations

Financial results for the joint operations, Canal Walk and The Glen, are proportionately consolidated in the Company and Group's financial statements.

E5.4.1 Summary of audited financial information

A summary of the Group's proportionate share of the joint operations Canal Walk and The Glen, extracted from the audited financial information of the joint operations, is set out below.

	CANAL WALK		THE GLEN	
% interest held by Hyprop	80%	80%	75.16%	75.16%
	June 2023	June 2022	June 2023	June 2022
	R'000	R'000	R'000	R'000
Revenue	729 677	666 978	241 734	230 669
Expenses	(290 298)	(260 409)	(117 898)	(108 681)
Depreciation	(432)	(266)	(65)	45
Other property expenses	(289 866)	(260 143)	(117 833)	(108 726)
Net property income before owner's (Hyprop) depreciation	**439 379**	**406 569**	**123 836**	**121 988**
Owner's (Hyprop) depreciation charge	(11 207)	(8 905)	(8 442)	(6 115)
Net property income	**428 172**	**397 664**	**115 394**	**115 873**

E5.5 Joint ventures and associates

AttAfrica is a joint venture that holds the Group's interests in three shopping centres in Ghana.
Coventurist forms part of the Group's non-tangible asset strategy and is the developer of the Nika digital gift card system. The cost of the shares in Coventurist is less than R 1 000.

E5.5.1 Carrying value

GROUP	AttAfrica Ltd R'000	Total R'000
Balance at 30 June 2021	**579 510**	**579 510**
Additional/ New shares at cost	54 909	54 909
Share of results after tax	(68 209)	(68 209)
Balance at 30 June 2022	**566 210**	**566 210**
Additional/ New shares at cost	221 959	221 959
Share of results after tax	(150 694)	(150 694)
Balance at 30 June 2023	**637 475**	**637 475**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E5 INVESTMENTS IN JOINT ARRANGEMENTS AND ASSOCIATES

E5.5 Joint ventures and associates

E5.5.2 Summary of audited financial information

The summarised audited financial information for significant joint ventures and associates is set out below. Coventurist is not considered a significant associate to the Group based on its relative net asset value.

Summarised statement of financial position

	ATTAFRICA LTD GROUP	
	100% June 2023 R'000	100% June 2022 R'000
Non-current assets	**1 944 993**	**1 916 581**
Current assets	**189 107**	**190 954**
Cash and cash equivalents	90 327	83 054
Other current assets	98 780	107 900
Total assets	**2 134 100**	**2 107 535**
Non-current liabilities	**422 754**	**649 338**
Bank borrowings	418 769	645 916
Other non-current liabilities	3 985	3 422
Current liabilities	**81 538**	**98 726**
Total liabilities	**504 292**	**748 064**
Total net assets	**1 629 808**	**1 359 472**
Shareholders of AttAfrica Ltd	1 440 759	1 141 443
Non-controlling interests	189 049	218 029
Group's share of net asset value	73.1%	73.1%
Interest in joint venture	1 053 080	834 280
Currency translation and other differences	(415 605)	(268 070)
Total carrying value	**637 475**	**566 210**
Converted to Rand at the year-end spot exchange rate (Rands/ US Dollar)	18.92	16.25

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E5 INVESTMENTS IN JOINT ARRANGEMENTS AND ASSOCIATES

E5.5 Joint ventures and associates

E5.5.2 Summary of audited financial information

Summarised statement of profit or loss and other comprehensive income

	ATTAFRICA LTD GROUP	
	100%	100%
	June 2023	June 2022
	R'000	R'000
Revenue	**202 037**	**170 835**
Expenses	**(60 928)**	**(63 782)**
Depreciation	(8 184)	(6 373)
Property expenses	(52 744)	(57 409)
Net property income	**141 109**	**107 053**
Other income	1 300	4 127
Other expenses	(68 426)	(66 120)
Operating income	**73 983**	**45 060**
Net interest	**(49 636)**	**(43 294)**
Interest expense	(49 636)	(43 294)
Net operating income	**24 347**	**1 766**
Change in fair value of investment property	(183 788)	(52 516)
Change in fair value of derivatives	1 200	-
Loss from equity accounted investments	(76 694)	(35 847)
Loss before taxation	**(234 935)**	**(86 597)**
Taxation	(1 734)	(2 736)
Net loss for the year	**(236 669)**	**(89 333)**
Total comprehensive loss attributable to:	**(236 669)**	**(89 333)**
Shareholders of AttAfrica Ltd	(206 170)	(93 322)
Non-controlling interest	(30 499)	3 989
Converted to Rand at the 12 month average exchange rate (Rands/US Dollar)	17.77	15.21

E5.5.3 Loss from equity accounted investments

		GROUP	
		June 2023	June 2022
		R'000	R'000
AttAfrica Ltd	73.1%	(150 694)	(68 209)
Total		**(150 694)**	**(68 209)**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E6 ASSETS AND LIABILITIES HELD-FOR-SALE

E6.1 Accounting policy

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held-for-sale. This condition is regarded as met only when the sale is highly probable and the non-current asset or disposal group is available for sale in its present condition, subject only to terms that are usual and customary for sales of such assets. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset or disposal group.

In addition, the following criteria must be met:

- An active programme to locate a buyer and complete the plan must have been initiated;
- The asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification (subject to the provisos in IFRS 5.9 relating to events beyond the Company's control); and
- Actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Investment property classified as held-for-sale is measured in accordance with IAS 40: *Investment property* at fair value (see note E1.7 - *Valuation methodology*) with gains or losses on subsequent disposal being recognised in profit or loss in the line profit/(loss) on disposal – investment property. Disposal groups and non-current assets held-for-sale are presented separately from other assets and liabilities in the Statement of financial position.

E6.2 Summary of disposal group

In 2019 the Group stated its intention to dispose of its Sub-Saharan Africa investments, comprising it 75% interest in Gruppo and 50 % interest in AttAfrica.

E6.2.1 Gruppo (Ikeja City Mall)

On 9 November 2020 Hyprop announced that Hyprop Mauritius (as one of the sellers) had concluded an agreement (the SPA) to dispose of its 75% interest in Gruppo to two new property funds managed by the Actis Group (the Ikeja transaction). The Ikeja transaction remains subject to the fulfilment of certain conditions precedent, including certain fundraising requirements by the purchaser. Given the current lack of US Dollar liquidity in Nigeria, fulfilling this condition is taking longer than anticipated.

The parties have agreed that the sellers may engage other potential buyers for the property and, should the sellers wish to enter into an agreement with such potential buyers, they may terminate the SPA prior to the long stop date.

During the year ended 30 June 2023:

- the longstop date for implementation of the Ikeja transaction was extended.
- the Ikeja transaction was approved by the Federal Competition and Consumer Protection Commission (FCCPC) in June 2023. The approval is valid for 12 months.
- In June 2023 the Nigerian central bank announced the relaxation of certain exchange controls. This is seen as a positive development, increasing the likelihood of US Dollars being procured by the purchaser to settle the purchase price;

and an addendum to the SPA is at an advanced stage of negotiation/preparation.

It remains Hyprop's intention to exit its Sub-Saharan African investments and the parties remain committed to the Ikeja transaction. Accordingly, Gruppo continues to be classified as an asset held-for-sale as a result of the progress made during the year towards implementation of the Ikeja transaction.

Gruppo is reported under the Sub-Saharan Africa segment.

E6.2.2 AttAfrica

The investment in AttAfrica does not meet the definition of an asset held-for-sale (in terms of IFRS 5: *Non-current assets held for sale and discontinued operations*) and the investment in AttAfrica is classified as an Investment in a joint venture.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E6 ASSETS AND LIABILITIES HELD-FOR-SALE

E6.3 Summarised statement of financial position

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Non-current assets	**2 422 555**	**1 974 509**	**-**	**-**
Investment property	2 393 138	1 953 458	-	-
Straight-line rental revenue accrual	12 841	6 882	-	-
Other non-current assets	16 576	14 169	-	-
Current assets	**207 127**	**379 982**	**-**	**-**
Cash and cash equivalents	154 023	320 489	-	-
Other current assets	53 104	59 493	-	-
Total assets classified as held-for-sale	**2 629 682**	**2 354 491**	**-**	**-**
Non-current liabilities	**(1 587 897)**	**(1 404 220)**	-	**-**
Bank borrowings	(1 075 460)	(995 805)	-	-
Other borrowings	(512 437)	(408 415)	-	-
Current liabilities	**(90 906)**	**(74 812)**	**-**	**-**
Current financial liabilities	(90 906)	(57 300)	-	-
Other liabilities	-	(17 512)	-	-
Total liabilities associated with assets held-for-sale	**(1 678 803)**	**(1 479 032)**	**-**	**-**
Net assets classified as held-for-sale	**950 879**	**875 459**	**-**	**-**

E6.3.1 Movement for the year – assets

Balance at the beginning of the year	2 354 491	2 976 164	-	1 130 856
(Decrease) / increase in assets	(116 949)	258 478	-	-
Disposals - Atterbury Value Mart	-	(1 130 856)	-	(1 130 856)
Currency translation difference	392 140	250 705	-	-
Balance at the end of the year	**2 629 682**	**2 354 491**	**-**	**-**

E6.3.2 Movement for the year – liabilities

Balance at the beginning of the year	(1 479 032)	(1 236 113)	-	(27 652)
Accrued interest on loans and other increases	43 465	(113 231)	-	-
Disposals - Atterbury Value Mart	-	27 652	-	27 652
Currency translation difference	(243 236)	(157 340)	-	-
Balance at the end of the year	**(1 678 803)**	**(1 479 032)**	**-**	**-**
Net assets classified as held-for-sale	**950 879**	**875 459**	**-**	**-**

E6.4 Summarised statement of cashflows

Net cash flows from operating activities	(29 231)	137 976	-	-
Net cash flows from investing activities	(5 733)	(2 884)	-	-
Net cash flows from financing activities	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	**(34 964)**	**135 092**	**-**	**-**
Cash and cash equivalents at the beginning of the year	320 489	150 364	-	-
Exchange (losses)/gains on cash and cash equivalents	(131 502)	35 033	-	-
Cash and cash equivalents at the end of the year	**154 023**	**320 489**	**-**	**-**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E7 IMPAIRMENTS

E7.1 Accounting policy

The Group's non-financial assets, excluding Investment property carried at fair value in terms of IAS 40: *Investment property* , assets held-for-sale in terms of IFRS 5: *Non-current assets held for sale and discontinued operations* and deferred tax assets, are assessed for impairment indicators, as well as changes in impairment indicators at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable or a previous impairment should be reversed.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Goodwill impairments (regardless the outcomes of any future impairment assessment) are not reversible.

Recoverable amounts

Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash generating unit to which it belongs.

The recoverable amount of the assets reviewed for impairment is determined based on the higher of the fair value less costs to sell or value-in-use calculations.

The Group's largest assets are its investment properties which are independently valued and are carried at these values less costs to sell (where applicable). See note E1 – *Investment properties* for details of the investment property valuations and assumptions used by the independent valuers.

As a result of the aforegoing, and that the assets being assessed for impairment mainly comprise the shares in subsidiaries which are property investment holding companies, the recoverable amount of the shares is assessed based on the net asset value of the subsidiaries and the underlying investment properties.

E7.2 Summary of events/circumstances leading to impairment

E7.2.1 Subsidiary and intangible asset - Natalmahogany

The carrying value of the shares and the intangible asset (the primary asset owned by Natalmahogany) in Natalmahogany have been assessed for impairment taking into account the following factors:

- the loss incurred by Natalmahogany for the year ended 30 June 2023
- the net asset value of Natalmahogany, which at 30 June 2023 was negative
- the anticipated trading performance of the company based on its budget for the year ending 30 June 2024.

The shares in Natalmahogany were impaired by R1.3m in the year ended 30 June 2023, with a cumulative impairment of R25m at 30 June 2023.

E7.2.2 Subsidiaries - Hyprop Europe

The carrying value of the shares in Hyprop Europe has been assessed for impairment based on the net asset value of the company and its underlying subsidiaries which own the Group's Eastern European investment properties.

In 2022 the shares in Hyprop Europe were impaired by R209m. The impairment arose as a result of the basis on which the deferred tax was treated in calculating the purchase price payable in terms of the Hystead transaction. See note E8.2 - *Acquisition of 4 Eastern European properties from Hystead (the Hystead transaction).*

In the 2023 financial year the net asset value of Hyprop Europe in Euros increased as a result of the net profit for the year and the increase in the fair value of the Eastern European investment properties. This increase in net asset value was amplified by the devaluation of the Rand against the Euro, such that at 30 June 2023 the recoverable value of the shares in Hyprop Europe in Rands exceeded the original cost and resulted in the reversal of the impairment loss previously recognised.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E7 IMPAIRMENTS

E7.2 Summary of events/circumstances leading to impairment

E7.2.3 Subsidiary - Hyprop Mauritius

2023

No impairment or reversal of impairment was recorded in 2023.

2022

The carrying value of the shares in Hyprop Mauritius was assessed for impairment based on the net asset value of Hyprop Mauritius, which was calculated having regard to the net asset values of Hyprop Mauritius' two investments - Gruppo (See notes E1 - *Investment property* and note E6 - *Assets and liabilities held-for-sale*) and AttAfrica (See note E5 - *Investments in joint arrangements and associates*).

E7.2.4 Goodwill

2023

The estimated purchase consideration in the PDI transaction concluded in 2022 was €1.6m and was settled in cash.

Based on an initial adjustment account prepared in October 2022 an additional amount of €55k (R1.1m) was paid to PDI and a further €372k (R7.7m) has been provided to be paid to PDI pending finalisation of Hystead's income tax assessment for its 2022 financial year. The aggregate purchase price adjustment of R8.8m has been written off in the Statement of profit or loss and other comprehensive income as there are no residual assets to which this amount can be attributed.

See note E8.4 - *Change in control - Hystead Ltd (the PDI transaction)* for further disclosure on the PDI transaction.

2022

The purchase consideration in the Hystead transaction was €176m (R2.9bn) and was settled in cash. The fair value of the net assets acquired, was €149m (R2.5bn). Accordingly, a residual amount of R433m was attributed to goodwill.

The goodwill arose mainly due to the manner in which deferred tax was treated for purposes of calculating the purchase price. Management's assessment of the recoverable amount of the assets acquired and liabilities assumed indicates that no value in excess of the carrying amount of acquired assets and assumed liabilities exists. As such the goodwill was fully impaired. None of the goodwill impairment is deductible for tax purposes.
See note E8.2 - *Acquisition of 4 Eastern European properties from Hystead* for further disclosure on the Hystead transaction.

E7.3 Remeasurement of assets

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
E7.3.1 Impairment	R'000	R'000	R'000	R'000
Intangible assets	-	16 197	-	-
Investment in subsidiary	-	-	1 383	233 149
- Natalmahogany	-	-	1 383	23 617
- Hyprop Europe	-	-	-	209 532
Goodwill	8 775	433 432	-	-
Total	**8 775**	**449 629**	**1 383**	**233 149**
E7.3.2 Reversal of impairment				
Investment in subsidiary	-	-	(209 532)	(285 670)
- Hyprop Mauritius	-	-	-	(285 670)
- Hyprop Europe	-	-	(209 532)	-
Total	**-**	**-**	**(209 532)**	**(285 670)**
Total remeasurements	**8 775**	**449 629**	**(208 149)**	**(52 521)**
E7.3.4 Attributable to NCI				
Intangible assets	-	(7 120)	-	-
Total	**-**	**(7 120)**	**-**	**-**
Total remeasurements attributable to the Company/Group	**8 775**	**442 509**	**(208 149)**	**(52 521)**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E7 IMPAIRMENTS

E7.4 Assumptions used for impairment calculations

Impairments and reversals of impairments were calculated using the assumptions below.

2023	Reported as	Investments in subsidiaries	Investments in subsidiaries	Goodwill
CGU		Natalmahogany	Hyprop Europe	Hyprop UK
Recoverable amount (higher of) -FVLCTS (NAV based) / Value in use	R'000	-	3 684 347	27 237
Level of assessment *(Individual asset or CGU)*		CGU	CGU	CGU
Cost of investment/asset	R'000	25 000	2 889 810	36 011
Cumulative impairment	R'000	(25 000)	-	(8 775)
NAV in local currency	LC'000	-	€ 179 467	€ 1 631
NAV in ZAR	R'000	-	3 684 347	27 237
Exchange rate - EUR/ZAR	R	-	20.52	16.70/20.52

2022	Reported as	Intangible assets	Investments in subsidiaries	Investments in subsidiaries	Investments in subsidiaries	Goodwill
CGU		Natalmahogany	Hyprop Europe	Hyprop Mauritius	Natalmahogany	Hyprop Europe
Recoverable amount (higher of) -FVLCTS (NAV based) / Value in use	R'000	(13 025)	2 680 278	1 624 758	1 383	2 449 590
Level of assessment *(Individual asset or CGU)*		Individual asset	CGU	CGU	CGU	CGU
Cost of investment/asset	R'000	20 133	2 889 810	2 387 707	25 000	2 883 022
Cumulative impairment	R'000	(20 133)	(209 532)	(762 949)	(23 617)	(433 432)
NAV in local currency	LC'000	-	€ 157 986			€ 175 781
NAV in ZAR	R'000	-	2 680 278	1 624 758	1 383	2 449 590
Exchange rate - EUR/ZAR	R	-	16.97			16.40

E7.5 Cash generating units

CGU	Segment	CGU composition
Natalmahogany	SOUTH AFRICA	The CGU includes Natalmahogany which operates NTER.
Hyprop Europe	EASTERN EUROPE	The CGU comprises the Hyprop Europe Group which is wholly-owned by Hyprop and holds the Group's Eastern European investment properties.
Hyprop Mauritius	SUB-SAHARAN AFRICA	The SSA portfolio comprises interests in four shopping centres in Nigeria and Ghana, held through Hyprop Mauritius, a wholly owned subsidiary, and AttAfrica, a joint venture.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E8 CHANGES IN SHAREHOLDING

E8.1 Accounting policy

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from the acquisition. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been recognised in the acquiree's annual financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition date fair values.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree and (c) acquisition date fair value of any existing equity interest in the acquiree, over the acquisition date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on bargain purchase) is recognised in profit or loss immediately.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

For accounting policies applied to business combinations refer to notes A1.3 - *Basis of consolidation* and A1.4 - *Non-controlling interests* .

E8.2 Acquisition of 4 Eastern European properties from Hystead (the Hystead transaction)

In terms of the Hystead transaction, Hyprop, via its subsidiary Hyprop Europe, acquired 100% of the shares and shareholder claims against Balkan Retail from Hystead with effect from 31 March 2022. Balkan Retail, through its 5 subsidiaries owns City Center One East and City Center One West in Zagreb, Croatia, The Mall in Sofia, Bulgaria, and Skopje City Mall in Skopje, North Macedonia, as set out in the Group structure in note Q3 - *Group structure.* The purchase consideration of €176m (R2.9bn) was calculated based on the net asset value of the Balkan Retail Group as at the effective date and was settled by Hyprop Europe in cash.

Included in the long and short term debt for purpose of calculating the purchase consideration was an amount of €19m in respect of a loan payable by Balkan Retail to Hystead. This loan was settled by Balkan Retail on 31 May 2022 from existing cash resources.

The companies acquired in terms of the Hystead transaction are:

- Balkan Retail N.V. (an intermediate holding company registered in the Netherlands),
- KH Retail B.V. (an intermediate holding company registered in the Netherlands),
- KH Holdco B.V. (an intermediate holding company registered in the Netherlands),
- SCM Retail DOOEL Skopje (a company registered in North Macedonia and owner of Skopje City Mall),
- AP Retail I EOOD (a company registered in Bulgaria and owner of The Mall in Sofia), and
- Manta doo (a company registered in Croatia and owner of City Center One East and City Center One West in Zagreb).

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E8 CHANGES IN SHAREHOLDING

E8.2.1 Identifiable assets acquired and liabilities assumed at the effective date

Included in the identifiable assets acquired and liabilities assumed at the acquisition date of the Balkan Retail Group are inputs (a head office, 4 shopping malls with occupancy above 95%, customer and supplier relationships), production processes and an organised workforce. The Group determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group concluded that the acquired set is a business (as defined in IFRS 10: *Consolidated financial statements).*

The values below represent the fair values of the identifiable assets acquired and liabilities assumed at 31 March 2022.

	Note	March 2022 R'000	March 2022 €'000
Investment property		9 432 388	575 100
Investment property	*E1.5.1*	8 919 002	543 798
Straight-line rental revenue accrual	*E1.9*	82 300	5 018
Property, plant and equipment	*E2.3*	431 086	26 284
Intangible assets		1 400	85
Trade and other receivables	*E8.2.2*	66 029	4 026
Cash and cash equivalents		398 431	24 293
Non-current borrowings		(1 879 021)	(114 566)
Deferred tax liabilities	*I1.5*	(714 652)	(43 573)
Current borrowings		(4 706 055)	(286 933)
Derivatives	*H2.4*	43 602	2 658
Other current liabilities		(192 532)	(11 736)
Total fair value of net assets acquired		**2 449 590**	**149 354**
less Consideration paid		(2 883 022)	(175 781)
Goodwill	*E8.2.3*	**(433 432)**	**(26 427)**
The assets, liabilities and consideration above were translated at the following exchange rate on the acquisition effective date		16.40	

E8.2.2 Acquired receivables

	Loans receivable R'000	Rental receivables R'000	Other receivables R'000	Total R'000
Fair value	**-**	**35 442**	**30 587**	**66 029**
Gross contractual amounts receivable	-	75 824	30 587	106 411
Expected credit losses at acquisition date	-	(40 382)	-	(40 382)

E8.2.3 Goodwill

The purchase consideration in the Hystead transaction was €176m (R2.9bn) and was settled in cash. The fair value of the net assets acquired was €149m (R2.5bn). Accordingly, a residual amount of R433m was attributed to goodwill.

The goodwill arose mainly due to the manner in which deferred tax was treated for purposes of calculating the purchase price. Management's assessment of the recoverable amount of the assets acquired and liabilities assumed indicates that no value in excess of the carrying amount of acquired assets and assumed liabilities exists. As such the goodwill was fully impaired. None of the goodwill impairment is expected to be deductible for income tax purposes.

Movement in Goodwill	Group June 2022 R'000
Balance at the beginning of the year	-
Acquired through business combinations	433 432
Impairment of goodwill	(433 432)
Balance at the end of the year	**-**

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E8 CHANGES IN SHAREHOLDING

E8.2.4 Effect of the Hystead transaction on the Hyprop Group

The financial effects of the Hystead transaction on Hyprop’s consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022 are summarised below.

The column headed “Hystead transaction” presents the financial effects of the Hystead transaction for the 3 months from 31 March 2022 (the effective date) to 30 June 2022.

The column headed “Hyprop Group incl. the Hystead transaction for 12 months” presents the consolidated financial information of Hyprop including the effects of the Hystead transaction for the 12 months ended 30 June 2022 (based on the assumption that the Hystead transaction was implemented on 1 July 2021).

	Hystead transaction	Hyprop Group incl. the Hystead transaction for 12 months
	June 2022 R'000	June 2022 R'000
Revenue	285 336	3 964 385
Net income before value adjustments	93 317	1 366 497
(Loss)/profit for the year	(309 141)	1 698 668
Translated at the following average exchange rates	16.60	

Transaction costs for the Hystead transaction, amounted to R12.7m and were recorded in the "Other operating expenses" line item in the SOCI.

E8.3 Transfer of 60% shareholding in Hystead to Hyprop UK

Subsequent to the Hystead transaction and the disposal of Delta City Podgorica by Hystead, on 26 May 2022 (the effective date), Hyprop transferred its 60% shareholding in Hystead to Hyprop UK (a wholly owned subsidiary of Hyprop) in exchange for 825 354 982 new ordinary shares in Hyprop UK with a market value of €18m (R306m). There was no resultant change in the percentage ownership of Hyprop UK, or the Group's effective interest in Hystead.

E8.4 Change in control - Hystead Ltd (the PDI transaction)

Following implementation of the Hystead transaction on 31 March 2022 and the disposal of Delta City Podgorica by Hystead in May 2022, on 31 May 2022 PDI elected not to retain the PDI free carry equity (equivalent to 18.29% of the shares in Hystead), which shares were acquired by Hyprop UK for €1.6m (R27.5m).

The estimated purchase price of €1.6m was calculated based on the NAV of Hystead at 31 May 2022 after the proposed distribution of the accumulated surplus at 31 May 2022 to the Hystead shareholders. The final purchase price will be calculated based on an "adjustment account", taking into account working capital adjustments and actual taxation liabilities arising prior to 31 May 2022, as is normal in such transactions.

Pursuant to the aforementioned election, the reserved matters in the Hystead shareholders agreement ceased to be of any further force and effect or application, and the obligation for Hystead to pay 100% of its distributable income as a dividend to its shareholders ceased.

As a result of the aforegoing, Hyprop UK’s shareholding in Hystead increased to 78.29% and Hyprop UK obtained control (as defined in IFRS 10: *Consolidated financial statements*) of Hystead. Notwithstanding that the PDI transaction was only implemented after 30 June 2022, the effective date from which Hyprop UK acquired control over Hystead was 31 May 2022. Accordingly, Hystead was classified as a subsidiary for financial reporting purposes at 30 June 2022.

June 2023

Based on an initial adjustment account prepared in 2022 a further amount of €55k (R1.1m) was paid to PDI and a further €372k (R7.7m) has been provided to be paid to PDI pending finalisation of Hystead's income tax assessment for the 2022 financial year. The aggregate purchase price adjustment of R8.8m has been written off in the Statement of profit or loss and other comprehensive income as there are no residual assets to which this amount can be attributed.

E. PROPERTY INVESTMENTS AND RELATED ITEMS

E8 CHANGES IN SHAREHOLDING

E8.4.1 Assets acquired and liabilities assumed at the effective date

On 31 May 2022, the date of acquisition of control of Hystead by Hyprop UK, Hystead had disposed of its property investments and had no employees. Its only assets and liabilities were loans receivable and payable, taxation and other sundry creditors, and cash. As a result the Group had determined that the acquired set is not a business (as defined in IFRS 10: *Consolidated financial statements).*

The values below represent the fair values of the assets acquired and liabilities assumed at 31 May 2022 (without taking into account the subsequent potential purchase price adjustments).

	Note	May 2022 R'000	May 2022 €'000
Loans receivable		145 570	8 716
Trade and other receivables		49 275	2 950
Cash acquired		551 130	32 998
Non-current borrowings		(145 570)	(8 716)
Other non-current liabilities		(83 511)	(5 000)
Current borrowings		(7 571)	(453)
Total Fair value of net assets		**509 323**	**30 495**
Attributable to the Group		305 594	18 297
Attributable to PDI		203 729	12 198
Distribution from pre-acquisition reserves	*E4.5.1*	**(360 406)**	**(21 578)**
Payable to the Group		(216 244)	(12 947)
Payable to PDI		(144 162)	(8 631)
Fair value of the net assets of Hystead for purposes of the PDI transaction		**148 917**	**8 917**
Total Fair value of net assets acquired (at 18.29%)		**27 237**	**1 631**
less Consideration paid		(27 237)	(1 631)
Profit/loss on the PDI transaction		-	-
Fair value of the net assets subsequent to the PDI transaction		**148 917**	**8 917**
Attributable to the Group (78.29%)		116 587	6 981
Attributable to non-controlling interests (21.71%)		32 330	1 936
Translated at the following exchange rate on the effective date of acquisition		16.70	

E8.4.2 Effect of the acquisition on the Hyprop Group

The financial effects of the PDI transaction on Hyprop's consolidated Statement of profit or loss and other comprehensive income for the year ended 30 June 2022 were not material, as by 31 May 2022 (the effective date of the PDI transaction) Hystead had disposed of all of its property investments, and it only remained for Hystead to distribute its cash/shareholders equity to the shareholders at 31 May 2022 in the then ownership ratio (i.e. prior to the PDI transaction).

Following implementation of the PDI transaction, Hystead's remaining assets comprised:-
- the loan receivable from Balkans Real Estate (see note F1.3 - *Loan details),* which was assigned to Balkan Retail and PDI in the 2023 financial year;
- loans payable to the Hystead Shareholders (see note H1.5 - *Individual facilities),* which were settled in the 2023 financial year; and
- cash balances retained by Hystead to settle the distribution of the accumulated surplus at 31 May 2022 which was paid in the 2023 financial year to its shareholders.

Details of the financial effect of the four investment properties acquired by Hyprop Europe from Hystead are set out in note E8.2 - *Acquisition of 4 Eastern European properties from Hystead (the Hystead transaction)* .

F. OTHER ASSETS

F1 LOANS RECEIVABLE

F1.1 Accounting policy

Loans receivable are carried at amortised cost, less any accumulated expected credit losses. Interest earned on loans receivable is recognised on an accrual basis using the effective interest rate method, other than loans to Group companies which are credit impaired (stage 3 loans) where interest is only accrued on the net balance (i.e. the outstanding balance less credit impairments).

For further detail on the calculation of expected credit losses see note N5.3 - *Loans receivable* .

F1.2 Net carrying value

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Non-current	**162 532**	**219 989**	**136 825**	**124 630**
EUR loans receivable	89 822	147 863	-	-
ZAR loans receivable	72 710	72 126	136 825	124 630
Current	**50 189**	**2 558**	**-**	**11 364**
EUR loans receivable	50 189	2 558	-	2 558
ZAR loans receivable	-	-	-	8 806
Total loans receivable	**212 721**	**222 547**	**136 825**	**135 994**
Loans receivable - external				
Gross loans receivable	212 714	222 547	72 703	72 182
Net loans receivable - external	**212 714**	**222 547**	**72 703**	**72 182**
Loans receivable - related parties				
Gross loans receivable	2 774	-	1 575 566	1 577 727
Cumulative expected credit losses	(2 767)	-	(1 511 444)	(1 513 915)
Net loans receivable - related parties	**7**	**-**	**64 122**	**63 812**
Total loans receivable				
Gross loans receivable	215 488	222 547	1 648 269	1 649 909
Cumulative expected credit losses	(2 767)	-	(1 511 444)	(1 513 915)
Net loans receivable	**212 721**	**222 547**	**136 825**	**135 994**

F. OTHER ASSETS

F1 LOANS RECEIVABLE

F1.3 Loan details[1]

Counterparty	Security	Maturity date	Base currency	Nominal interest (%)	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Non-current								
Hyprop Mauritius	Unsecured	12 months notice	ZAR	7.68% (2022: 4.5%)	**-**	**-**	**16 593**	**-**
Loan balance					-	-	31 493	28 578
Cumulative ECLs					-	-	(14 900)	(28 578)
Hyprop Mauritius	Unsecured	12 months notice	ZAR	variable	**-**	**-**	**125**	**-**
Loan balance					-	-	1 463 972	1 463 847
Cumulative ECLs					-	-	(1 463 847)	(1 463 847)
The loan bears interest at rates agreed from time to time. Due to the financial difficulties faced by Hyprop Mauritius, including a decrease in the income received from its investments in AttAfrica and Gruppo, interest on the loans was suspended with effect from 16 October 2019. The loan has been subordinated in favour of the other creditors of Hyprop Mauritius.								
Hyprop Employee Incentive Scheme	Unsecured	12 months notice	ZAR	variable	**-**	**-**	**47 397**	**52 504**
Loan balance					-	-	73 604	73 994
Cumulative ECLs					-	-	(26 207)	(21 490)
The loan bears interest at variable rates agreed from time to time and has no fixed repayment terms. The loan is repaid at each vesting date primarily through the transfer of Hyprop shares held by Hyprop Employee Incentive Scheme to Hyprop for delivery to employees under the CUP or LTIP. Hyprop has subordinated a portion of the loan in favour of the other creditors of Hyprop Employee Incentive Scheme and has agreed not to call for repayment of the loan for at least 12 months.								
Balkans Real Estate	Secured	November 2028	EUR	6% until Nov 2023; 3% thereafter	**89 822**	**147 863**	-	-
Loan balance					140 011	147 863	-	-
Current portion					(50 189)	-	-	-
The loan comprises the outstanding balance of the purchase price payable by Balkans Real Estate BV for the shares in Delta City 67 d.o.o (Delta City Belgrade), disposed in November 2021. The loan bears interest at 6% until November 2023 and 3% thereafter, with regular principal repayments commencing in November 2023. The loan is secured by a corporate guarantee from the parent company of Balkans Real Estate BV.								
Atterbury Mile	Secured	June 2027	ZAR	Prime until June 2022 and Prime +1.5 % thereafter	62 960	65 424	62 960	65 424
The loan comprises the outstanding balance of the purchase price payable by Atterbury Mile for its one third undivided share in Atterbury Value Mart disposed in July 2021. The loan is repayable over six years, and is secured by guarantees from Atterbury Mile's shareholders and a second mortgage bond over Atterbury Mile's undivided share in Atterbury Value Mart.								
ETTP	Unsecured	October 2024	ZAR	none	4 200	4 200	4 200	4 200
The loan was advanced as part of the Group's corporate social responsibility and BBBEE enterprise development initiatives. ETTP helps SMME entrepreneurs to build businesses through entrepreneurship, business networking and by providing access to information and business resources. The loan bears no interest and is repayable at the end of its 3 year term.								

[1] *The loan terms detailed above apply to the 2023 and 2022 financial years.*

F. OTHER ASSETS

F1 LOANS RECEIVABLE

F1.3 Loan details[1]

Counterparty	Security	Maturity date	Base currency	Nominal interest (%)	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Non-current								
SDEV	Unsecured	June 2027	ZAR	none	1 200	-	1 200	-
The loan was advanced as part of the Group's ESG and BBBEE enterprise development initiatives. SDEV contributes to the strengthening of the development ecosystem around SMMEs, particularly "Qualifying Small Enterprises" and "Exempt Micro Enterprises". The loan bears no interest and is repayable at the end of its 4 year term.								
EmpiriQ	Unsecured	September 2024	ZAR	Prime	4 343	1 251	4 343	1 251
Coventurist	Unsecured	September 2024	ZAR	Prime	**7**	**1 251**	**7**	**1 251**
Loan balance					2 774	1 251	2 774	1 251
Cumulative ECLs					(2 767)	-	(2 767)	-
Total non-current loans receivable					**162 532**	**219 989**	**136 825**	**124 630**
Current								
WAAM	Unsecured	On demand	ZAR	none	-	-	-	821
Natalmahogany	Unsecured	On demand	ZAR	Prime +5%	**-**	**-**	**-**	**7 985**
Loan balance					-	-	3 723	7 985
Cumulative ECLs					-	-	(3 723)	-
Balkans Real Estate	Secured	November 2028	EUR	6% until Nov 2023; 3% thereafter	50 189	-	-	-
Current portion of total loan receivable								
Vondelvlag Stichting	Unsecured	On demand	EUR	3.15%	-	2 558	-	2 558
Total current loans receivable					**50 189**	**2 558**	**-**	**11 364**
Total loans receivable					**212 721**	**222 547**	**136 825**	**135 994**

[1] *The loan terms detailed above apply to the 2023 and 2022 financial years.*

F1.4 Movement reconciliations

F1.4.1 Gross loans receivable

	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Balance at the beginning of the year	222 547	24 111	1 649 909	1 596 616
Acquired through business combination	-	31 598	-	-
Cash advances during the year	5 350	133 161	10 291	10 389
Non-cash advances during the year	-	66 124	1 814	71 291
Cash repayments during the year	(3 805)	(17 787)	(15 022)	(24 017)
Non-cash repayments/amounts capitalised	(32 101)	(16 790)	(6 378)	(5 498)
Interest income accrued	6 999	7 571	16 063	12 842
Interest income received	(7 717)	(7 469)	(8 375)	(11 448)
Currency translation difference - unrealised	24 280	2 028	-	(266)
Currency translation difference - realised	(65)	-	(33)	-
Balance at the end of the year	**215 488**	**222 547**	**1 648 269**	**1 649 909**

F1.4.2 Expected credit losses

	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Balance at the beginning of the year	-	-	(1 513 916)	(1 530 078)
Expected credit losses raised during the year	(2 767)	-	(11 207)	(5 634)
Reversal of previous impairments	-	-	13 679	21 797
Balance at the end of the year	**(2 767)**	**-**	**(1 511 444)**	**(1 513 915)**
Net loans receivable	**212 721**	**222 547**	**136 825**	**135 994**

F. OTHER ASSETS

F2 TRADE AND OTHER RECEIVABLES

F2.1 Accounting policy

Trade and other receivables are carried at amortised cost less any accumulated expected credit losses. Short-term receivables are measured at original invoice amount when the effect of discounting is immaterial.
See note N5.4 - *Trade receivables* for further information on the calculation of ECLs.

F2.2 Net carrying value

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
F2.2.1 Trade receivables					
Gross trade receivables		**231 104**	**216 671**	**123 366**	**132 665**
Rent and deposits receivable		160 199	160 160	52 461	76 154
Recoveries		70 905	56 511	70 905	56 511
Cumulative expected credit losses	*N5.4.2*	(80 195)	(99 778)	(33 349)	(56 695)
Total trade receivables		**150 909**	**116 893**	**90 017**	**75 970**
F2.2.2 Other receivables - financial instruments					
Dividends		-	-	151 871	-
Total other receivables - financial instruments		**-**	**-**	**151 871**	**-**
F2.2.3 Other receivables - non-financial instruments					
Prepayments		25 578	23 537	6 595	4 521
Municipal deposits		1 582	1 209	1 485	1 096
Other receivables		36 270	12 606	29 666	5 199
Total other receivables - non-financial instruments		**63 430**	**37 352**	**37 746**	**10 816**
Total trade and other receivables		**214 339**	**154 245**	**279 634**	**86 786**

F3 CASH AND CASH EQUIVALENTS

F3.1 Accounting policy

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are held to meet the Group's short term commitments.

Units held in money market unit trust funds are considered equivalent to cash because they are highly liquid (available on 24 hours notice) and have a fixed unit price (R1).

Cash and cash equivalents are measured at amortised cost. Interest earned on cash invested at financial institutions and in money market unit trusts is recognised on an accrual basis using the effective interest method.

No bank borrowings were classified as cash, however, when bank accounts are overdrawn they remain classified as cash as they are regarded as balances that often fluctuate between being positive and overdrawn (as contemplated by IAS 7.8).

F3.2 Net carrying value

	Group June 2023	Group June 2022	Company June 2023	Company June 2022
Cash held in call accounts[1]	37 633	18 567	37 633	18 454
Bank balances and cash	797 498	1 045 846	119 262	88 772
Units held in money market funds	211 949	323 058	211 949	322 993
Total cash and cash equivalents	**1 047 080**	**1 387 471**	**368 844**	**430 219**

[1] *Cash held in call accounts as security for bank guarantees issued in favour of municipalities.*

[2] *At 30 June 2022 and 2023, there were no overdrawn bank accounts.*

G. EQUITY AND RESERVES

G1 SHARE CAPITAL AND TREASURY SHARES

G1.1 Accounting policy

Stated capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity.

Holders of the ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Treasury shares

Company shares held by the Company or a subsidiary are classified as treasury shares. These shares are carried at cost and deducted from equity.

Any subsequent gain or loss on the sale or cancellation of the Company's own equity instruments is recognised directly in retained income.
Distributions and unrealised gains/ losses on treasury shares are eliminated from Group profit or loss for the year.

G1.2 Carrying value

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
Stated capital	R'000	R'000	R'000	R'000
Ordinary shares	**10 970 921**	**10 471 387**	**10 970 921**	**10 471 387**
Balance at the beginning of the year	10 471 387	9 595 629	10 471 387	9 595 629
Issued during the year[1]	499 534	875 758	499 534	875 758
Treasury shares	**(66 578)**	**(72 110)**	**-**	**-**
Balance at the beginning of the year	(72 110)	(74 451)	-	-
Purchased during the year[1]	(2 493)	-	-	-
Transferred to escrow (Restricted shares)	5 726	-	-	-
Sold/Vested during the year	2 299	2 341	-	-
Balance at the end of the year	**10 904 343**	**10 399 277**	**10 970 921**	**10 471 387**

G1.3 Number of shares

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
Stated capital	# of shares	# of shares	# of shares	# of shares
Authorised				
500 000 000 no par value ordinary shares (2022: 500 000 000)				
Issued and fully paid up shares				
Ordinary shares	**359 566 570**	**343 438 921**	**359 566 570**	**343 438 921**
Balance at the beginning of the year	343 438 921	309 070 057	343 438 921	309 070 057
Issued during the year[1]	16 127 649	34 368 864	16 127 649	34 368 864
Treasury shares	**(1 482 551)**	**(1 579 716)**	**-**	**-**
Balance at the beginning of the year	(1 579 716)	(1 630 766)	-	-
Purchased during the year[1]	(80 405)	-	-	-
Transferred to escrow (Restricted shares)	126 879	-	-	-
Sold/Vested during the year	50 691	51 050	-	-
Balance at the end of the year	**358 084 019**	**341 859 205**	**359 566 570**	**343 438 921**

[1] Shares issued during the year include 80 405 Ordinary shares received by Hyprop Employee Incentive Scheme pursuant to the 2022 DRIP at a price of R31 per share.

G. EQUITY AND RESERVES

G2 OTHER RESERVES

G2.1 Accounting policy

Non-distributable reserves

Non-distributable reserves comprise reserves that are not distributable to shareholders of the Company, such as fair value adjustments on the revaluation of investment property, derivatives and financial assets, any impairment adjustments or accumulated expected credit losses, profits or losses on sale of assets, the straight-line rental income accrual and deferred taxation.

Currency translation reserve

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group’s presentation currency (Rand) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at the dates of the transactions (an average rate for the year is used).

Foreign currency translation differences are recognised in other comprehensive income (OCI) and accumulated in the currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests (NCI).

Share-based payments reserve

Transactions related to the Group's equity settled share-based payments are recorded in a separate share-based payment reserve.

G2.2 Carrying value

The following table reflects the composition of other reserves:

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Non-distributable reserves	9 023 002	8 704 988	9 315 680	8 912 211
Currency translation reserve	908 986	47 039	-	-
Share-based payments reserve	33 763	33 074	33 763	33 074
Total other reserves	**9 965 751**	**8 785 101**	**9 349 443**	**8 945 285**

The net transfer to non-distributable reserves comprises changes in fair values of Investment property, financial assets and derivatives, derecognition of financial guarantees, loss on disposal of investment property, impairments of goodwill and intangibles, and losses from equity accounted investments.

H. FUNDING AND RELATED ITEMS

H1 BORROWINGS

H1.1 Accounting policy

Interest-bearing borrowings are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. See note D6.1 - *Accounting policy,* for the accounting policy for borrowings costs.

H1.2 Carrying value

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Bank loans	**11 613 392**	**11 786 725**	**3 238 238**	**4 145 630**
Secured	11 613 392	11 786 725	3 238 238	4 145 630
Debt capital market funding	**3 080 497**	**2 249 670**	**3 080 497**	**2 249 670**
Secured	248 875	499 933	248 875	499 933
Unsecured	2 831 622	1 749 737	2 831 622	1 749 737
Non-controlling shareholder/Group company loans	**526 944**	**451 628**	**760 975**	**761 125**
Unsecured	526 944	451 628	760 975	761 125
Total borrowings	**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**
Total secured	11 862 267	12 286 658	3 487 113	4 645 563
Total unsecured	3 358 566	2 201 365	3 592 597	2 510 862
Total borrowings	**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**

H1.3 Maturity profile

	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Non-current	**9 738 356**	**7 807 219**	**5 654 745**	**4 794 710**
Bank loans	7 157 824	6 927 272	2 313 238	3 185 739
DCM funding	2 580 532	847 846	2 580 532	847 846
Non-controlling shareholder/Group company loans	-	32 101	760 975	761 125
Current	**3 894 580**	**5 276 584**	**1 424 965**	**2 361 715**
Bank loans	3 380 108	3 863 648	925 000	959 891
DCM funding	499 965	1 401 824	499 965	1 401 824
Non-controlling shareholder/Group company loans	14 507	11 112	-	-
Liabilities associated with non-current assets held-for-sale	**1 587 897**	**1 404 220**	**-**	**-**
Bank loans	1 075 460	995 805	-	-
Non-controlling shareholder/Group company loans	512 437	408 415	-	-
Total borrowings	**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**

H. FUNDING AND RELATED ITEMS

H1 BORROWINGS

H1.4	Movement reconciliations	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
H1.4.1	**Continuing operations**				
	Balance at the beginning of the year	13 083 803	5 414 297	7 156 425	6 161 440
	Currency translation difference	1 389 554	225 860	-	-
	New borrowings raised	5 371 615	3 423 827	2 432 158	2 069 105
	Raising fees – amortised	4 263	(5 980)	3 629	(6 395)
	Repayments - cash	(6 184 198)	(2 590 882)	(2 512 502)	(1 067 725)
	Repayments - non cash	(32 101)	-	-	-
	Acquired through business combinations	-	6 616 681	-	-
	Balance at the end of the year	**13 632 936**	**13 083 803**	**7 079 710**	**7 156 425**
H1.4.2	**Liabilities associated with non-current assets held-for-sale**				
	Balance at the beginning of the year	1 404 220	1 153 572	-	-
	Currency translation difference	228 051	158 149	-	-
	Net interest accrued/(paid)	(44 374)	92 499	-	-
	Balance at the end of the year	**1 587 897**	**1 404 220**	**-**	**-**
	Total borrowings	**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**

H. FUNDING AND RELATED ITEMS

H1 BORROWINGS

H1.5 Individual facilities

H1.5.1 Bank loans

Bank loans	Facility	Maturity date	Initial term	Security	Base currency	Nominal interest %	Interest rate June 2023 %	Interest rate June 2022 %	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
The Standard Bank of South Africa Ltd	R959m	Jun-23	4 years	Secured	ZAR	3m Jibar + 1.65	n/a	6.66	-	959 891	-	959 891
The Standard Bank of South Africa Ltd	R925m	Jan-24	3.5 years	Secured	ZAR	3m Jibar + 2.10	10.59	7.11	925 000	925 000	925 000	925 000
The Standard Bank of South Africa Ltd	R869m	Feb-26	4 years	Secured	ZAR	3m Jibar + 1.89	10.38	6.90	867 946	867 512	867 946	867 512
Nedbank Ltd[2]	R500m	Aug-24	2.5 years	Secured	ZAR	3m Jibar + 1.75	10.24	6.76	397 900	198 700	397 900	198 700
Nedbank Ltd[2, 6]	R600m	Feb-26	4 years	Secured	ZAR	3m Jibar + 1.80	10.29	6.81	-	148 075	-	148 075
Nedbank Ltd	R500m	Feb-25	3 years	Secured	ZAR	3m Jibar + 1.75	10.24	6.76	499 042	498 542	499 042	498 542
Nedbank Ltd	R550m	Feb-27	5 years	Secured	ZAR	3m Jibar + 1.90	10.39	6.91	548 350	547 910	548 350	547 910
RMB International (Mauritius) Ltd[1,7]	$56.5m	Feb-25	2 years	Secured	USD	Sofr + 6.39	11.29	7.14	1 075 460	995 805	-	-
DSK Bank EAD[3]	€75m/€52m	Dec-26	7 years	Secured	EUR	3m Euribor + 2.13	5.73	1.53	1 434 442	831 942	-	-
OTP Bank PLC[3]	€9m/€32m	Dec-26	7 years	Secured	EUR	3m Euribor + 2.40	6.00	1.93	102 464	502 851	-	-
Erste Group Bank AG[4]	€34.3m	Jun-23	5 years	Secured	EUR	3m Euribor + 2.75	n/a	2.51	-	570 604	-	-
Erste Group Bank AG[4]	€68.6m	Jun-23	5 years	Secured	EUR	3m Euribor + 2.75	n/a	2.51	-	1 130 573	-	-
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft[4]	€68.6m	Jun-23	5 years	Secured	EUR	3m Euribor + 2.75	n/a	2.51	-	1 130 573	-	-
Erste Group Bank AG[4]	€71.5m	Jun-30	7 years	Secured	EUR	3m Euribor + 2.40	6.00	-	1 466 817	-	-	-
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft[4]	€71.5m	Jun-30	7 years	Secured	EUR	3m Euribor + 2.40	6.00	-	1 466 817	-	-	-
Komercijalna Banka AD Skopje[5,7]	€14.6m	Jun-31	10 years	Secured	EUR	6m Euribor + 2.0	5.90	3.25	211 777	225 995	-	-
NLB Banka AD Skopje[5,7]	€9m	Jun-31	10 years	Secured	EUR	6m Euribor + 2.0	5.90	3.25	129 803	138 708	-	-
Stopanska Banka AD Skopje[5,7]	€9m	Jun-31	10 years	Secured	EUR	6m Euribor + 2.0	5.90	3.25	129 803	138 708	-	-
Sparkasse Banka AD Skopje[5,7]	€7.4m	Jun-31	10 years	Secured	EUR	6m Euribor + 2.0	5.90	3.25	107 265	114 584	-	-
Rand Merchant Bank/FirstRand Group[7]	€109.7m	Jul-23	4 years	Secured	EUR	2.15	2.15	2.15	2 250 506	1 860 752	-	-
Total bank loans									**11 613 392**	**11 786 725**	**3 238 238**	**4 145 630**

1 *Loans disclosed under liabilities associated with assets held-for-sale.*

2 *Revolving credit facility.*

3 *Repayable in quarterly instalments of EUR 250 000 in aggregate and a bullet payment on maturity.*

4 *Repayable in quarterly instalments of EUR 1 431 716 (2022: EUR 321 750) in aggregate and a bullet payment on maturity.*

5 *Repayable in quarterly instalments of EUR 818 123 in aggregate and a bullet payment on maturity.*

6 *This facility is not drawn and is available at 30 June 2023.*

7 *Secured by a guarantee from Hyprop or other Group Companies (See H3 - Financial guarantees).*

The Secured loans above are secured against investment property as set out in note E1.8 – *Mortgaged properties* and guarantees from Group Companies where indicated *(See note H3 - Financial guarantees).*

Interest on all loans is paid monthly, quarterly or semi-annually as applicable. Capital is repayable on the loan maturity date unless otherwise indicated above.

H. FUNDING AND RELATED ITEMS

H1 BORROWINGS

H1.5 Individual facilities

H1.5.2 DCM funding	Capital	Maturity date	Initial term	Security	Base currency	Nominal interest %	Interest rate June 2023 %	June 2022 %	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
HILB08	R452m	Mar-23	5 years	Unsecured	ZAR	3m Jibar + 1.60	n/a	6.61	-	451 966	-	451 966
HILB09	R348m	Mar-25	7 years	Unsecured	ZAR	3m Jibar + 1.90	10.39	6.91	347 957	347 932	347 957	347 932
HILB11	R150m	Mar-24	5 years	Unsecured	ZAR	3m Jibar + 1.75	10.24	6.76	149 989	149 974	149 989	149 974
HILB12	R350m	Mar-24	5 years	Unsecured	ZAR	3m Jibar + 1.70	10.19	6.71	349 975	349 940	349 975	349 940
HILB14	R200m	Oct-27	5 years	Unsecured	ZAR	3m Jibar + 1.57	10.06	-	199 490	-	199 490	-
HILB15	R502m	Nov-25	3 years	Unsecured	ZAR	3m Jibar + 1.53	10.02	-	501 805	-	501 805	-
HILB16	R283m	Nov-27	5 years	Unsecured	ZAR	3m Jibar + 1.69	10.18	-	282 877	-	282 877	-
HILB17	R240m	Apr-26	3 years	Unsecured	ZAR	3m Jibar + 1.43	9.92	-	239 890	-	239 890	-
HILB18	R760m	Apr-28	5 years	Unsecured	ZAR	3m Jibar + 1.64	10.13	-	759 639	-	759 639	-
HIL02U (Unlisted)	R450m	Oct-22	3 years	Unsecured	ZAR	3m Jibar + 1.81	n/a	6.82	-	449 925	-	449 925
HIL03U (Unlisted)	R500m	Nov-22	3 years	Secured	ZAR	3m Jibar + 1.50	n/a	6.51	-	499 933	-	499 933
HIL04U (Unlisted)	R250m	Jan-26	3 years	Secured	ZAR	3m Jibar + 1.66	10.15	-	248 875	-	248 875	-
Total DCM funding									**3 080 497**	**2 249 670**	**3 080 497**	**2 249 670**

The Secured bonds above are secured against investment property as set out in note E1.8 – *Mortgaged properties* . Interest on all bonds is paid monthly, quarterly or semi-annually as applicable. Capital is repayable on the bond maturity date.

H1.5.3 Non-controlling shareholder/Group company loans	Maturity date	Security	Base currency	Nominal interest %	Interest rate June 2023 %	June 2022 %	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
African Land (Pty) Ltd	*12 months notice*	Unsecured	ZAR	none	-	-	-	-	760 975	761 125
AttAfrica Ltd	on-demand	Unsecured	USD	none	-	-	12 938	11 112	-	-
EmpiriQ Technologies Proprietary Limited	on-demand	Unsecured	ZAR	none	-	-	1 569	-	-	-
AIH International Ltd[1]	Mar 2025 and Feb 2028	Unsecured	USD	8.08 fixed rate	8.08	8.08	512 437	408 415	-	-
Homestead Group Holdings Ltd	Nov-28	Unsecured	EUR	6.00 fixed rate	6.00	6.00	-	28 891	-	-
AMZ Holdings Ltd	Nov-28	Unsecured	EUR	6.00 fixed rate	6.00	6.00	-	3 210	-	-
Total non-controlling shareholder/Group company loans							**526 944**	**451 628**	**760 975**	**761 125**
Total borrowings							**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**

[1] *Loans disclosed under liabilities associated with assets held-for-sale.*

H1.5.4 Undrawn facilities	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Revolving credit facilities	1 650 000	1 950 000	1 650 000	1 950 000
Term facilities	22 396	693 701	-	650 000
Total undrawn facilities	**1 672 396**	**2 643 701**	**1 650 000**	**2 600 000**

H. FUNDING AND RELATED ITEMS

H2 DERIVATIVES

H2.1 Accounting policy

Derivatives are initially measured at fair value and are subsequently remeasured at fair value. Any directly attributable transaction costs are recognised in profit or loss as incurred.

H2.2 Profile

Derivative instruments comprise Interest rate swaps/caps, exchange rate zero cost collars (put and call options) and forward exchange contracts.

The Interest rate swaps/caps are used to hedge interest rate exposure on borrowings. Zero cost collars are used to hedge the exchange rate in anticipation of receipt of dividends from foreign investments and subsidiaries. Forward exchange contracts are used to hedge amounts committed to capitalise/recapitalise foreign subsidiaries and investments and to hedge the exchange rate in anticipation of receipt of dividends from investments and subsidiaries.

All the hedges the Group enters into are economic hedges as the Group does not apply hedge accounting (as defined by IFRS 9: *Financial Instruments).*

Further disclosure on the designation of the Interest rate swaps/caps and their risk mitigation role is provided in note N3 - *Interest rate risk and sensitivity.*

For the fair value hierarchy refer to note M1.1 - *Accounting policy.*

H2.3 Maturity profile

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Non-current assets	130 740	183 977	11 135	87 874
Current assets	157 241	7 499	73 558	-
Non-current liabilities	(14 795)	(11 038)	(6 562)	(11 038)
Current liabilities	(4 434)	(5 934)	(649)	(5 561)
Total derivatives	**268 752**	**174 504**	**77 482**	**71 275**

H2.4 Movement reconciliation

Balance at the beginning of the year	174 504	(123 608)	71 275	(123 608)
Acquired through business combination	-	43 602	-	-
Currency translation difference	21 596	2 720	-	-
Premium paid on new contracts entered into	16 626	13 100	2 200	13 100
Contracts utilised	(8 590)	-	-	-
Fair value adjustment	64 616	238 690	4 007	181 783
Balance at the end of the year	**268 752**	**174 504**	**77 482**	**71 275**

[1] *Further disclosure on the gains and losses recorded in profit or loss is provided in note N3.2.3 - Interest rate hedges*

H. FUNDING AND RELATED ITEMS

H2 DERIVATIVES

H2.5 Individual instruments

Counterparty bank	Nominal amount	Expiry date	Fixed rate payable (%)	Variable rate receivable (%)	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
ABSA	R500m	Mar-24	5.12	3m Jibar	12 470	16 430	12 470	16 430
ABSA	R500m	Jun-26	8.69	3m Jibar	(3 098)	-	(3 098)	-
Standard Bank	R958m	Jun-23	7.04	3m Jibar	-	(5 561)	-	(5 561)
Standard Bank	R300m	Oct-23	7.82	3m Jibar	569	(5 693)	569	(5 693)
Standard Bank	R100m	May-24	7.85	3m Jibar	640	(1 421)	640	(1 421)
Standard Bank	R350m	Mar-24	7.52	3m Jibar	2 623	(2 747)	2 623	(2 747)
Standard Bank	R150m	Mar-24	7.52	3m Jibar	1 124	(1 177)	1 124	(1 177)
Nedbank	R500m	Sep-24	5.61	3m Jibar	16 665	17 335	16 665	17 335
Nedbank	R500m	Oct-24	5.71	3m Jibar	17 133	16 048	17 133	16 048
Nedbank	R500m	Dec-25	8.65	3m Jibar	(2 090)	-	(2 090)	-
RMB	R500m	Mar-24	5.15	3m Jibar	12 308	16 188	12 308	16 188
RMB	R250m	Mar-24	5.14	3m Jibar	6 172	8 135	6 172	8 135
RMB	R550m	Jun-25	Cap at 7.35	3m Jibar	12 383	13 738	12 383	13 738
RMB	R300m	May-24	Cap at 7.625	3m Jibar	2 606	-	2 606	-
RMB	R250m	Jun-27	8.785	3m Jibar	(2 023)	-	(2 023)	-
RMB	$45m	Feb-25	Floor 3%, Cap 3.5%	Sofr	23 355	-	-	-
DSK Bank EAD	€40m	Dec-22	3m Euribor - 1%	3m Euribor capped at 1%	-	(373)	-	-
DSK Bank EAD	€40m	Dec-26	0.19	3m Euribor	86 200	96 103	-	-
DSK Bank EAD	€27,7m	Dec-26	(0.02)	3m Euribor	59 157	-	-	-
DSK Bank EAD	€13,3m	Dec-26	-	3m Euribor	30 384	-	-	-
Erste Group Bank AG	€34,3m	Jun-23	0.52	3m Euribor	-	1 765	-	-
Erste Group Bank AG	€68,6m	Jun-23	0.39	3m Euribor	-	4 241	-	-
Erste Group Bank AG	€8.5m	Jun-23	0.52	3m Euribor	-	441	-	-
Erste Group Bank AG	€17m	Jun-23	0.39	3m Euribor	-	1 052	-	-
Erste Group Bank AG	€78m	Jun-25	3.87	3m Euribor	(5 138)	-	-	-
RMB	€30m	Jan-28	3.21	6m Euribor	(1 088)	-	-	-
RMB	€20m	Jan-29	3.14	6m Euribor	(1 600)	-	-	-
Total derivatives					**268 752**	**174 504**	**77 482**	**71 275**

H2.6 Valuation assumptions – Unobservable inputs

	GROUP June 2023	GROUP June 2022	COMPANY June 2023	COMPANY June 2022
The key assumptions used in determining the fair value of derivatives are in the following ranges:				
Projected forward JIBAR rate (%)	8.5 - 8.9	4.37 - 8.5	8.5 - 8.9	4.37 - 8.5
Projected forward EURIBOR rate (%)	2.6 - 3.6	(0.2) - 1.68	n/a	n/a
Projected forward SOFR rate (%)	4.2 - 5.3	-	n/a	n/a

Further disclosure on the valuation methodology is provided in note M2.1 - *Fair value measurement techniques.*

H2.7 Valuation sensitivity

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

Increase asset/(Increase liability)	June 2023 bps	June 2022 bps	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
ZAR						
Increase in projected forward interest rate	25bps	25bps	15 827	16 808	15 827	16 808
Decrease in projected forward interest rate	25bps	25bps	(15 841)	(16 819)	(15 841)	(16 819)
EUR						
Increase in projected forward interest rate	25bps	100bps	28 739	72 380	n/a	n/a
Decrease in projected forward interest rate	25bps	100bps	(28 921)	(60 003)	n/a	n/a
USD						
Increase in projected forward interest rate	25 bps	n/a	3 078	n/a	n/a	n/a
Decrease in projected forward interest rate	25 bps	n/a	(3 067)	n/a	n/a	n/a

H. FUNDING AND RELATED ITEMS

H3 FINANCIAL GUARANTEES

H3.1 Accounting policy

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder of the guarantee for a loss that it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Liabilities under financial guarantees are recognised initially at fair value and subsequently at the higher of the loss allowance determined in accordance with IFRS 9: *Financial instruments* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: *Revenue from contracts with customers.*

Management assessed the obligations under the guarantees and concluded that these meet the definition of financial guarantees, and the change in value of the guarantees represents a charge to profit or loss.
For the fair value hierarchy refer to note M1.1 - *Accounting policy.*

H3.2 Profile

Hyprop, Balkan Retail and Hyprop Mauritius have provided guarantees to banks that have provided funding to wholly owned subsidiaries. The guarantees provided by Hyprop are secured by mortgage bonds over certain of the Group's investment properties as disclosed in note E1.8 – *Mortgaged properties.* Details of the secured loans are disclosed in note H1.5 - *Individual facilities.*

H3.2.1 USD guarantees

Hyprop Mauritius has provided limited guarantees to Rand Merchant Bank (Mauritius) for the interest payable under the USD denominated loan advanced to Gruppo Investment Nigeria Ltd. This financial guarantee liability is eliminated on consolidation as the underlying loan is reflected on the Statement of financial position.

H3.2.2 EUR guarantees

Hyprop has provided guarantees to Rand Merchant Bank for loan (€109.7m) and guarantee (€1.2m) facilities granted to Balkan Retail. Balkan Retail has provided a guarantee to 4 commercial banks in Skopje of €1.2m in aggregate for the interest payable under the Euro denominated loans advanced to SCM Retail Dooel Skopje. The financial guarantee liabilities in respect of these facilities are eliminated on consolidation as the underlying loans are reflected on the Statement of financial position.

June 2022

During the 2022 financial year loans of €290m which were guaranteed by Hyprop and PDI were settled and the back to back guarantees and security provided by PDI to Hyprop, as well as the guarantee fee arrangements between Hyprop and PDI, were released/cancelled following implementation of the Hystead transaction and the PDI transaction.

H. FUNDING AND RELATED ITEMS
H3 FINANCIAL GUARANTEES

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
H3.3	**Carrying value**	R'000	R'000	R'000	R'000
	Guarantees in respect of EUR denominated loans	-	-	44 963	44 963
	Total financial guarantee liabilities	**-**	**-**	**44 963**	**44 963**
H3.4	**Maturity profile**				
	Non-current liabilities	-	-	427	44 536
	Current liabilities	-	-	44 536	427
	Total financial guarantee liabilities	**-**	**-**	**44 963**	**44 963**
H3.5	**Movement reconciliation**				
	Balance at the beginning of the year	-	110 401	44 963	110 401
	New guarantees issued	-	427	-	427
	Derecognition of guarantees cancelled/expired	-	(65 865)	-	(65 865)
	Elimination due to business combination	-	(44 963)	-	-
	Balance at the end of the year	**-**	**-**	**44 963**	**44 963**

The derecognition of the financial guarantee liability for guarantees given on behalf of Hystead and Balkan Retail is due to repayment of the guaranteed loans during the 2022 financial year.

H3.6 Exposure under financial guarantees

COMPANY		Rand equivalent
June 2023	**€'000**	**R'000**
Loans/facilities guaranteed by Hyprop	113 455	2 327 983
Exposure under guarantees	**113 455**	**2 327 983**
Net assets of underlying subsidiaries which may mitigate exposure under guarantees	(179 467)	(3 682 491)
Net difference	**(66 012)**	**(1 354 508)**
June 2022		
Loans/facilities guaranteed by Hyprop	113 455	1 924 798
Exposure under guarantees	**113 455**	**1 924 798**
Net assets of underlying subsidiaries which may mitigate exposure under guarantees	(157 995)	(2 680 434)
Net difference	**(44 540)**	**(755 636)**

		COMPANY	
H3.7	**Valuation assumptions – Unobservable inputs**	**June 2023**	**June 2022**
	Risk-free rate	EUR ESTER	EUR IOS
	Data used for probability of default	Publicly available IMF data and management input	Publicly available IMF data and management input
	Loss given default (%)	Between 5% and 14% for EUR guarantees	Between 20% and 30% for EUR guarantees
	Credit rating	BB- to BBB	BB- to BBB

H3.8 Valuation sensitivity

The valuation of the financial guarantee liabilities is sensitive to changes to the unobservable inputs above. Changes in one unobservable input, 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.

	COMPANY	
Increase/(Decrease) in financial liability	**June 2023**	**June 2022**
Change in credit rating	**R'000**	**R'000**
One notch better credit risk than Hyprop	(16 665)	(16 665)
One notch worse credit risk than Hyprop[1]	-	-

[1] *No value is shown for the worsening of credit risk as the highest end of the day 1 valuation has been used.*

H. FUNDING AND RELATED ITEMS

H4 COVENANTS AND CAPITAL MANAGEMENT

H4.1 External restrictions

In terms of the Company's DCM Programme and the agreements between the Group and the financial institutions that have granted loans to the Group, the Group is required to maintain certain key financial ratios (covenants). If a covenant is breached on or before the reporting date, the affected borrowings should be classified as current if the Group does not have the right to defer settlement for at least 12 months after the reporting date.

The Group actively monitors and manages banking covenants to pre-empt any potential covenant breaches. There were no banking covenant breaches during the current or prior years.

Summarised below are the Group's key covenants and their status.

GROUP

Covenant	Benchmark range	Reported as	June 2023	Status	June 2022	Status
Group LTV ratio	A maximum of 50% to 55% (2022: 55%)	Percentage	35.0 - 38.4	✔	34.8 - 37.9	✔
Secured asset/portfolio LTV ratio	A maximum of 60% to 70% (2022: 50% to 70%)	Percentage	37.0 - 52.0	✔	25.3 - 55.7	✔
Net asset value	A minimum of R7.5 bn[1]	Rbn	22.6	✔	21.7	✔
Group interest cover ratio *(EBITDA/interest expense)*	A minimum of 1.75 to 2 times cover[1]	Times	2.8	✔	3.1 - 3.2	✔
Secured asset/portfolio interest cover ratio	A minimum of 1.5 to 1.75 times cover (2022: 1.75 to 1.8)	Times	1.9 - 11.4	✔	2.3 - 7.4	✔

[1] *The ranges indicated apply to both the 2023 and the 2022 financial years unless otherwise indicated.*

EE

Covenant	Benchmark range	Reported as	June 2023	Status	June 2022	Status
Secured asset LTV ratio	A maximum of 50 to 60% (2022: 60%)	Percentage	31 - 46	✔	40 - 55	✔
Debt Service Cover ratio *12m historic*	A minimum of 1.1 to 1.8 (2022: 1.1 to 1.8)	Times	1.5 - 3.26	✔	2.48 - 2.91	✔
Debt Service Cover ratio *12m forward*			1.3 - 3.06	✔	1.3 - 2.41	✔
Occupancy rate	Not less than 85% of GLA (2022: 85%)	Percentage	100	✔	100	✔
Average monthly rent revenues *12m historic*	Not less than €550 000 (2022: €550 000)	EUR	693 259	✔	708 765	✔
Equity ratio (Equity to Total Assets)	Not less than 30% (2022: 30%)	Percentage	50	✔	38	✔
Required cash reserve balances	A minimum of € 1.1m (2022: € 1.2m)	EURm	5.8	✔	3.6	✔

H4.2 Internal restrictions

Hyprop's capital management objective is to maintain a strong capital base to provide sustainable returns to shareholders over the long term. The Company's borrowings are not limited by its Memorandum of Incorporation however, in terms of paragraph 13.46(g)(ii) of the JSE Listings Requirements, a REIT's total consolidated liabilities may not exceed 60% of its consolidated gross asset value, as reflected in its latest published financial statements or results. Should the 60% threshold be exceeded, Hyprop may lose its REIT status under the JSE Listings Requirements.

Hyprop's (theoretical) unutilised borrowing capacity can be summarised as follows:

	GROUP June 2023 R'000	June 2022 R'000
Total consolidated assets/gross asset value	**39 870 697**	**37 276 317**
60% of gross asset value	23 922 418	22 365 790
Total consolidated liabilities	(17 301 615)	(16 506 174)
Unutilised borrowing capacity	**6 620 803**	**5 859 616**
Ratio of Total consolidated liabilities to Gross asset value	43%	44%

I. OTHER LIABILITIES

I1 DEFERRED TAXATION

I1.1 Accounting policy

Deferred taxation is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- Goodwill that arises on initial recognition in a business combination; and
- Differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the period when the asset is realised or the liability is settled, based on taxation rates and taxation laws that have been enacted or substantively enacted by the reporting date.

The effect of any changes in taxation rates on deferred taxation is recognised in profit or loss for the period, except to the extent that they relate to items previously charged or credited directly to other comprehensive income or equity.

A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred taxation assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.
Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset taxation liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity.

I1.2 Key judgements and estimations

For key judgements and estimations applied to taxation (including deferred taxation) refer to note A2.2 - *Estimates, assumptions and judgements.*

In February 2022 it was announced that the corporate income tax rate for South African tax resident companies would reduce from 28% to 27% for the companies' tax (financial) years commencing on or after March 2022. The reduced income tax rate applied to all South African tax resident Group companies from the commencement of the Group's 2023 financial year.

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
I1.3 Maturity profile	R'000	R'000	R'000	R'000
Non-current assets	1 116	1 087	-	-
Non-current liabilities	(1 113 118)	(913 581)	(176 145)	(170 598)
Net deferred taxation liability	**(1 112 002)**	**(912 494)**	**(176 145)**	**(170 598)**

I1.4 Carrying value				
Arising on:				
Depreciation/Wear and tear claims on investment property and property, plant and equipment	(1 033 739)	(909 743)	(182 777)	(177 230)
Wear and tear claims on intangible asset	1 027	273	-	-
Other temporary differences	(85 922)	(9 656)	-	-
Taxation loss carried forward	6 632	6 632	6 632	6 632
Net deferred taxation liability	**(1 112 002)**	**(912 494)**	**(176 145)**	**(170 598)**

I. OTHER LIABILITIES

I1 DEFERRED TAXATION

I1.5 Movement reconciliation - net	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Balance at the beginning of the year	(912 494)	(187 056)	(170 598)	(187 218)
Acquired through business combination	-	(714 652)	-	-
Currency translation difference	(158 580)	(28 303)	-	-
Change in tax rate	-	6 318	-	6 318
Movement through profit or loss	(40 928)	11 199	(5 547)	10 302
Property, plant and equipment and tenant installations	(11 044)	(4 933)	(5 547)	(5 577)
Reversal of wear and tear allowances on asset sales	-	15 879	-	15 879
Fair value of investment property	(24 685)	(964)	-	-
Tax loss utilised	-	(4)	-	-
Intangible asset	270	273	-	-
Rent and other receivables	(5 343)	948	-	-
Other temporary differences	(126)	-	-	-
Net Balance at the end of the year	**(1 112 002)**	**(912 494)**	**(176 145)**	**(170 598)**

I1.6 Tax rates used for deferred tax balances	GROUP June 2023 %	June 2022 %	COMPANY June 2023 %	June 2022 %
South Africa	27	27	27	27
Croatia	18	18		
Bulgaria	10	10		
North Macedonia	10	10		
Netherlands	25.8	25.8		
United Kingdom	25	19		
Nigeria	10	10		

I2 TAXATION PAYABLE

I2.1 Accounting policy

Normal taxation liabilities/assets for the current and prior periods are measured at the amount expected to be paid to/recovered from the taxation authorities, using the taxation rates and taxation laws that have been enacted or substantively enacted by the reporting date.

I2.2 Carrying value	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Current assets	(23 110)	(280)	-	-
Current liabilities	9 639	97 332	80	208
Net current (assets)/ liabilities	**(13 471)**	**97 052**	**80**	**208**
SA	80	208	80	208
EE	(13 643)	95 315	-	-
SSA	92	1 529	-	-
Liabilities associated with non-current assets held-for-sale	**1 154**	**10 344**	-	-
Total taxation (receivable) / payable	**(12 317)**	**107 396**	**80**	**208**

I. OTHER LIABILITIES

I3 TRADE AND OTHER PAYABLES

I3.1 Accounting policy

Trade and other payables are measured at amortised cost. Short-term payables are measured at the original invoice amount as the effect of discounting is immaterial.

I3.2 Carrying values

I3.2.1 Trade and other payables - financial instruments

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Trade payables and accrued expenses	184 911	226 745	125 899	143 642
Tenant deposits	130 837	121 603	80 663	81 287
Gift cards	66 408	54 354	39 634	34 435
Value added tax (VAT)[1]	-	32 422	-	17 050
Interest payable	70 122	44 222	69 424	40 299
Total trade and other payables - financial instruments	**452 278**	**479 346**	**315 620**	**316 713**

[1] *VAT payables were reallocated to the non-financial instruments category in 2023*

I3.2.2 Trade and other payables - non-financial instruments

	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Rent received in advance	85 687	68 199	84 128	64 279
Municipal accruals	143 619	136 895	136 409	130 941
Employee benefit accruals	9 968	8 992	9 968	8 992
Value added tax (VAT)	58 927	-	13 723	-
Other payables	23 203	20 299	21 968	17 927
Total trade and other payables - non-financial instruments	**321 404**	**234 385**	**266 196**	**222 139**
Total trade and other payables	**773 682**	**713 731**	**581 816**	**538 852**

I. OTHER LIABILITIES

I4 PROVISIONS

I4.1 Accounting policy

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the gross value of the expected outflow of resources required to settle the obligation, except where the amount and timing of settlement are certain and the impact of the time value is expected to be significant. In that instance, provisions are measured at the present value of the expected outflow of resources required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

I4.2 Profile

Employee benefit provisions:

Short-term incentives Bonus and other employee benefits provided for the financial year. Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term incentives ***South Africa*** - The balance includes a long-term incentive provision for a special bonus allocated in October 2021, which is subject to performance conditions and vests in October 2025. The bonus will be cash-settled.

Eastern Europe - The balance includes provision for a *cash settled* incentive in terms of which a portion of awardees' annual bonus is deferred for a performance period of 3 years. See note L2.2.1 - *LTIP.*

Litigation provisions: Provisions relating to litigation that is likely to result in an outflow, whose timing depends on the resolution of the litigation.

Warranty provisions: Provisions for claims arising from warranties given to purchasers of assets from the Group.

I4.3 Carrying value

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Non-current	**10 663**	**4 570**	**10 663**	**4 570**
Employee benefit provisions	10 663	4 570	10 663	4 570
Current	**62 477**	**52 991**	**41 688**	**41 925**
Employee benefit provisions	53 563	46 256	41 688	41 925
Litigation and other provisions	8 914	6 735	-	-
Total	**73 140**	**57 561**	**52 351**	**46 495**

I. OTHER LIABILITIES

I4.4 Reconciliation for each class of provision

GROUP Total provisions	Employee benefit provisions	Litigation and other provisions	Total provisions
Balance at 30 June 2021	**36 967**	**-**	**36 967**
New provisions raised	48 639	167	**48 806**
Acquired through business combinations	2 187	6 568	**8 755**
Utilised	(28 747)	-	**(28 747)**
Unutilised amounts reversed	(8 220)	-	**(8 220)**
Balance at 30 June 2022	**50 826**	**6 735**	**57 561**
New provisions raised	54 140	688	**54 828**
Utilised	(38 678)	-	**(38 678)**
Unutilised amounts reversed	(3 802)	-	**(3 802)**
Currency translation and other movements	1 740	1 491	**3 231**
Balance at 30 June 2023	**64 226**	**8 914**	**73 140**

COMPANY Total provisions	Employee benefit provisions	Litigation and other provisions	Total provisions
Balance at 30 June 2021	**36 967**	**-**	**36 967**
New provisions raised	46 495	-	**46 495**
Utilised	(28 747)	-	**(28 747)**
Unutilised amounts reversed	(8 220)	-	**(8 220)**
Balance at 30 June 2022	**46 495**	**-**	**46 495**
New provisions raised	45 957	-	**45 957**
Utilised	(36 299)	-	**(36 299)**
Unutilised amounts reversed	(3 802)	-	**(3 802)**
Balance at 30 June 2023	**52 351**	**-**	**52 351**

J. CASH FLOW INFORMATION

J1 CASH GENERATED FROM OPERATIONS

	Note	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
Profit for the year attributable to shareholders of the Company		**1 521 216**	**1 345 164**	**1 474 260**	**1 699 849**
Adjusted for		**(442 740)**	**(292 002)**	**(486 213)**	**(710 717)**
Non-controlling interests' share of profit for the year		(35 692)	(991)	-	-
Deferred and normal tax	*D7.3*	71 581	15 024	5 627	(16 413)
Change in fair value - investment property	*E1.5*	(434 145)	(459 403)	(277 212)	(374 930)
Change in fair value - financial asset - Hystead		-	7 159	-	(4 177)
Change in fair value - derivatives	*H2.4*	(56 026)	(238 690)	(4 007)	(181 783)
Derecognition of financial guarantees	*H3.5*	-	(65 865)	-	(65 865)
Changes in expected credit losses - loans receivable	*F1.4.2*	2 767	-	(2 472)	(16 163)
Impairment of intangible asset	*E7.3.1*	-	16 197	-	-
Impairment of goodwill	*E7.3.1*	8 775	433 432	-	-
Profit on disposal – investment property		-	1 135	-	1 135
Reversal of impairment of investment in subsidiary	*E7.3.2*	-	-	(208 149)	(52 521)
Net income before value adjustments		**1 078 476**	**1 053 162**	**988 047**	**989 132**
Adjusted for		**1 378 345**	**703 984**	**505 448**	**452 234**
Interest income	*D6.2*	(53 040)	(74 207)	(44 256)	(76 887)
Interest expense	*D6.2*	907 503	568 094	542 959	428 081
Straight-line rental revenue accrual	*D1.2*	100 380	42 866	82 822	36 174
Assets written off		5 576	118	1 553	-
Dividends received	*D3.2*	-	-	(151 871)	-
Loss from equity accounted investments	*E5.5.3*	150 694	68 209	-	-
Unrealised foreign exchange (gain)/loss		164 376	9 435	(383)	266
Changes in expected credit losses - trade receivables		(16 611)	8 810	(39)	9 347
Depreciation – property, plant and equipment	*E2.3*	110 391	70 625	60 326	50 298
Amortisation		-	5 167	-	-
Share-based payment expense	*D4.2*	6 153	6 529	5 185	6 529
Other non-cash items		2 923	(1 662)	9 152	(1 574)
Operating profit before working capital changes		**2 456 821**	**1 757 146**	**1 493 495**	**1 441 366**
Decrease/(increase) in working capital		**(19 237)**	**80 489**	**(23 951)**	**48 545**
(Increase)/Decrease in receivables		(11 959)	46 285	(42 180)	5 528
Increase/(Decrease) in payables		(7 278)	34 204	18 229	43 017
Cash generated from operations		**2 437 584**	**1 837 635**	**1 469 544**	**1 489 911**

J. CASH FLOW INFORMATION

			GROUP		COMPANY	
J2	**OTHER CASH FLOW NOTES**		**June 2023**	**June 2022**	**June 2023**	**June 2022**
J2.1	**Taxation paid**	*Note*	**R'000**	**R'000**	**R'000**	**R'000**
	Taxation receivable/(payable) at the beginning of the year		(107 396)	(9 484)	(208)	-
	Acquired through business combination		-	(101 833)	-	-
	Currency translation difference		(3 861)	(1 973)	-	-
	Charge for the year in Statement of profit or loss		(30 653)	(32 637)	(80)	(208)
	Taxation (receivable)/payable at the end of the year	*I2.2*	(12 317)	107 396	80	208
	Taxation (paid)/refunded		**(154 227)**	**(38 531)**	**(208)**	**-**

J2.2	**Dividends received**					
	Dividend receivable at the beginning of the year		-	-	-	-
	Dividend income	*D3*	-	-	151 871	-
	Dividend receivable at the end of the year		-	-	(151 871)	-
	Dividends received in cash		**-**	**-**	**-**	**-**

J2.3	**Dividends paid**					
	Dividends payable at the beginning of the year		(144 162)	-	-	-
	Acquired with business combination	*E8.4.1*	-	(144 162)	-	-
	Currency translation difference		(1 389)	-	-	-
	Dividends declared during the year	*B2.2*	(1 004 269)	(1 034 689)	(1 008 477)	(1 040 111)
	Dividends payable at the end of the year		-	144 162	-	-
	Dividends paid in cash		**(1 149 820)**	**(1 034 689)**	**(1 008 477)**	**(1 040 111)**

J2.4	**Interest paid**					
	Interest payable at the beginning of the year[1]	*I2.3*	(343 203)	(213 497)	(40 299)	(43 671)
	Acquired with business combination		-	(6 860)	-	-
	Currency translation difference		(33 423)	(36 503)	-	-
	Charge for the year in Statement of profit or loss	*D6.2*	(907 503)	(568 094)	(542 959)	(428 081)
	Non-cash amortisation of raising fees		4 263	415	-	-
	Interest payable at the end of the year[1]		398 101	343 203	69 424	40 299
	Interest paid in cash		**(881 765)**	**(481 336)**	**(513 834)**	**(431 453)**

[1] *Includes accrued but unpaid interest on non-controlling shareholders' loans.*

J2.5	**Interest received**					
	Interest receivable at the beginning of the year		886	760	44 025	42 631
	Currency translation difference		308	12	-	-
	Cession Balkan Retail NV		(502)	-	-	-
	Income for the year in Statement of profit or loss	*D6.2*	53 040	74 207	44 256	76 887
	Interest receivable at the end of the year		(1 951)	(886)	(51 713)	(44 025)
	Interest received in cash		**51 781**	**74 093**	**36 568**	**75 493**

K. RELATED PARTIES

K1 RELATED PARTY TRANSACTIONS AND BALANCES

K1.1 Identification of related parties

Entities

Related entities are entities that are subsidiaries, joint ventures, or associates of the Group, or are controlled or jointly controlled by key management (as defined).

Key management

Key management of the Group (as contemplated IAS 24: *Related party disclosures*) comprises directors of Hyprop and includes close members of their families and entities controlled or jointly controlled by these individuals. Details of directors' remuneration are included in note *L1 – Directors' remuneration.*

Prescribed officers

The Company assesses annually whether any employees should be designated as a prescribed officer (as contemplated by the South African Companies Act). Based on the latest assessment, the Group did not have any prescribed officers who are not also directors of the Company in the current or prior year.

K1.2 Related-party transactions and balances – entities

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged.

Entities that are related parties and with whom the Group transacted during the year are listed below. Investment holdings are disclosed in E4 - *Investments in Subsidiaries* and E5 - *Investments in Joint arrangements and associates.*

		GROUP		COMPANY	
	Note	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
SOUTH AFRICA					
African Land - subsidiary					
Borrowings	*H1.5.3*	-	-	(760 975)	(761 125)
Hyprop Employee Incentive Scheme - subsidiary					
Loan receivable (net of cumulative ECLs)	*F1.3*	-	-	47 397	52 504
Interest received		-	-	5 988	5 424
Natalmahogany - subsidiary					
Loan receivable (net of cumulative ECLs)	*F1.3*	-	-	-	7 985
Interest received		-	-	734	524
Coventurist - associate					
Loan receivable (net of cumulative ECLs)	*F1.3*	7	1 251	7	1 251
Interest received		203	51	203	51
EASTERN EUROPE					
Hystead – subsidiary					
Asset management and accounting fee income		-	-	-	18 662
Acquisition of 4 Eastern European properties from Hystead (the Hystead transaction)	*E8.2.1*	-	2 883 022	-	-
Hyprop Europe - subsidiary					
Dividend income	*D3*	-	-	151 871	-
Dividend receivable included in other receivables	*F2.2.2*	-	-	151 871	-

K. RELATED PARTIES

K1 RELATED PARTY TRANSACTIONS AND BALANCES

K1.2 Related-party transactions and balances – entities

	Note	GROUP June 2023 R'000	June 2022 R'000	COMPANY June 2023 R'000	June 2022 R'000
EASTERN EUROPE					
Balkan Retail - subsidiary					
Financial guarantees given by Hyprop on behalf of Balkan Retail					
Loans/facilities guaranteed by Hyprop on behalf of Balkan Retail	*H3.6*	-	-	2 327 983	1 924 798
Carrying value of financial guarantee liability	*H3.4*	-	-	44 963	44 963
SUB-SAHARAN AFRICA					
Hyprop Mauritius - subsidiary					
Loans receivable		**-**	**-**	**16 718**	**-**
Loan balances	*F1.3*	-	-	1 495 465	1 492 425
Cumulative ECLs	*F1.3*	-	-	(1 478 747)	(1 492 425)
Interest received		-	-	2 341	1 292
Asset management fee income		-	-	572	-
WAAM - subsidiary					
Loan receivable	*F1.3*	-	-	-	821
Fees received		-	-	877	821
AttAfrica – joint venture					
Borrowings	*H1.5.3*	12 938	11 112	-	-

K1.3 Directors' interests in Hyprop shares

	June 2023			June 2022		
GROUP AND COMPANY	Direct beneficial	Indirect beneficial	Total	Direct beneficial	Indirect beneficial	Total
Independent non-executive directors	-	-	**-**	39 618	-	39 618
Non-executive directors[1]	-	3 000 000	**3 000 000**	-	3 000 000	3 000 000
Executive directors[2]	888 295	110 407	**998 702**	594 527	79 464	673 991
Total	**888 295**	**3 110 407**	**3 998 702**	**634 145**	**3 079 464**	**3 713 609**

[1] 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.

[2] Includes shares awarded under the CUP and LTIP.

Details of directors' remuneration are included in note L1 – *Directors' remuneration.*

L. REMUNERATION

L1 DIRECTORS' REMUNERATION

L1.1 Cash Remuneration

L1.1.1 Non-executive directors (fees)

	GROUP and COMPANY	
	June 2023 R'000	June 2022 R'000
Independent non-executive directors	**6 158**	**4 831**
Spiro Noussis[1,3] (chairman)	1 133	670
Annabel Dallamore	628	563
Loyiso Dotwana[6]	533	167
Richard Inskip[2]	544	-
Zuleka Jasper	568	529
Nonyameko Mandindi[7]	249	467
Thabo Mokgatlha	693	656
Bernadette Mzobe[6]	620	167
Gavin Tipper[4]	709	901
Stewart Shaw-Taylor[5]	481	711
Non-executive directors		
Kevin Ellerine	533	406
Total non-executive directors	**6 691**	**5 237**

[1] *Appointed chairman with effect from 31 December 2022.*

[2] *Appointed with effect from 1 July 2022.*

[3] *Fees paid to Spiro Noussis and Morné Wilken include R 250 223 (2022: R 263 463) and R nil (2022: R 208 566) respectively that were paid for their serving as directors of Hystead and Hyprop UK. These fees are GBP denominated.*

[4] *Resigned with effect from 31 December 2022.*

[5] *Retired with effect from 25 November 2022.*

[6] *Appointed with effect from 21 January 2022.*

[7] *Resigned with effect from 5 December 2022.*

L1.1.2 Executive directors

GROUP and COMPANY	Morné Wilken CEO		Brett Till CFO		Wilhelm Nauta CIO		Total Executive Directors	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Basic salary	5 031	4 535	3 170	2 988	2 998	2 838	11 199	10 361
Pension Fund Contributions	449	420	286	269	199	189	934	878
Performance Bonus- cash	4 070	3 542	2 260	2 174	1 813	2 004	8 143	7 720
Performance Bonus - restricted shares	1 744	-	968	-	777	-	3 489	-
Vested Shares	219	-	115	-	277	178	611	178
Other Benefits	36	36	60	60	60	60	156	156
Fees[3]	-	209	-	-	-	-	-	209
Total executive directors	**11 549**	**8 742**	**6 859**	**5 491**	**6 124**	**5 269**	**24 532**	**19 502**
Total Directors' Remuneration							**31 223**	**24 739**

L. REMUNERATION

L1 DIRECTORS' REMUNERATION

L1.2 Share-based payments

L1.2.1 Reconciliation of number of shares outstanding for executive directors

GROUP and COMPANY	Morné Wilken CEO		Brett Till CFO		Wilhelm Nauta CIO		Total Executive Directors	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
	Number of shares		Number of shares		Number of shares		Number of shares	
Outstanding at the beginning of the year	263 200	205 233	166 612	133 859	159 271	125 007	589 083	464 099
New awards granted	190 271	84 000	99 259	46 002	80 514	43 836	370 044	173 838
Vested	(6 279)	-	(3 292)	-	(5 655)	(5 444)	(15 226)	(5 444)
Forfeited	(27 351)	(26 033)	(14 336)	(13 249)	(13 919)	(4 128)	(55 606)	(43 410)
Outstanding at the end of the year	**419 841**	**263 200**	**248 243**	**166 612**	**220 211**	**159 271**	**888 295**	**589 083**

Number of shares by award type								
CUP	229 570	263 200	148 984	166 612	139 697	159 271	518 251	589 083
LTPA	142 471	-	72 720	-	59 216	-	274 407	-
Subtotal	**372 041**	**263 200**	**221 704**	**166 612**	**198 913**	**159 271**	**792 658**	**589 083**
Restricted shares	47 800	-	26 539	-	21 298	-	95 637	-
Outstanding at the end of the year	**419 841**	**263 200**	**248 243**	**166 612**	**220 211**	**159 271**	**888 295**	**589 083**

L1.2.2 Reconciliation of value of shares outstanding for executive directors

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Outstanding at the beginning of the year at market value[1]	8 735	5 438	5 531	3 548	5 288	3 313	19 554	12 299
New awards granted[2]	6 944	2 377	3 622	1 302	2 939	1 241	13 505	4 920
Vested	(219)	-	(115)	-	(195)	(161)	(529)	(161)
Forfeited	(908)	(690)	(476)	(351)	(462)	(109)	(1 846)	(1 150)
Change in market value	(1 660)	1 610	(939)	1 032	(807)	1 004	(3 406)	3 646
Outstanding at the end of the year at market value[3]	**12 892**	**8 735**	**7 623**	**5 531**	**6 763**	**5 288**	**27 278**	**19 554**

[1] *Shares outstanding at the beginning of the year and shares forfeited are valued at the closing share price of R33.19 on 30 June 2022 (2022: R26.50 on 30 June 2021).*

[2] *Shares awarded during the year are valued at the 30 day VWAP on grant date of R36.49 (2022: R28.30).*

[3] *Shares outstanding at the end of the year are valued at the closing share price of R30.71 (2022: R33.19).*

L. REMUNERATION

L1 DIRECTORS' REMUNERATION

L1.2 Share-based payments

L1.2.3 Share-based payments expense

The following amounts were recorded in the statement of profit and loss with respect to share-based payments awarded to executive directors.
No incremental expense was incurred for Restricted shares awarded as they are settled on grant date (subject to vesting over 3 years).

GROUP and COMPANY	Gross expense		Forfeits		Net expense	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Morné Wilken (CEO)	2 864	2 835	(1 879)	(2 743)	985	92
Brett Till (CFO)	1 671	1 660	(985)	(1 609)	686	51
Wilhelm Nauta (CIO)	1 490	1 459	(957)	(433)	533	1 026
Total	**6 025**	**5 954**	**(3 821)**	**(4 785)**	**2 204**	**1 169**

L. REMUNERATION
L2 LONG-TERM INCENTIVES
L2.1 Accounting policy

Equity-settled incentives *(Share-based payments)*	The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity (Share-based payments reserve), over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met such that the amount ultimately recognised is based on the number of awards that meet the related service, market and non-market performance conditions at the vesting date.
Cash-settled incentives *(Share-based payments)*	The grant date fair value of cash-settled share-based payment arrangements is recognised as an expense, with a corresponding increase in liabilities, over the vesting period (if any). The fair value is remeasured at least annually, with any changes in fair value recognised in profit or loss for the period.
Other cash-settled LTIs *(Non-share-based payments)*	Long-term cash settled incentives which are not share-based are expensed over their vesting period with a corresponding increase in Employee benefit provisions.

L2.2 Profile
Long-term performance awards (LTPAs) were previously granted in terms of the CUP, an equity settled share plan approved by shareholders in 2013, which has reached the end of its life cycle.

The CUP has been replaced by the LTIP, which was approved by shareholders on 20 July 2022 and applies from the 2023 financial year. Details of LTIP awards are set out below in L2.2.1 - *LTIP.*

Details of pre-existing CUP awards are set out below in L2.2.2 - CUP. These awards will continue under the CUP rules, and the outcomes of these awards will be reported as they reach their vesting dates.

L2.2.1 LTIP
The LTIP consists of 2 elements which are share-based:

1. LTPAs *(Long-term performance awards)*	An *equity settled* share plan, with a performance period of not less than 3 years. This award of conditional shares is subject to forfeiture if the performance conditions and the employment condition as specified in the award letter are not satisfied.
2. Deferred awards	***South Africa*** - an *equity settled* share plan where a percentage of the annual bonus, determined in accordance with the Company's remuneration policy, is awarded as Restricted Shares in lieu of paying the specified percentage of the annual bonus in cash, the vesting of which is subject to the employment condition.

In conjunction with implementation of the LTIP, a cash settled phantom share plan and deferred awards, based on the same principles as the LTIP, were implemented for Eligible Employees of the Group who are not employed in South Africa, as follows:

1. Cash LTPAs *(Long-term performance awards)*	A *cash settled* phantom share plan, with a performance period of not less than 3 years. This award of phantom shares is subject to forfeiture if the performance conditions and the employment condition as specified in the award letter are not satisfied.
2. Cash Deferred awards	A cash settled incentive in terms of which a portion of awardees' annual bonus is deferred for a performance period of 3 years. This incentive increases/decreases based on achievement of performance targets and is payable in 3 tranches over the vesting period, provided the awardee remains in the employ of the Group.

L. REMUNERATION
L2 LONG-TERM INCENTIVES
L2.2 Profile
L2.2.2 CUP

The CUP consists of two components – performance shares and retention shares. The allocation between performance and retention shares was 70:30 for all participants.

Awards under the CUP were made on an annual basis. No new awards were made in the current year. Awards are settled by the issue/transfer of Hyprop shares to qualifying employees. These are not new shares issued but rather shares acquired in the market and held by Hyprop Employee Incentive Scheme.

Performance shares

The performance conditions for shares allocated as performance shares are as follows:

- **40%** Growth in distribution per share relative to the peer group
- **40%** Share price performance relative to the peer group
- **20%** A strategic component, which is determined by the remuneration committee in line with the prevailing circumstances and projects at the time of the award.

Each of the performance conditions is measured over a three-year performance period. Participants must be employed at the end of the vesting period for the award to vest.

Retention shares

Retention shares vest after five years, provided the participant is still employed by the Group.

L2.3 Obligation carrying values

	Note	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Share-based payments - recorded in reserves	*L2.7*	**33 763**	**33 076**	**33 763**	**33 076**
CUP - equity-settled		29 276	33 076	29 276	33 076
LTPA - equity-settled		4 487	-	4 487	-
Share-based payments - recorded in Share-based payment liabilities					
Cash LTPAs - Phantom share plan		1 068	-	-	-
Total share-based payment obligations		**34 831**	**33 076**	**33 763**	**33 076**
Cash incentives - recorded in Employee benefit provisions		**11 736**	**4 570**	**10 663**	**4 570**
Special bonus	*I4.3*	10 663	4 570	10 663	4 570
Cash deferred awards		1 073	-	-	-
Total long-term incentive obligations		**46 567**	**37 646**	**44 426**	**37 646**

L2.4 Amounts recognised in profit or loss

	Note	GROUP June 2023 R'000	GROUP June 2022 R'000	COMPANY June 2023 R'000	COMPANY June 2022 R'000
Expense arising from equity-settled share-based payments		5 182	6 529	5 182	6 529
Expense arising from cash-settled share-based payments		971	-	-	-
Total share-based payments expense	*D4.2*	**6 153**	**6 529**	**5 182**	**6 529**

L. REMUNERATION
L2 LONG-TERM INCENTIVES
L2.5 Number of awards outstanding

GROUP and COMPANY	TOTAL AWARDS June 2023	June 2022
Outstanding at the beginning of the year	1 705 272	1 377 049
New awards granted	953 129	522 930
Vested[1]	(50 691)	(51 050)
Forfeited	(231 672)	(143 657)
Outstanding at the end of the year	**2 376 038**	**1 705 272**

[1] *Vested awards are settled by the transfer of Hyprop ordinary shares to the employees*

Number of awards by award type	Weighted average remaining vesting period (years) June 2023	June 2022	TOTAL AWARDS June 2023	June 2022
CUP	1.0	1.8	1 439 336	1 705 272
LTPA - equity settled	2.9	-	632 324	-
LTPA - cash settled	2.9	-	177 499	-
Subtotal			**2 249 159**	**1 705 272**
Restricted	1.4	-	126 879	-
Outstanding at the end of the year			**2 376 038**	**1 705 272**

L2.6 Value of awards outstanding

GROUP and COMPANY	TOTAL AWARD VALUE June 2023 R'000	June 2022 R'000
Outstanding at the beginning of the year at market value[2]	56 598	36 492
New awards granted[3]	34 780	7 399
Vested[4]	(1 748)	(1 581)
Forfeited	(7 747)	(3 807)
Change in market value	(8 915)	18 095
Outstanding at the end of the year at market value[5]	**72 968**	**56 598**

[2] *Awards outstanding at the beginning of the year and awards forfeited are valued at the prior year closing share price of R33.19 on 30 June 2022 (2022: R26.50 on 30 June 2021).*

[3] *Awards granted during the year were valued at the 30 day VWAP on grant date of R36.49 (2022: R28.30).*

[4] *Two tranches of CUP awards vested during the 2023 year at fair values of R33.98 and R34.80 per share.*

[5] *Awards outstanding at the end of the year are valued at the closing share price of R30.71 (2022: R33.19).*

L2.7 Movement reconciliation - Share-based payment reserve

(CUP and LTPA - equity settled)

	GROUP and COMPANY June 2023 R'000	June 2022 R'000
Balance at the beginning of the year	33 076	32 058
Release of reserve on vesting of awards	(4 495)	(5 653)
Share-based payment expense	15 825	15 893
Forfeitures	(10 643)	(9 222)
Balance at the end of the year	**33 763**	**33 076**

L2.8 Valuation methodology

The day-one fair value of the awards granted is determined based on the 30-day VWAP of Hyprop awards ending on the grant date. The number of awards expected to vest is not adjusted for performance conditions measured relative to peer groups as it is not possible to reliably predict future relative performance.

L. REMUNERATION

L3 RETIREMENT BENEFITS

L3.1 Accounting policy

A defined contribution plan is a post-employment benefit plan under which Group companies pay contributions to separate entities (funds) which provide post retirement benefits to employees. The Group companies have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Group company contributions to defined contribution plans are recognised as an employee benefit expense when the related services have been rendered.

L3.2 Profile

SA

All permanent employees must be members of the Unicover Pension Fund (an umbrella defined contribution fund) (the Unicover fund), except those who elect not to be members in terms of section 197 of the Labour Relations Act 66 of 1995 (LRA).

In addition to the post-retirement benefits, the fund provides comprehensive death, disability, funeral and universal education cover for all members.

L3.3 Retirement benefits – expense

	GROUP		COMPANY	
	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Employer contributions	10 607	8 119	10 607	7 745
Employee contributions	5 493	5 363	5 493	5 064
Total	**16 100**	**13 482**	**16 100**	**12 809**

M. FINANCIAL INSTRUMENTS

M1 CLASSIFICATION OF FINANCIAL INSTRUMENTS

M1.1 Accounting policy

Financial instruments are monetary contracts that give rise to a financial asset (a right to receive cash) of one entity, and a financial liability (an obligation to deliver cash) or own equity instrument of another entity.

Recognition

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes party to the contractual provisions of the instrument. The Group classifies financial assets, or their component parts, on initial recognition in accordance with the Group's business model (i.e. whether the Group's objective is to hold the assets to collect contractual cash flows, or hold to collect and sell, or another objective).

Classification

A *financial asset* is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A *debt instrument* is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost of FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the business model objective for which a financial asset is held at a portfolio level, because this best reflects how the business is managed and how information is provided to management.

The information considered includes:

- The Group's strategic objectives for the portfolio of assets;
- How the performance of the portfolio is evaluated and reported to management;
- The risks that affect the performance of the portfolio; and
- The historic frequency, volume and timing of sales of financial assets, and the reasons for such sales.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. In making this assessment the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specific assets (e.g. non-recourse features).

M. FINANCIAL INSTRUMENTS

M1 CLASSIFICATION OF FINANCIAL INSTRUMENTS

M1.1 Accounting policy

Measurement

Initial measurement	Subsequent measurement classification
Financial instruments which are categorised and designated at initial recognition as being at FVTPL are initially recognised at fair value. Transaction costs which are directly attributable to the acquisition or issue of these financial instruments are recognised immediately in profit or loss.	*FVTPL*
Financial instruments which are not carried at FVTPL are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.	*Amortised Cost*

Presentation - Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Group has an enforceable right to set off the asset and liability, and intends to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

For details on the Group's assessment of expected credit losses, see note N5 - *Credit risk and sensitivity*

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Fair value hierarchy

In addition to the subsequent measurement classification, financial instruments carried at fair value are further classified into 3 levels based on the lowest level of significant inputs to the overall valuation.

Level 1	Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The Group has no level 1 financial instruments.
Level 2	Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The Group has classified derivatives as level 2.
Level 3	Level 3 inputs are unobservable inputs. These are used to measure fair value to the extent that relevant observable inputs are not available, to cater for situations in which there is little, or no, market activity for the asset or liability at the measurement date. At 30 June 2023 and 2022 the Group had no level 3 financial instruments.

M1.2 Accounting classifications, carrying amounts and fair values

The table in M3.1 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. Long-term borrowings have carrying amounts which reasonably approximate their fair values because the loans (except one) are all variable interest rate loans with market related interest rates. Non-current Loans receivable, which are recorded at amortised cost, have their fair values disclosed in the tables below. Current financial assets and liabilities which are recorded at amortised cost do not have a fair value disclosure as their carrying values approximate fair value due to their short term nature.

M2 FAIR VALUE MEASUREMENT METHODOLOGIES

M2.1 Fair value measurement techniques

The following tables show the valuation techniques used in measuring level 2 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Unobservable inputs	Change in input	Effect on estimated fair value
Derivatives - *level 2*	***Market comparison:*** The valuation of the derivative instruments was determined by discounting the future cash flows using the JIBAR, SOFR, EURIBOR or the OIS swap curves as applicable. Similar contracts are traded in active markets and the fair values are based on actual transactions in similar instruments.	Projected forward interest rate	Increase	Increase asset/ decrease liability

M2.1.1 Transfers between levels 2 and 3

There were no transfers in either direction between levels 2 or 3 during the current or prior years.

M2.1.2 Additional disclosures

Additional details on the fair values of level 2 and 3 financial instruments are disclosed in the following notes:

	Derivatives
Valuation assumptions – Unobservable inputs	H2.6
Movement reconciliation	H2.4
Valuation sensitivities	H2.7

M. FINANCIAL INSTRUMENTS

M3 MEASUREMENT OF FINANCIAL INSTRUMENTS

M3.1 Accounting classifications, carrying amounts and fair values

GROUP June 2023 R'000	Note	Carrying amount Fair value through profit or loss	Amortised cost	Total	Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1) Level 2	Level 3[2]	Total
Financial assets measured at fair value							
Derivative instruments - non-current	H2.3	130 740	-	**130 740**	130 740	-	**130 740**
Derivative instruments - current	H2.3	157 241	-	**157 241**	157 241	-	**157 241**
		287 981	**-**	**287 981**	**287 981**	**-**	**287 981**
Financial assets not measured at fair value							
Loans receivable - non-current	F1.2	-	162 532	**162 532**	n/a	149 222	**149 222**
Loans receivable - current	F1.2	-	50 189	**50 189**	n/a	n/a	**n/a**
Trade receivables	F2.2.1/ E6.3	-	233 977	**233 977**	n/a	n/a	**n/a**
Other receivables - financial instruments	F2.2.2	-	-	**-**	n/a	n/a	**n/a**
Cash and cash equivalents	F3.2	-	1 201 103	**1 201 103**	n/a	n/a	**n/a**
		-	**1 647 801**	**1 647 801**	**-**	**149 222**	**149 222**
Financial liabilities measured at fair value							
Derivative instruments - non-current	H2.3	14 795	-	**14 795**	14 795	-	**14 795**
Derivative instruments - current	H2.3	4 434	-	**4 434**	4 434	-	**4 434**
		19 229	**-**	**19 229**	**19 229**	**-**	**19 229**
Financial liabilities not measured at fair value							
Long-term portion of interest-bearing borrowings	H1.3	-	9 738 356	**9 738 356**	n/a	n/a	**n/a**
Short-term portion of interest-bearing borrowings	H1.3	-	5 482 477	**5 482 477**	n/a	n/a	**n/a**
Trade and other payables - financial instruments	I3.2.1/E6.3	-	543 184	**543 184**	n/a	n/a	**n/a**
		-	**15 764 017**	**15 764 017**	**-**	**-**	**-**

[1] Balances in the table above include assets held-for-sale where applicable and they are shown as current/short-term.

[2] These fair values are disclosed for material non-current financial assets carried at amortised cost as their carrying amounts do not approximate their fair value.

[3] Where fair values are marked as n/a the carrying amount approximates the fair value.

M. FINANCIAL INSTRUMENTS
M3 MEASUREMENT OF FINANCIAL INSTRUMENTS
M3.1 Accounting classifications, carrying amounts and fair values

GROUP June 2022 R'000	Note	Carrying amount Fair value through profit or loss	Amortised cost	Total	Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1) Level 2	Level 3[2]	Total
Financial assets measured at fair value							
Derivative instruments - non-current	*H2.3*	183 977	-	**183 977**	183 977	-	**183 977**
Derivative instruments - current	*H2.3*	7 499	-	**7 499**	7 499	-	**7 499**
		191 476	**-**	**191 476**	**191 476**	**-**	**191 476**
Financial assets not measured at fair value							
Loans receivable - non-current	*F1.2*	-	219 989	**219 989**	n/a	206 269	**206 269**
Loans receivable - current	*F1.2*	-	2 558	**2 558**	n/a	n/a	**n/a**
Trade receivables	*F2.2.1/E6.3*	-	134 284	**134 284**	n/a	n/a	**n/a**
Cash and cash equivalents	*F3.2/E6.3*	-	1 707 960	**1 707 960**	n/a	n/a	**n/a**
		-	**2 064 791**	**2 064 791**	**-**	**206 269**	**206 269**
Financial liabilities measured at fair value							
Derivative instruments - non-current	*H2.3*	11 038	-	**11 038**	11 038	-	**11 038**
Derivative instruments - current	*H2.3*	5 934	-	**5 934**	5 934	-	**5 934**
		16 972	**-**	**16 972**	**16 972**	**-**	**16 972**
Financial liabilities not measured at fair value							
Long-term portion of interest-bearing borrowings	*H1.3*	-	7 810 765	**7 810 765**	n/a	n/a	**n/a**
Short-term portion of interest-bearing borrowings	*H1.3*	-	6 677 257	**6 677 257**	n/a	n/a	**n/a**
Trade and other payables - financial instruments	*I3.2.1/E6.3*	-	536 647	**536 647**	n/a	n/a	**n/a**
		-	**15 024 669**	**15 024 669**	**-**	**-**	**-**

[1] *Balances in the table above include assets held-for-sale where applicable and they are shown as current/short-term.*

[2] *These fair values are disclosed for material non-current financial assets carried at amortised cost as their carrying amounts do not approximate their fair value.*

[3] *Where fair values are marked as n/a the carrying amount approximates the fair value.*

M. FINANCIAL INSTRUMENTS

M3 MEASUREMENT OF FINANCIAL INSTRUMENTS

M3.1 Accounting classifications, carrying amounts and fair values

COMPANY June 2023 R'000	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Other[2]	Carrying amount: Amortised cost	Carrying amount: Total	Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1): Level 2	Level 3[3]	Total
Financial assets measured at fair value								
Derivative instruments - non-current	*H2.3*	11 135	-	-	**11 135**	11 135	-	**11 135**
Derivative instruments - current	*H2.3*	73 558	-	-	**73 558**	73 558	-	**73 558**
		84 693	**-**	**-**	**84 693**	**84 693**	**-**	**84 693**
Financial assets not measured at fair value								
Loans receivable - non-current	*F1.2*	-	-	136 825	**136 825**	n/a	123 211	**123 211**
Trade receivables	*F2.2.1*			90 017	**90 017**	n/a	n/a	**n/a**
Other receivables - financial instruments	*F2.2.2*	-	-	151 871	**151 871**	n/a	n/a	**n/a**
Cash and cash equivalents	*F3.2*	-	-	368 844	**368 844**	n/a	n/a	**n/a**
		-	**-**	**747 557**	**747 557**	**-**	**123 211**	**123 211**
Financial liabilities measured at fair value								
Derivative instruments - non-current	*H2.3*	6 562	-	-	**6 562**	6 562	-	**6 562**
Derivative instruments - current	*H2.3*	649	-	-	**649**	649	-	**649**
		7 211	**-**	**-**	**7 211**	**7 211**	**-**	**7 211**
Financial liabilities not measured at fair value								
Long-term portion of interest-bearing borrowings	*H1.3*	-	-	5 654 745	**5 654 745**	n/a	n/a	**n/a**
Short-term portion of interest-bearing borrowings	*H1.3*	-	-	1 424 965	**1 424 965**	n/a	n/a	**n/a**
Financial guarantees - non-current	*H3.4*	-	427	-	**427**	n/a	n/a	**n/a**
Financial guarantees - current	*H3.4*	-	44 536	-	**44 536**	n/a	n/a	**n/a**
Trade and other payables - financial instruments	*I3.2.1*	-	-	315 620	**315 620**	n/a	n/a	**n/a**
		-	**44 963**	**7 395 330**	**7 440 293**	**-**	**-**	**-**

[1] Balances in the table above include assets held-for-sale where applicable and they are shown as current/short-term.

[2] Financial guarantees are initially measured at fair value and subsequently at the higher of the loss allowance determined in accordance with IFRS 9: Financial instruments and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from contracts with customers.

[3] These fair values are disclosed for material non-current financial assets carried at amortised cost as their carrying amounts do not approximate their fair value.

[4] Where fair values are marked as n/a the carrying amount approximates the fair value.

M. FINANCIAL INSTRUMENTS

M3 MEASUREMENT OF FINANCIAL INSTRUMENTS

M3.1 Accounting classifications, carrying amounts and fair values

COMPANY June 2022 R'000	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Other[2]	Carrying amount: Amortised cost	Carrying amount: Total	Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1): Level 2	Level 3[3]	Total
Financial assets measured at fair value								
Derivative instruments - current	H2.3	87 874	-	-	**87 874**	87 874	-	**87 874**
		87 874	**-**	**-**	**87 874**	**87 874**	**-**	**87 874**
Financial assets not measured at fair value								
Loans receivable - non-current	F1.2	-	-	124 630	**124 630**	n/a	54 504	**54 504**
Loans receivable - current	F1.2	-	-	11 364	**11 364**	n/a	n/a	**n/a**
Trade receivables	F2.2.1	-	-	75 970	**75 970**	n/a	n/a	**n/a**
Cash and cash equivalents	F3.2	-	-	430 219	**430 219**	n/a	n/a	**n/a**
		-	**-**	**642 183**	**642 183**	**-**	**54 504**	**54 504**
Financial liabilities measured at fair value								
Derivative instruments - non-current	H2.3	11 038	-	-	**11 038**	11 038	-	**11 038**
Derivative instruments - current	H2.3	5 561	-	-	**5 561**	5 561	-	**5 561**
		16 599	**-**	**-**	**16 599**	**16 599**	**-**	**16 599**
Financial liabilities not measured at fair value								
Long-term portion of interest-bearing borrowings	H1.3	-	-	4 794 710	**4 794 710**	n/a	n/a	**n/a**
Short-term portion of interest-bearing borrowings	H1.3	-	-	2 361 715	**2 361 715**	n/a	n/a	**n/a**
Financial guarantees - non-current	H3.4	-	44 536	-	**44 536**	n/a	n/a	**n/a**
Financial guarantees - current	H3.4	-	427	-	**427**	n/a	n/a	**n/a**
Trade and other payables - financial instruments	I3.2.1	-	-	316 713	**316 713**	n/a	n/a	**n/a**
		-	**44 963**	**7 473 138**	**7 518 101**	**-**	**-**	**-**

[1] Balances in the table above include assets held-for-sale where applicable and they are shown as current/short-term.

[2] Financial guarantees are initially measured at fair value and subsequently at the higher of the loss allowance determined in accordance with IFRS 9: Financial instruments and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from contracts with customers.

[3] These fair values are disclosed for material non-current financial assets carried at amortised cost as their carrying amounts do not approximate their fair value.

[4] Where fair values are marked as n/a the carrying amount approximates the fair value.

N. FINANCIAL RISK MANAGEMENT

N1 RISK MANAGEMENT OVERVIEW

The Group is exposed to the following risks relating to financial instruments:

- Liquidity risk	See note N2 - *Liquidity risk and sensitivity*
- Interest rate risk	See note N3 - *Interest rate risk and sensitivity*
- Currency risk	See note N4 - *Currency risk and sensitivity*
- Credit risk	See note N5 - *Credit risk and sensitivity*

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board, assisted by the ARC, monitors the effectiveness of the internal control systems and other risk management procedures.

The ARC has an independent role, operating as an overseer and making recommendations to the Board for its consideration and final approval. The role of the ARC includes ensuring that an appropriate risk management policy, aligned with industry practice, is adopted and implemented. The ARC is assisted by management and outsourced internal audit service providers, both of which report to the ARC. The ARC reports on the findings of the internal auditors to the Board. For further detail on the role and mandate of the ARC, please refer to its charter on the Group's website and the report of the ARC attached to the financial statements.

The ARC does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

Executive management is responsible for maintaining a risk register and identifying and monitoring the risks (including financial risks) which the Group faces, assessing the potential impact of such risks on the Group and their likelihood of occurring. The ARC, in conjunction with executive management, determines the Group's risk tolerance.

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.1 Risk and mitigation

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, and includes liquidity risk (N2.2) and financing/refinancing risk (N2.3).

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Refinancing risk concentrations are monitored on an ongoing basis by Group treasury. The Group's cashflow requirements based on the expected rental income, operating expenses, capital expenditure requirements and debt settlements are projected 12 months in advance for each geographic segment.

Exposure		Mitigation
Liquidity –	The risk that the Group will not be able to meet its financial obligations as they fall due. The Group is exposed to liquidity risk through its borrowings, cash and cash equivalents and loans receivable. See N2.2 - *Financial exposure - Liquidity*	**Risk is managed by:** - actively monitoring cash flow requirements and debt maturity profiles; - maintaining cash balances, unused revolving credit facilities, unused term loan facilities and access to debt capital markets to ensure future obligations can be met; - maintaining adequate borrowing capacity relative to maximum limits imposed by regulators and/or internally; - maintaining interest cover ratios and strong cash generated by operations to meet interest obligations; - settling interest payments at regular intervals (usually quarterly or six monthly);
Financing/ Refinancing –	The risk that the Group is unable to raise the required finance to meet its obligations or to refinance existing borrowings, including that the cost of borrowings becomes unaffordable. The Group is exposed to financing/refinancing risk through its borrowings. See N2.3 - *Financing/ Refinancing*	- adopting a pro-active approach to refinancing maturing borrowings well in advance of the maturity date; - maintaining strong relationships with commercial banks and other lenders; - regular engagement with institutional bond investors; - managing debt maturity profiles to ensure a relatively constant level of loan maturities in each year; and - raising loans with terms that are generally between three and five years in duration.

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.2 Financial exposure - Liquidity

The following table summarises the maturity profiles and contractual cash flows of financial instruments at the reporting date. The contractual cash flow amounts are gross and undiscounted, and include contractual interest payments where applicable. The tables below exclude assets held-for-sale.

GROUP June 2023 R'000	Note	Carrying value	Total contractual cash flows	Due within 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years
Non-derivative financial assets							
Loans receivable – non-current	*F1.2*	162 532	211 442	15 385	25 969	80 146	89 942
Loans receivable – current	*F1.2*	50 189	51 444	51 444	-	-	-
Trade receivables	*F2.2.1*	150 909	150 909	150 909	-	-	-
Cash and cash equivalents	*F3.2*	1 047 080	1 047 080	1 047 080	-	-	-
Total		**1 410 710**	**1 460 875**	**1 264 818**	**25 969**	**80 146**	**89 942**
Non-derivative financial liabilities							
Long-term portion of borrowings	*H1.3*	(9 738 356)	(14 222 879)	(625 972)	(3 172 240)	(6 473 676)	(3 950 991)
Short-term portion of borrowings	*H1.3*	(3 894 580)	(4 059 259)	(4 059 259)	-	-	-
Trade and other payables - financial instruments	*I3.2.1*	(452 278)	(452 278)	(452 278)	-	-	-
Total		**(14 085 214)**	**(18 734 416)**	**(5 137 509)**	**(3 172 240)**	**(6 473 676)**	**(3 950 991)**
Derivative financial assets[1]							
Interest rate swaps/caps – non-current	*H2.3*	130 740	147 096	-	79 296	67 800	-
Interest rate swaps/caps – current	*H2.3*	157 241	163 514	163 514	-	-	-
Total		**287 981**	**310 610**	**163 514**	**79 296**	**67 800**	**-**
Derivative financial liabilities[1]							
Interest rate swaps/caps – non-current	*H2.3*	(14 795)	(24 508)	-	(9 377)	(14 087)	(1 044)
Interest rate swaps/caps – current	*H2.3*	(4 434)	(4 548)	(4 548)	-	-	-
Total		**(19 229)**	**(29 056)**	**(4 548)**	**(9 377)**	**(14 087)**	**(1 044)**
Net (liability)/asset exposure		**(12 405 752)**	**(16 991 987)**	**(3 713 725)**	**(3 076 352)**	**(6 339 817)**	**(3 862 093)**

[1] Derivatives - The inflows/(outflows) disclosed in the above table represent the undiscounted contractual cash flows relating to derivative financial instruments held for risk management purposes. These derivative financial instruments are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives as they are settled on a net basis.

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.2 Financial exposure - Liquidity

GROUP June 2022 R'000	Note	Carrying value	Total contractual cash flows	Due within 12 months	Due between 1 and 5 years	Due after 5 years
Non-derivative financial assets						
Loans receivable – non-current	*F1.2*	219 989	258 964	9 695	145 324	103 945
Loans receivable – current	*F1.2*	2 558	2 558	2 558	-	-
Trade receivables	*F2.2.1*	116 893	116 893	116 893	-	-
Cash and cash equivalents	*F3.2*	1 387 471	1 387 471	1 387 471	-	-
Total		**1 726 911**	**1 765 886**	**1 516 617**	**145 324**	**103 945**
Non-derivative financial liabilities						
Long-term portion of borrowings	*H1.3*	(7 807 219)	(8 756 674)	(278 298)	(8 102 323)	(376 053)
Short-term portion of borrowings	*H1.3*	(5 276 584)	(5 461 504)	(5 461 504)	-	-
Trade and other payables - financial instruments	*I3.2.1*	(479 346)	(479 346)	(479 346)	-	-
Total		**(13 563 149)**	**(14 697 524)**	**(6 219 148)**	**(8 102 323)**	**(376 053)**
Derivative financial assets[1]						
Interest rate swaps/caps – non-current	*H2.3*	183 977	113 269	35 545	77 724	-
Interest rate swaps/caps – current	*H2.3*	7 499	7 499	7 499	-	-
Total		**191 476**	**120 768**	**43 044**	**77 724**	**-**
Derivative financial liabilities[1]						
Interest rate swaps/caps – non-current	*H2.3*	(11 038)	(38 158)	(23 835)	(14 323)	-
Interest rate swaps/caps – current	*H2.3*	(5 934)	(5 934)	(5 934)	-	-
Total		**(16 972)**	**(44 092)**	**(29 769)**	**(14 323)**	**-**
Net (liability)/asset exposure		**(11 661 734)**	**(12 854 962)**	**(4 689 256)**	**(7 893 598)**	**(272 108)**

[1] Derivatives - The inflows/(outflows) disclosed in the above table represent the undiscounted contractual cash flows relating to derivative financial instruments held for risk management purposes. These derivative financial instruments are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives as they are settled on a net basis.

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.2 Financial exposure - Liquidity

COMPANY June 2023 R'000	Note	Carrying value	Total contractual cash flows	Due within 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due after 5 years
Non-derivative financial assets							
Loans receivable – non-current	*F1.2*	136 825	171 765	10 731	88 972	72 062	-
Trade receivables	*F2.2.1*	90 017	90 017	90 017	-	-	-
Other receivables - financial instruments	*F2.2.2*	151 871	151 871	151 871	-	-	-
Cash and cash equivalents	*F3.2*	368 844	368 844	368 844	-	-	-
Total		**747 557**	**782 497**	**621 463**	**88 972**	**72 062**	**-**
Non-derivative financial liabilities							
Long-term portion of borrowings	*H1.3*	(5 654 745)	(6 358 864)	(500 395)	(1 682 594)	(4 175 875)	-
Short-term portion of borrowings	*H1.3*	(1 424 965)	(1 510 819)	(1 510 819)	-	-	-
Financial guarantees – non-current[1]	*H3.4*	(427)	(26 066)	(640)	(640)	(24 786)	-
Financial guarantees – current[1]	*H3.4*	(44 536)	(2 250 898)	(2 250 898)	-	-	-
Trade and other payables - financial instruments	*I3.2.1*	(315 620)	(315 620)	(315 620)	-	-	-
Total		**(7 440 293)**	**(10 462 267)**	**(4 578 372)**	**(1 683 234)**	**(4 200 661)**	**-**
Derivative financial assets[2]							
Interest rate swaps/caps – non-current	*H2.3*	11 135	11 242	-	11 242	-	-
Interest rate swaps/caps – current	*H2.3*	73 558	77 205	77 205	-	-	-
Total		**84 693**	**88 447**	**77 205**	**11 242**	**-**	**-**
Derivative financial liabilities[2]							
Interest rate swaps/caps – non-current	*H2.3*	(6 562)	(7 583)	-	(4 703)	(2 880)	-
Interest rate swaps/caps – current	*H2.3*	(649)	(672)	(672)	-	-	-
Total		**(7 211)**	**(8 255)**	**(672)**	**(4 703)**	**(2 880)**	**-**
Net (liability)/asset exposure		**(6 615 254)**	**(9 599 578)**	**(3 880 376)**	**(1 587 723)**	**(4 131 479)**	**-**

[1] Financial guarantees - The outflows disclosed for the financial guarantees in the table represent the maximum potential outflow under the guarantees in the event of the borrowers defaulting on all their obligations under the guaranteed loans.

[2] Derivatives - The inflows/(outflows) disclosed in the above table represent the undiscounted contractual cash flows relating to derivative financial instruments held for risk management purposes. These derivative financial instruments are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives as they are settled on a net basis.

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.2 Financial exposure - Liquidity

COMPANY June 2022 R'000	Note	Carrying value	Total contractual cash flows	Due within 12 months	Due between 1 and 5 years	Due after 5 years
Non-derivative financial assets						
Loans receivable – non-current	*F1.2*	124 630	89 877	700	17 374	71 803
Loans receivable – current	*F1.2*	11 364	11 364	11 364	-	-
Trade receivables	*F2.2.1*	75 970	75 970	75 970	-	-
Cash and cash equivalents	*F3.2*	430 219	430 219	430 219	-	-
Total		**642 183**	**607 430**	**518 253**	**17 374**	**71 803**
Non-derivative financial liabilities						
Long-term portion of borrowings	*H1.3*	(4 794 710)	(4 814 502)	(278 298)	(4 536 204)	-
Short-term portion of borrowings	*H1.3*	(2 361 715)	(2 470 186)	(2 470 186)	-	-
Financial guarantees – non-current[1]	*H3.4*	(44 536)	(1 900 652)	(39 913)	(1 860 739)	-
Financial guarantees – current[1]	*H3.4*	(427)	(20 888)	(20 888)	-	-
Trade and other payables - financial instruments	*I3.2.1*	(316 713)	(316 713)	(316 713)	-	-
Total		**(7 518 101)**	**(9 522 941)**	**(3 125 998)**	**(6 396 943)**	**-**
Derivative financial assets[2]						
Interest rate swaps/caps – non-current	*H2.3*	87 874	17 167	8 088	9 079	-
Total		**87 874**	**17 167**	**8 088**	**9 079**	**-**
Derivative financial liabilities[2]						
Interest rate swaps/caps – non-current	*H2.3*	(11 038)	(38 158)	(23 835)	(14 323)	-
Interest rate swaps/caps – current	*H2.3*	(5 561)	(5 561)	(5 561)	-	-
Total		**(16 599)**	**(43 719)**	**(29 396)**	**(14 323)**	**-**
Net (liability)/asset exposure		**(6 804 643)**	**(8 942 063)**	**(2 629 053)**	**(6 384 813)**	**71 803**

[1] *Financial guarantees - The outflows disclosed for the financial guarantees in the table represent the maximum potential outflow under the guarantees in the event of the borrowers defaulting on all their obligations under the guaranteed loans.*

[2] *Derivatives - The inflows/(outflows) disclosed in the above table represent the undiscounted contractual cash flows relating to derivative financial instruments held for risk management purposes. These derivative financial instruments are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives as they are settled on a net basis.*

N. FINANCIAL RISK MANAGEMENT

N2 LIQUIDITY RISK AND SENSITIVITY

N2.3 Financing/ Refinancing

The Group regularly monitors the indicators below in managing the financing/refinancing element of its liquidity risk exposure.

N2.3.1 Available facilities/resources

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
Borrowing facilities	R'000	R'000	R'000	R'000
Revolving credit facilities	1 650 000	1 950 000	1 650 000	1 950 000
Term loan facilities	22 396	693 701	-	650 000
Borrowing capacity under the Company's DCM programme[1]	1 919 503	2 750 329	1 919 503	2 750 329
Total unutilised borrowing capacity	**3 591 899**	**5 394 030**	**3 569 503**	**5 350 329**

[1] *The Company's DCM programme has a maximum limit of R5 billion.*

Refer to note F3 for details of Cash and cash equivalents.

N2.3.2 Weighted average term of borrowings

	GROUP		COMPANY	
	June 2023	June 2022	June 2023	June 2022
	Years	Years	Years	Years
ZAR	2.59	1.98	2.59	1.98
EUR	4.21	2.47	-	-
USD	1.67	0.67	-	-
Total	**3.25**	**1.93**	**2.59**	**1.98**

N2.3.3 Next major refinancing cycle

	Type of borrowing	Encumbrance	Financial year		Borrowing currency '000	ZAR Equivalent R'000
ZAR	Term loan	Secured	2024	R	925 000	925 000
ZAR	Bonds	Unsecured	2024	R	500 000	500 000
ZAR	RCF	Secured	2025	R	500 000	500 000
ZAR	Term loan	Secured	2025	R	500 000	500 000
ZAR	Bonds	Unsecured	2025	R	348 000	348 000
EUR	Term loan[2]	Secured	2024	€	109 679	2 250 505
USD	Term loan	Secured	2025	$	56 500	1 075 160

[2] *The loan was refinanced on 3 July 2023 for periods ranging from 12 months to 3 years.*

N. FINANCIAL RISK MANAGEMENT

N3 INTEREST RATE RISK AND SENSITIVITY

N3.1 Risk and mitigation

Interest rate risk is the risk that the value of short-term investments and financial performance will be impacted as a result of fluctuations in interest rates.

Exposure	Mitigation
Fluctuations in interest rates impact the value of short-term investments, financing activities, the cost of borrowings, and interest income. The Group has significant exposure to interest rate risk through its loans receivable, borrowings, cash and cash equivalents and short-term investments.	- In terms of the Group's interest rate hedging policy at least 75% of interest rate exposure for borrowings is fixed. - The Board has approved the use of interest rate swaps, forward starting interest rate swaps, fixed rate loans, interest rate collars and interest rate caps to manage interest rate exposure. - Details of interest rate hedges are included in note H2 - *Derivatives* .

N3.1.1 Interest Rate Benchmark Reforms

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group's main IBOR exposures at 30 June relate to its derivatives and borrowing costs which are indexed to JIBAR, SOFR or EURIBOR.

The South African Reserve Bank has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. A suitable alternate rate for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group.

On 2 July 2019, the Financial Services and Markets Authority (FSMA) announced that EMMI can continue to publish the reformed EURIBOR, i.e., there is currently no need to replace EURIBOR with an alternative interest rate. It is still unclear whether EURIBOR will remain available permanently as market participants may gradually turn to products that are based on a risk-free rate such as the €STR. At present, it is assumed that the reformed EURIBOR will remain in existence until the end of 2025.

Interest rates on the Group's US Dollar denominated borrowings were changed from LIBOR referenced to SOFR referenced in 2023 as part of the IBOR reforms.

N3.1.2 Exposure to benchmark interest rates

		GROUP		COMPANY	
	Base Currency	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
JIBAR exposure (net)		**1 068 735**	**1 737 300**	**1 068 735**	**1 737 300**
Borrowings	ZAR	6 318 735	6 395 300	6 318 735	6 395 300
Derivatives - nominal amount	ZAR	(5 250 000)	(4 658 000)	(5 250 000)	(4 658 000)
EURIBOR exposure (net)		**1 796 927**	**1 248 969**	**-**	**-**
Borrowings	EUR	7 299 694	4 784 538	-	-
Derivatives - nominal amount [1]	EUR	(5 502 767)	(3 535 569)	-	-
SOFR exposure (net)		**(23 140)**	**995 805**	**-**	**-**
Borrowings	USD	1 112 282	995 805	-	-
Derivatives - nominal amount	USD	(1 135 422)	-	-	-

The Group does not apply hedge accounting for any of its derivatives.

[1] *Excludes forward starting hedges taken out in anticipation of refinancing a fixed rate loan.*

N. FINANCIAL RISK MANAGEMENT

N3 INTEREST RATE RISK AND SENSITIVITY

N3.2 Financial exposure - Interest rates

The interest rate profile of the Group's short-term investments, cash and cash equivalents, loans receivable and interest-bearing borrowings as reported is as follows:

			GROUP		COMPANY	
			June 2023	June 2022	June 2023	June 2022
N3.2.1	**Assets**	*Note*	R'000	R'000	R'000	R'000
	Cash and cash equivalents	*F3.2*	1 047 080	1 387 471	368 844	430 219
	Loans receivable - Non-current	*F1.2*	157 132	215 789	131 425	120 430
	Loans receivable - Current	*F1.2*	50 189	2 558	-	11 364
	Total continuing operations		**1 254 401**	**1 605 818**	**500 269**	**562 013**
	Cash and cash equivalents associated with non-current assets held-for-sale	*E6.3*	154 023	320 489	-	-
	Total assets (incl. held-for-sale)		**1 408 424**	**1 926 307**	**500 269**	**562 013**
N3.2.2	**Liabilities**					
	Long-term portion of borrowings	*H1.3*	9 738 356	7 807 219	5 654 745	4 794 710
	Short-term portion of borrowings	*H1.3*	3 894 580	5 276 584	1 424 965	2 361 715
	Total continuing operations		**13 632 936**	**13 083 803**	**7 079 710**	**7 156 425**
	Liabilities associated with non-current assets held-for-sale	*H1.3*	1 587 897	1 404 220	-	-
	Total liabilities (incl. held-for-sale)		**15 220 833**	**14 488 023**	**7 079 710**	**7 156 425**
N3.2.3	**Interest rate hedges**					
	Total borrowings (incl. held-for-sale)	*H1.2*	15 220 833	14 488 023	7 079 710	7 156 425
	Less interest free borrowings	*H1.5.3*	(14 507)	(11 112)	(760 975)	(761 125)
	Less Non-controlling shareholder loans	*H1.5.3*	(512 437)	(440 516)	-	-
	Less revolving credit facilities drawn		(397 900)	(346 775)	(397 900)	(346 775)
	Interest bearing term and other borrowings (A)		**14 295 989**	**13 689 620**	**5 920 835**	**6 048 525**
	Third party loans with fixed interest rates **(B)**		2 250 506	1 860 752	-	-
	Nominal value of interest rate hedges **(C)** [1]		9 637 683	8 168 726	5 250 000	4 658 000
	Proportion of interest costs hedged **(B+C)/A**		83%	73%	89%	77%

[1] *Excludes forward starting hedges taken out in anticipation of refinancing a fixed rate loan.*

Included in interest expense is an amount of R62.7m received (2022: R105m paid) on interest rate hedges.

N. FINANCIAL RISK MANAGEMENT

N3 INTEREST RATE RISK AND SENSITIVITY

N3.2 Financial exposure - Interest rates

N3.2.3 Interest rate hedges

Summarised quantitative data on the Group's interest rate exposure at 30 June is set out below:

	Reported as	GROUP June 2023	June 2022
Proportion of borrowing costs which are hedged[1]			
ZAR borrowings	*Percentage*	88.7	77.0
EUR borrowings	*Percentage*	75.4	80.8
USD borrowings	*Percentage*	102.1	-

[1] *Nominal value of interest rate hedges and fixed rate loans as a percentage of outstanding capital. Excludes forward starting hedges taken out in anticipation of refinancing a fixed rate loan.*

	Reported as	GROUP June 2023	June 2022
Cost of funding (excluding hedges)	*Percentage*	8.5	4.8
ZAR borrowings	*Percentage*	10.3	6.8
EUR borrowings	*Percentage*	5.9	2.5
USD borrowings	*Percentage*	11.3	7.1
Cost of funding (including hedges)	*Percentage*	6.5	5.3
ZAR borrowings	*Percentage*	8.9	7.6
EUR borrowings	*Percentage*	3.9	2.7
USD borrowings	*Percentage*	9.9	7.1
Average term of interest rate hedges	*Years*	1.9	1.9
ZAR borrowings	*Years*	1.5	1.8
EUR borrowings	*Years*	2.2	1.9
USD borrowings	*Years*	1.7	-
Interest cover ratio			
Interest cover ratio (gross)	*Times*	2.8	3.2
Interest cover ratio (net)	*Times*	2.9	3.6

N3.3 Sensitivity

Based on the interest rate profile (fixed or variable) of the Group's borrowings and interest rate hedges at 30 June, an increase/decrease in an interest rate, while all other variables are held constant, would decrease/increase the Group's equity and profit for the year by the amounts detailed below:

Increase/(Decrease) in profit and equity		June 2023 bps change	June 2022 bps change	GROUP June 2023 R'000	June 2022 R'000
ZAR borrowings	Decrease	100 bps	150 bps	10 687	26 197
EUR borrowings	Decrease	100 bps	100 bps	17 969	12 738
USD borrowings	Decrease	100 bps	50 bps	-	4 979
ZAR borrowings	Increase	100 bps	150 bps	(10 687)	(26 197)
EUR borrowings	Increase	100 bps	100 bps	(17 969)	(12 738)
USD borrowings	Increase	100 bps	50 bps	-	(4 979)

The above calculations do not take into account the maturity profile of existing hedges and the effect of replacing expiring hedges at prevailing interest rates. See note H2.5 - *Individual instruments* for details of the interest rate hedges.

N. FINANCIAL RISK MANAGEMENT
N4 CURRENCY RISK AND SENSITIVITY
N4.1 Risk and mitigation

The Group is exposed to currency risk as a result of differences between the transaction, functional/reporting and settlement currencies of Group companies, as follows:

Portfolio	Transaction currency	Functional/ Local reporting currency	Group reporting currency
SA	Rand (ZAR)	Rand	Rand
EE	Euro (EUR), Macedonian Denar (MKD), Bulgarian Lev (BGN) (Croatia adopted the Euro as its currency from 1 January 2023)	Euro	
SSA	Rand, US Dollar (USD), Nigerian Naira (NGN) and Ghanaian Cedi (GHS)	Rand, US Dollar	

Currency risk arises in the following circumstances:

Risk	Effect on the Group and mitigating actions
Transaction/functional/Group reporting currency	
The risk arising from changes in the exchange rate between the currency in which transactions, assets and liabilities are concluded/denominated and the functional/reporting currency of Group companies and/or the Group. The Group is exposed to this risk in all portfolios where the transaction and functional currency of the Group company is not Rands, or assets and liabilities are denominated in a currency other than	- This risk arises for financial reporting purposes only when the results of the Group's SSA and EE subsidiaries are converted from transaction currencies to US Dollars, Euros and/or Rands, resulting in the recognition of foreign currency gains/losses and foreign currency translation reserves. - As a result of the devaluation of the Nigerian Naira against the US Dollar from June 2022 to June 2023, unrealised foreign currency losses on translation of Gruppo's financial results to US Dollars of R 171.5m were recognised in the 2023 financial year. - This risk is mitigated by diversifying the Group's activities across various transaction/functional currencies. At 30 June 2023, the Group's net asset value was denominated 73% (2022: 78%) in Rands, 20% (2022: 15%) in Euros and 7% (2022: 7%) in US Dollars. - This risk cannot be hedged.
Transaction/settlement currency	
The risk arising from changes in the exchange rate between the transaction currency and the currency in which income/expenses/assets/liabilities are settled. Examples include: - Guarantees provided by Hyprop for Euro/US Dollar denominated borrowings of subsidiaries in the EE and SSA portfolios, which guarantees are secured against Hyprop's Rand denominated investment properties; - Dividends received in Euros and US Dollars from subsidiaries in the EE and SSA portfolios; - Euro and US Dollar denominated borrowings in the EE and SSA portfolios where transaction currencies are Macedonian Denar, Bulgarian Lev and Nigerian Naira.	**GROUP/SA** - Hyprop has provided guarantees for loans and facilities of €113.5m (2022: €113.5m) to subsidiaries in the EE portfolio. These guarantees are secured against Hyprop's Rand denominated investment properties, exposing the Group to risk (including an increase in the LTV ratio) in times of Rand weakness. This risk was mitigated by the significant reduction in the guaranteed Euro loans between June 2021 and June 2022 and is considered manageable at the current levels. - The Group has a formal foreign currency hedging policy in terms of which between 50% and 75% of known, or reasonably predictable, cash flow items can be hedged up to 12 months in advance using foreign exchange collars or forward exchange contracts

N. FINANCIAL RISK MANAGEMENT

N4 CURRENCY RISK AND SENSITIVITY

N4.1 Risk and mitigation

Risk	Effect on the Group and mitigating actions
Transaction/settlement currency	
- Companies in the EE and SSA portfolios receive their revenue either in Euro/US Dollars or the local currency equivalent of Euro/US Dollars, while their expenditure with local service providers is in local currency.	**EE** -The exchange rates between the transaction currencies of companies in the EE portfolio and the Euro have historically been relatively stable; - Croatia adopted the Euro as its currency from 1 January 2023; - The exchange rate of the Bulgarian Lev is pegged against the Euro; - Cash amounts are converted from transaction currencies to Euro on an ongoing basis to reduce the impact of exchange rate fluctuations; - Where possible, rentals payable by tenants are indexed to the Euro. **SSA** - The exchange rates between the transaction currencies of companies in the SSA portfolio and the US Dollar have historically been volatile and have depreciated against the US Dollar; - In June 2023 the Nigerian government announced changes to the exchange control regulations in Nigeria which resulted in a 80% devaluation of the Naira against the US Dollar from ₦418/$ in June 2022 to ₦752/$ in June 2023. - Where possible, rentals payable by tenants are indexed to the US Dollar, however, in periods of extreme exchange rate volatility it is not always possible to pass all currency indexation rental adjustments on to tenants.
Currency liquidity	
Risks arising from restrictions or inability to convert cash held in the transaction currency to the currency in which obligations must be settled, and/or default by a counterparty to a foreign exchange hedging transaction. Examples include: - converting Rands to US Dollars or Euros for investment in foreign subsidiaries; - converting Nigerian Naira to US Dollars in Gruppo; - converting Macedonian Denar and Bulgarian Lev to Euros in the EE portfolio.	**Group** The Group's foreign currency hedging policy only permits foreign currency transactions, including hedges, to be concluded with reputable counterparties. See note H2 - *Derivatives* . **SA** - Liquidity in the South African foreign exchange market is good. - Subject to compliance with exchange control regulations, currently there are no impediments to converting Rands to Dollars or Euros (or vice versa) when required. **EE** - Currently there are no impediments to converting transaction currencies to Euros when required. - Cash amounts are converted from transaction currencies to Euros on an ongoing basis to maintain Euro liquidity; - Croatia adopted the Euro as its currency from 1 January 2023.

N. FINANCIAL RISK MANAGEMENT

N4 CURRENCY RISK AND SENSITIVITY

N4.1 Risk and mitigation

Risk	Effect on the Group and mitigating actions
Currency liquidity	
	SSA As a result of the lack of US Dollar liquidity in Nigeria since January 2020, Gruppo has not been able to secure US Dollars to service shareholder loans, or to remit profits to its shareholders. The lack of US Dollar liquidity in conjunction with the devaluation of the Naira against the US Dollar from June 2022 to June 2023 resulted in aggregate foreign exchange losses of R228m. In June 2023, Gruppo converted Naira via a commercial bank to secure \$8.5m which resulted in a realised foreign exchange loss of \$3.4m (R60m). A further unrealised foreign exchange loss was recognised on the conversion of Naira denominated monetary items to US Dollars (Gruppo's reporting currency) at 30 June 2023 for financial reporting purposes. Despite the changes to the Nigerian exchange control regulations in June 2023, there has been little/no improvement in the US Dollar liquidity in Nigeria. Ways to mitigate this risk continue to be investigated by the Group, however, implementation of acceptable solutions is taking time.

Refer to note D5 - *Foreign exchange (losses)/gains* for details of the foreign exchange (losses)/gains recognised by the Group.

In addition to the above mentioned risk, the Group has an indirect exposure to the Ghanaian Cedi through its equity accounted joint venture, AttAfrica (whose transaction, functional and reporting currency is US Dollars). The Cedi experienced a significant devaluation against the US Dollar during the year, following a default on government debt in Ghana.

The following significant exchange rates were applied during the year:

	Average rate		Spot rate	
	June 2023	June 2022	June 2023	June 2022
Rand/Euro[1]	18.60	17.15	20.52	16.97
Rand/ US Dollar[1]	17.77	15.21	18.92	16.25
Naira/US Dollar[1]	460.60	414.65	752.19	418.50
Croatian Kuna/Euro[2,3]	n/a	7.52	n/a	7.53
Bulgarian Lev/Euro[2]	1.96	1.96	1.96	1.96
Macedonian Denar/Euro[2]	61.68	61.70	61.68	61.70

[1] *Average rates are for the 12 months ending 30 June in each year and Spot rates are at 30 June.*

[2] *Average rates are for the 12 months ending 30 June 2023 (2022: 3 months ending 30 June 2022).*

[3] *Croatia adopted the Euro as its currency from 1 January 2023.*

N. FINANCIAL RISK MANAGEMENT

N4 CURRENCY RISK AND SENSITIVITY

N4.2 Financial exposure - Currency

The transaction currency carrying values of the Group's financial assets and liabilities denominated in foreign currencies are as follows:

GROUP June 2023	Transaction currency carrying values[1] NGN'000	USD'000	EUR'000	Carrying value R'000
Amounts recognised on the statement of financial position				
Loans receivable – non-current	-	-	4 377	89 821
Loans receivable – current	-	-	2 446	50 189
Trade and other receivables	-	*	4 107	84 279
Cash and cash equivalents	-	967	31 869	672 229
Assets classified as held-for-sale	6 040 763	4 498	-	207 127
Asset exposure	**6 040 763**	**5 465**	**42 799**	**1 103 645**
Borrowings – non-current	-	-	(236 102)	(4 844 586)
Borrowings – current	-	-	(119 650)	(2 455 108)
Trade and other payables	-	(9)	(8 899)	(182 763)
Liabilities associated with assets classified as held-for-sale	-	(88 714)	-	(1 678 803)
Non-derivative liabilities exposure	**-**	**(88 723)**	**(364 651)**	**(9 161 260)**
Derivative financial assets	-	1 234	8 769	203 288
Derivative financial liabilities	-	-	(586)	(12 018)
Net asset/(liability) exposure	**6 040 763**	**(82 024)**	**(313 669)**	**(7 866 345)**

** Value less than $1000*

GROUP June 2022				
Amounts recognised on the statement of financial position				
Loans receivable – non-current	-	-	8 716	147 863
Loans receivable – current	-	-	151	2 558
Trade and other receivables	-	-	2 306	39 127
Cash and cash equivalents	-	-	55 400	939 771
Assets classified as held-for-sale	7 349 205	322	-	379 983
Asset exposure	**7 349 205**	**322**	**66 573**	**1 509 302**
Borrowings – non-current	-	-	(222 432)	(3 773 635)
Borrowings – current	-	(684)	(171 159)	(2 914 869)
Trade and other payables	-	-	(9 533)	(161 722)
Liabilities associated with assets classified as held-for-sale	(1 475 599)	(86 408)	-	(1 461 520)
Non-derivative liabilities exposure	**(1 475 599)**	**(87 092)**	**(403 124)**	**(8 311 746)**
Derivative financial assets	-	-	6 085	103 228
Net asset/(liability) exposure	**5 873 606**	**(86 770)**	**(330 466)**	**(6 699 215)**

[1] Notwithstanding that the transaction currencies for the EE portfolio's operations in Bulgaria and North Macedonia are the Bulgarian Lev and the Macedonian Denar, balances denominated in these currencies are included in the Euro column above as the Bulgarian Lev has a fixed exchange rate with the Euro and the exchange rate of the Macedonian Denar against the Euro is virtually unchanged from 2022 to 2023.

N. FINANCIAL RISK MANAGEMENT

N4 CURRENCY RISK AND SENSITIVITY

N4.2 Financial exposure - Currency

COMPANY June 2023	Transaction currency Carrying value EUR'000	Carrying value R'000
Amounts recognised on the statement of financial position		
Other receivables - Dividends	7 500	151 871
Asset exposure	**7 500**	**151 871**
Financial guarantees – non-current	(21)	(427)
Financial guarantees – current	(2 170)	(44 536)
Non-derivative liabilities exposure	**(2 191)**	**(44 963)**
Net asset exposure	**5 309**	**106 908**

COMPANY June 2022		
Amounts recognised on the statement of financial position		
Loans receivable – current (Eastern Europe)	151	2 558
Asset exposure	**151**	**2 558**
Financial guarantees – non-current	(2 625)	(44 536)
Financial guarantees – current	(25)	(427)
Non-derivative liabilities exposure	**(2 650)**	**(44 963)**
Net liability exposure	**(2 499)**	**(42 405)**

N. FINANCIAL RISK MANAGEMENT

N4 CURRENCY RISK AND SENSITIVITY

N4.3 Sensitivity

The sensitivity analysis below is provided for the foreign currency exposure at the end of the reporting period, and is based on the statement of financial position balances in N4.2 and gross value of financial guarantees at year end for which there is currency risk, before consideration of currency derivatives.

The effect on equity is calculated as the effect on profit or loss. The effect on the translation of results into the Group's presentation currency is excluded from the information provided.

SA portfolio

The sensitivity analysis includes the effect of changes in the Rand and US Dollar/Euro exchange rates for foreign currency denominated assets and liabilities of the companies whose reporting currency is Rand.

EE portfolio (Euro)

The EE portfolio reports to the Group in Euro. The sensitivity analysis includes the effect of changes in the Rand/Euro exchange rate for companies whose reporting currency is Euro.

While the Group is exposed to the Macedonian Denar and the Bulgarian Lev through its EE operations, no separate sensitivity analysis is included for changes in these exchange rates as the Bulgarian Lev is pegged to the Euro at a fixed exchange rate, and the Macedonian Denar exchange rate against the Euro is virtually unchanged from 2022 to 2023.

SSA portfolio (US Dollars)

Gruppo's transaction currency is Naira while Gruppo reports to the Group in US Dollars. The sensitivity analysis includes the effect of changes in the Rand/US Dollar exchange rate, as well as the Naira/US Dollar exchange rate, for Gruppo.

The pre-tax effect of changes to one of the exchange rates is summarised below. The analysis assumes that all other variables, in particular, interest rates, remain constant.

				GROUP		COMPANY	
		June 2023 % change	June 2022 % change	June 2023 R'000	June 2022 R'000	June 2023 R'000	June 2022 R'000
Value changes are reflected as debit (positive) and credits (negative).							
Impact on profit or loss							
Rand/Euro	Strengthening	10.0	10.0	642 415	560 657	(15 187)	4 240
Rand/ US Dollar	Strengthening	10.0	10.0	155 218	141 010	n/a	n/a
Naira/US Dollar	Strengthening	10.0	10.0	(15 197)	(31 745)	n/a	n/a
Rand/Euro	Weakening	10.0	10.0	(642 415)	(560 657)	15 187	(4 240)
Rand/ US Dollar	Weakening	10.0	10.0	(155 218)	(141 010)	n/a	n/a
Naira/US Dollar	Weakening	10.0	10.0	15 197	31 745	n/a	n/a
Impact on potential exposure under financial guarantees							
Rand/Euro	Strengthening	10.0	10.0	n/a	n/a	4 496	4 496
Rand/Euro	Weakening	10.0	10.0	n/a	n/a	(4 496)	(4 496)

				GROUP	
Increase/(Decrease) in LTV ratios		June 2023 % change	June 2022 % change	June 2023 Change in LTV	June 2022 Change in LTV
Rand/Euro	Strengthening	10.0	10.0	(0.6%)	0.6%
Rand/ US Dollar	Strengthening	10.0	10.0	(0.1%)	0.1%
Naira/US Dollar	Strengthening	10.0	10.0	(0.3%)	0.1%
Rand/Euro	Weakening	10.0	10.0	0.6%	(0.6%)
Rand/ US Dollar	Weakening	10.0	10.0	0.1%	-
Naira/US Dollar	Weakening	10.0	10.0	0.3%	-

	Hyprop GROUP LTV	
Reported LTV	**36.3%**	**36.4%**

N. FINANCIAL RISK MANAGEMENT

N5 CREDIT RISK AND SENSITIVITY

N5.1 Risk and mitigation

Credit risk is the risk of financial loss due to counterparties not meeting their contractual obligations when due.

The Group is exposed to credit risk due to its trade and other receivables, cash and cash equivalents, loans receivable and derivative instruments.

Exposure	Mitigation
Trade receivables The maximum exposure to credit risk in respect of trade receivables at the reporting date is the fair value of each class of receivable.	Save for national tenants, a deposit in the form of cash or a bank guarantee is obtained from tenants in terms of Hyprop's deposit policy. Furthermore, and only if required, a deed of suretyship may be obtained on behalf of a tenant.
Other receivables The maximum exposure to credit risk in respect of other receivables is the gross balance receivable.	Other receivables are generally small balances due from related parties, withholding tax and dividend receivables. Where significant (as sometimes is the case for dividends and withholding taxes) recovery is not in doubt as solvency and liquidity testing precedes the declaration of dividends, and offset is typically available for withholding taxes. Other balances with related parties are immaterial.
Loans receivable The maximum exposure to credit risk in respect of loans receivable at the reporting date is the fair value of each class of loan receivable.	The credit risk in respect of loans receivable is generally mitigated by agreements with the counterparty. These agreements contain terms which provide legal protection for the Group, including security over assets (or residual assets) of the borrower, common to such agreements.
Cash and cash equivalents The maximum exposure to credit risk in respect of cash and cash equivalents is the outstanding balance on deposit with the respective financial institution.	Group companies manage their exposure to credit risk by placing funds with a range of leading banks and AA+ rated money market funds in the countries in which they operate. Exposure levels to each financial institution are monitored regularly.
Derivative instruments The maximum exposure to credit risk in respect of derivative instruments at the reporting date is the fair value of the derivative instruments.	Group companies manage their exposure to credit risk by transacting only with leading South African, European and Sub-Saharan African banks. Certain derivative instruments are governed by industry standard International Swap and Derivative Association (ISDA) agreements.

Expected credit losses

ECLs are a probability-weighted estimate of potential credit losses (i.e. the present value of all expected cash shortfalls) over the expected life of the financial instrument. The 3 parameters used to measure expected credit losses are the probability of default (PD), loss given default (LGD), and exposure at default (EAD).

Lifetime ECLs	The ECLs that result from all possible default events over the expected life of the financial instrument.
12 month ECLs	The ECLs that are possible within 12 months of the reporting date.

N5.2 Financial exposure - Credit

The Group considers its gross maximum credit risk exposure per asset class, without taking into account any collateral, financial guarantees or accumulated expected credit losses recognised, to be as follows:

		GROUP		COMPANY	
		June 2023	June 2022	June 2023	June 2022
	Note	R'000	R'000	R'000	R'000
Gross loans receivable - external[1]	*N5.3*	212 714	220 045	72 703	72 182
Gross loans receivable - Related parties[1]	*N5.3*	2 774	2 502	1 575 566	1 577 727
Gross trade receivables	*N5.4*	231 104	216 671	123 366	132 665
Gross other receivables - financial instruments	*N5.5*	-	26 505	151 871	-
Cash and cash equivalents	*N5.6*	1 047 080	1 387 471	368 844	430 219
Cash and cash equivalents - held-for-sale	*N5.6*	154 023	320 489	-	-
Derivative instruments – assets	*H2*	287 981	191 475	84 693	87 874
		1 935 676	**2 365 158**	**2 377 043**	**2 300 667**

[1] For details of collateral held for loans receivable refer to note F1.3 - Loan details.

N. FINANCIAL RISK MANAGEMENT

N5 CREDIT RISK AND SENSITIVITY

N5.3 Loans receivable

N5.3.1 Loans receivable: ECL - general approach

Loans receivable consist of vendor loan funding to purchasers of properties sold by the Group, loans to strategic partners for CSI, BBBEE and enterprise development initiatives, and loans to subsidiaries. All loans are measured at amortised cost are subject to the general approach when calculating expected credit losses.

The Group has considered the debtors' performance of their loan obligations, current and projected financial performance, planned disposals of major assets and attendant costs, external debts, changes to the capital structure, market values of underlying assets and future cash flows as well as security held by the Group and current and expected economic conditions, as applicable, to calculate ECLs.

Assumptions applied to the recognition of ECLs and interest income at each stage of impairment of loans receivable:

Stage	Assumptions	ECLs	Recognition of interest
Stage 1	Loans whose credit risk is in line with the original expectation and whose contractual payments are up to date.	12 month ECL	Effective interest calculated on the gross carrying amount.
Stage 2 *(not credit impaired)*	Loans whose credit risk has increased significantly since initial recognition. A significant increase in credit risk is presumed if interest and/or principal payments are 30 days past due or a review of the debtors' financial information reveals deteriorating debt servicing capacity and/or NAV.	Lifetime ECL	Effective interest calculated on the gross carrying amount.
Stage 3 *(Credit impaired)*	Interest and/or principal payments are 60 days past due or a review of the debtors' financial information reveals deteriorating debt servicing capacity and/or NAV, and no agreement to remedy this has been reached between the parties.	Lifetime ECL	Effective interest calculated on the net carrying amount.
Write off	A loan in default is written off when there is no prospect of recovery of the amount and/or an agreement to this effect has been reached between the parties.	Loan is written off.	Accrual of interest is suspended. Any recovery of amounts due is recorded when received.

N5.3.2 Stages of impairment

GROUP June 2023	Stage of impairment	ECLs	Gross carrying amount R'000	Accumulated expected credit losses R'000	Net carrying amount R'000
Loans receivable – external	*Stage 1*	*12 month ECL*	212 714	-	**212 714**
Loans receivable – Related parties			**2 774**	**(2 767)**	**7**
	Stage 1	*12 month ECL*	-	-	-
	Stage 2	*Lifetime ECLs (not credit impaired)*	2 774	(2 767)	**7**
	Stage 3	*Lifetime ECLs (credit impaired)*	-	-	-
Total			**215 488**	**(2 767)**	**212 721**
June 2022					
Loans receivable – external	*Stage 1*	*12 month ECL*	222 547	-	**222 547**

ECL movement reconciliation by stage	Stage 1	Stage 2	Stage 3	Total
Balance at 30 June 2022	-	-	-	-
Transfer to Stage 2 - Lifetime ECLs *(not credit impaired)*	-	(2 767)	-	**(2 767)**
Balance at 30 June 2023	**-**	**(2 767)**	**-**	**(2 767)**

N. FINANCIAL RISK MANAGEMENT

N5 CREDIT RISK AND SENSITIVITY

N5.3 Loans receivable

N5.3.2 Stages of impairment

COMPANY June 2023	Stage of impairment	ECLs	Gross carrying amount R'000	Accumulated expected credit losses R'000	Net carrying amount R'000
Loans receivable – external	*Stage 1*	*12 month ECL*	72 703	-	**72 703**
Loans receivable – Related parties			**1 575 566**	**(1 511 443)**	**64 123**
	Stage 1	*12 month ECL*	-	-	-
	Stage 2	*Lifetime ECLs (not credit impaired)*	80 101	(32 697)	**47 404**
	Stage 3	*Lifetime ECLs (credit impaired)*	1 495 465	(1 478 746)	**16 719**
Total			**1 648 269**	**(1 511 443)**	**136 826**
June 2022					
Loans receivable – external	*Stage 1*	*12 month ECL*	72 182	-	**72 182**
Loans receivable – Related parties			**1 577 727**	**(1 513 915)**	**63 812**
	Stage 1	*12 month ECL*	11 308	-	**11 308**
	Stage 2	*Lifetime ECLs (not credit impaired)*	73 994	(21 490)	**52 504**
	Stage 3	*Lifetime ECLs (credit impaired)*	1 492 425	(1 492 425)	**-**
Total			**1 649 909**	**(1 513 915)**	**135 994**

ECL movement reconciliation by stage	Stage 1	Stage 2	Stage 3	Total
Balance at 30 June 2022	-	(21 490)	(1 492 425)	**(1 513 915)**
Remeasurement of loss allowances	-	(4 717)	13 679	**8 962**
New impairments (Loans classified as Stage 2)	-	(6 490)	-	**(6 490)**
Balance at 30 June 2023	**-**	**(32 697)**	**(1 478 746)**	**(1 511 443)**

N5.3.3 Transfers between Stages of impairment

A loan with a gross carrying amount of R2 774 000 was transferred from stage 1 to stage 2 due to a deterioration in trading conditions. ECLs related to these loans were subsequently calculated at R2 767 000.

N5.4 Trade receivables

N5.4.1 Trade receivables: ECL - simplified approach

Trade receivables consist of lease receivables for rentals, deposits and recoveries due from tenants. They are measured at amortised cost and subject to the simplified approach when calculating expected credit losses.

The Group applies the simplified approach to determine the expected credit losses for trade receivables resulting in a calculation of lifetime expected credit losses. ECLs are calculated on an individual receivable level taking into account projected loss levels and economic factors affecting the particular mall or type of retailer. With respect to the European portfolio tenant deposits are taken into consideration when calculating the ECLs.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, insolvency or significant financial difficulties of the tenant, default on payment terms and vacation or abandonment of the leased premises. Impaired trade and other receivables are derecognised when all reasonable efforts to collect the amounts outstanding have failed and they are assessed as uncollectible.

Trade receivables are considered to be in default when the debtor is in breach of the terms of their lease.

N. FINANCIAL RISK MANAGEMENT

N5 CREDIT RISK AND SENSITIVITY

N5.4 Trade receivables

N5.4.2 Aged receivables and ECLs

GROUP					
June 2023 R'000	**Current**	**30 days**	**60 days**	**90^{+} days**	**Total**
Gross trade receivables	143 183	12 131	7 686	68 104	**231 104**
Impaired	11 130	7 369	5 333	65 009	**88 841**
Not impaired	132 053	4 762	2 353	3 095	**142 263**
Cumulative expected credit losses on impaired receivables	(9 350)	(5 775)	(4 466)	(60 604)	**(80 195)**
Net carrying amount	**133 833**	**6 356**	**3 220**	**7 500**	**150 909**
Impaired trade receivables as a % of Gross trade receivables	8%	61%	69%	95%	**38%**
June 2022 R'000					
Gross trade receivables	104 718	29 817	14 449	67 687	**216 671**
Cumulative expected credit losses	(16 135)	(7 928)	(8 076)	(67 639)	**(99 778)**
Net carrying amount	**88 583**	**21 889**	**6 373**	**48**	**116 893**
% of Gross trade receivables that are impaired	15%	27%	56%	100%	**46%**

N5.4.3 Total receivables by geographic segment

GROUP			
June 2023 R'000	**SA**	**EE**	**Total**
Gross trade receivables	125 680	105 424	**231 104**
Cumulative expected credit losses	(33 415)	(46 780)	**(80 195)**
Net carrying amount	**92 265**	**58 644**	**150 909**
Cash collateral held	80 663	50 174	**130 837**

N5.4.4 Aged receivables and ECLs

COMPANY					
June 2023 R'000	**Current**	**30 days**	**60 days**	**90^{+} days**	**Total**
Gross trade receivables	86 661	7 654	5 082	23 969	**123 366**
Impaired	10 364	6 241	4 268	21 062	**41 935**
Not impaired	76 297	1 413	814	2 907	**81 431**
Cumulative expected credit losses on impaired receivables	(8 585)	(4 647)	(3 400)	(16 717)	**(33 349)**
Net carrying amount	**78 076**	**3 007**	**1 682**	**7 252**	**90 017**
% of Gross trade receivables that are impaired	12%	82%	84%	88%	**34%**
June 2022 R'000					
Gross trade receivables	81 993	12 617	11 058	26 997	**132 665**
Cumulative expected credit losses	(26 622)	(6 722)	(7 369)	(15 982)	**(56 695)**
Net carrying amount	**55 371**	**5 895**	**3 689**	**11 015**	**75 970**
% of Gross trade receivables that are impaired	32%	53%	67%	59%	**43%**

N. FINANCIAL RISK MANAGEMENT

N5 CREDIT RISK AND SENSITIVITY

N5.4 Trade receivables

			GROUP		COMPANY	
			June 2023	June 2022	June 2023	June 2022
N5.4.5	**Exposure and mitigating balances**	*Note*	R'000	R'000	R'000	R'000
	Maximum exposure		150 909	116 893	90 017	75 970
	Gross trade receivables	*F2.2.1*	231 104	216 671	123 366	132 665
	Cumulative expected credit losses	*F2.2.1/N5.4.6*	(80 195)	(99 778)	(33 349)	(56 695)
	Mitigating balances		579 025	525 556	254 909	269 918
	Bank guarantees on behalf of tenants in favour of the Group		448 188	403 953	174 246	188 631
	Tenant deposits held by the Group		130 837	121 603	80 663	81 287
	Excludes assets classified as held-for-sale					
N5.4.6	**ECL Movement for the year**					
	Balance at the beginning of the year		99 778	78 966	56 695	78 255
	Changes in expected credit losses - trade receivables		(16 611)	8 810	(39)	9 348
	Receivables written off during the year[1]		(11 612)	(29 812)	(23 307)	(30 908)
	Acquired through business combination		-	40 382	-	-
	Currency translation difference		8 640	1 432	-	-
	Balance at the end of the year		**80 195**	**99 778**	**33 349**	**56 695**

[1] Balances written off are no longer subject to enforcement activities

Changes in expected credit losses - trade receivables reduced as a result of an improvement in trading conditions post Covid - 19.

N5.5 Other receivables: ECL - general approach

Included in other receivables for the current year are prepayments and municipal deposits to which the Group has applied the general approach when calculating ECLs. The application of this approach on other receivables had an immaterial impact.

N5.6 Cash and cash equivalents

N5.6.1 Cash and cash equivalents: ECL - general approach

Cash and cash equivalents comprise cash deposits with leading banks and units held in money market funds in the jurisdictions in which the Group companies operate. Impairment losses on cash and cash equivalents are measured on a 12-month expected credit loss basis. No expected credit losses are anticipated in respect of cash and cash equivalents given the credit ratings of the counterparties.

The credit ratings for the counterparty financial institutions as well the exposure concentration of cash and cash equivalents with each financial institution, are as follows:

N. FINANCIAL RISK MANAGEMENT
N5 CREDIT RISK AND SENSITIVITY
N5.6 Cash and cash equivalents
N5.6.2 Exposure concentration

	Credit rating June 2023	Credit rating June 2022	GROUP June 2023 %	June 2022 %	COMPANY June 2023 %	June 2022 %
South Africa						
ABSA Bank Ltd	Ba2	Ba3	66.8	81.3	66.4	81.3
Nedbank Group	Ba2	Ba2	11.8	6.1	11.9	6.1
Rand Merchant Bank/FirstRand Group	Ba2	Ba2	1.2	0.7	1.1	0.7
Standard Bank Group	Ba3	Ba3	20.2	11.4	20.6	11.4
Other	n/a	n/a	0.0	0.4	0.0	0.5
Total Exposure - South Africa			**100.0**	**100.0**	**100.0**	**100.0**
South Africa - Carrying amounts by credit rating			**R'000**	**R'000**	**R'000**	**R'000**
Ba2			298 263	29 811	293 132	29 514
Ba3			75 588	399 930	75 588	398 876
Other			124	1 829	124	1 829
Total Exposure - South Africa			**373 975**	**431 570**	**368 844**	**430 219**
Europe						
DSK Bank	BBB-	BBB	24.7	12.7	n/a	n/a
Raiffeisen Bank Austria d.d.	Baa2	n/a	16.1	-	n/a	n/a
Erste Group Bank AG	A1	A2	6.6	12.6	n/a	n/a
Intesa Sanpaolo Luxembourg	BBB	BBB	5.4	2.7	n/a	n/a
Komercijalna Banka AD Skopje	Unrated	Unrated	18.2	6.4	n/a	n/a
Standard Bank Group	BB-	BB+	29.0	65.6	n/a	n/a
Total Exposure - Europe			**100.0**	**100.0**	**n/a**	**n/a**
Europe - Carrying amounts by credit rating			**R'000**	**R'000**	**R'000**	**R'000**
A1			43 277	-	n/a	n/a
A2			-	118 338	n/a	n/a
BBB-			161 289	-	n/a	n/a
BBB			35 017	144 543	n/a	n/a
Baa2			104 967	-	n/a	n/a
BB+			-	616 415	n/a	n/a
BB-			189 591	165	n/a	n/a
Unrated			119 781	60 418	n/a	n/a
Total Exposure - Europe			**653 922**	**939 879**	**n/a**	**n/a**
Sub-Saharan Africa						
Standard Bank Group	Ba3	n/a	11.1	4.8	n/a	n/a
Stanbic IBTC	$AAA_{(NG)}$	$AAA_{(NG)}$	9.3	6.7	n/a	n/a
RMB Nigeria	Aa-	Aa-	72.4	88.5	n/a	n/a
Zenith Bank PLC	Caa1	n/a	7.2	-	n/a	n/a
Total Exposure - Sub-Saharan Africa			**100.0**	**100.0**	**n/a**	**n/a**
Sub-Saharan Africa - Carrying amounts by credit rating			**R'000**	**R'000**	**R'000**	**R'000**
$AAA_{(NG)}$		Held-for-sale	16 023	22 645	n/a	n/a
Aa-		Held-for-sale	125 410	297 844	n/a	n/a
Ba3			19 183	16 022	n/a	n/a
Caa1		Held-for-sale	12 590	-	n/a	n/a
Total Exposure - Sub-Saharan Africa			**173 206**	**336 511**	**n/a**	**n/a**

O. OTHER INFORMATION

O1.1 EVENTS AFTER THE REPORTING DATE

O1.1 Dividend declaration

On 19 September 2023 the Board resolved to declare a dividend for the year ended 30 June 2023 of 299.29970 cents per share and to offer shareholders the opportunity to reinvest the net cash dividend in return for new shares in the Company through a DRIP, subject to a maximum reinvestment of R500 million in aggregate. Amounts raised from the DRIP will be used to fund additional capital expenditure, primarily to ensure energy security for the SA portfolio, and new opportunities being pursued by the Group.

O1.2 Financial support for AttAfrica

In September 2023 the Board approved that the Company may provide financial support to AttAfrica and its subsidiaries through an additional equity investment and/or providing guarantees to lenders to the AttAfrica group, subject to a maximum of $18m in aggregate.

O1.3 Changes to borrowings and security provided to lenders

On 3 July 2023 borrowings of €109.7m (R2 250m) which matured, were refinanced for periods ranging from 12 months to 3 years.

In August 2023 an agreement was concluded for a new 3 year term loan facility of R500m and a 3 year revolving credit facility of R250m. The facilities will be secured by a mortgage bond over South African investment property with a carrying value of R1.5bn and a cession of lease receivables and insurance policies relating to the secured investment property.

P. PROPERTY DISCLOSURES

P1 JSE PROPERTY DISCLOSURES

P1.1 Detailed property disclosures

Listed companies that carry out property-related activities are subject to additional disclosure requirements relating to their property portfolio and financial information in terms of the JSE Listings Requirements. The tables below excludes properties classified as held-for-sale and disclosures for offices refer to standalone offices only. Rental escalations relate to new leases and amendments made during the financial year. Rent per square metre is as at 30 June.

GROUP June 2023	Location	Revenue attributable to the Group R'000	Total GLA m^2	Rent / R per m^2	Retail GLA m^2	Retail vacancy m^2	Retail vacancy %	Retail rental escalation %	Office GLA m2	Office vacancy m2	Office vacancy %	Office rental escalation %	Average annualised rental property yield %
GEOGRAPHICAL PROFILE													
SOUTH AFRICA		**2 819 500**	**658 158**	**268**	**613 513**	**7 512**	**1.2**	**6.6**	**44 645**	**15 113**	**33.9**	**6.8**	**8.4**
Gauteng		1 497 099	366 900	233	331 713	5 969	1.8	6.6	35 187	12 121	34.4	6.8	9.0
Western Cape		1 322 401	291 258	312	281 800	1 543	0.5	6.7	9 458	2 992	31.6	6.8	7.9
SECTORAL PROFILE													
RETAIL		**2 802 484**	**651 302**	**269**	**613 513**	**7 512**	**1.2**	**6.6**	**37 789**	**12 739**	**33.7**	**6.9**	**8.4**
Super regional													
Canal Walk	*Cape Town*		157 013	348	147 555				9 458				
Large regional													
Clearwater Mall	*Johannesburg*		86 281	282	86 281				-				
The Glen	*Johannesburg*		78 757	223	78 757				-				
Woodlands	*Pretoria*		72 384	195	72 384				-				
CapeGate	*Cape Town*		64 029	249	64 029				-				
Somerset Mall	*Somerset West*		70 216	290	70 216				-				
Rosebank Mall	*Johannesburg*		84 195	200	65 946				18 249				
Regional													
Hyde Park Corner	*Johannesburg*		38 427	294	28 345				10 082				
OFFICES		**17 016**	**6 856**	**165**	**-**	**-**	**-**	**-**	**6 856**	**2 374**	**34.6**	**6.5**	**7.7**
TOTAL SOUTH AFRICAN PORTFOLIO		**2 819 500**	**658 158**	**268**	**613 513**	**7 512**	**1.2**	**6.6**	**44 645**	**15 113**	**33.9**	**6.8**	**8.4**

P. PROPERTY DISCLOSURES

P1 JSE PROPERTY DISCLOSURES

P1.1 Detailed property disclosures

GROUP June 2023	Location	Revenue attributable to the Group R'000	Total GLA m^2	Rent '(R) per m^{2} (1)	Retail GLA m^2	Retail vacancy m^2	Retail vacancy %	Retail rental escalation %	Office GLA m2	Office vacancy m2	Office vacancy %	Office rental escalation %	Average annualised rental yield %
GEOGRAPHICAL PROFILE													
EUROPE		**1 169 174**	**187 891**	**519**	**187 891**	**557**	**0.3**	**Note 1**	**-**	**-**	**-**	**-**	**8.1**
SECTORAL PROFILE													
RETAIL		**1 169 174**	**187 891**	**519**	**187 891**	**557**	**0.3**	**Note 1**	**-**	**-**	**-**	**-**	**8.1**
City Center One East	*Zagreb*		47 260	596	47 260								
City Center One West	*Zagreb*		42 282	649	42 282								
The Mall	*Sofia*		61 568	402	61 568								
Skopje City Mall	*Skopje*		36 781	464	36 781								
TOTAL EUROPEAN PORTFOLIO		**1 169 174**	**187 891**	**519**	**187 891**	**557**	**0.3**	**Note 1**	**-**	**-**	**-**	**-**	**8.1**

Note 1: The majority of contractual rentals are subject to annual/ monthly indexation adjustments based on published indices. Certain indexation adjustments are subject to caps.

P. PROPERTY DISCLOSURES

P1 JSE PROPERTY DISCLOSURES

P1.2 Tenant grading

Tenants in the portfolio are categorised by grade as follows:

A-grade: Large national tenants, large listed tenants and major franchises (including all national retailers and tenants in large listed groups).

B-grade: Smaller national and listed tenants, medium-sized franchises, medium to large retailers.

C-grade: Smaller line stores.

	Portfolio lease income[1] R'000	Lease income attributable to the Group R'000	Revenue contribution %	Rentable area (GLA) m^2	GLA contribution %	Revenue per m^2/ month (Rands)
South Africa						
June 2023						
A grade	1 202 056	1 098 990	57.0	440 696	69.4	227
B grade	543 538	491 925	25.5	112 652	17.7	402
C grade - (753 tenants)	371 646	337 791	17.5	82 185	12.9	377
Total	**2 117 240**	**1 928 706**	**100.0**	**635 533**	**100.0**	**278**
June 2022						
A grade	1 365 686	1 259 590	57.9	445 950	68.7	255
B grade	603 303	547 849	25.6	119 267	18.4	422
C grade - (691 tenants)	388 519	356 658	16.5	83 407	12.9	388
Total	**2 357 508**	**2 164 097**	**100.0**	**648 624**	**100.0**	**303**

[1] *Portfolio lease income refers to the total lease income for the properties (notwithstanding that the Group may have a lower ownership percentage) and is used to calculate the Revenue contribution and Revenue per m^2.*

	Portfolio lease income[1] R'000	Lease income attributable to the Group R'000	Revenue contribution %	Rentable area (GLA) m^2	GLA contribution %	Revenue per m^2/ month (Rands)
Europe						
June 2023						
A grade		493 639	42.8	115 713	61.8	356
B grade		501 764	43.5	59 405	31.7	704
C grade - (153 tenants)		158 667	13.7	12 216	6.5	1 035
Total		**1 154 070**	**100.0**	**187 334**	**100.0**	**512**
June 2022						
A grade		101 155	43.4	114 824	61.1	294
B grade		99 035	42.5	59 244	31.5	557
C grade - (124 tenants)		32 737	14.1	13 839	7.4	789
Total		**232 927**	**100.0**	**187 907**	**100.0**	**413**
Total portfolio						
June 2023						
A grade		1 592 629	51.7	556 409	67.6	254
B grade		993 689	32.2	172 057	20.9	506
C grade - (1 332 tenants)		496 458	16.1	94 401	11.5	465
Total		**3 082 776**	**100.0**	**822 867**	**100.0**	**331**
June 2022						
A grade		1 360 745	56.8	560 775	67.0	263
B grade		646 884	27.0	178 510	21.4	467
C grade - (815 tenants)		389 395	16.2	97 246	11.6	445
Total		**2 397 024**	**100.0**	**836 531**	**100.0**	**328**

P. PROPERTY DISCLOSURES

P1 JSE PROPERTY DISCLOSURES

P1.3 Lease expiry profiles

P1.3.1 Lease expiry profile by revenue (%)

	Year 1	Year 2	Year 3	Year 4	Year 5 +
	%	%	%	%	%
South Africa					
June 2023					
Retail	33	25	15	10	17
Offices	28	43	25	1	3
Total	**33**	**26**	**15**	**10**	**16**
June 2022					
Retail	30	19	23	11	17
Offices	55	16	24	4	1
Total	**31**	**19**	**23**	**10**	**17**
Europe					
June 2023					
Retail	13	17	12	17	41
Total	**13**	**17**	**12**	**17**	**41**
June 2022					
Retail	16	16	20	9	39
Total	**16**	**16**	**20**	**9**	**39**
Total portfolio					
June 2023					
Retail	26	23	14	12	25
Offices	28	43	25	1	3
Total	**26**	**23**	**14**	**12**	**25**
June 2022					
Retail	28	18	23	10	21
Offices	55	16	24	4	1
Total	**29**	**18**	**23**	**10**	**20**

P. PROPERTY DISCLOSURES

P1 JSE PROPERTY DISCLOSURES

P1.3 Lease expiry profiles

P1.3.2 Lease expiry profile by rentable area (%)

	Vacancy %	Year 1 %	Year 2 %	Year 3 %	Year 4 %	Year 5 + %
South Africa						
June 2023						
Retail	1	26	26	13	10	24
Offices	34	22	30	10	1	3
Total	**3**	**25**	**27**	**12**	**10**	**23**
June 2022						
Retail	2	21	14	25	11	27
Offices	30	39	11	17	2	1
Total	**4**	**22**	**14**	**24**	**10**	**26**
Europe						
June 2023						
Retail	0	10	13	9	19	49
Total	**0**	**10**	**13**	**9**	**19**	**49**
June 2022						
Retail	1	13	17	15	8	46
Total	**1**	**13**	**17**	**15**	**8**	**46**
Total portfolio						
June 2023						
Retail	1	22	23	12	12	30
Offices	34	22	30	10	1	3
Total	**3**	**22**	**24**	**12**	**12**	**27**
June 2022						
Retail	2	19	15	22	10	32
Offices	30	39	11	17	2	1
Total	**3**	**20**	**15**	**22**	**10**	**30**

P. PROPERTY DISCLOSURES

P2 SA 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 information set out below includes the calculation of SA REIT Funds from Operations (FFO), Funds from operations per share (FFOPS) and other non-IFRS information (collectively referred to as "Non-IFRS Financial Information"). Non-IFRS Financial Information constitutes non-IFRS measures and is pro forma financial information in terms of the JSE Listings Requirements.

Basis of preparation: Non-IFRS Financial information

The Non-IFRS Financial Information has been compiled to provide investors with performance metrics that are commonly used in the industry to enable direct comparison of South African Real Estate Investment Trusts. Due to its nature the Non-IFRS Financial Information may not fairly present the results of operations of Hyprop Investments Ltd and the Group.

The Directors are responsible for compiling the Non-IFRS Financial Information on the basis of the Applicable Criteria specified in the JSE Listings Requirements, including the JSE Guidance Letter: Presentation of pro forma financial information, dated 4 March 2010.

The independent reporting accountant's assurance report on the Non-IFRS financial information is available on the Group's website at https://www.hyprop.co.za/results-center.php

		GROUP	
		June 2023	June 2022
P2.1	**SA REIT Funds from Operations per share**	R'000	R'000
	Profit per IFRS Statement of comprehensive income attributable to the parent	**1,521,216**	**1,345,164**
	Adjusted for:-		
	Accounting/specific adjustments:-	**(281,295)**	**(9,207)**
	Fair value adjustments to:		
	- Investment property	(434,145)	(436,588)
	- Equity instruments held at fair value through profit or loss	-	7,159
	Depreciation and amortisation of intangible assets	-	5,167
	Impairment of goodwill or the recognition of a bargain purchase gain	8,775	433,432
	Asset impairments (excluding goodwill) and reversals of impairments	2,767	9,077
	Gains or losses on the modification of financial instruments	-	(65,865)
	Deferred tax movement recognised in profit or loss	40,928	(17,173)
	Straight-lining operating lease adjustment	100,380	42,866
	Transaction costs expensed in accounting for a business combination	-	12,718
	Adjustments arising from investing activities:-		
	Gains or losses on disposal / scrapping of:	**5,576**	**1,135**
	- Investment property and property, plant and equipment	5,576	1,135
	Foreign exchange and hedging items:-	**(56,026)**	**(217,581)**
	Fair value adjustments on derivative financial instruments employed solely for hedging purposes	(56,026)	(238,690)
	Foreign exchange gains or losses relating to capital items – realised and unrealised	-	21,109
	Other adjustments:-	**30,238**	**-**
	Non-controlling interests in respect of the above adjustments	30,238	-
	SA REIT FFO	**1,219,709**	**1,119,511**
	Number of shares outstanding at end of period *(net of treasury shares)*	**358,084,019**	341,859,205
	SA REIT FFO per share (cents)	**340.6**	**327.5**
	Company-specific adjustments (cents per share)	**64.6**	**15.0**
	Capital and other items	(11.5)	(5.0)
	Unrealised foreign exchange losses	34.0	-
	Equity accounted losses	42.1	20.0
	Distributable income per share (cents)	**405.2**	**342.5**

P. PROPERTY DISCLOSURES

P2 SA REIT RATIOS

		GROUP	
		June 2023	June 2022
P2.2	**SA REIT Net Asset Value**	R'000	R'000
	Reported NAV attributable to the parent	**22 699 719**	**20 813 969**
	Adjustments:		
	Dividend to be declared/reinvested	(1 071 744)	(1 003 839)
	Fair value of certain derivative financial instruments	(268 752)	(174 503)
	Goodwill and intangible assets	(59)	(54)
	Deferred tax	1 112 002	912 494
	SA REIT NAV	**22 471 166**	**20 548 067**
	Shares outstanding		
	Number of shares in issue at period end *(net of treasury shares)*	358 084 019	341 859 205
	Effect of dilutive instruments	1 253 125	1 067 515
	Diluted number of shares in issue	**359 337 144**	**342 926 720**
	SA REIT NAV per share (R)	**62.54**	**59.92**
P2.3	**SA REIT loan-to-value**		
	Gross debt - per Statement of financial position	15 220 834	14 488 023
	Less:		
	Cash and cash equivalents *(including held-for-sale)*	(1 201 103)	(1 707 960)
	Restricted cash	-	355 655
	Add/Less:		
	Derivative financial instruments	(268 753)	(174 503)
	Net debt	**13 750 978**	**12 961 215**
	Total assets – per Statement of financial position	39 870 697	37 276 317
	Less:		
	Cash and cash equivalents *(including held-for-sale)*	(1 201 103)	(1 707 960)
	Derivative financial assets	(287 981)	(191 476)
	Intangible assets	(59)	(54)
	Trade and other receivables	(267 443)	(213 739)
	Carrying amount of property-related assets	**38 114 111**	**35 163 088**
	SA REIT loan-to-value	**36.1%**	**36.9%**

See note H4 - *Covenants and capital management* for details of the Company's loan-to-value ratio, as calculated by the Group's major lenders, and compliance with banking covenants.

P. PROPERTY DISCLOSURES

P2 SA REIT RATIOS

P2.4 SA REIT cost-to-income ratio

	GROUP June 2023 R'000	June 2022 R'000
Expenses		
Operating expenses per IFRS Statement of comprehensive income *(includes municipal expenses)*	1 928 419	1 384 152
Administrative expenses per IFRS Statement of comprehensive income	150 527	132 266
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature	(1 625)	(6 739)
Company specific adjustments		
Transaction costs expensed in accounting for a business combination	-	(12 718)
Operating costs	**2 077 321**	**1 496 961**
Rental income		
Contractual rental income *(excluding straight-lining)* [1]	3 365 508	2 290 207
Utility and operating recoveries per IFRS Statement of comprehensive income	965 694	769 705
Gross rental income	**4 331 202**	**3 059 912**
SA REIT cost-to-income ratio	**48.0%**	**48.9%**

[1] *Net of COVID-19 related discounts and relief*

P2.5 SA REIT administrative cost-to-income ratio

	GROUP June 2023 R'000	June 2022 R'000
Expenses		
Administrative expenses per IFRS Statement of comprehensive income	150 527	132 266
Administrative costs	**150 527**	**132 266**
Rental income		
Contractual rental income *(excluding straight-lining)* [1]	3 365 508	2 290 207
Utility and operating recoveries per IFRS Statement of comprehensive income	965 694	769 705
Gross rental income	**4 331 202**	**3 059 912**
SA REIT administrative cost-to-income ratio	**3.5%**	**4.3%**

[1] *Net of COVID-19 related discounts and relief*

P2.6 SA REIT GLA vacancy rate - TOTAL

	GROUP June 2023	June 2022
Gross lettable area of vacant space	23 199	27 112
Gross lettable area of total property portfolio	868 278	868 669
SA REIT GLA vacancy rate	**2.7%**	**3.1%**

P. PROPERTY DISCLOSURES

P2 SA REIT RATIOS

P2.7 SA REIT Cost of debt

	GROUP June 2023 %	June 2022 %
P2.7.1 Cost of debt - ZAR		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	10.3%	6.8%
Pre-adjusted weighted average cost of debt	**10.3%**	**6.8%**
Adjustments:		
Impact of interest rate derivatives	-1.6%	0.7%
Amortised transaction costs imputed into the effective interest rate	0.2%	0.2%
All-in weighted average cost of debt	**8.9%**	**7.7%**
P2.7.2 Cost of debt - EUR		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	5.9%	2.5%
Pre-adjusted weighted average cost of debt	**5.9%**	**2.5%**
Adjustments:		
Impact of interest rate derivatives	-2.0%	0.2%
All-in weighted average cost of debt	**3.9%**	**2.7%**
P2.7.3 Cost of debt - USD		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	11.3%	7.1%
Pre-adjusted weighted average cost of debt	**11.3%**	**7.1%**
Adjustments:		
Impact of interest rate derivatives	-1.4%	0.0%
All-in weighted average cost of debt	**9.9%**	**7.1%**

Additional information

Q1 EARNINGS RECONCILIATIONS

Q1.1 Reconciliation of net income before value adjustments to distributable income

	GROUP June 2023 R'000	June 2022 R'000
Net income before value adjustments	**1 078 476**	**1 053 162**
Adjustments to calculate distributable income	**372 409**	**117 640**
Straight-line rental revenue accrual	100 380	42 866
Tax adjustments	(74 646)	(29 764)
Equity accounted losses	150 694	68 209
Capital items for distribution purposes	163 295	22 028
Non-controlling interests	32 686	14 301
Distributable income	**1 450 885**	**1 170 802**
Weighted average number of shares for calculating distributable income per share	358 084 019	341 859 205
Distributable income per share (cents)	405.2	342.5
Dividend per share (cents)	299.3	293.6

Q1.2 Reconciliation of cash generated from operations to distributable income

	June 2023 R'000	June 2022 R'000
Cash generated from operations	**2 437 584**	**1 837 635**
Adjusted for:	**(986 699)**	**(666 833)**
Increase/(Decrease) in receivables	11 959	(46 285)
Decrease/(increase) in payables	7 278	(34 204)
Impairment of trade receivables	16 611	(8 810)
Depreciation and amortisation	(110 391)	(75 792)
Share-based payment expense *(net of forfeit credits)*	(6 153)	(6 529)
Interest received	53 040	74 207
Interest paid	(907 503)	(568 094)
Other non-cash items	(7 915)	(7 891)
Taxation adjustments	(74 646)	(29 764)
Capital items for distribution purposes	(1 665)	22 028
Non-controlling interests	32 686	14 301
Distributable income	**1 450 885**	**1 170 802**

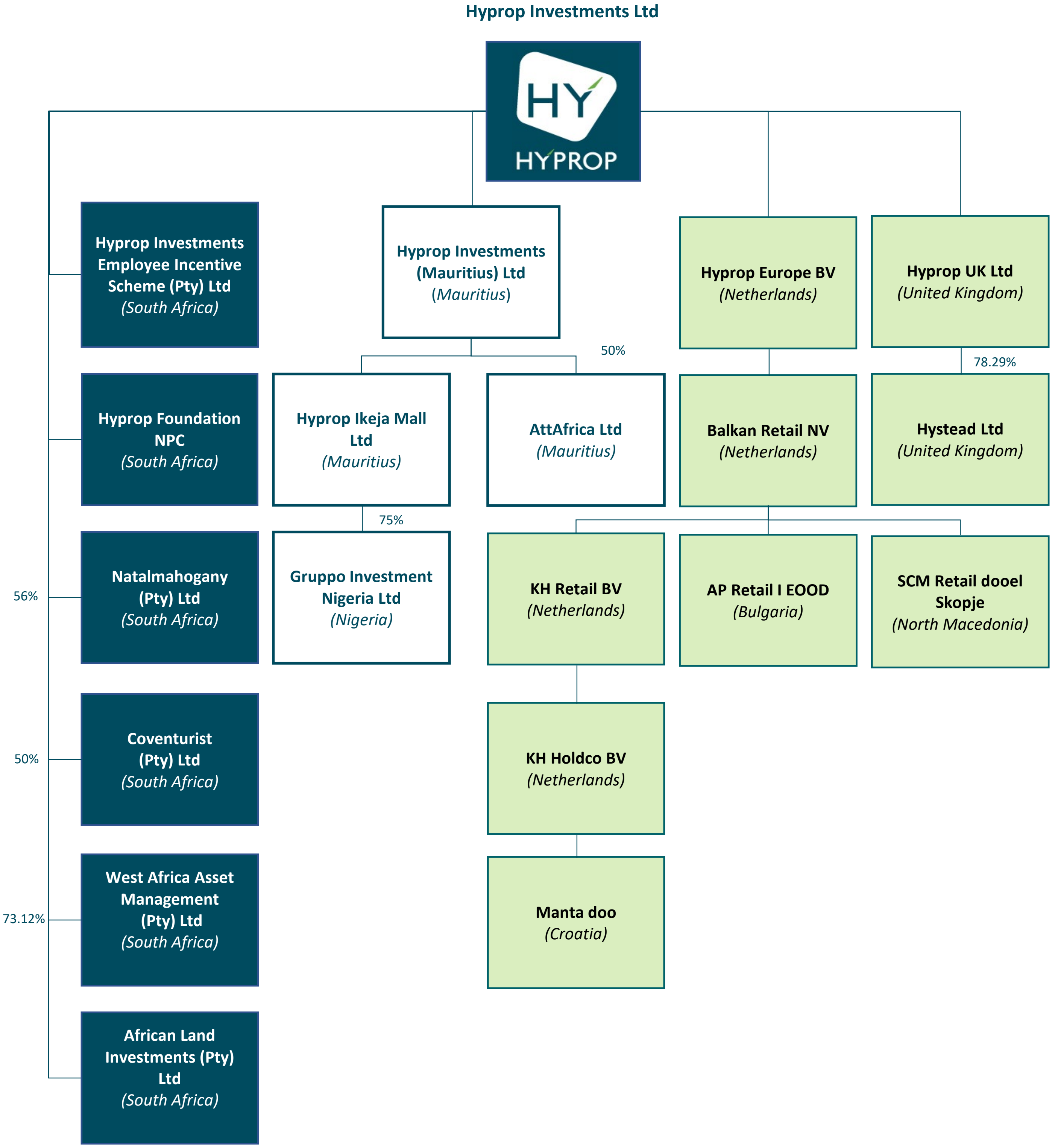
Additional information

Q2 FIVE-YEAR REVIEW

	GROUP June 2023 R'000	June 2022 R'000	June 2021 R'000	June 2020 R'000	June 2019 R'000
Revenue	**4 373 940**	**3 120 763**	**2 781 339**	**3 102 342**	**3 217 848**
Changes in expected credit losses - trade receivables	16 611	(8 810)	(72 253)	(77 682)	(47 052)
Property expenses	(1 945 030)	(1 375 342)	(1 178 249)	(1 139 721)	(1 132 002)
Net property income	**2 445 521**	**1 736 611**	**1 530 837**	**1 884 939**	**2 038 794**
Other operating income	13 508	32 022	55 341	18 783	27 715
Other operating expenses	(150 527)	(132 266)	(122 718)	(89 130)	(72 428)
Net foreign exchange (losses)/gains	(224 869)	(21 109)	(51 778)	2 088	3 113
Operating income	**2 083 633**	**1 615 258**	**1 411 682**	**1 816 680**	**1 997 194**
Net interest	(854 463)	(493 887)	(521 971)	(548 395)	(461 155)
Interest income	53 040	74 207	26 842	88 997	156 043
Interest expense	(907 503)	(568 094)	(548 813)	(637 392)	(617 198)
Net operating income	**1 229 170**	**1 121 371**	**889 711**	**1 268 285**	**1 536 039**
Guarantee fee income	-	-	3 635	22 111	40 542
Dividends income	-	-	19 833	120 630	221 190
Loss from equity accounted investments	(150 694)	(68 209)	(4 016)	-	-
Net income before value adjustments	**1 078 476**	**1 053 162**	**909 163**	**1 411 026**	**1 797 771**
Changes in fair value	490 171	690 934	(1 661 020)	(4 620 263)	(587 083)
Investment property	434 145	459 403	(1 587 323)	(4 668 419)	(337 238)
Other investments	-	-	-	(45 172)	(12 705)
Loans receivable at FVTPL	-	-	-	-	(105 809)
Financial asset - Hystead	-	(7 159)	(235 738)	314 528	(85 229)
Derivative instruments	56 026	238 690	162 041	(221 200)	(46 102)
(Loss)/profit on disposal of investment property	-	(1 135)	-	-	2 825
Changes in expected credit losses - loans receivable	(2 767)	-	-	(289 974)	(1 350 727)
Changes in expected credit losses - financial guarantees	-	-	16 665	(16 665)	-
Impairment of goodwill	(8 775)	(433 432)	-	-	-
Other impairments	-	-	-	-	(29 964)
Impairment of intangible assets	-	(16 197)	-	-	-
Derecognition of financial guarantees	-	65 865	-	-	185 686
Profit/(loss) before taxation	**1 557 105**	**1 359 197**	**(735 192)**	**(3 515 876)**	**18 508**
Taxation	(71 581)	(15 024)	(101 500)	(7 150)	93 028
Profit/(loss) for the year	**1 485 524**	**1 344 173**	**(836 692)**	**(3 523 026)**	**111 536**
Total profit/(loss) for the year attributable to shareholders of the Company	1 521 216	1 345 164	(811 620)	(3 401 849)	164 922
Investment property at fair value *(excluding investment property held-for-sale.)*	34 824 584	32 393 622	22 091 100	24 665 964	28 636 718
Distributable income per share (cents)	405	343	337	493	745

Q3 Group structure

as at 30 June 2023



All holdings are at 100% unless otherwise specified

Shareholders' information

as at 30 June 2023

R1 SHAREHOLDERS ANALYSIS

R1.1 Shareholder spread	Number of shareholdings	% of number of shareholdings	Number of shares	% of number of shares in issue
1 – 1 000	3 955	51.9	1 126 316	0.3
1 001 – 10 000	2 538	33.3	8 071 448	2.2
10 001 – 100 000	775	10.2	24 787 507	6.9
100 001 – 1 000 000	285	3.7	94 609 912	26.3
Over 1 000 000	61	0.9	230 971 387	64.3
Total	**7 614**	**100.0**	**359 566 570**	**100.0**

R1.2 Distribution of shareholders				
Banks/Brokers	73	1.0	34 186 481	9.5
Close Corporations	62	0.8	1 387 366	0.4
Endowment Funds	72	0.9	1 830 413	0.5
Individuals	5 595	73.5	14 031 827	3.9
Insurance Companies	82	1.1	12 304 775	3.4
Investment Companies	1	0.0	110 282	0.0
Medical Schemes	22	0.3	4 633 894	1.3
Mutual Funds	321	4.2	158 532 225	44.1
Other Corporations	40	0.5	116 835	0.0
Private Companies	247	3.2	9 761 342	2.7
Public Companies	3	0.0	1 638	0.0
Retirement Funds	327	4.3	112 543 575	31.3
Treasury - Hyprop Employee Incentive Scheme	1	0.0	1 482 551	0.4
Sovereign Wealth Funds	2	0.0	1 199 350	0.3
Trusts	766	10.1	7 444 016	2.1
Total	**7 614**	**100.0**	**359 566 570**	**100.0**

R1.3 Shareholder type				
Non-public shareholders	6	0.08	87 625 118	24.3
Directors	3	0.04	110 407	0.0
Treasury - Hyprop Employee Incentive Scheme	1	0.01	1 482 551	0.4
Holding of more than 10%	2	0.03	86 032 160	23.9
Public shareholders	7 608	99.92	271 941 452	75.7
Total	**7 614**	**100.0**	**359 566 570**	**100.0**

R1.4 Beneficial holdings greater than 5% of the issued shares		
Government Employees Pension Fund	48 477 396	13.5
Allan Gray	37 554 764	10.4
Eskom Pension and Provident Fund	19 239 740	5.4
Total	**105 271 900**	**29.3**

Shareholders' information

R2 SHAREHOLDERS' DIARY

	Provisional dates
Financial year end	June 2023
Publication of financial results[1]	September 2023
Annual report available to shareholders[1]	October 2023
Annual general meeting[1]	November 2023
Publication of interim results[1]	March 2024

[1] These dates are provisional and are subject to change.

R3 DISTRIBUTION DETAILS

	June 2023 cents per share	June 2022 cents per share
12 months ended 30 June	299.3	293.6
Total	**299.3**	**293.6**

R4 ADMINISTRATION

HYPROP

Registered office and Business address
2nd floor, Cradock Heights
21 Cradock Avenue
Rosebank, Johannesburg
2196

Postal address
PO Box 52509
Saxonwold
2132

Registration number
1987/005284/06

Investor relations
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CORPORATE ADVISOR AND SPONSOR

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Sandton
2196

INDEPENDENT AUDITOR

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KPMG Crescent
85 Empire Road
Parktown
2193

TRANSFER SECRETARY

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Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal address
Computershare Investor Services Pty Ltd
PO Box 61051
Marshalltown
2107

R5 Glossary

African Land	African Land Investments (Pty) Ltd
AFS	Annual financial statements
ARC	Audit and risk committee
AttAfrica	AttAfrica Ltd
AttAfrica SA	AttAfrica SA (Pty) Ltd
Board	The board of directors of Hyprop
CEO	The chief executive officer of Hyprop
CFC	Controlled Foreign Company, as defined in the South African Income Tax Act, No. 58 of 1962
CFO	The chief financial officer of Hyprop Investments Ltd. This individual serves as the "executive financial director" as required by section 3.84(f) of the JSE Listings Requirements.
Conditional shares	Conditional shares as defined in the LTIP rules
Company or Hyprop	Hyprop Investments Ltd
Covid-19	A novel strain of coronavirus that became a global pandemic in early 2020
CUP	The Group long-term employee incentive scheme/ The conditional share plan
DCM	The debt capital market (DCM) operated by the Johannesburg Stock Exchange.
Deferred awards	Deferred awards as defined in the LTIP rules
ECL(s)	Expected credit losses
EE	Eastern Europe
EmpiriQ	EmpiriQ Technologies (Pty) Ltd, the co-investor in Natalmahogany
ETTP	Entrepreneurship To The Point
EURIBOR	The Euro Interbank Offered Rate, being the average interest rate at which a large panel of European banks borrow funds from one another.
FVLCTS	Fair value less cost to sell
FVTPL	Fair value though profit or loss
FVTOCI	Fair value through other comprehensive income
GLA	Gross lettable area
Group	Hyprop Investments Ltd and its subsidiaries
Gruppo	Gruppo Investment Nigeria Ltd (owner of Ikeja City Mall)
Hyprop Europe	Hyprop Europe B.V. (a Netherlands registered company) and holder of the Group's European investments
Hyprop Europe Group	Hyprop Europe B.V. and its subsidiaries
Hyprop Foundation	Hyprop Foundation NPC
Hyprop Ikeja	Hyprop Ikeja Mall Ltd
Hyprop Mauritius	Hyprop Investments (Mauritius) Ltd
Hyprop Employee Incentive Scheme	Hyprop Investments Employee Incentive Scheme (Pty) Ltd
Hyprop UK	Hyprop UK Ltd (a UK registered company and the direct holding company of Hystead)
Hyprop UK Group	Hyprop UK Ltd and its subsidiary
Hystead	Hystead Ltd (a UK registered company)
IFRS	International Financial Reporting Standards
Ikeja or Ikeja City Mall	Ikeja City Mall, the property owned by Gruppo
JIBAR	The Johannesburg Interbank Average Rate, the money market rate that is used in South Africa as a reference for setting the interest rate on loans
LTIP	The new long-term incentive plan approved by shareholders on 20 July 2022.
LTPA	Long-term performance awards under the LTIP. These awards replaced the CUP awards from July 2022.
LTV	Loan to value ratio
Natalmahogany	Natalmahogany (Pty) Ltd owner of NTER software systems (previously SOKO district software systems).
NAV	Net asset value
NCI	Non-controlling interest
NTER	A digital leasing platform and software system developed by Natalmahogany and used to operate SOKO districts.
OCI	Other comprehensive income
PDI	PDI Investment Holdings Ltd (and/or its successors in title Homestead Group Holdings Limited and AMZ Holdings), the non-controlling shareholder(s) in Hystead
REIT	Real estate investment trust
Restricted Shares	Restricted shares as defined in the LTIP rules
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SA REIT	The SA REIT Association, a representative umbrella body for South African REITs
SA REIT FFO	*Funds from Operations* as defined by the SA REIT Association's best practice recommendations
SA REIT NAV	*Net asset value* as defined by the SA REIT Association's best practice recommendations
SOKO district	A marketplace operated by Rosebank Mall which forms part of the Group's non-tangible asset strategy.
SCE	Statements of changes in equity
SCF	Statements of cash flows
SDEV	SD DEVPOOL2 (Pty) Ltd
SFP	Statements of financial position
SOCI	Statements of profit or loss and other comprehensive income
SOFR	The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London Interbank Offered Rate (LIBOR)
SSA	Sub-Saharan Africa (other than SA)
TNAV	Tangible net asset value
WAAM	West Africa Asset Management (Pty) Ltd
WALE	Weighted average lease expiry period in years