

**SUMMARISED CONSOLIDATED AUDITED RESULTS**  
FOR THE YEAR ENDED 30 JUNE 2020

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

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

**Balance sheet** remains healthy despite a reduction of R4.0 billion (13,9%) in the value of the property portfolio.

**All banking covenants met** at 30 June 2020.

**Final terms agreed** for the sale of Ikeja City Mall.

**Steps taken** to strengthen the balance sheet:

- US dollar denominated debt reduced by \$271 million; and
- Cash of R1.2 billion retained to repay debt.

R'000	Audited Year ended 30 June 2020	Audited Year ended 30 June 2019
Net operating income (R'000)	1 268 285	1 536 039
Headline earnings per share (cents)	410.7	223.5
Basic (loss)/earnings per share (cents)	(1 332.4)	64.5
Dividend per share	See dividend section	744.89034
Net asset value per share	76.09	95.78

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

**Outlook and Prospects**

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

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

We will continue to pursue the key priorities of repositioning our SA portfolio, increasing the dominance of the properties in the European portfolio, and implementing the non-tangible asset strategy through projects like Soko District. Until trading conditions stabilise, capital

expenditure will be limited to those projects that are already committed or are absolutely necessary.

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

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

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

**Dividend**

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

The board is considering different options in regard to settlement of the interim distribution and declaration of the final distribution for the year ended 30 June 2020, having regard to the minimum REIT distribution requirements. It has therefore resolved that it would

be prudent to defer its decision on the payment of the interim dividend and the declaration of the final dividend for the year ended 30 June 2020 until December 2020, or an earlier date should more clarity emerge on the likely future economic environment.

**Audited financial statements**

KPMG Inc has audited the consolidated and separate financial statements. Key audit matters considered by KPMG for both Group and Company are:

- Impact of Covid-19
  - Going concern
  - Valuation of assets (Hystead and Investment property)
  - Rental income relief
- Valuation of investment property
- Valuation of investment in Hystead
- Recoverability of AttAfrica shareholder loan – Group

The consolidated audited financial statements for the year ended 30 June 2020 and the KPMG unqualified audit report are available from the registered office of the Company or the Company's website. [www.hyprop.co.za/annual-results.php](http://www.hyprop.co.za/annual-results.php)

21 September 2020

**Corporate information**

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

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*This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement. The full announcement is available on the JSE website <https://senspdf.jse.co.za/documents/2020/jse/isse/HYPE/FY2020.pdf> and on the Company website at <https://www.hyprop.co.za/annual-results.php> Copies of the full announcement may also be requested by emailing Lizelle du Toit at [lizelle@acuminate.net](mailto:lizelle@acuminate.net) or at the Company's registered office or at the office of the sponsor, at no charge, during office hours from Monday 21 September 2020 to Friday, 2 October 2020. Any investment decision should be based on the full announcement published on the JSE and the Company's website.*