

CONDENSED CONSOLIDATED INTERIM RESULTS

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



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.



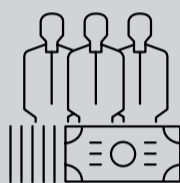
Repositioning strategy yields improved operational performance

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 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

	Unaudited December 2023	Unaudited December 2022	Audited June 2023
Net operating income (R'000)	613 482	665 323	1 229 170
Headline earnings per share (cents)	111.3	226.1	393.9
Basic earnings per share (cents)	52.1	209.0	431.9
Distributable income per share (cents)	176.1	203.4	405.2
Net asset value per share (Rands)	58.77	59.47	63.39

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's 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.

13 March 2024

This short-form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement and does not contain full or complete details. The full announcement has been released on SENS and is available on the JSE website at

<https://senspdf.jse.co.za/documents/2024/jse/isse/HYPE/HY2023.pdf>

and on the Company website at

<https://www.hyprop.co.za/results/interims-2024/pdf/booklet.pdf>

Copies of the full announcement may also be requested by emailing Boitumelo Nkambule at boitumelo@hyprop.co.za. Any investment decision by investors and/or shareholders should be based on the full announcement published on SENS and the Company's website as a whole.

Corporate information

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