

HYPROP INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1987/005284/06)

JSE share code: HYP ISIN: ZAE000190724

JSE bond issuer code: HYPI

(Approved as a REIT by the JSE)

(“**Hyprop**” or “**the Company**”)



CREDIT RATING NOTIFICATION

Shareholders and holders of Hyprop’s debt securities issued under its Domestic Medium-Term Note Programme are advised that GCR Ratings (“**GCR**”) has accorded long- and short-term national scale issuer ratings of A(ZA) and A1(ZA) respectively to Hyprop, with a Positive Outlook. Concurrently, GCR has accorded Hyprop long- and short-term international scale issuer ratings of B+ and B respectively, with a Positive Outlook.

GCR note in their rating notification that Hyprop’s retail orientated portfolio is considered to be high-quality and shows good geographic diversity. Tenant turnover growth, footfalls and trading density have all approached or surpassed pre-covid levels during FY22 for both the South African and Eastern European portfolios, whilst asset management efforts are ongoing to improve the tenant mix and overall competitiveness of the properties in their target markets.

GCR also note the acquisition of 100% of the underlying European assets and liabilities which has resulted in a more simplified Group and debt structure, ample covenant headroom and strong access to capital, with a range of institutional investors/banks in South Africa and Europe providing liquidity support. Other positive factors noted are the Group’s conservative approach to distributions, targeting an overall pay-out ratio of approximately 75%, the reduced currency risk on balance sheet from the Hyprop Europe transaction and the active steps taken to lengthen and smooth out the debt maturity profile.

As explained by GCR in their rating notification, the outlook change to Positive recognises the faster than anticipated recovery of Hyprop’s operating performance post the COVID-19 outbreak, the progress in deleveraging and reduced refinancing risk given modest near-term debt maturities, and indicates a likely upgrade over the next 12-18 months should credit metrics continue to improve.

The full GCR notification is available at <https://gcratings.com/announcements/gcr-has-placed-hyprops-international-and-national-issuer-ratings-of-b-and-aza-respectively-on-positive-outlook-on-stronger-than-expected-performance/>.

18 October 2022

Sponsor

JAVACAPITAL