



HYPROP

# Condensed Consolidated Interim Results

For the six months ended  
31 December 2023 ("HY2024")

City Center one West, Zagreb, Croatia

# Headlines



## Repositioning strategy yields improved operational performance

### South Africa (“SA”) portfolio

- The SA portfolio’s tenant turnover increased by 5.6%, while **trading density grew by 4.9%, and average monthly foot count increased to 7 million**, reflecting a 5.8% increase year-on-year
- Retail vacancies for the SA portfolio were **well controlled** at 1.3%
- SA’s weighted average rent reversion rate improved significantly to **positive 3%**
- The **new Checkers FreshX and the upgraded Pick n Pay Hypermarket** opened at Somerset Mall
- **Completed three drive-thrus** and the Woolworths extension (Woolworths Café and W Cellar) at Woodlands Boulevard

### Eastern Europe (“EE”) portfolio

- The centres in EE continue to deliver **double-digit growth** in the majority of their key performance metrics. Tenant turnover was up 12.5% and trading density maintained a positive trajectory delivering 12.2% growth
- EE portfolio’s **vacancy rate remained very low** at 0.3%
- **New H&M store opened** at Skopje City Mall in March 2024



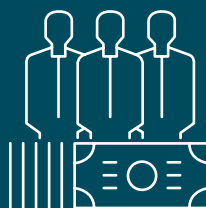
## Strong balance sheet and liquidity position

- **R500 million of new capital was raised** through the FY2023 DRIP
- **Strong liquidity position with R1.6 billion of cash** (R500 million earmarked for the Table Bay Mall acquisition) and R1.7 billion of available bank facilities (R250 million earmarked for the Table Bay Mall acquisition)
- **LTV ratio increased from 36.3%** in June 2023 to **37.4%** and the ICR decreased from 2.8 times to 2.3 times
- **Refinanced / restructured R4.2 billion of borrowings** at lower margins and secured **R1.6 billion of new facilities**



## Corporate activity

**The Competition Tribunal unconditionally approved** the Table Bay Mall acquisition which should be implemented before 1 April 2024



## Strong performance by the SA and EE portfolios dampened by the anticipated increase in interest rates and foreign exchange losses incurred by Ikeja City Mall

- **Distributable income for HY2024 was R668 million**, a decrease of 8.3%
- **Distributable income per share reduced by 13.4%** from 203.4 cents in HY2023 to 176.1 cents in HY2024
- **8% growth in net operating income (in euros) of the EE portfolio** augmented by the 15% devaluation of the Rand against the Euro
- **Realised foreign exchange losses of R33 million in Nigeria** on the conversion of nairas to US dollars and concessions granted to tenants due to currency volatility

# Commentary

## Introduction

Hyprop's focus is to create spaces and connect people by owning and managing dominant retail centres in mixed-use precincts in the key economic nodes of South Africa and Eastern Europe. The group is listed on the JSE and A2X as a REIT.

Our diverse and multi-skilled team creates long-term stakeholder value by pursuing a sustainable yet simple business model, ensuring our centres have a positive social impact, and adhering to a robust governance framework.

Over the past five years, we have diligently been repositioning our centres in SA and EE to ensure they remain relevant and actively managing them to grow their market share. These initiatives have delivered tangible results in the form of steadily rising tenant turnover, trading densities and foot count in an environment of high inflation and consumer incomes being under pressure.

In the six months ended December 2023, we continued to focus on projects that ensure energy security, invest in geographies with better growth prospects, such as the Western Cape and Eastern Europe, and other yield-enhancing initiatives. This strategy has enabled us to attract and retain tenants, including some of the world's most iconic brands, underscoring our relevance to retailers and shoppers.

In these results, the SA portfolio and the EE portfolio delivered strong operational performances, with distributable income from these portfolios above the Group's expectations, while the anticipated higher interest costs are in line with our expectations.

Hyprop also has interests in retail centres in Nigeria and Ghana. The quality of these centres has been overshadowed by the macroeconomic events in the region, making the operating environment extremely challenging. It remains our intention to exit these investments. In the meantime, we continue to manage them to optimise their operational performance.

The significant devaluation of the Nigerian naira against the US dollar had a consequential negative effect on the financial contribution from Ikeja City Mall due to foreign exchange losses incurred and concessions granted to tenants.

## Group financial performance

	Unaudited December 2023 R'000	Unaudited December 2022 R'000	Audited June 2023 R'000
<b>Net income before value adjustments</b>	<b>579 935</b>	<b>575 562</b>	<b>1 078 476</b>
<b>Adjustments to calculate distributable income</b>	<b>88 354</b>	<b>152 845</b>	<b>372 409</b>
Straight-line rental income accrual	37 499	64 936	100 380
Tax adjustments	(51 946)	(37 993)	(74 646)
Loss from equity accounted investments	33 547	89 761	150 694
Capital items for distribution purposes	42 768	16 535	163 295
Non-controlling interests	26 486	19 606	32 686
<b>Distributable income</b>	<b>668 289</b>	<b>728 407</b>	<b>1 450 885</b>
Number of shares for calculating DIPS	379 474 793	358 084 019	358 084 019
<b>Distributable income per share (DIPS) (cents)</b>	<b>176.1</b>	<b>203.4</b>	<b>405.2</b>

Distributable income for HY2024 was R668 million, a decrease of 8.3% from December 2022 (HY2023). Distributable income per share reduced by 13.4% from 203.4 cents in HY2023 to 176.1 cents in HY2024. The main reasons for the reductions are:

- an increase of R134 million in interest costs following the increase in interest rates over the last 18 months
- the loss of R9 million reported by the SSA portfolio compared to a profit of R26 million in HY2023. The loss arises as a result of realised foreign exchange losses of R33 million in Nigeria on the conversion of nairas to US dollars and concessions granted to tenants due to currency volatility
- a 6% increase in the weighted average number of shares in issue from 358 million to 379 million following the FY2023 DRIP

Given the prevailing uncertainty and high degree of risk in Nigeria as a result of the unprecedented devaluation of the Nigerian naira against the US dollar and the impact thereof on Ikeja City Mall's tenants, its net operating income and in-country debt, as well as the economic and political uncertainty in South Africa ahead of the elections in May 2024 and the recent announcements by Pick n Pay (which is an anchor tenant in all our SA centres), the Board has decided not to pay an interim dividend until these risks subside, in which event the interim dividend may be aggregated with the final dividend for FY2024.



## South African portfolio

Our South African portfolio, which comprises 62% of the Group's investment properties by value and contributes 67% of distributable income, delivered a solid operating performance, despite difficult operating conditions, the anaemic performance of the South African economy and pressure on consumer spending. The SA portfolio continued to reflect improvements in most of its key performance indicators.

Total tenant turnover rose by 5.6%, maintaining its upward trajectory since 2022. Growth in trading density (rands per square metre per month) was up 4.9%.

Our well-positioned centres continued to attract shoppers, with average monthly foot count up 5.8%, and despite pressure on household incomes, our shoppers remained resilient with only a 0.1% decrease in average spend per head to R307.80 (Dec 2022: R308.20).

The SA portfolio's weighted average rent reversion rate was positive 3% (2.1% for retail and 14.9% for offices). This pleasing improvement is confirmation that the repositioning strategy is bearing fruit. At 31 December 2023, the retail vacancies were well controlled at 1.3% while the office vacancy rate was 32.8%.

The SA portfolio's key trading metrics	July	August	September	October	November	December	Total for 6-month period
<b>Tennant Turnover (R'000)</b>							
2021	1 424 864	1 464 246	1 513 825	1 643 876	1 921 458	2 593 255	<b>10 561 523</b>
2022	1 834 768	1 693 726	1 724 138	1 818 801	2 148 135	3 009 882	<b>12 229 450</b>
2023	1 940 657	1 815 937	1 858 733	1 833 570	2 217 926	3 252 867	<b>12 919 691</b>
<b>Variance % 2022 vs 2021</b>	<b>28.8%</b>	<b>15.7%</b>	<b>13.9%</b>	<b>10.6%</b>	<b>11.8%</b>	<b>16.1%</b>	<b>15.8%</b>
<b>Variance % 2023 vs 2022</b>	<b>5.8%</b>	<b>7.2%</b>	<b>7.8%</b>	<b>0.8%</b>	<b>3.2%</b>	<b>8.1%</b>	<b>5.6%</b>
<b>Trading Density (R)</b>							
2021	2 555	2 577	2 654	2 896	3 368	4 509	<b>3 098</b>
2022	3 226	2 980	3 026	3 174	3 716	5 186	<b>3 557</b>
2023	3 383	3 161	3 236	3 185	3 826	5 573	<b>3 732</b>
<b>Variance % 2022 vs 2021</b>	<b>26.3%</b>	<b>15.6%</b>	<b>14.0%</b>	<b>9.6%</b>	<b>10.4%</b>	<b>15.0%</b>	<b>14.8%</b>
<b>Variance % 2023 vs 2022</b>	<b>4.9%</b>	<b>6.1%</b>	<b>6.9%</b>	<b>0.3%</b>	<b>3.0%</b>	<b>7.5%</b>	<b>4.9%</b>
<b>Foot Count ('000)</b>							
2021	5 371	5 613	5 628	6 267	6 485	8 043	<b>37 406</b>
2022	6 320	5 829	5 910	6 434	6 641	8 535	<b>39 670</b>
2023	6 878	6 262	6 445	6 572	6 909	8 886	<b>41 952</b>
<b>Variance % 2022 vs 2021</b>	<b>17.7%</b>	<b>3.8%</b>	<b>5.0%</b>	<b>2.7%</b>	<b>2.4%</b>	<b>6.1%</b>	<b>6.1%</b>
<b>Variance % 2023 vs 2022</b>	<b>8.8%</b>	<b>7.4%</b>	<b>9.0%</b>	<b>2.1%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>5.8%</b>
<b>Retail Vacancy (%)</b>							
2021	3.1%	3.1%	2.7%	2.6%	2.4%	2.4%	-
2022	2.0%	1.5%	1.3%	1.3%	1.5%	1.5%	-
2023	1.4%	1.6%	1.7%	1.4%	1.3%	1.3%	-
<b>Collections (R'000)</b>							
2021	251 172	224 470	265 946	300 735	238 066	314 418	<b>1 594,807</b>
2022	255 298	279 779	313 384	248 591	282 469	330 694	<b>1 710 216</b>
2023	250 677	290 193	311 921	273 013	300 636	334 898	<b>1 761 338</b>
<b>Variance % 2022 vs 2021</b>	<b>1.6%</b>	<b>24.6%</b>	<b>17.8%</b>	<b>(17.3%)</b>	<b>18.7%</b>	<b>5.2%</b>	<b>7.2%</b>
<b>Variance % 2023 vs 2022</b>	<b>(1.8%)</b>	<b>3.7%</b>	<b>(0.5%)</b>	<b>9.8%</b>	<b>6.4%</b>	<b>1.3%</b>	<b>3.0%</b>

## Gauteng

### Rosebank Precinct

The Rosebank precinct ranks as our second-busiest centre after Canal Walk, with a total foot count of approximately six million in HY2024 (up 9.5%) compared to Canal Walk (retail & office) with a total foot count of 9.9 million for the same period. Rosebank Mall is benefiting from ongoing conversions and construction of residential and office properties in the surrounding streets. Tenant turnover continued on its growth trajectory, increasing by 9.7%, while trading density was up 7.2%.

To stay ahead of demand, the Mall Offices have completed the first phase of a R10 million upgrade, and the second phase should be finished by the end of April. Similarly, the first phase of establishing e-hailing waiting areas within the precinct has been completed with the second phase to be completed by the end of March 2024. The upgrade of the service providers' change rooms was completed at the end of February 2024, as well as the emergency lighting in all restrooms. Upgrading the wayfinding signage commenced in March.

We achieved 38% growth in the trading density of the SOKO District (January 2024 compared to January 2023), as well as significant improvements in operating efficiencies and the tenant mix since the Rosebank Mall team took over management of the district from 1 December 2023.

During HY2024, Chekich (footwear), Bubble Bee (bubble tea), UNIQ Clothing, Toys R Us, The Crazy Store and Wimpy opened new stores at Rosebank Mall. Spec Savers relocated their store in August 2023.

### CLEARWATER

Clearwater's tenant turnover reached R1.7 billion, trading density was up 1% and foot count was marginally lower by 1.7% compared to HY2023 despite the underperformance of anchor tenants, Pick n Pay and Woolworths. The foot count was impacted by a power failure that lasted two weeks during November 2023, the ongoing closure of Hendrik Potgieter Road to repair a sinkhole, as well as the bank refurbishment project undertaken between September and November 2023, where Standard Bank was closed for several weeks.

The centre strengthened its appeal with the addition of 12 new stores in HY2024. November was the busiest month for new store openings. We welcomed Jeep, Zorora Sofas, Keedo (kids' apparel), Porter & Craft (luxury leather products) and Steve Madden (shoes and fashion accessories). In October, four new brands – Xpresso Cafe, Nominations (jewellery), Sleepmaster (beds) and Vaperite – opened their doors. Other new tenants were Yogurtland (which offers guilt-free frozen treats), ARC (luxury beauty brands products) and Nando's.

Several tenants relocated, including Capitec, which moved into bigger premises, Samsung, Catherine Walk, The Crazy Store, Absa, Standard Bank, Rochester and Sissy Boy. Burger King, Wimpy, H&M and Cotton On revamped their stores.

The new escalator which links the ground and first floor near entrance 4 was installed. This has improved the appeal of the quieter areas on the first floor, and the centre is already seeing improved traffic in this area, aided by Under Armour opening its new store on the first floor post period-end.

### woodlands

Woodlands Boulevard, the shopping, dining and lifestyle destination in Pretoria East recently welcomed a number of attractive new stores. Among the new food offerings is Krispy Kreme (doughnuts for every occasion), while in December the Chicken Licken, Steers and Burger King drive-thrus began trading. Other new stores include Yuppiechef and Ackermans Women.

The enhanced tenant mix and offering resulted in a 4.9% increase in tenant turnover during the period.

In January 2024, The Fun Company took beneficial occupation of the vacant space adjacent to the cinemas and is expected to start trading in April 2024. Woolworths' expansion, including a new Woolworths Café and W Cellar, as well as the Mugg & Bean and Spur relocations were completed and all are trading well.

### H Y D E P A R K C O R N E R

Hyde Park Corner continued to experience improvement across its key trading metrics. Trading density grew by 6.9%, while tenant turnover and foot count increased by 5.5% and 0.9%, respectively. The centre launched two new stores, Flight Centre and Edgars Beauty, during the period.

We secured Workshop 17 (a flexible office operator) as a tenant for the whole North office tower. The revamp of the North office tower to accommodate Workshop 17 is underway. Phase 1 of the project is expected to be completed for occupation in the last quarter of 2024 and phase 2 in 2025.

### the Glen

Situated in the south of Johannesburg, the Glen Shopping Centre achieved 4.5% growth in tenant turnover, while trading density increased by 2.3%. The centre remained busy during the period and reported a 4.6% rise in foot count.

A number of existing tenants completed store upgrades early in the period. These include Absa, Cross Trainer and Chateau Gateaux. Five new stores opened during the period, namely G-Star (denim retailer), Cosmic Comic (comic book retailer), Arthur Ford (high-quality fragrances, cosmetics, personal care products), Nail Game (nail and beauty), and UNIQ Clothing, diversifying the offering to shoppers and bolstering the centre's relevance.



## Western Cape

### SOMERSET MALL

In September 2023, Somerset Mall was presented with a SACSC Footprint Marketing Award in the category of Visual Merchandising for its SM Art Mile campaign, in which it partnered with the world-famous sculptor Marco Olivier by displaying his sculptures in the centre's lounge areas. It is such innovations and campaigns that differentiate Somerset Mall and maintain its relevance, which is evident in the 5.8% increase in tenant turnover, 7.1% growth in trading density and 1.4% rise in foot count.

In November 2023, Pick n Pay relaunched its existing store as a Pick n Pay Hypermarket, followed shortly thereafter by the opening of a new Checkers FreshX. Two specialist food stores opened in December, namely Vida e Caffè and Booba Beautea.

Somerset Mall completed the refurbishment of the food court supporting Ster Kinekor and relaunched it as "Cinema Connect" at the end of February 2024.

### CapeGate

CapeGate, the Western Cape's family-friendly shopping destination delivered a solid trading performance. Tenant turnover rose by 9.4%, trading density increased by 8.7% and total foot count grew by 11.1%.

Between 24 November and 24 December 2023, CapeGate hosted an Outdoor Festive Market, attracting 30 000 visitors, 300 vendors and generating R6.1 million in tenant turnover.

Three new stores, namely Nando's, Krispy Kreme and Bag World opened and the new Suzuki dealership started trading on 1 September 2023.

#### Financial performance

Distributable income for the SA portfolio decreased from R459 million in HY2023 to R447 million, mainly due to the R31 million increase in net interest costs. Distributable income before interest costs increased by 2.7%, from R699 million in HY2023 to R718 million.

Contractual rental income increased by 3.6% from HY2023 as rent reversions turned positive. Turnover rent increased 18.8% to R39 million. Recovery rates for electricity and other utilities were maintained in-line with HY2023, while the diesel recovery rate on generators improved from 55% in HY2023 to 86%. Property expenses increased by 3.5%.

The hedged cost of funding increased by 0.5% compared to a 1% increase in base rates from HY2022 to HY2023.

### CANAL WALK

Canal Walk, the only super-regional shopping centre in the Western Cape (with 156 984m<sup>2</sup> of GLA) boasts a large variety of stores that can be accessed from 12 entrances and more than 8 000 parking bays. Because of its premier positioning, Canal Walk is frequently the launchpad for new international brands entering the South African market. In this period the centre launched the global footwear brand HEYDUDE and welcomed Nooka, Africa's first high-tech-enabled network of proximity office pods and spaces. Nooka was initially launched at Somerset Mall and was well received.

Other new tenants include several fashion and activewear outlets, such as Calvin Klein Underwear, EA7 Emporio Armani (high-end sportswear), Burnt (quality activewear) and Studio 88 (global apparel and footwear brands), as well as The Fitz Jewellery (quality, affordable jewellery). New food offerings include Free Bird (free-range crispy chicken), Booba Beautea (hand-brewed bubble tea), Futurelife (health foods, including a café, and apparel), Mantelli's Direct (biscuits) and Gelato Mania (artisanal, home-made ice-cream).

Canal Walk extended the diversity of its tenant offering by introducing EcoFlow, an energy solutions company, and a Takealot Pickup Point. Three existing tenants relocated to new spaces, namely TUMI, RVCA and Fossil.

During the period, tenant turnover increased by 6.6%, with trading density up 5.8%. Foot count was up 1.5%, reaching 9.9 million.

#### Investment property valuations

The independent valuations of the investment properties increased by R344 million from June 2023 to R23 376 million at 31 December 2023. No changes were made to the discount and cap rates used by the independent valuers, with the increase in value being driven by growth in net operating income. The valuation equates to an implied yield of 7.3% (June 2023: 7.3%) for the portfolio and 7.6% excluding Canal Walk. Total capital expenditure for the period was R154 million. Major projects completed during the period include the Checkers FreshX and air conditioning projects at Somerset Mall, the drive-thrus and Woolworths expansion at Woodlands Boulevard, new escalator at Clearwater Mall, additional generators at Canal Walk, new Suzuki dealership at CapeGate and the Rosebank Mall Offices upgrade. The forecast capital expenditure for FY2024 is in line with the original approved capital expenditure budget of R500 million.



## Eastern Europe portfolio

### Operating performance and leasing

In the last six months of 2023, we continued to broaden the tenant mix and invested in upgrades at the centres to maintain their dominant market positions.

Operational results from our EE portfolio were good. Tenant turnover increased by 12.5% and average foot count by 2.1%, with trading density up 12.2%. Spend per head rose by 10.2% to an average of €21.8. Overall, the vacancy rate was 0.3% at 31 December 2023.

Inflation and electricity prices are reducing across Eastern Europe and we expect these costs to stabilise in the short term.

The EE portfolio's key trading metrics	July	August	September	October	November	December	Total for 6-month period
<b>Tenant Turnover (€'000)</b>							
2021	38 594	34 055	38 315	42 017	36 795	51 377	<b>241 154</b>
2022	40 194	36 830	44 798	43 987	48 242	61 168	<b>275 221</b>
2023	43 996	41 386	46 899	50 414	56 338	70 476	<b>309 510</b>
<b>Variance % 2022 vs 2021</b>	<b>4.1%</b>	<b>8.1%</b>	<b>16.9%</b>	<b>4.7%</b>	<b>31.1%</b>	<b>19.1%</b>	<b>14.1%</b>
<b>Variance % 2023 vs 2022</b>	<b>9.5%</b>	<b>12.4%</b>	<b>4.7%</b>	<b>14.6%</b>	<b>16.8%</b>	<b>15.2%</b>	<b>12.5%</b>
<b>Trading Density (€)</b>							
2021	234	206	229	251	220	307	<b>241</b>
2022	241	221	272	268	293	371	<b>277</b>
2023	265	251	285	305	339	422	<b>311</b>
<b>Variance % 2022 vs 2021</b>	<b>2.9%</b>	<b>7.0%</b>	<b>19.2%</b>	<b>6.9%</b>	<b>33.2%</b>	<b>20.6%</b>	<b>15.0%</b>
<b>Variance % 2023 vs 2022</b>	<b>9.9%</b>	<b>13.6%</b>	<b>4.7%</b>	<b>13.6%</b>	<b>15.8%</b>	<b>13.7%</b>	<b>12.2%</b>
<b>Foot Count ('000)</b>							
2021	2 091	1 812	1 878	2 106	1 750	2 334	<b>11 971</b>
2022	2 139	2 030	2 245	2 335	2 359	2 796	<b>13 904</b>
2023	2 179	2 104	2 279	2 483	2 422	2 724	<b>14 190</b>
<b>Variance % 2022 vs 2021</b>	<b>2.3%</b>	<b>12.0%</b>	<b>19.6%</b>	<b>10.9%</b>	<b>34.8%</b>	<b>19.8%</b>	<b>16.1%</b>
<b>Variance % 2023 vs 2022</b>	<b>1.9%</b>	<b>3.7%</b>	<b>1.5%</b>	<b>6.3%</b>	<b>2.7%</b>	<b>(2.6%)</b>	<b>2.1%</b>
<b>Vacancy (%)</b>							
2021	0.3%	0.4%	0.3%	0.3%	0.4%	0.4%	-
2022	0.9%	0.9%	0.9%	0.5%	0.4%	0.6%	-
2023	0.4%	0.4%	0.4%	0.5%	0.3%	0.3%	-
<b>Collections (€'000)</b>							
2021	6 297	6 166	6 561	6 612	6 013	9 236	<b>40 885</b>
2022	6 854	7 133	7 606	7 042	7 579	8 923	<b>45 136</b>
2023	6 818	7 485	7 783	7 617	8 159	10 156	<b>48 019</b>
<b>Variance % 2022 vs 2021</b>	<b>8.8%</b>	<b>15.7%</b>	<b>15.9%</b>	<b>6.5%</b>	<b>26.0%</b>	<b>(3.4%)</b>	<b>10.4%</b>
<b>Variance % 2023 vs 2022</b>	<b>(0.5%)</b>	<b>4.9%</b>	<b>2.3%</b>	<b>8.2%</b>	<b>7.7%</b>	<b>13.8%</b>	<b>6.4%</b>

## Zagreb, Croatia



City Center one East, which is located on Zagreb's busiest road, Slavonska Avenija, is the largest retail centre in the eastern part of the city. During the period, tenant turnover grew by 14.6% and trading density by 15.2%.

The centre has added new fashion and precious metals outlets, namely a jewellery store, Zlatarna Dodić, a gold trader, The Bank of Gold, and a streetwear retailer, CATCH. Posteljina.hr, which sells home décor and bedding, relocated to the basement, while KFC and OFFICE Shoes refurbished their stores.



City Center one West, which is often called the best shopping destination in Zagreb, continued to go from strength to strength. Its tenant turnover in the period rose by 15.7% and trading density by 16.1%. There were several store refurbishments during the period, namely fashion retailer Europa 92, lingerie stores Tezenis and Lisca, sneaker store Buzz, and three coffee shops - Torterie Macaron, Leggiero and Living Room - which relocated to new design concept spaces. Varteks relocated and Skechers moved into the centre. An extension to the food court has freshened the customer experience.

## Sofia, Bulgaria



The Mall's position as one of Bulgaria's top three shopping centres will be further entrenched when the extension of Line 3 of Sofia's Metro and construction of a new station next to the centre are completed in 2026.

During the period, tenant turnover grew by 9.6% and trading density rose by 4.7%.

TEDI, the German value retailer, opened its Bulgaria flagship store in July 2023. This is now their top-performing store in Bulgaria. H8S, the new brand of popular former Bulgarian football player, Hristo Stoichkov, opened in October 2023. Additionally, new leases were signed with jewellery retailers, My Silver and Zen Diamonds; bookstore, Knigomania; and a barbecue food services outlet, Smoke. All three stores opened in November 2023. Kolev & Kolev, a kid's shoe store, was relocated and rightsized. A new kiosk, Vitamin C, selling fresh juice, smoothies and healthy food opened in the food court. Pet Mall will be extending its premises to 317m<sup>2</sup> from 72m<sup>2</sup>. The bigger store will open in the spring of 2024.

Several stores were refurbished. H&M introduced its HOME concept for the first time in Bulgaria. Playground (a bowling alley and arcade offering), Billa (an international supermarket), Capella Play (a kid's centre), Guess and Teodor (men's clothing, shoes and accessories) all completed major upgrades to each retailer's new store design concepts.

## Skopje, North Macedonia



Despite the opening of the new Diamond Mall in the city centre last October, Skopje City Mall has maintained its competitive advantage and achieved significant growth in HY2024. Tenant turnover grew by 6.8% and trading density was up 12.0%. The centre experienced impressive growth in turnover rent of 161% compared with 2022. The centre introduced a new anchor tenant, fashion brand Sinsay started trading in December, as did Scout (outdoor sport), Mavi (apparel) and Smart Living (home décor). Fashion House was successfully relocated and expanded, which was essential to accommodate two new tenants. Currently, shoe brand Geox is undergoing a complete renovation, which is expected to be completed by the end of February.

The H&M store was successfully completed in time for them to take beneficial occupation in November 2023. H&M hosted a grand store opening on 7 March 2024, which was supported by strong marketing campaigns.

Skopje City Mall has secured agreements with Karl Lagerfeld and Lacoste to open their exclusive mono-brand stores by April 2024 in Skopje City Mall only and German fashion brand, Oliver will open a flagship store in the centre for the Spring/Summer 2024 season. These strategic moves will enhance the centre's tenant mix and increase its appeal to shoppers.





## Sub-Saharan Africa portfolio (excl. SA)

### Macro environment and strategy

Since the relaxation of exchange controls by the Central Bank of Nigeria in June 2023, the naira has depreciated from N475/\$ in May 2023 to circa N1500/\$ currently. The fuel price has been stable in the six-month period, after the government removed the fuel subsidy in June 2023. The central bank has implemented various measures to normalise exchange control, but the positive impact on the economy will only be evident in the medium term.

The upside of the relaxation of exchange controls since June 2023 is that it has made it easier to obtain US dollars. Gruppo has secured circa \$7.5 million in this financial year, most of which was utilised to settle outstanding interest on its bank debt.

The devaluation of the naira is placing severe pressure on both Nigerian retailers and consumers. Rentals under Ikeja City Mall's leases are indexed to the US dollar and tenants are struggling with having to pay almost triple for rent (in naira). To alleviate some of their financial pressures, Ikeja City Mall is providing assistance to tenants in good standing.

Gruppo Investments Nigeria ("Gruppo"), which owns Ikeja City Mall, remains classified as an asset held-for-sale, pending implementation of the disposal to an Actis fund. The lack of US dollar liquidity and the currency weakness in Nigeria has delayed the implementation of the transaction, however, the parties have recently concluded a non-binding term sheet recording revised transaction terms which are subject to all parties' approval. In terms of the revised transaction, the Actis fund will subscribe for new shares in, and advance a shareholder loan to Gruppo, such that the Actis fund will own 50% of the resultant shares and shareholder loans in Gruppo, for an aggregate consideration of \$25 million. Hyprop's effective share in Gruppo will reduce to 37.5%. Gruppo will use the \$25 million proceeds to settle senior bank debt. Based on the aforementioned transaction terms, the implied value of Ikeja City Mall is \$85 million, which reflects the current reality in Nigeria due to the devaluation of the naira and the soaring inflation and interest rates. We will endeavour to implement the transaction prior to expiry of the existing competition commission approval on 25 June 2024.

Slow economic growth, cedi/US dollar depreciation, inflation and high government debt present ongoing headwinds for the Ghanaian economy. Amid challenging conditions, our three centres delivered growth in HY2024.

The SSA portfolio's key trading metrics	July	August	September	October	November	December	Total for 6-month period
<b>Tenant Turnover (GHC'000)</b>							
2021	42 815	48 511	44 055	45 398	51 208	77 449	<b>309 436</b>
2022	50 415	53 959	60 197	59 637	91 264	96 267	<b>411 738</b>
2023	61 062	61 292	66 766	61 684	69 826	99 930	<b>420 559</b>
<b>Variance % 2022 vs 2021</b>	<b>17.8%</b>	<b>11.2%</b>	<b>36.6%</b>	<b>31.4%</b>	<b>78.2%</b>	<b>24.3%</b>	<b>33.1%</b>
<b>Variance % 2023 vs 2022</b>	<b>21.1%</b>	<b>13.6%</b>	<b>10.9%</b>	<b>3.4%</b>	<b>(23.5%)</b>	<b>3.8%</b>	<b>2.1%</b>
<b>Tenant Turnover (US'000)</b>							
2021	7 170	7 864	7 955	7 382	8 201	12 081	<b>50 653</b>
2022	6 050	5 740	5 960	4 975	6 263	8 239	<b>37 228</b>
2023	5 206	5 370	5 795	5 219	5 810	8 256	<b>35 656</b>
<b>Variance % 2022 vs 2021</b>	<b>(15.6%)</b>	<b>(27.0%)</b>	<b>(25.1%)</b>	<b>(32.6%)</b>	<b>(23.6%)</b>	<b>(31.8%)</b>	<b>(26.5%)</b>
<b>Variance % 2023 vs 2022</b>	<b>(13.9%)</b>	<b>(6.5%)</b>	<b>(2.8%)</b>	<b>4.9%</b>	<b>(7.2%)</b>	<b>0.2%</b>	<b>(4.2%)</b>

Tenant turnover and trading density metrics exclude Nigeria.

### Financial performance

Distributable income before net interest costs increased by 23% in rands from R339 million in HY2023 to R417 million in HY2024, aided by the 15% devaluation of the rand against the euro. Distributable income after interest for the EE portfolio decreased 5.7% in rands from R243 million in HY2023 to R229 million in HY2024 due to the increase in interest costs.

Rent and other lease income increased by 9% in euros from HY2023 to HY2024, including a 57% increase in turnover rent. Recovery income reduced due to the ending of the electricity subsidies received in HY2023. Property expenses reduced similarly due to lower electricity prices. The savings in electricity costs were partially off-set by inflationary increases in most other operating costs. Net property income (excluding the rental straight-line accrual) increased by 8% in euros from HY2023 to HY2024.

Net interest costs increased due to higher interest rates and expiry of interest rate hedges at the end of FY2023. The average cost of borrowings increased from 3.2% in HY2023 to 5.0% in HY2024.

The effective tax rate is higher than the average applicable tax rates due to deferred tax assets relating to interest costs in the holding company structure that have not been recognised.

### Investment property valuations

All the investment properties were independently valued at 31 December 2023 – Skopje City Mall and CCO West by Cushman and Wakefield who were appointed as a second independent valuer for the EE portfolio, and The Mall and CCO East by CBRE.

The independent valuations of the portfolio increased from €575 million in June 2023 to €586 million. Exit cap rates were increased by 35bps, other than for Skopje City Mall which decreased by 115bps. The discount rates increased by 25 – 75bps. The increase in discount and cap rates follows the prolonged period of higher interest rates in the region. The valuation equates to an implied yield of 8.3% (June 2023: 8.8%) for the portfolio.

Capital expenditure for the period was €1.8 million, including €0.8 million of tenant cash incentives relating mainly to new tenants at Skopje City Mall.

The SSA portfolio's key trading metrics	July	August	September	October	November	December	Total for 6-month period
<b>Trading Density GHC</b>							
2021	1 198	1 246	1 121	1 216	1 320	1 987	<b>1 351</b>
2022	1 118	1 184	1 320	1 287	1 967	2 481	<b>1 537</b>
2023	1 705	1 737	1 667	1 510	1 714	2 483	<b>1 805</b>
<b>Variance % 2022 vs 2021</b>	<b>(6.7%)</b>	<b>(4.9%)</b>	<b>17.8%</b>	<b>5.8%</b>	<b>49.1%</b>	<b>24.8%</b>	<b>13.8%</b>
<b>Variance % 2023 vs 2022</b>	<b>52.5%</b>	<b>46.7%</b>	<b>26.2%</b>	<b>17.4%</b>	<b>(12.9%)</b>	<b>0.1%</b>	<b>17.4%</b>
<b>Trading Density USD</b>							
2021	201	202	202	198	211	310	<b>221</b>
2022	134	126	131	107	135	212	<b>139</b>
2023	145	152	145	128	143	205	<b>153</b>
<b>Variance % 2022 vs 2021</b>	<b>(33.1%)</b>	<b>(37.6%)</b>	<b>(35.4%)</b>	<b>(45.7%)</b>	<b>(36.1%)</b>	<b>(31.5%)</b>	<b>(37.1%)</b>
<b>Variance % 2023 vs 2022</b>	<b>8.4%</b>	<b>20.8%</b>	<b>10.7%</b>	<b>19.0%</b>	<b>5.7%</b>	<b>(3.4%)</b>	<b>10.1%</b>
<b>Foot Count (Ikeja incl.) ('000)</b>							
2021	2 059	2 142	1 945	2 169	2 099	2 778	<b>13 192</b>
2022	1 929	1 957	1 902	2 000	1 835	2 641	<b>12 264</b>
2023	1 792	1 812	1 834	1 866	1 875	2 814	<b>11 993</b>
<b>Variance % 2022 vs 2021</b>	<b>(6.3%)</b>	<b>(8.6%)</b>	<b>(2.2%)</b>	<b>(7.8%)</b>	<b>(12.6%)</b>	<b>(4.9%)</b>	<b>(7.0%)</b>
<b>Variance % 2023 vs 2022</b>	<b>(7.1%)</b>	<b>(7.4%)</b>	<b>(3.6%)</b>	<b>(6.7%)</b>	<b>2.2%</b>	<b>6.5%</b>	<b>(2.2%)</b>
<b>Vacancy (Ikeja incl.) (%)</b>							
2021	11.2%	11.1%	10.8%	10.7%	12.0%	11.6%	
2022	10.2%	10.1%	9.4%	9.7%	8.1%	7.8%	
2023	16.8%	17.0%	16.9%	17.0%	17.0%	17.0%	
2023 Excl ex-Game space	7.1%	7.1%	7.1%	7.2%	7.2%	7.2%	
<b>Collections (Ikeja incl.) (\$'000)</b>							
2021	3 308	2 764	3 225	3 083	3 202	3 366	<b>18 948</b>
2022	3 488	3 454	3 296	2 416	3 254	3 436	<b>19 343</b>
2023	2 002	2 747	2 836	2 253	2 879	3 188	<b>15 905</b>
<b>Variance % 2022 vs 2021</b>	<b>5.5%</b>	<b>25.0%</b>	<b>2.2%</b>	<b>(21.7%)</b>	<b>1.6%</b>	<b>2.1%</b>	<b>2.1%</b>
<b>Variance % 2023 vs 2022</b>	<b>(42.6%)</b>	<b>(20.5%)</b>	<b>(14.0%)</b>	<b>(6.7%)</b>	<b>(11.5%)</b>	<b>(7.2%)</b>	<b>(17.8%)</b>

Tenant turnover and trading density metrics exclude Nigeria.

### Operating performance and leasing

The depreciation of local currencies against the US dollar has affected the key trading metrics. Tenant turnover was up 2.1% year-on-year in cedi (down 4.2% in US dollar terms), while trading density rose by 17.4% in cedis and 10.1% in US dollars. Spending was up slightly, to \$4/per head from \$3.9/per head in HY2023 (excluding Ikeja), and average foot count fell by 2.2%.

### Nigeria - Ikeja City Mall

All the leases which expired between July and December 2023 were successfully renewed and Ikeja City Mall was fully let at 31 December 2023. Burger King has taken over the Pizza Hut space following their exit and began trading in February 2024.

The foot count in Ikeja City Mall in December 2023 increased by 7% year-on-year. However, due to economic conditions, purchasing power is decreasing.

### Ghana

Game's decision to exit the Ghanaian market in 2022 has contributed significantly to the 17.0% vacancy in the SSA portfolio. Excluding the Game space, vacancies were reduced and stood at 7.2% at the period-end. Leases have been secured for 85% of the 13 164m<sup>2</sup> ex-Game space, with tenants actively trading in 62% of the space.

## AttAfrica Portfolio



A major local retailer, Melcom, opened one of its flagship stores in the centre on 1 February 2024. It is occupying approximately 6 000m<sup>2</sup>, most of which is space left vacant by the exit of Game. Negotiations are in progress to fill the remainder.



A homeware store, Orca Deco, opened a flagship store in June 2023, on the premises previously occupied by Game. Negotiations are far advanced with Orca Deco for a longer-term lease on slightly over 2 600m<sup>2</sup> of the ex-Game premises. A ten-year lease has been signed with Decathlon for the remainder of the space.



A 10-year lease was signed with Decathlon over 1 500m<sup>2</sup>. We are at an early stage of negotiations with a local major retailer to take up the remainder of the area previously occupied by Game.

### Financial performance

The SSA portfolio reported a distributable loss of R9 million for HY2023. The loss arose mainly due to realised foreign exchange losses of R18 million on conversion of naira to US dollars and R15 million related concessions granted to tenants on conversion of rentals from US dollars to naira when paid. Unrealised foreign exchange losses of R44 million arising on conversion of naira denominated monetary items to US dollars for financial reporting purposes are not deducted in the calculation of distributable income.

Net interest costs in US dollars increased marginally from HY2023 as these are fully hedged.

The equity accounted loss of R34 million relating to the investment in AttAfrica is due mainly to the reduction in the independent valuations of the AttAfrica Group properties.

### Investment property valuations

The independent valuation of Ikeja City Mall reduced from \$128 million in June 2023 to \$117 million in December 2023 mainly due to the impact of the macro-economic factors affecting Ikeja City Mall's operating performance. The Group's accounting policy is to carry investment property held-for-sale at the lower of the independent valuation or the anticipated sales price. Accordingly, the carrying value of Ikeja City Mall has been reduced to R1.1 billion (\$85 million) in line with the implied valuation based on the revised terms agreed with Actis.

## Non-tangible assets

Nter, the technology platform emanating from the SOKO business, is progressing well. Subsequent to a successful pilot at Somerset Mall, two large national property companies have committed to utilising the platform and their pilots will commence in due course.

Following pleasing interest in the Nika digital gift cards among tenants, retailers and e-commerce operators, good progress has been made towards the completion of the development phase of the project, and we are on track to pilot the offering at our various centres.

## Treasury

Borrowings increased from R14.7 billion in June 2023 to R15.3 billion in December 2023, and the Group had undrawn available facilities of R1.7 billion (excluding the new facilities secured for the Table Bay Mall acquisition).

The Group's LTV ratio increased from 36.3% in June 2023 to 37.4% at 31 December 2023 (compared to the bank covenant of 50%), mainly due to the decrease in the carrying value of Ikeja City Mall. The interest cover ratio decreased from 2.8 times to 2.3 times (compared to the bank covenant of 2 times) as a result of the increase in interest costs. The acquisition of Table Bay Mall will increase the LTV by 2.6%, bringing it to 40%, which is within our target range. Implementation of the revised Ikeja / Actis transaction will reduce the LTV to circa 38%.

Our interest rate hedging strategy currently favours using interest rate caps in anticipation of a reduction in interest rates over the next 12 months. 85% of borrowing costs were hedged at 31 December 2023.

## Rand-denominated debt

New term facilities of R1.4 billion were secured for 3 to 5 years and R925 million of expiring facilities repaid. The additional term borrowings were used to settle revolving credit facilities which remain available to the Group. Facilities of R1 billion were restructured to extend the maturity dates by 2 to 4 years at reduced margins (circa 25bps).

The Table Bay Mall acquisition will be financed using R500 million of surplus cash, R250 million of existing revolving credit facilities and R900 million raised by issuing two bonds under the Domestic Medium Term Note Programme (DMTNP) to a bank.

The DMTNP bonds which mature in March 2024 will be settled utilising revolving credit facilities, and refinanced via a bond auction or private placement in April 2024.

The average cost of borrowings for the period was 8.9% (HY2023: 8.4%) with 82% of borrowing costs hedged. Forward starting interest rate hedges with a notional principle of R2.1 billion have been concluded to coincide with short-term interest rate hedge maturities. Following the recent approval of the acquisition of Table Bay Mall by the Competition Tribunal, we have commenced hedging the interest costs arising from the new facilities to be used to finance the acquisition.

## Euro-denominated debt

The "equity loan" of €109 million which matured in July 2023 was refinanced in four tranches for periods ranging from 12 to 36 months. The first tranche of €20 million matures in July 2024 - €10 million will be settled from surplus cash in the EE portfolio and €10 million refinanced through a new euro revolving credit facility.

€5 million of in-country asset backed loans were repaid in accordance with their normal amortisation schedules.

The average cost of borrowings for the period was 5.0% (HY2023: 3.2%) with 84% of borrowing costs hedged.

Cash flow for the EE portfolio remains strong and we will seek to reduce borrowings further where opportunities to do so arise.

## US dollar-denominated debt

The Group's US dollar denominated borrowings comprise a \$56.5 million term loan advanced to Gruppo Investments in Nigeria. The majority of the outstanding interest on the loan has been paid, and it is anticipated that by 31 March 2024 all outstanding interest will have been settled. Discussions with the incumbent lender to extend the facility maturity date from February 2025 to February 2027 have commenced.

The average cost of borrowings for the period was 9.8% (HY2023: 9.9%) with all borrowing costs hedged.

As a result of the challenging economic conditions in Ghana, \$6 million was advanced to AttAfrica to reduce bank borrowings in the AttAfrica Group and Hyprop has provided guarantees for its pro-rata portion of the interest on the AttAfrica Group bank loans (maximum exposure circa \$3.2 million).

## ESG

### Energy

The South African centres have integrated their diesel generators with solar plants and secured bulk diesel storage tanks with a capacity for seven days as a contingency against prolonged power outages. The tanks will be installed as soon as local fire approvals are obtained.

The second phase of the Gauteng solar PV project at Woodlands Boulevard, Rosebank Mall and Clearwater Mall (total 7 047 kWp) is now complete. New solar PV projects at The Glen (3 854 kWp) and CapeGate (5 532 kWp) have been approved and the projects will commence in the next few months. We are investigating the wheeling of electricity from sustainable sources to Somerset Mall, which is our only centre supplied by Eskom.

A pilot dual fuel gas/diesel powered generator with battery storage for Rosebank Mall was approved. This initiative should reduce the cost of electricity for tenants during loadshedding and will also ensure we can use solar produced electricity during loadshedding.

### Water

We regularly evaluate our water management systems and initiatives in line with our responsibilities to conserve water in a water-scarce country, such as South Africa. The following projects are currently underway/will commence shortly:

- The third phase of the 2024 project to convert the cooling VIP towers at Hyde Park Corner
- Converting an Air Handling Unit at Woodlands Boulevard from wet to dry cooling will take place in May 2024, when temperatures are lower.

Due to technical issues relating to the reticulation of the sewer system at Canal Walk, we will not proceed with the black water treatment plant. We are looking at the feasibility of installing such a system at Clearwater and our other centres.

### Waste

In line with our roadmap towards 'Zero-Wet Waste To Landfill', we have optimised waste diversion at all our SA centres.

For HY2024, the cumulative average total organic waste diverted from landfills was 64.1 tons/month across our eight SA centres, an increase of 3.85 tons/month compared with FY2023. In November 2023, we reached a milestone of 1 000 tons of organic waste diverted from landfills since the start of our 'Zero Wet Waste to Landfill' journey in June 2022, thereby saving 700 metric tons of carbon dioxide equivalents from being emitted into the atmosphere.

### Hyprop Foundation

The Hyprop Foundation aims to support the growth and sustainability of the communities around our shopping centres through education and skills development, community upliftment and enterprise development.

We are delighted that all of our bursary students passed their end-2023 exams. In 2024, we have chosen seven students for the bursary programme - which not only includes financial support but also provides personal development programmes and coaching to the students.

During the period, we continued to support our preferred partners namely:

- Avocado Vision Training, which equipped 435 people in Gauteng with practical financial skills, including budgeting
- Mould Empower Serve (MES), a not-for-profit organisation aimed at improving inner city residents' lives.

Additionally, the Foundation assisted with a donation to help the victims of the inner-city fires in Johannesburg and hosted a Hyprop Heritage Day clean-up initiative in October for the communities around our centres. Our EE centres continued their support for local NGOs, charitable organisations and community initiatives.

## Outlook and prospects

The improved trading metrics of our portfolios affirm our centres' relevance in their respective markets and our shoppers' loyalty and resilience during challenging economic times. The Group continues to implement its key strategic objectives to generate long-term sustainable value for all stakeholders whilst exploring growth opportunities in line with the Group's strategy to focus on the Western Cape and Eastern Europe. The imminent acquisition of Table Bay Mall is an exciting next step in this strategic journey. Hyprop continues to pursue the following six strategic initiatives:

1. Driving implementation of sustainable solutions to reduce the impact of loadshedding and its consequent effects in SA
2. Repositioning the SA and the EE portfolios to retain and grow market share, with a continuing focus on reinvesting in and upgrading our centres
3. Reviewing the portfolios annually to evaluate the case for, and expedite, recycling of assets, increase our exposure to favourable geographies and consider new growth opportunities
4. Protecting value in the SSA portfolio pending an exit
5. Ensuring our balance sheet is robust
6. Developing non-tangible assets aligned to our tangible assets and/or the property sector.

The current major risks for the Group are:

1. The significant devaluation of the Nigerian naira and the impact on Ikeja City Mall's tenants and its net operating income and in-country debt
2. The challenges facing SA retailers and the recent announcements by Pick n Pay (which is an anchor tenant in all our SA centres)
3. The potential default of the South African government on its financial commitments and the heightened political and economic risk in South Africa ahead of the elections in May 2024
4. The likelihood of interest rates remaining higher for longer

In light of the above, the Board considers it prudent not to declare an interim dividend until the risks associated with the above factors subside, in which event the interim dividend may be aggregated with the final dividend for FY2024. Implementation of the revised transaction with Actis will mitigate the risk relating to Ikeja City Mall's in-country debt.

## Update to guidance for FY2024

The FY2024 guidance of a 10-15% reduction in distributable income per share (FY2024 guidance) was based on certain assumptions, notably that no corporate transactions occurred and that exchange rates remained in line with those at 30 June 2023.

Given the strong performance of the SA and EE portfolios for HY2024, the inclusion of the results of Table Bay Mall from 1 April to 30 June 2024, would not have required Hyprop to revise the FY2024 guidance.

However, having regard to the severity of the impact that the devaluation of the naira has had on the Group' distributable income in HY2024, Hyprop expects a further reduction of up to 5% in distributable income per share for the year ending 30 June 2024 (i.e. an overall reduction of 15 – 20% compared to the 405.2 cents achieved in FY2023). This guidance is based on the following key assumptions:

- Appropriate allowances for vacancies and rent reversions have been incorporated into the forecast
- Maturing borrowings are refinanced at prevailing interest rates and margins
- No further deterioration in the SA economy or loadshedding
- No major economic, socio-political, or other regional/global disruptions occur
- No major corporate and tenant failures occur
- No further corporate transactions occurring before 30 June 2024
- No additional unplanned material rental concessions and currency losses due to the weakening of the naira, and
- Exchange rates (which have not been hedged) are in line with those in March 2024.

Shareholders should note that the guidance above is subject to change, certain assumptions may not materialise, plans may change, and unanticipated events and circumstances may affect the Group strategy or the actions it takes.

The guidance has not been reviewed or reported on by the Company's auditors.

## Basis of preparation and going concern

The condensed consolidated financial statements for the six months ended 31 December 2023 were prepared in accordance with the JSE Listings Requirements for condensed consolidated results, the requirements of the Companies Act of South Africa and International Financial Reporting Standards (IFRS) (including specifically the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and IAS 34 Interim financial reporting). All amendments to standards that are applicable to Hyprop for its financial year beginning 1 July 2023 have been considered and there are no material changes.

The accounting policies applied in these condensed consolidated financial statements are the same as those applied in the Group's consolidated financial statements for the year ended 30 June 2023.

These condensed consolidated financial statements have been prepared on the going concern basis as the directors have reason to believe that the Company and the Group have adequate resources to continue operations for the ensuing twelve-month period.

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

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

### On behalf of the Board



**Spiro Noussis**  
Chairman



**Morné Wilken**  
Chief Executive Officer



**Brett Till**  
Chief Financial Officer

**13 March 2024**



## Condensed consolidated statement of profit or loss and other comprehensive income

Group	Unaudited	Unaudited	Audited
	31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Revenue</b>	<b>2 329 285</b>	<b>2 118 976</b>	<b>4 373 940</b>
Lease revenue	1 779 044	1 562 480	3 265 128
Non-lease revenue	550 241	556 496	1 108 812
Changes in expected credit losses - trade receivables	(12 275)	3 490	16 611
Property expenses	(1 011 028)	(963 400)	(1 945 030)
<b>Net property income</b>	<b>1 305 982</b>	<b>1 159 066</b>	<b>2 445 521</b>
Other operating income	3 528	3 997	13 508
Other operating expenses	(83 082)	(71 067)	(150 527)
Net foreign exchange (losses)	(77 753)	(25 281)	(224 869)
<b>Operating income</b>	<b>1 148 675</b>	<b>1 066 715</b>	<b>2 083 633</b>
Net interest	(535 193)	(401 392)	(854 463)
Interest income	35 814	25 159	53 040
Interest expense	(571 007)	(426 551)	(907 503)
<b>Net operating income</b>	<b>613 482</b>	<b>665 323</b>	<b>1 229 170</b>
Loss from equity accounted investments	(33 547)	(89 761)	(150 694)
<b>Net income before value adjustments</b>	<b>579 935</b>	<b>575 562</b>	<b>1 078 476</b>
Changes in fair value	(509 511)	211 308	490 171
Investment property	(302 051)	121 889	434 145
Derivative instruments	(207 460)	89 419	56 026
Changes in expected credit losses - loans receivable	(971)	(1 786)	(2 767)
Impairment of goodwill	-	-	(8 775)
<b>Profit before taxation</b>	<b>69 453</b>	<b>785 084</b>	<b>1 557 105</b>
Taxation	(116 776)	(53 797)	(71 581)
<b>(Loss) / Profit for the period / year</b>	<b>(47 323)</b>	<b>731 287</b>	<b>1 485 524</b>
<b>(Loss) / Profit for the period / year attributable to:</b>			
Shareholders of the Company	189 844	724 229	1 521 216
Non-controlling interests	(237 167)	7 058	(35 692)
<b>(Loss) / Profit for the period / year</b>	<b>(47 323)</b>	<b>731 287</b>	<b>1 485 524</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
<b>Exchange differences on translation of foreign operations attributable to:</b>	<b>(18 845)</b>	<b>257 100</b>	<b>843 394</b>
Shareholders of the Company	(21 627)	262 074	861 946
Non-controlling interests	2 782	(4 974)	(18 552)
<b>Total comprehensive (loss) / income for the period / year</b>	<b>(66 168)</b>	<b>988 387</b>	<b>2 328 918</b>
<b>Total comprehensive income / (loss) for the period / year attributable to:</b>			
Shareholders of the Company	168 217	986 303	2 383 162
Non-controlling interests	(234 385)	2 084	(54 244)
<b>Total comprehensive (loss) / income for the period / year</b>	<b>(66 168)</b>	<b>988 387</b>	<b>2 328 918</b>
Basic earnings per share (cents)	52.1	209.0	431.9
Diluted earnings per share (cents)	52.0	208.4	430.4

## Condensed consolidated statement of financial position

Group		Unaudited	Unaudited	Audited
		31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Assets</b>	<b>Non-current assets</b>	<b>36 341 549</b>	<b>34 164 061</b>	<b>35 749 056</b>
	Investment property	34 047 690	31 814 208	33 446 043
	Straight-line rental revenue accrual	373 724	415 405	388 346
	Property, plant and equipment	974 043	795 261	982 745
	Investments in joint ventures	720 874	698 408	637 475
	Loans receivable	153 153	179 938	162 532
	Intangible assets	71	49	59
	Deferred taxation	-	771	1 116
	Derivatives	71 994	260 021	130 740
	<b>Current assets</b>	<b>1 873 771</b>	<b>1 302 248</b>	<b>1 491 959</b>
	Loans receivable	20 454	50 004	50 189
	Taxation	-	1 183	23 110
	Trade and other receivables	272 628	217 929	214 339
	Derivatives	101 166	26 799	157 241
	Cash and cash equivalents	1 479 523	1 006 333	1 047 080
	<b>Assets classified as held-for-sale</b>	<b>1 709 754</b>	<b>2 593 541</b>	<b>2 629 682</b>
	Investment property and property, plant and equipment	1 575 730	2 168 979	2 422 555
	Cash and cash equivalents	80 131	369 825	154 023
	Other assets	53 893	54 737	53 104
	<b>Total assets</b>	<b>39 925 074</b>	<b>38 059 850</b>	<b>39 870 697</b>
<b>Equity</b>	Stated capital	11 430 529	10 904 416	10 904 343
	Retained income	1 332 353	1 281 567	1 829 625
	Other reserves	9 537 977	9 108 506	9 965 751
	<b>Attributable to shareholders of the Company</b>	<b>22 300 859</b>	<b>21 294 489</b>	<b>22 699 719</b>
	Non-controlling interests	(366 836)	(73 988)	(130 637)
	<b>Total equity</b>	<b>21 934 023</b>	<b>21 220 501</b>	<b>22 569 082</b>
<b>Liabilities</b>	<b>Non-current liabilities</b>	<b>14 379 422</b>	<b>7 973 071</b>	<b>10 878 000</b>
	Borrowings	13 103 155	6 985 645	9 738 356
	Derivatives	80 503	194	14 795
	Financial guarantees	1 837	-	-
	Share-based payment liability	3 528	-	1 068
	Provisions	13 470	7 617	10 663
	Deferred taxation	1 176 929	979 615	1 113 118
	<b>Current liabilities</b>	<b>1 954 917</b>	<b>7 278 401</b>	<b>4 744 812</b>
	Borrowings	1 130 464	6 494 131	3 894 580
	Derivatives	18 239	1 207	4 434
	Trade and other payables	751 306	681 115	773 682
	Provisions	37 631	31 036	62 477
	Taxation	17 277	70 912	9 639
	<b>Liabilities associated with assets classified as held-for-sale</b>	<b>1 656 712</b>	<b>1 587 877</b>	<b>1 678 803</b>
	Bank borrowings	1 053 540	1 090 197	1 075 460
	Other borrowings	522 036	443 175	512 437
	Other liabilities	81 136	54 505	90 906
	<b>Total liabilities</b>	<b>17 991 051</b>	<b>16 839 349</b>	<b>17 301 615</b>
	<b>Total equity and liabilities</b>	<b>39 925 074</b>	<b>38 059 850</b>	<b>39 870 697</b>
	Equity and reserves attributable to shareholders of the Company	22 300 859	21 294 489	22 699 719
	Shares in issue (net of treasury shares)	379 474 793	358 084 019	358 084 019
	<b>Net asset value per share (R)</b>	<b>58.77</b>	<b>59.47</b>	<b>63.39</b>

## Condensed consolidated statement of cash flows

Group	Unaudited	Unaudited	Audited
	31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Net cash flows from operating activities</b>	<b>(392 454)</b>	<b>(440 887)</b>	<b>303 553</b>
Cash generated from operations	1 226 469	1 110 041	2 437 584
Interest received	36 647	24 934	51 781
Interest paid	(559 900)	(348 541)	(881 765)
Taxation paid	(22 398)	(77 501)	(154 227)
<b>Cash flows from operating activities before dividends</b>	<b>680 818</b>	<b>708 933</b>	<b>1 453 373</b>
Dividends paid	(1 073 272)	(1 149 820)	(1 149 820)
<b>Net cash flows from investing activities</b>	<b>(270 945)</b>	<b>(345 528)</b>	<b>(571 393)</b>
Additions to investment property	(130 178)	(34 470)	(98 190)
Additions to property, plant and equipment	(63 592)	(32 190)	(190 902)
Reduction in non-controlling interest	(1 814)	(58 247)	(58 797)
Increase in investment in joint venture	(115 109)	(221 961)	(221 959)
Loans receivable repaid	43 172	2 505	3 805
Loans receivable advanced	(3 424)	(1 165)	(5 350)
<b>Net cash flows from financing activities</b>	<b>1 072 017</b>	<b>420 224</b>	<b>(332 168)</b>
Loans repaid	(3 283 422)	(1 311 614)	(6 184 198)
Loans raised	3 873 189	1 249 305	5 371 615
Derivatives purchased	(15 313)	(14 581)	(16 626)
Shares issued / repurchased	497 563	497 114	497 041
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>408 618</b>	<b>(366 191)</b>	<b>(600 008)</b>
Cash and cash equivalents at the beginning of the period / year	1 047 080	1 387 471	1 387 471
Exchange gains on cash and cash equivalents	(50 067)	34 389	93 151
(Increase) / decrease in cash classified as held-for-sale	73 892	(49 336)	166 466
<b>Cash and cash equivalents at the end of the period / year</b>	<b>1 479 523</b>	<b>1 006 333</b>	<b>1 047 080</b>

## Condensed consolidated statement of changes in equity

Group	Unaudited	Unaudited	Audited
	31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Balance at the beginning of the period / year</b>	<b>22 569 082</b>	<b>20 770 143</b>	<b>20 770 143</b>
<b>Total comprehensive (loss) / income</b>	<b>(66 168)</b>	<b>988 387</b>	<b>2 328 918</b>
(Loss) / Profit for the period / year	(47 323)	731 287	1 485 524
Other comprehensive (loss) / income	(18 845)	257 100	843 394
<b>Transactions with shareholders of the company – contributions and distributions</b>	<b>(567 077)</b>	<b>(505 787)</b>	<b>(497 416)</b>
CUP awards forfeited	(2 099)	(10 083)	(10 643)
Transfer of shares - LTIP	3 533	4 630	4 630
Shares issued	497 563	497 114	497 041
Share-based payment expense	7 198	6 820	15 825
Dividends declared	(1 073 272)	(1 004 268)	(1 004 269)
<b>Transactions with non-controlling shareholders – contributions and distributions</b>	<b>(1 814)</b>	<b>(32 242)</b>	<b>(32 563)</b>
<b>Balance at the end of the period / year</b>	<b>21 934 023</b>	<b>21 220 501</b>	<b>22 569 082</b>

## Condensed reconciliation of headline earnings

Group		Unaudited	Unaudited	Audited
		31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Earnings</b>				
Profit for the period / year attributable to shareholders of the Company (Basic earnings)	A	189 844	724 229	1 521 216
<b>Headline earnings adjustments</b>		<b>215 499</b>	<b>59 156</b>	<b>(133 892)</b>
Change in fair value of investment property		339 550	(56 953)	(325 649)
Non-controlling interests share of change in fair value of investment property		(199 110)	26 348	30 219
Impairment of goodwill		-	-	8 775
Loss from equity accounted investments		33 547	89 761	150 694
Loss on disposal / write off of PPE		-	-	2 069
Tax effect of above adjustments		41 512	-	-
<b>Headline earnings</b>	<b>B</b>	<b>405 343</b>	<b>783 385</b>	<b>1 387 324</b>
		<b># of shares</b>	<b># of shares</b>	<b># of shares</b>
<b>Weighted average number of ordinary shares</b>				
Shares in issue at the beginning of the period / year		359 566 570	343 438 921	343 438 921
Effect of shares issued during the period / year		5 887 463	4 557 814	10 295 184
Effect of treasury shares held		(1 290 386)	(1 545 653)	(1 514 361)
<b>Weighted average number of ordinary shares in issue</b>	<b>C</b>	<b>364 163 647</b>	<b>346 451 082</b>	<b>352 219 744</b>
Effect of dilutive shares		1 044 899	1 078 759	1 253 125
<b>Diluted weighted average number of ordinary shares in issue</b>	<b>D</b>	<b>365 208 546</b>	<b>347 529 841</b>	<b>353 472 869</b>
		<b>cents</b>	<b>cents</b>	<b>cents</b>
<b>Earnings per share (cents per share)</b>				
<b>Basic earnings per share (EPS)</b>	A / C	52.1	209.0	431.9
<b>Diluted earnings per share (DEPS)</b>	A / D	52.0	208.4	430.4
<b>Headline earnings per share (HEPS)</b>	B / C	111.3	226.1	393.9
<b>Diluted headline earnings per share (DHEPS)</b>	B / D	111.0	225.4	392.5

## Reconciliation of attributable net profit for the period / year to distributable income

Group	Unaudited	Unaudited	Audited
	31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>Profit for the period / year attributable to shareholders of the Company</b>	<b>189 844</b>	<b>724 229</b>	<b>1 521 216</b>
<b>Adjusted for:</b>	<b>478 445</b>	<b>4 178</b>	<b>(70 331)</b>
Change in fair value - investment property	140 440	(30 605)	(303 546)
Change in fair value - derivative instruments	207 460	(89 419)	(56 026)
Change in expected credit losses - loans receivable	971	1 786	2 767
Loss from equity accounted investments	33 547	89 761	150 694
Impairment of goodwill	-	-	8 775
Taxation	64 339	16 120	6 505
Capital and other items	31 688	16 535	120 500
<b>Distributable income</b>	<b>668 289</b>	<b>728 407</b>	<b>1 450 885</b>



## Segmental analysis - Distributable income

R'000	Unaudited December 2023				Unaudited December 2022				Audited 30 June 2023			
	South Africa	Eastern Europe	Sub-Saharan Africa	Group	South Africa	Eastern Europe	Sub-Saharan Africa	Group	South Africa	Eastern Europe	Sub-Saharan Africa	Group
<b>Revenue</b>	<b>1 436 880</b>	<b>764 621</b>	<b>127 784</b>	<b>2 329 285</b>	<b>1 341 361</b>	<b>627 495</b>	<b>150 120</b>	<b>2 118 976</b>	<b>2 738 924</b>	<b>1 338 653</b>	<b>296 363</b>	<b>4 373 940</b>
Lease revenue	982 112	685 652	111 280	<b>1 779 044</b>	912 316	539 751	110 413	<b>1 562 480</b>	1 866 626	1 167 201	231 301	<b>3 265 128</b>
Non-lease revenue	454 768	78 969	16 504	<b>550 241</b>	429 045	87 744	39 707	<b>556 496</b>	872 298	171 452	65 062	<b>1 108 812</b>
Changes in expected credit losses - trade receivables	(7 923)	(299)	(4 053)	<b>(12 275)</b>	5 742	3 592	(5 844)	<b>3 490</b>	3	3 237	13 371	<b>16 611</b>
Property expenses	(673 797)	(288 394)	(48 837)	<b>(1 011 028)</b>	(651 109)	(254 099)	(58 192)	<b>(963 400)</b>	(1 305 024)	(538 690)	(101 316)	<b>(1 945 030)</b>
<b>Net property income</b>	<b>755 160</b>	<b>475 928</b>	<b>74 894</b>	<b>1 305 982</b>	<b>695 994</b>	<b>376 988</b>	<b>86 084</b>	<b>1 159 066</b>	<b>1 433 903</b>	<b>803 200</b>	<b>208 418</b>	<b>2 445 521</b>
Other operating income	826	(20)	2 722	<b>3 528</b>	816	79	3 102	<b>3 997</b>	5 962	-	7 546	<b>13 508</b>
Other operating expenses	(60 439)	(18 017)	(4 626)	<b>(83 082)</b>	(53 431)	(12 416)	(5 220)	<b>(71 067)</b>	(113 923)	(29 802)	(6 802)	<b>(150 527)</b>
Net foreign exchange gains / (losses)	-	516	(78 269)	<b>(77 753)</b>	335	4 138	(29 754)	<b>(25 281)</b>	385	2 836	(228 090)	<b>(224 869)</b>
<b>Operating income / (loss)</b>	<b>695 547</b>	<b>458 407</b>	<b>(5 279)</b>	<b>1 148 675</b>	<b>643 714</b>	<b>368 789</b>	<b>54 212</b>	<b>1 066 715</b>	<b>1 326 327</b>	<b>776 234</b>	<b>(18 928)</b>	<b>2 083 633</b>
Net interest	(269 900)	(187 995)	(77 298)	<b>(535 193)</b>	(239 284)	(95 687)	(66 421)	<b>(401 392)</b>	(507 165)	(197 896)	(149 402)	<b>(854 463)</b>
Interest income	28 012	5 055	2 747	<b>35 814</b>	15 768	4 755	4 636	<b>25 159</b>	35 853	9 384	7 803	<b>53 040</b>
Interest expense	(297 912)	(193 050)	(80 045)	<b>(571 007)</b>	(255 052)	(100 442)	(71 057)	<b>(426 551)</b>	(543 018)	(207 280)	(157 205)	<b>(907 503)</b>
<b>Net operating income / (loss)</b>	<b>425 647</b>	<b>270 412</b>	<b>(82 577)</b>	<b>613 482</b>	<b>404 430</b>	<b>273 102</b>	<b>(12 209)</b>	<b>665 323</b>	<b>819 162</b>	<b>578 338</b>	<b>(168 330)</b>	<b>1 229 170</b>
Loss from equity accounted investments	-	-	(33 547)	<b>(33 547)</b>	-	-	(89 761)	<b>(89 761)</b>	-	-	(150 694)	<b>(150 694)</b>
<b>Net income / (loss) before value adjustments</b>	<b>425 647</b>	<b>270 412</b>	<b>(116 124)</b>	<b>579 935</b>	<b>404 430</b>	<b>273 102</b>	<b>(101 970)</b>	<b>575 562</b>	<b>819 162</b>	<b>578 338</b>	<b>(319 024)</b>	<b>1 078 476</b>
Changes in fair value	170 732	117 701	(797 944)	<b>(509 511)</b>	98 604	6 884	105 820	<b>211 308</b>	281 219	83 974	124 978	<b>490 171</b>
Investment property	245 603	242 198	(789 852)	<b>(302 051)</b>	85 408	(67 083)	103 564	<b>121 889</b>	277 212	40 885	116 048	<b>434 145</b>
Derivative instruments	(74 871)	(124 497)	(8 092)	<b>(207 460)</b>	13 196	73 967	2 256	<b>89 419</b>	4 007	43 089	8 930	<b>56 026</b>
Changes in expected credit losses - loans receivable	(971)	-	-	<b>(971)</b>	(1 786)	-	-	<b>(1 786)</b>	(2 767)	-	-	<b>(2 767)</b>
Impairment of goodwill	-	-	-	-	-	-	-	-	-	(8 775)	-	<b>(8 775)</b>
<b>Profit / (loss) before taxation</b>	<b>595 408</b>	<b>388 113</b>	<b>(914 068)</b>	<b>69 453</b>	<b>501 248</b>	<b>279 986</b>	<b>3 850</b>	<b>785 084</b>	<b>1 097 614</b>	<b>653 537</b>	<b>(194 046)</b>	<b>1 557 105</b>
Taxation	(26 919)	(88 062)	(1 795)	<b>(116 776)</b>	(5 775)	(49 841)	1 819	<b>(53 797)</b>	(5 463)	(64 276)	(1 842)	<b>(71 581)</b>
<b>Profit / (loss) for the period / year</b>	<b>568 489</b>	<b>300 051</b>	<b>(915 863)</b>	<b>(47 323)</b>	<b>495 473</b>	<b>230 145</b>	<b>5 669</b>	<b>731 287</b>	<b>1 092 151</b>	<b>589 261</b>	<b>(195 888)</b>	<b>1 485 524</b>
<b>Calculation of distributable income (Non-IFRS information)</b>												
Net income / (loss) before value adjustments	425 647	270 412	(116 124)	<b>579 935</b>	404 430	273 102	(101 970)	<b>575 562</b>	819 162	578 338	(319 024)	<b>1 078 476</b>
Adjusted for:	22 094	(41 236)	107 496	<b>88 354</b>	54 821	(30 061)	128 085	<b>152 845</b>	84 646	(53 153)	340 916	<b>372 409</b>
Straight-line rental revenue accrual	21 098	9 814	6 587	<b>37 499</b>	53 604	13 161	(1 829)	<b>64 936</b>	82 822	22 386	(4 828)	<b>100 380</b>
Tax adjustments	-	(50 151)	(1 795)	<b>(51 946)</b>	-	(39 357)	1 364	<b>(37 993)</b>	55	(72 836)	(1 865)	<b>(74 646)</b>
Loss from equity accounted investments	-	-	33 547	<b>33 547</b>	-	-	89 761	<b>89 761</b>	-	-	150 694	<b>150 694</b>
Capital items for distribution purposes	(236)	(1 234)	44 238	<b>42 768</b>	(766)	(4 160)	21 461	<b>16 535</b>	(1 458)	(3 348)	168 101	<b>163 295</b>
Non-controlling interests	1 232	335	24 919	<b>26 486</b>	1 983	295	17 328	<b>19 606</b>	3 227	645	28 814	<b>32 686</b>
<b>Distributable income</b>	<b>447 741</b>	<b>229 176</b>	<b>(8 628)</b>	<b>668 289</b>	<b>459 251</b>	<b>243 041</b>	<b>26 115</b>	<b>728 407</b>	<b>903 808</b>	<b>525 185</b>	<b>21 892</b>	<b>1 450 885</b>
<b>Number of shares for calculating DIPS</b>				<b>379 474 793</b>				<b>358 084 019</b>				<b>358 084 019</b>
<b>Distributable income per share (DIPS) (cents)</b>	<b>118.0</b>	<b>60.4</b>	<b>(2.3)</b>	<b>176.1</b>	<b>128.3</b>	<b>67.9</b>	<b>7.2</b>	<b>203.4</b>	<b>252.4</b>	<b>146.7</b>	<b>6.1</b>	<b>405.2</b>

## Segmental analysis - Financial position

R'000	Unaudited December 2023				Unaudited December 2022				Audited 30 June 2023			
	South Africa	Eastern Europe	Sub-Saharan Africa	Group	South Africa	Eastern Europe	Sub-Saharan Africa	Group	South Africa	Eastern Europe	Sub-Saharan Africa	Group
<b>Assets</b>												
<b>Non-current assets</b>	<b>23 450 316</b>	<b>12 165 373</b>	<b>725 860</b>	<b>36 341 549</b>	<b>22 872 995</b>	<b>10 577 955</b>	<b>713 111</b>	<b>34 164 061</b>	<b>23 109 743</b>	<b>11 996 642</b>	<b>642 671</b>	<b>35 749 056</b>
Investment property	23 369 479	12 025 918	60	35 395 457	22 715 427	10 309 381	66	33 024 874	23 024 781	11 792 275	78	34 817 134
Other non-current assets	80 837	139 455	725 800	946 092	157 568	268 574	713 045	1 139 187	84 962	204 367	642 593	931 922
<b>Current assets</b>	<b>990 977</b>	<b>846 045</b>	<b>36 749</b>	<b>1 873 771</b>	<b>366 851</b>	<b>918 560</b>	<b>16 837</b>	<b>1 302 248</b>	<b>575 553</b>	<b>876 936</b>	<b>39 470</b>	<b>1 491 959</b>
Cash and cash equivalents	812 690	641 404	25 429	1 479 523	245 426	744 805	16 102	1 006 333	373 975	653 922	19 183	1 047 080
Other current assets	178 287	204 641	11 320	394 248	121 425	173 755	735	295 915	201 578	223 014	20 287	444 879
<b>Assets classified as held-for-sale</b>	<b>-</b>	<b>-</b>	<b>1 709 754</b>	<b>1 709 754</b>	<b>-</b>	<b>-</b>	<b>2 593 541</b>	<b>2 593 541</b>	<b>-</b>	<b>-</b>	<b>2 629 682</b>	<b>2 629 682</b>
Investment property and property, plant and equipment	-	-	1 575 730	1 575 730	-	-	2 168 979	2 168 979	-	-	2 422 555	2 422 555
Cash and cash equivalents	-	-	80 131	80 131	-	-	369 825	369 825	-	-	154 023	154 023
Other assets	-	-	53 893	53 893	-	-	54 737	54 737	-	-	53 104	53 104
<b>Total assets</b>	<b>24 441 293</b>	<b>13 011 418</b>	<b>2 472 363</b>	<b>39 925 074</b>	<b>23 239 846</b>	<b>11 496 515</b>	<b>3 323 489</b>	<b>38 059 850</b>	<b>23 685 296</b>	<b>12 873 578</b>	<b>3 311 823</b>	<b>39 870 697</b>
<b>Liabilities</b>												
<b>Non-Current liabilities</b>	<b>6 753 382</b>	<b>7 620 675</b>	<b>5 365</b>	<b>14 379 422</b>	<b>5 317 823</b>	<b>2 655 248</b>	<b>-</b>	<b>7 973 071</b>	<b>5 087 099</b>	<b>5 790 901</b>	<b>-</b>	<b>10 878 000</b>
Borrowings	6 516 734	6 586 421	-	13 103 155	5 133 973	1 851 672	-	6 985 645	4 893 770	4 844 586	-	9 738 356
Other non-current liabilities	236 648	1 034 254	5 365	1 276 267	183 850	803 576	-	987 426	193 329	946 315	-	1 139 644
<b>Current liabilities</b>	<b>1 103 586</b>	<b>836 724</b>	<b>14 607</b>	<b>1 954 917</b>	<b>1 981 490</b>	<b>5 284 089</b>	<b>12 822</b>	<b>7 278 401</b>	<b>2 051 710</b>	<b>2 679 104</b>	<b>13 998</b>	<b>4 744 812</b>
Borrowings	503 079	614 711	12 674	1 130 464	1 412 562	5 069 958	11 611	6 494 131	1 426 534	2 455 108	12 938	3 894 580
Other current liabilities	600 507	222 013	1 933	824 453	568 928	214 131	1 211	784 270	625 176	223 996	1 060	850 232
<b>Liabilities associated with assets classified as held-for-sale</b>	<b>-</b>	<b>-</b>	<b>1 656 712</b>	<b>1 656 712</b>	<b>-</b>	<b>-</b>	<b>1 587 877</b>	<b>1 587 877</b>	<b>-</b>	<b>-</b>	<b>1 678 803</b>	<b>1 678 803</b>
Bank borrowings	-	-	1 053 540	1 053 540	-	-	1 090 197	1 090 197	-	-	1 075 460	1 075 460
Other borrowings	-	-	522 036	522 036	-	-	443 175	443 175	-	-	512 437	512 437
Other liabilities	-	-	81 136	81 136	-	-	54 505	54 505	-	-	90 906	90 906
<b>Total liabilities</b>	<b>7 856 968</b>	<b>8 457 399</b>	<b>1 676 684</b>	<b>17 991 051</b>	<b>7 299 313</b>	<b>7 939 337</b>	<b>1 600 699</b>	<b>16 839 349</b>	<b>7 138 809</b>	<b>8 470 005</b>	<b>1 692 801</b>	<b>17 301 615</b>
<b>Net asset value / equity</b>	<b>16 584 325</b>	<b>4 554 019</b>	<b>795 679</b>	<b>21 934 023</b>	<b>15 940 533</b>	<b>3 557 178</b>	<b>1 722 790</b>	<b>21 220 501</b>	<b>16 546 487</b>	<b>4 403 573</b>	<b>1 619 022</b>	<b>22 569 082</b>

## Reconciliation of Cash generated from operations to Distributable income

	Unaudited December 2023				Unaudited December 2022				Audited 30 June 2023			
	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000
<b>Cash generated from operations</b>	<b>725 864</b>	<b>461 791</b>	<b>38 814</b>	<b>1 226 469</b>	<b>680 077</b>	<b>347 785</b>	<b>82 179</b>	<b>1 110 041</b>	<b>1 465 056</b>	<b>819 242</b>	<b>153 286</b>	<b>2 437 584</b>
<b>Adjusted for:</b>	<b>(300 217)</b>	<b>(191 379)</b>	<b>(154 938)</b>	<b>(646 534)</b>	<b>(275 647)</b>	<b>(74 683)</b>	<b>(184 149)</b>	<b>(534 479)</b>	<b>(645 894)</b>	<b>(240 904)</b>	<b>(472 310)</b>	<b>(1 359 108)</b>
Working capital changes	48 802	38 640	12 735	<b>100 177</b>	38 275	49 720	7 471	<b>95 466</b>	22 241	16 870	(19 874)	<b>19 237</b>
Depreciation and amortisation	(34 702)	(35 423)	(1 858)	<b>(71 983)</b>	(29 074)	(16 504)	(1 543)	<b>(47 121)</b>	(61 218)	(45 860)	(3 313)	<b>(110 391)</b>
Expected credit losses - trade receivables	(7 923)	(299)	(4 053)	<b>(12 275)</b>	5 742	3 592	(5 844)	<b>3 490</b>	3	3 237	13 371	<b>16 611</b>
Straight-line rental revenue accrual	(21 098)	(9 814)	(6 587)	<b>(37 499)</b>	(53 604)	(13 161)	1 829	<b>(64 936)</b>	(82 822)	(22 386)	4 828	<b>(100 380)</b>
Other non-cash items	(15 396)	2 278	(92)	<b>(13 210)</b>	2 298	(2 643)	(29 880)	<b>(30 225)</b>	(17 318)	2 373	875	<b>(14 070)</b>
Loss from equity accounted investments	-	-	(33 547)	<b>(33 547)</b>	-	-	(89 761)	<b>(89 761)</b>	-	-	(150 694)	<b>(150 694)</b>
Foreign exchange losses	-	1 234	(44 238)	<b>(43 004)</b>	-	-	-	-	385	2 758	(168 101)	<b>(164 958)</b>
Net interest	(269 900)	(187 995)	(77 298)	<b>(535 193)</b>	(239 284)	(95 687)	(66 421)	<b>(401 392)</b>	(507 165)	(197 896)	(149 402)	<b>(854 463)</b>
<b>Net income/(loss) before value adjustments</b>	<b>425 647</b>	<b>270 412</b>	<b>(116 124)</b>	<b>579 935</b>	<b>404 430</b>	<b>273 102</b>	<b>(101 970)</b>	<b>575 562</b>	<b>819 162</b>	<b>578 338</b>	<b>(319 024)</b>	<b>1 078 476</b>
Straight-line rental revenue accrual	21 098	9 814	6 587	<b>37 499</b>	53 604	13 161	(1 829)	<b>64 936</b>	82 822	22 386	(4 828)	<b>100 380</b>
Tax adjustments	-	(50 151)	(1 795)	<b>(51 946)</b>	-	(39 357)	1 364	<b>(37 993)</b>	55	(72 836)	(1 865)	<b>(74 646)</b>
Loss from equity accounted investments	-	-	33 547	<b>33 547</b>	-	-	89 761	<b>89 761</b>	-	-	150 694	<b>150 694</b>
Capital items for distribution purposes	(236)	(1 234)	44 238	<b>42 768</b>	(766)	(4 160)	21 461	<b>16 535</b>	(1 458)	(3 348)	168 101	<b>163 295</b>
Non-controlling interests	1 232	335	24 919	<b>26 486</b>	1 983	295	17 328	<b>19 606</b>	3 227	645	28 814	<b>32 686</b>
<b>Distributable income</b>	<b>447 741</b>	<b>229 176</b>	<b>(8 628)</b>	<b>668 289</b>	<b>459 251</b>	<b>243 041</b>	<b>26 115</b>	<b>728 407</b>	<b>903 808</b>	<b>525 185</b>	<b>21 892</b>	<b>1 450 885</b>

## Revenue by segment

	Unaudited December 2023				Unaudited December 2022				Audited 30 June 2023			
	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000	South Africa R'000	Eastern Europe R'000	Sub-Saharan Africa R'000	Group R'000
Gross contractual rental revenue	869 664	462 295	106 335	1 438 294	839 269	386 696	93 944	1 319 909	1 689 611	801 241	196 380	2 687 232
COVID-19 rent relief	-	-	-	-	-	-	-	-	15 857	-	-	15 857
<b>Contractual rental revenue</b>	<b>869 664</b>	<b>462 295</b>	<b>106 335</b>	<b>1 438 294</b>	<b>839 269</b>	<b>386 696</b>	<b>93 944</b>	<b>1 319 909</b>	<b>1 705 468</b>	<b>801 241</b>	<b>196 380</b>	<b>2 703 089</b>
Turnover rent	39 408	83 922	-	123 330	33 178	46 389	-	79 567	58 217	129 682	-	187 899
Operating cost recoveries	72 271	131 768	11 532	215 571	74 935	105 696	14 640	195 271	147 423	228 755	30 093	406 271
Marketing and promotions revenue - tenants	21 867	17 481	-	39 348	18 538	14 131	-	32 669	38 340	29 909	-	68 249
<b>Rental and other lease revenue</b>	<b>1 003 210</b>	<b>695 466</b>	<b>117 867</b>	<b>1 816 543</b>	<b>965 920</b>	<b>552 912</b>	<b>108 584</b>	<b>1 627 416</b>	<b>1 949 448</b>	<b>1 189 587</b>	<b>226 473</b>	<b>3 365 508</b>
Straight-line rental revenue accrual	(21 098)	(9 814)	(6 587)	(37 499)	(53 604)	(13 161)	1 829	(64 936)	(82 822)	(22 386)	4 828	(100 380)
<b>Lease revenue</b>	<b>982 112</b>	<b>685 652</b>	<b>111 280</b>	<b>1 779 044</b>	<b>912 316</b>	<b>539 751</b>	<b>110 413</b>	<b>1 562 480</b>	<b>1 866 626</b>	<b>1 167 201</b>	<b>231 301</b>	<b>3 265 128</b>
Utility recoveries	346 647	53 141	12 731	412 519	327 571	46 960	33 235	407 766	654 843	107 307	53 943	816 093
Other recoveries	46 285	14 203	411	60 899	43 617	31 435	696	75 748	102 393	45 627	1 581	149 601
<b>Recoveries</b>	<b>392 932</b>	<b>67 344</b>	<b>13 142</b>	<b>473 418</b>	<b>371 188</b>	<b>78 395</b>	<b>33 931</b>	<b>483 514</b>	<b>757 236</b>	<b>152 934</b>	<b>55 524</b>	<b>965 694</b>
Casual parking revenue	44 843	8 659	803	54 305	42 319	6 328	1 509	50 156	83 219	13 431	2 379	99 029
Marketing and promotions revenue	16 993	2 966	2 559	22 518	15 538	3 021	4 267	22 826	31 843	5 087	7 159	44 089
<b>Non-lease revenue</b>	<b>454 768</b>	<b>78 969</b>	<b>16 504</b>	<b>550 241</b>	<b>429 045</b>	<b>87 744</b>	<b>39 707</b>	<b>556 496</b>	<b>872 298</b>	<b>171 452</b>	<b>65 062</b>	<b>1 108 812</b>
<b>Total Revenue</b>	<b>1 436 880</b>	<b>764 621</b>	<b>127 784</b>	<b>2 329 285</b>	<b>1 341 361</b>	<b>627 495</b>	<b>150 120</b>	<b>2 118 976</b>	<b>2 738 924</b>	<b>1 338 653</b>	<b>296 363</b>	<b>4 373 940</b>

## Investment property

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
<b>Rentable Area</b>			
<i>Excludes assets held-for-sale</i>			
Retail shopping centres	840 921	845 353	839 193
Stand-alone offices	6 856	6 856	6 856
<b>Total</b>	<b>847 777</b>	<b>852 209</b>	<b>846 049</b>
	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Reconciliation from independent valuation to net carrying value</b>			
<i>Value attributable to Hyprop</i>			
Retail shopping centres	35 238 120	32 857 386	34 647 884
Stand-alone offices	164 000	175 400	176 700
<b>Independent valuation</b>	<b>35 402 120</b>	<b>33 032 786</b>	<b>34 824 584</b>
Straight-line rental revenue accrual	(373 724)	(415 405)	(388 346)
Property, plant and equipment	(974 043)	(795 261)	(982 745)
Own use asset adjustment	(14 284)	(15 151)	(14 719)
Centre management assets	7 621	7 239	7 269
<b>Investment property - statement of financial position</b>	<b>34 047 690</b>	<b>31 814 208</b>	<b>33 446 043</b>
	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R/m <sup>2</sup>	R/m <sup>2</sup>	R/m <sup>2</sup>
<b>Value per m<sup>2</sup></b>			
Retail shopping centres	44 653	41 564	44 009
Stand-alone offices	23 920	25 583	25 772
<b>Total</b>	<b>44 486</b>	<b>41 435</b>	<b>43 861</b>

## Investment property *(continued)*

### Valuation assumptions

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	%	%	%
<b>SA</b>			
Exit cap rates	6.8 to 9.3	6.8 to 10	6.8 to 9.3
Weighted average exit cap rates	7.6	7.5	7.5
Discount rates	12 to 13.8	11.8 to 13.8	12 to 13.8
Weighted average discount rate	12.2	12.1	12.2
Retail vacancy levels	0.0 to 4.4	0.0 to 3.0	0.0 to 3.0
Average market rental growth rate	5.2	4.2	4.8
<b>EE</b>			
Exit cap rates	7.75 to 8.5	7.4 to 9.7	7.4 to 9.7
Weighted average exit cap rates	7.9	7.8	7.8
Discount rates	7.75 to 12.0	9.3 to 11.3	9.3 to 11.3
Weighted average discount rate	10.2	9.6	9.6
Retail vacancy levels	0.0 to 1.5	0.0 to 1.5	0.0 to 1.5
Average market rental growth rate	0.0 to 1.8	4.0	1.7 to 2.0
<b>SSA - Ikeja City Mall<sup>1</sup></b>			
Exit cap rate	8.5	8.5	8.5
Weighted average exit cap rate	8.5	8.5	8.5
Discount rate	10.5	10.5	10.5
Weighted average discount rate	10.5	10.5	10.5
Retail vacancy levels	2.5	2.5	2.5
Average market rental growth rate	0.0 - 2.0	2.0	2.0

<sup>1</sup>Ikeja City Mall is classified as an asset held-for-sale and is recorded at the lower of the independent valuation (December 2022 and June 2023) or the anticipated sales price (December 2023).



## Investment property *(continued)*

### Valuation sensitivity

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

	Change %	Unaudited	Unaudited	Audited
		31 December 2023 R'000	31 December 2022 R'000	30 June 2023 R'000
<b>SA</b>				
Exit cap rates	Increase by 0.25	(526 697)	(514 760)	(527 671)
	Decrease by 0.25	565 489	550 834	564 542
Discount rates	Increase by 0.25	(221 327)	(211 522)	(218 099)
	Decrease by 0.25	224 162	214 244	220 897
Retail vacancy levels	Increase by 0.25	(48 242)	(46 625)	(46 517)
	Decrease by 0.25	48 330	40 754	47 940
Office vacancy levels	Increase by 0.25	(4 984)	(1 276)	(863)
	Decrease by 0.25	4 208	743	558
Average market rental growth rate	Increase by 0.25	198 152	160 474	193 485
	Decrease by 0.25	(197 403)	(150 296)	(191 922)
<b>EE</b>				
Exit cap rates	Increase by 0.25	(237 301)	(146 656)	(168 256)
	Decrease by 0.25	249 575	161 141	180 567
Discount rates	Increase by 0.25	(132 394)	(161 141)	(184 671)
	Decrease by 0.25	132 939	170 194	188 775
Retail vacancy levels	Increase by 0.25	(24 475)	(800)	(16 415)
	Decrease by 0.25	-	800	-
Average market rental growth rate	Increase by 0.25	130 284	70 612	227 761
	Decrease by 0.25	(128 712)	(77 855)	(223 657)
<b>SSA - Ikeja City Mall<sup>1</sup></b>				
Exit cap rate	Increase by 0.50	(79 041)	(76 908)	(45 729)
	Decrease by 0.50	88 921	86 522	48 500
Discount rate	Increase by 0.50	(39 484)	(38 708)	(22 510)
	Decrease by 0.50	40 508	39 707	22 797

<sup>1</sup>Ikeja City Mall is classified as an asset held-for-sale and is recorded at the lower of the independent valuation (December 2022 and June 2023) or the anticipated sales price (December 2023).

### Capital commitments

Details of approved capital expenditure for the period/ year ended 30 June 2024 are set out below.

	Unaudited	Audited
	31 December 2023 R'000	30 June 2023 R'000
Spent to date	182 456	-
Committed	42 573	142 441
Approved but not yet committed	308 844	372 275
<b>Total capital commitments<sup>1</sup></b>	<b>533 873</b>	<b>514 716</b>

<sup>1</sup> These balances do not include the co-owners' portions of capital expenditure for Canal Walk and The Glen.

## Derivatives

### Interest rate swaps and caps

	Unaudited 31 December 2023 R'000	Unaudited 31 December 2022 R'000	Audited 30 June 2023 R'000
<b>Maturity profile</b>			
Non-current assets	71 994	260 021	130 740
Current assets	101 166	26 799	157 241
Non-current liabilities	(80 503)	(194)	(14 795)
Current liabilities	(18 239)	(1 207)	(4 434)
<b>Total derivatives</b>	<b>74 418</b>	<b>285 419</b>	<b>268 752</b>
<b>Movement reconciliation</b>			
Balance at the beginning of the period/ year	268 752	174 504	174 504
Premium paid on new contracts entered into	15 313	14 581	16 626
Currency translation difference	(2 187)	6 915	21 596
Contracts utilised	-	-	(8 590)
Fair value adjustment	(207 460)	89 419	64 616
<b>Balance at the end of the period/ year</b>	<b>74 418</b>	<b>285 419</b>	<b>268 752</b>

#### Fair value measurement methodology

Derivatives are categorised as level 2 financial instruments and are valued using market comparison techniques.

The valuation of the derivative instruments (interest rate swaps and caps) was determined by discounting the future cash flows using the applicable yield curves. Similar contracts are traded in active markets and the fair values are based on actual transactions in similar instruments.

The key assumptions used in determining the fair value of derivatives are in the following ranges:

	Unaudited 31 December 2023 %	Audited 30 June 2023 %
<b>Valuation assumptions – Unobservable inputs</b>		
Projected forward JIBAR rate (%)	7.3 - 8.4	8.5 - 8.9
Projected forward EURIBOR rate (%)	1.6 - 4.0	2.6 - 3.6
Projected forward SOFR rate (%)	4.0 - 5.3	4.2 - 5.3

#### Valuation sensitivity

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

	Unaudited 31 December 2023 bps	Audited 30 June 2023 bps	Unaudited 31 December 2023 R'000	Audited 30 June 2023 R'000
<b>Increase asset / (Increase liability)</b>				
<b>ZAR</b>				
Increase in projected forward interest rate	25bps	25bps	13 956	15 827
Decrease in projected forward interest rate	25bps	25bps	(12 741)	(15 841)
<b>EUR</b>				
Increase in projected forward interest rate	25bps	25bps	35 639	28 739
Decrease in projected forward interest rate	25bps	25bps	(28 780)	(28 921)
<b>USD</b>				
Increase in projected forward interest rate	25 bps	25 bps	1 520	3 078
Decrease in projected forward interest rate	25 bps	25 bps	(2 609)	(3 067)

## Key borrowing metrics

	Unaudited		Unaudited		Audited	
	31 December 2023	31 December 2023	31 December 2022	31 December 2022	30 June 2023	30 June 2022
	Hyprop	SA REIT	Hyprop	SA REIT	Hyprop	SA REIT
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Loan to value ratio</b>						
Total assets	39 925 074	39 925 074	38 059 850	38 059 850	39 870 697	39 870 697
Add / (Less):						
Goodwill, deferred tax asset and intangible assets	(71)	(71)	(820)	(49)	(1 175)	(59)
Cash and cash equivalents	(1 559 654)	(1 559 654)	(1 376 158)	(1 376 158)	(1 201 103)	(1 201 103)
Derivative financial assets	-	(173 160)	-	(286 820)	-	(287 981)
Trade and other receivables	-	(326 521)	-	(272 666)	-	(267 443)
<b>Assets</b>	<b>38 365 349</b>	<b>37 865 668</b>	<b>36 682 872</b>	<b>36 124 157</b>	<b>38 668 419</b>	<b>38 114 111</b>
Gross borrowings	15 809 195	15 809 195	15 013 148	15 013 148	15 220 833	15 220 833
Financial guarantees	1 837	59 143	-	-	-	-
Add / (Less):						
Cash and cash equivalents	(1 559 654)	(1 559 654)	(1 376 158)	(1 376 158)	(1 201 103)	(1 201 103)
Derivative financial liabilities	98 742	(74 418)	1 401	(285 419)	19 229	(268 753)
Restricted cash	-	-	-	187 272	-	-
<b>Borrowings</b>	<b>14 350 120</b>	<b>14 234 266</b>	<b>13 638 391</b>	<b>13 538 843</b>	<b>14 038 959</b>	<b>13 750 977</b>
<b>LTV ratio (Borrowings / assets)</b>	<b>37.4%</b>	<b>37.6%</b>	<b>37.2%</b>	<b>37.5%</b>	<b>36.3%</b>	<b>36.1%</b>
<b>Interest cover ratio</b>						
Net operating income	613 482		665 323		1 229 170	
Adjusted for:						
Interest expense	571 007		426 551		907 503	
Interest income	-		(25 159)		-	
Net unrealised foreign exchange losses/(gains)	43 004		25 281		164 376	
Depreciation and amortisation	71 983		47 121		110 391	
Straight-line rental revenue accrual	37 499		64 936		100 380	
<b>EBITDA</b>	<b>1 336 975</b>		<b>1 204 053</b>		<b>2 511 820</b>	
<b>Interest paid</b>	<b>571 007</b>		<b>426 551</b>		<b>907 503</b>	
<b>Interest cover ratio (EBITDA / interest paid)</b>	<b>2.3</b>		<b>2.8</b>		<b>2.8</b>	

## Key borrowing metrics

	Unaudited 31 December 2023	Unaudited 31 December 2022	Audited 30 June 2023
<b>Proportion of borrowing costs which are hedged</b>			
ZAR	81.8%	81.5%	88.7%
EUR	84.4%	82.6%	75.4%
USD	105.6%	93.0%	102.1%
<b>Cost of funding (excluding hedges)</b>	<b>8.2%</b>	<b>7.4%</b>	<b>8.5%</b>
ZAR	10.1%	9.0%	10.3%
EUR	6.1%	4.7%	5.9%
USD	11.8%	10.3%	11.3%
<b>Cost of funding (including hedges)</b>	<b>7.0%</b>	<b>5.9%</b>	<b>6.5%</b>
ZAR	8.9%	8.4%	8.9%
EUR	5.0%	3.2%	3.9%
USD	9.8%	9.9%	9.9%
<b>Average term of interest rate hedges (years)</b>	<b>1.8</b>	<b>1.4</b>	<b>1.9</b>
ZAR	1.4	1.3	1.5
EUR	2.2	1.4	2.2
USD	1.2	2.2	1.7
<b>Weighted average term of borrowings (years)</b>	<b>3.4</b>	<b>3.3</b>	<b>3.2</b>
ZAR	2.9	2.1	2.6
EUR	4.4	4.9	4.2
USD	1.2	2.2	1.7
<b>Other</b>			
Debt Capital Market (DCM) % of total borrowings	19.4%	15.2%	20.2%
Fair value of unencumbered investment property (R'million)	3 657	5 048	5 145

## Exchange rates

The exchange rates applied during the period/year were as follows:

	Unaudited		Unaudited		Audited	
	31 December 2023		31 December 2022		30 June 2023	
	Average rate R	Period-end spot rate R	Average rate R	Period-end spot rate R	Average rate R	Period-end spot rate R
Rand/Euro	20.23	20.51	17.55	18.11	18.60	20.52
Rand/US Dollar	18.70	18.54	17.33	16.98	17.77	18.92
Naira/US Dollar	807.57	1 034.78	437.92	461.00	460.60	752.19

## Related party disclosures

### 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.

#### 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 period / year.

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>South Africa</b>			
<b>Coventurist (Pty) Ltd - associate</b>			
Loan receivable	245	127	7
Loan balance	3 983	1 913	2 774
Cumulative ECLs	(3 738)	(1 786)	(2 767)
Interest received	186	77	203
<b>Sub-Saharan Africa</b>			
<b>AttAfrica Limited – joint venture</b>			
Borrowings	12 674	11 611	12 938
Financial guarantees	1 837	-	-

## Related party disclosures - Directors' remuneration and interests

### Directors' interests in Hyprop shares

			Unaudited
	Direct beneficial	Indirect beneficial	Total
	Number of shares	Number of shares	Number of shares
<b>December 2023</b>			
Non-executive directors <sup>1</sup>	-	3 000 000	<b>3 000 000</b>
Executive directors <sup>2</sup>	1 356 338	149 073	<b>1 505 411</b>
<b>Total</b>	<b>1 356 338</b>	<b>3 149 073</b>	<b>4 505 411</b>
<b>December 2022</b>			
Non-executive directors <sup>1</sup>	-	3 000 000	<b>3 000 000</b>
Executive directors <sup>2</sup>	888 295	110 407	<b>998 702</b>
<b>Total</b>	<b>888 295</b>	<b>3 110 407</b>	<b>3 998 702</b>
<b>June 2023</b>			<b>Audited</b>
Non-executive directors <sup>1</sup>	-	3 000 000	<b>3 000 000</b>
Executive directors <sup>2</sup>	888 295	110 407	<b>998 702</b>
<b>Total</b>	<b>888 295</b>	<b>3 110 407</b>	<b>3 998 702</b>

<sup>1</sup> 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.

<sup>2</sup> Shares include those awarded under the Share incentive scheme and the LTIP.

### Directors' remuneration

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Non-executive directors' remuneration</b>			
Non-executive directors	323	309	533
Independent non-executive directors	2 671	3 763	6 158
<b>Total</b>	<b>2 994</b>	<b>4 072</b>	<b>6 691</b>
<b>Executive directors' remuneration</b>			
Basic salary	5 964	5 608	11 199
Pension Fund Contributions	485	460	934
Performance Bonus- cash	7 239	11 633	8 143
Performance Bonus - restricted shares	3 102	-	3 489
Vested Shares	5 928	528	611
Performance shares vested	4 924	445	445
Retention shares vested	100	83	166
Restricted shares vested	904	-	-
Other Benefits	78	78	156
<b>Total</b>	<b>22 796</b>	<b>18 307</b>	<b>24 532</b>



## Financial instruments

### Accounting classifications and fair value hierarchy

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

	Unaudited				Unaudited		
	Carrying amount				Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1)		
	Fair value through profit or loss R'000	Other R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>December 2023</b>							
<b>Financial assets measured at fair value</b>							
Derivative instruments - non-current	71 994	-	-	71 994	71 994	-	71 994
Derivative instruments - current	101 166	-	-	101 166	101 166	-	101 166
	<b>173 160</b>	<b>-</b>	<b>-</b>	<b>173 160</b>	<b>173 160</b>	<b>-</b>	<b>173 160</b>
<b>Financial assets not measured at fair value</b>							
Loans receivable - non-current	-	-	153 153	153 153	n/a	131 738	131 738
Loans receivable - current	-	-	20 454	20 454	n/a	n/a	n/a
Trade and other receivables - financial instruments <sup>2</sup>	-	-	209 429	209 429	n/a	n/a	n/a
Cash and cash equivalents	-	-	1 559 654	1 559 654	n/a	n/a	n/a
	<b>-</b>	<b>-</b>	<b>1 942 690</b>	<b>1 942 690</b>	<b>n/a</b>	<b>131 738</b>	<b>131 738</b>
<b>Financial liabilities measured at fair value</b>							
Derivative instruments - non-current	80 503	-	-	80 503	80 503	-	80 503
Derivative instruments - current	18 239	-	-	18 239	18 239	-	18 239
	<b>98 742</b>	<b>-</b>	<b>-</b>	<b>98 742</b>	<b>98 742</b>	<b>-</b>	<b>98 742</b>
<b>Financial liabilities not measured at fair value</b>							
Long-term portion of borrowings	-	-	13 103 155	13 103 155	n/a	n/a	n/a
Short-term portion of borrowings	-	-	2 706 040	2 706 040	n/a	n/a	n/a
Financial guarantees - non-current	-	1 837	-	1 837	n/a	n/a	n/a
Trade and other payables - financial instruments <sup>3</sup>	-	-	524 300	524 300	n/a	n/a	n/a
	<b>-</b>	<b>1 837</b>	<b>16 333 495</b>	<b>16 335 332</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

<sup>1</sup> Balances in the tables above include assets held-for-sale where applicable and they are shown as current/short-term.

<sup>2</sup> Trade receivables excludes prepayments, municipal deposits and sundry receivables

<sup>3</sup> Trade payables excludes rent received in advance, municipal and employee provisions and sundry payables. This balance includes interest payable of R82.3m (June 2023: R70.1m ; Dec 2022: R44.7m)

## Financial instruments

	Unaudited				Unaudited		
	Carrying amount				Fair value and fair value hierarchy (The Group has no financial instruments classified as level 1)		
	Fair value through profit or loss R'000	Other R'000	Amortised cost R'000	Total R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>December 2022</b>							
<b>Financial assets measured at fair value</b>							
Derivative instruments - non-current	260 021	-	-	260 021	260 021	-	260 021
Derivative instruments - current	26 799	-	-	26 799	26 799	-	26 799
	<b>286 820</b>	<b>-</b>	<b>-</b>	<b>286 820</b>	<b>286 820</b>	<b>-</b>	<b>286 820</b>
<b>Financial assets not measured at fair value</b>							
Loans receivable - non-current	-	-	179 938	179 938	n/a	225 245	225 245
Loans receivable - current	-	-	50 004	50 004	n/a	n/a	n/a
Trade and other receivables - financial instruments <sup>2</sup>	-	-	165 601	165 601	n/a	n/a	n/a
Cash and cash equivalents	-	-	1 376 158	1 376 158	n/a	n/a	n/a
	<b>-</b>	<b>-</b>	<b>1 771 701</b>	<b>1 771 701</b>	<b>n/a</b>	<b>225 245</b>	<b>225 245</b>
<b>Financial liabilities measured at fair value</b>							
Derivative instruments - non-current	194	-	-	194	194	-	194
Derivative instruments - current	1 207	-	-	1 207	1 207	-	1 207
	<b>1 401</b>	<b>-</b>	<b>-</b>	<b>1 401</b>	<b>1 401</b>	<b>-</b>	<b>1 401</b>
<b>Financial liabilities not measured at fair value</b>							
Long-term portion of borrowings	-	-	8 519 017	8 519 017	n/a	n/a	n/a
Short-term portion of borrowings	-	-	6 494 131	6 494 131	n/a	n/a	n/a
Trade and other payables - financial instruments <sup>3</sup>	-	-	543 556	543 556	n/a	n/a	n/a
	<b>-</b>	<b>-</b>	<b>15 556 704</b>	<b>15 556 704</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

<sup>1</sup> Balances in the tables above include assets held-for-sale where applicable and they are shown as current/short-term.

<sup>2</sup> Trade receivables excludes prepayments, municipal deposits and sundry receivables

<sup>3</sup> Trade payables excludes rent received in advance, municipal and employee provisions and sundry payables. This balance includes interest payable of R82.3m (June 2023: R70.1m ; Dec 2022: R44.7m)

## Financial instruments

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

<sup>1</sup> Balances in the tables above include assets held-for-sale where applicable and they are shown as current/short-term.

<sup>2</sup> Trade receivables excludes prepayments, municipal deposits and sundry receivables

<sup>3</sup> Trade payables excludes rent received in advance, municipal and employee provisions and sundry payables. This balance includes interest payable of R82.3m (June 2023: R70.1m ; Dec 2022: R44.7m)

## Transfers between levels

There were no transfers in either direction between levels 1,2, or 3 during the current or prior periods for the financial assets and financial liabilities.

## REIT DISCLOSURES

### REIT ratios

#### SA REIT funds from operations (SA REIT FFO) per share

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Profit / (loss) per IFRS Statement of comprehensive income (SOI) attributable to the parent</b>	<b>189 844</b>	<b>724 229</b>	<b>1 521 216</b>
Adjusted for:			
<b>Accounting / specific adjustments:</b>	<b>405 351</b>	<b>(12 699)</b>	<b>(281 295)</b>
Fair value adjustments to:			
Investment property	302 051	(95 998)	(434 145)
Impairment of goodwill or the recognition of a bargain purchase gain	-	-	8 775
Asset impairments (excluding goodwill) and reversals of impairment	971	1 786	2 767
Deferred tax movement recognised in profit or loss	64 830	16 120	40 928
Straight-lining operating lease adjustment	37 499	65 393	100 380
<b>Adjustments arising from investing activities:-</b>	<b>-</b>	<b>-</b>	<b>5 576</b>
Gains or losses on disposal of:			
Investment property and property, plant and equipment	-	-	5 576
<b>Foreign exchange and hedging items:</b>	<b>207 460</b>	<b>(72 452)</b>	<b>(56 026)</b>
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	207 460	(89 419)	(56 026)
Foreign exchange gains or losses relating to capital items – realised and unrealised	-	16 967	-
<b>Other adjustments:</b>	<b>(199 600)</b>	<b>-</b>	<b>30 238</b>
Non-controlling interests in respect of the above adjustments	(199 600)	-	30 238
<b>SA REIT FFO:</b>	<b>603 055</b>	<b>639 078</b>	<b>1 219 709</b>
Number of shares outstanding at the end of the period (net of treasury shares)	<b>379 474 793</b>	<b>358 084 019</b>	<b>358 084 019</b>
<b>SA REIT FFO per share (cents):</b>	<b>158.9</b>	<b>178.5</b>	<b>340.6</b>
<b>Company-specific adjustments (cents per share)</b>	<b>17.2</b>	<b>24.9</b>	<b>64.6</b>
Capital and other items	(0.1)	(0.1)	(11.5)
Unrealised foreign exchange losses	8.5	-	34.0
Equity accounted loss	8.8	25.0	42.1
<b>Distributable income per share (cents):</b>	<b>176.1</b>	<b>203.4</b>	<b>405.2</b>

## SA REIT Net Asset Value (SA REIT NAV)

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Reported NAV attributable to the parent</b>	<b>22 300 859</b>	<b>21 294 489</b>	<b>22 699 719</b>
<b>Adjustments:</b>			
Dividend to be (declared) / reinvested	-	-	(1 071 744)
Fair value of certain derivative financial instruments	(74 418)	(285 419)	(268 752)
Goodwill and intangible assets	(71)	(49)	(59)
Deferred tax	1 176 929	978 844	1 112 002
<b>SA REIT NAV</b>	<b>23 403 299</b>	<b>21 987 865</b>	<b>22 471 166</b>
<b>Shares outstanding</b>			
Number of shares in issue at period end (net of treasury shares)	379 474 793	358 084 019	358 084 019
Effect of dilutive instruments (awards under the CUP and LTIP)	1 044 899	1 078 759	1 253 125
<b>Diluted number of shares in issue</b>	<b>380 519 692</b>	<b>359 162 778</b>	<b>359 337 144</b>
<b>SA REIT NAV per share (R)</b>	<b>61.50</b>	<b>61.22</b>	<b>62.54</b>

## SA REIT loan-to-value

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Gross borrowings</b>	<b>15 809 195</b>	<b>15 013 148</b>	<b>15 220 833</b>
<b>Financial guarantees</b>	<b>59 143</b>	<b>-</b>	<b>-</b>
<b>Add / (Less):</b>			
Cash and cash equivalents	(1 559 654)	(1 376 158)	(1 201 103)
Restricted cash - Hystead NCI dividends payable and Gruppo cash	-	187 272	-
Derivative financial instruments	(74 418)	(285 419)	(268 753)
<b>Net borrowings</b>	<b>14 234 266</b>	<b>13 538 843</b>	<b>13 750 977</b>
<b>Total assets</b>	<b>39 925 074</b>	<b>38 059 850</b>	<b>39 870 697</b>
<b>Less:</b>			
Cash and cash equivalents	(1 559 654)	(1 376 158)	(1 201 103)
Derivative financial assets	(173 160)	(286 820)	(287 981)
Intangible assets	(71)	(49)	(59)
Trade and other receivables	(326 521)	(272 666)	(267 443)
<b>Carrying amount of property-related assets</b>	<b>37 865 668</b>	<b>36 124 157</b>	<b>38 114 111</b>
<b>SA REIT loan-to-value</b>	<b>37.6%</b>	<b>37.5%</b>	<b>36.1%</b>

<sup>1</sup> Balances in the table above include assets held-for-sale where applicable.

## SA REIT cost-to-income ratio

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Expenses</b>			
Operating expenses (includes utilities)	1 023 303	959 910	1 928 419
Administrative expenses	83 082	71 067	150 527
<i>Exclude:</i>			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation in respect of intangible assets	(841)	(811)	(1 625)
<i>Company specific adjustments:</i>			
Software development costs	(202)	-	-
<b>Operating costs</b>	<b>1 105 342</b>	<b>1 030 166</b>	<b>2 077 321</b>
<b>Rental income</b>			
Contractual rental income <sup>1</sup>	1 816 543	1 627 416	3 365 508
Utility and operating recoveries	473 418	483 514	965 694
<b>Gross rental income</b>	<b>2 289 961</b>	<b>2 110 930</b>	<b>4 331 202</b>
<b>SA REIT cost-to-income ratio</b>	<b>48.3%</b>	<b>48.8%</b>	<b>48.0%</b>

<sup>1</sup> Net of COVID-19 related discounts and relief and excluding the effects of straight-lining

## SA REIT administrative cost-to-income ratio

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	R'000	R'000	R'000
<b>Expenses</b>			
Administrative expenses	83 082	71 067	150 527
<b>Administrative costs</b>	<b>83 082</b>	<b>71 067</b>	<b>150 527</b>
<b>Rental income</b>			
Contractual rental income <sup>1</sup>	1 816 543	1 627 416	3 365 508
Utility and operating recoveries	473 418	483 514	965 694
<b>Gross rental income</b>	<b>2 289 961</b>	<b>2 110 930</b>	<b>4 331 202</b>
<b>SA REIT administrative cost-to-income ratio</b>	<b>3.6%</b>	<b>3.4%</b>	<b>3.5%</b>

<sup>1</sup> Net of COVID-19 related discounts and relief and excluding the effects of straight-lining

## SA REIT GLA vacancy rate - Total<sup>1</sup>

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	m <sup>2</sup>	m <sup>2</sup>	m <sup>2</sup>
Gross lettable area of vacant space	23 249	24 177	23 199
Gross lettable area of total property portfolio	870 000	874 432	868 278
<b>SA REIT GLA vacancy rate</b>	<b>2.7%</b>	<b>2.8%</b>	<b>2.7%</b>

<sup>1</sup> The GLA and vacancy reported above relates to all consolidated properties of the Group

## SA REIT cost of debt

	Unaudited	Unaudited	Audited
	31 December 2023	31 December 2022	30 June 2023
	%	%	%
<b>Cost of debt - ZAR</b>			
<b>Variable interest-rate borrowings</b>			
Floating reference rate plus weighted average margin	10.1	9.0	10.3
<b>Pre-adjusted weighted average cost of debt</b>	<b>10.1</b>	<b>9.0</b>	<b>10.3</b>
<b>Adjustments:</b>			
Impact of interest rate derivatives	(1.3)	(0.7)	(1.6)
Amortised transaction costs imputed into the effective interest rate	0.1	0.1	0.2
<b>All-in weighted average cost of debt</b>	<b>8.9</b>	<b>8.4</b>	<b>8.9</b>
<b>Cost of debt - EUR</b>			
<b>Variable interest-rate borrowings</b>			
Floating reference rate plus weighted average margin	6.1	4.7	5.9
<b>Pre-adjusted weighted average cost of debt</b>	<b>6.1</b>	<b>4.7</b>	<b>5.9</b>
<b>Adjustments:</b>			
Impact of interest rate derivatives	(1.1)	(1.5)	(2.0)
<b>All-in weighted average cost of debt</b>	<b>5.0</b>	<b>3.2</b>	<b>3.9</b>
<b>Cost of debt - USD</b>			
<b>Variable interest-rate borrowings</b>			
Floating reference rate plus weighted average margin	11.8	10.3	11.3
<b>Pre-adjusted weighted average cost of debt</b>	<b>11.8</b>	<b>10.3</b>	<b>11.3</b>
<b>Adjustments:</b>			
Impact of interest rate derivatives	(2.0)	(0.4)	(1.4)
<b>All-in weighted average cost of debt</b>	<b>9.8</b>	<b>9.9</b>	<b>9.9</b>



## Corporate information

### Directors

S Noussis<sup>††</sup> (Chairman), MC Wilken (CEO)<sup>§</sup>, BC Till (CFO)<sup>§</sup>,  
AW Nauta (CIO)<sup>§</sup>, AA Dallamore<sup>††</sup>, L Dotwana<sup>††</sup>, KM Ellerine<sup>†</sup>,  
RJ Inskip<sup>††</sup>, Z Jasper<sup>††</sup>, TV Mokgatla<sup>††</sup>, BS Mzobe<sup>††</sup>

<sup>§</sup>Executive | <sup>††</sup>Non-executive | <sup>†</sup>Independent

### Registered office

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### Transfer secretaries

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### Company secretary

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