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Hyprop Investments Ltd

https://www.hyprop.co.za/pdf/investor/integrated-reports/2025/full-iar.pdf

Annual General Meeting

27 November 2025

Financial Year End: 30 June 2025

Proxies voted	No of shares
Sanlam: Ditikeni Trust	35 000
Vunani: Ditikeni Trust	36 000
Vunani: The Labour Research Trust	29 000
Vunani: Social Action Change Trust	35 000

Hyprop Investments Limited delivered a strategically focused performance in the financial year ended 30 June 2025 (FY2025), characterized by notable financial deleveraging and targeted geographical growth, yet tempered by persistent operational headwinds in the South African (SA) market.

Hyprop achieved a strong overall financial outcome, driven by robust activity in Eastern Europe (EE) and balance sheet optimization. Especially noticeable was the exceptional 24% growth in distributable income (in Euros) from the EE portfolio. Group distributable income increased 7.5% to R1.51 billion, leading to a total dividend increase of 9.9% to 307.7 cents per share. Crucially, the distributable income per share (DIPS) grew by 2.3% (or 5.0% on a weighted average basis), exceeding the updated guidance of -1% to 2%.

A major financial strength was the substantial improvement in the capital structure, continuing a multi-year trend since 2019. The Group Loan-to-Value (LTV) ratio improved significantly to 33.6% (from 36.4% in FY2024), attributed partly to asset values and the R808 million equity raised in June 2025. The Interest Cover Ratio (ICR) also improved to 2.6 times (from 2.5 times). Furthermore, the Group achieved its lowest-ever margins on bond issuance during the R750 million public auction, contributing to a lower average cost of borrowings in both ZAR (9.0%) and EUR (4.2%).

However, the financial results contained notable lows. The DIPS increase was partially diluted by the issue of an additional 19 million shares (5% of total shares) in June 2025. Additionally, increased interest costs led to a slight decrease in the distributable income from the SA portfolio, which fell from R911 million to R900 million.

Operationally, Hyprop successfully advanced its strategy of shifting capital concentration toward the Western Cape and EE, while reducing risk elsewhere.

Highs include the long-anticipated disposal of the directly held Sub-Saharan Africa (SSA) assets in September 2024 for shares in Lango, significantly reducing the Group's risk exposure. In the SA portfolio, tenants' turnover grew 5.5% (to R28.4 billion) and trading density grew 6.8%. The EE portfolio maintained dominance, showcasing a minimal retail vacancy rate of 0.1% and a 6.6% rise in tenants' turnover. Strategic repositioning at Hyde Park Corner saw the new Checkers FreshX store open in August 2025, resulting in a 10% immediate increase in foot and vehicle count. The Group also agreed to sell a 50% undivided share in Hyde Park Corner, aligning with the goal to recycle assets.

The primary operational challenge was the significant increase in retail vacancies in the SA portfolio, rising sharply to 4.2% from 1.8% in FY2024. This increase was primarily driven by rightsizing actions from major tenants Edgars and Pick n Pay. Furthermore, the Hyde Park Corner disposal is complicated by Hyprop providing a net operating income guarantee of up to R20 million per year for FY2026 and FY2027.

Hyprop actively responded to South Africa's unique environmental and social challenges, particularly infrastructural reliability.

ESG highs centred on energy resilience and waste management. The SA recycling rate improved significantly to **77%** (up from 68% in FY2024), exceeding the 50% target. Five SA centres either achieved or are finalizing Net-Zero Waste (NZW) status. Major capital investments were made in alternative energy, including a large solar-PV installation at Table Bay Mall and a dual-fuel generator and battery storage system at Rosebank Mall. Social impact remained a priority, with the Group contributing R16.6 million through its Corporate Social Investment (CSI) initiatives focused on community upliftment, education, and skills development.

Ongoing infrastructural stress is a cause for concern. Despite investments in water backup tanks at Gauteng centres, the Group's overall water consumption increased by 4.7% in FY2025. The company maintained a consistent, yet moderate, 'C' score from the Carbon Disclosure Project (CDP) for both climate change and water security. Furthermore, the operational challenge of failing municipal services persists, necessitating continued high expenditure on alternative power and water sources to mitigate disruptions.

The summary of our current Beta version of our ESG index is shown on the next page with a brief explanatory note. Active Shareholder regards this company as borderline for ethical investment.

Active Shareholder

Hyprop Investments Ltd

30/06/2025

Number	Theme	Score	Total	%	Weighting
1	Governance	7.22	14	71%	25.45%
2	Remuneration	10.00	11	73%	20.00%
3	Employment & Labour	3.00	9	31%	16.36%
4	CSI	1.88	7	15%	12.73%
5	Environment	9.00	14	50%	25.45%
	Total	31.10	55	52%	100.00%

Active ESG Score = 57%

Active Shareholder ESG Index

Beta2.02 (2025) Created by LRS in conjunction with Active Shareholder

Score		Consequence
below 50	=	*Vote against Chair of Board*
between 50 and 60	=	*Vote against Committee Chairs*
between 60 and 80	=	*Active commendedation*
above 80	=	*Active endorsement*

NOTE ON THE ESG INDEX

Active Shareholder is developing a mechanism by which to score a company's ESG.

The summary alongside is from a beta version currently being tested.

The metrics used to assess the 5 different aspects of ESG are available on request.

Not all of these are regulated, and some are aspirational, but all represent Active Shareholder's goals for ethical, sustainable and equitable governance

	Resolution	Rationale	Vote	Outcome of AGM
	Presentation of audited Annual Financial Statements (AFSs) and reports	A vote on the Annual Financial Statements (AFS) is highly desirable and considered "best practice" by institutional guidelines. While a "large majority" of comparable companies put the AFS to a vote, Hy currently omits this step. The primary reason Hyprop does not offer a vote is that shareholder acceptance of the AFS is "not a legal requirement in South Africa". The company fulfils its legal and listing obligations by presenting the statements. This allows the company to satisfy compliance requirements while bypassing the voluntary governance measure. For this reason, we will vote against the ARC Chair. We urge that the AFSs be offered for adoption in the future.		
	To present the report of the Social and Ethics Committee	The notice for Hyprop's AGM includes the purpose of presenting the report of the Social, Ethics and Sustainability Committee for the year ended 30 June 2025. The matters required to be reported on by the SES Committee, in terms of section 61(a)(8)(iv) and regulation 43(5)(c) of the Companies Act, are included in the Environment, Social and Governance (ESG) section of the 2025 Integrated Annual Report. The Companies Act mandates the presentation of a social and ethics committee report at the AGM of a public company, and requires the chairman of the Social, Ethics and Sustainability Committee to be present at the AGM to respond to questions from		

	Resolution	Rationale	Vote	Outcome of AGM
		shareholders regarding the committee's activities for the relevant financial year. Active Shareholder guidance explicitly considers the presentation of the Social and Ethics Committee Report for acceptance by shareholders to be best practice, as does the PIC (Public Investment Corporation). Although a specific vote on the report itself is not a legal requirement in South Africa, we believe that it should be presented for voting. This omission leads us to vote against the ESEC Chair. We urge that this report be offered for adoption in the future.		
Ordinary Resolutions				
1	Re-Election of directors			
1.1	Bernadette Mzobe	Has expertise in property finance, mergers, acquisitions, and structured finance, built over 23 years. Her 3.5-year tenure supports independence.	FOR	FOR 99.95% AGAINST 0.05%
1.2	Richard Inskip	Provides extensive retail, strategy, and supply chain expertise (35 years), having served as a major COO. Serves as Lead Independent Director	FOR	FOR 99.83% AGAINST 0.17%
1.3	Zuleka Jasper	Strong financial and audit quality background (20 years at Deloitte). Important expertise as the Audit and Risk Committee Chairman.	FOR	FOR 99.96% AGAINST 0.04%
1.4	Morné Wilken	Executive Director and CEO, bringing 7 years of leadership experience to the Group. Recommended based on his past contribution.	FOR	FOR 99.96% AGAINST 0.304%
2	Appointment of the members of the Audit and Risk Committee			
2.1	Zuleka Jasper (chairman)	Excellent financial and audit quality expertise (20 years at Deloitte). He is fully compliant as an Independent Non-Executive Director (INED). His failure to offer the AFS for approval at the AGM leads us to vote against him.	AGAINST	FOR 99.91% AGAINST 0.09%
2.2	Reeza Isaacs	Current CFO of SPAR Group and CA(SA). Provides crucial financial expertise and audit committee chair experience, enhancing ARC effectiveness. CFO roles at listed companies are extremely demanding, involving quarterly reporting, investor relations, regulatory compliance, and strategic financial planning. He may struggle to dedicate sufficient time and attention to board duties, especially during critical periods like earnings season, audits, or major transactions.	AGAINST	FOR 99.88% AGAINST 0.12%
2.3	Annabel Dallamore	Long-serving INED (6 years). Serves across key governance committees (ARC, REM, NOM), providing crucial integrated oversight and continuity.	FOR	FOR 99.87% AGAINST 0.13%
3	Re-appointment of the External Auditor	The re-appointment of KPMG Inc., with Akhin Lalloo as the designated audit partner, is submitted for shareholder approval at the AGM. The Audit and Risk Committee (ARC) is satisfied with KPMG's independence, suitability, terms, and scope, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements. However, the audit	FOR	FOR 90.51% AGAINST 9.49%

	Resolution	Rationale	Vote	Outcome of AGM
		tenure of KPMG Inc. is ten years, which approaches the guideline thresholds for rotation. Active Shareholder will not support re-appointment beyond this year.		
4	Election of the members of the Social, Ethics and Sustainability Committee			
4.1	Bernadette Mzobe (chairman)	Independent director with 3.5 years' tenure. Her 23+ years in property finance, M&A, and structured finance provide the necessary financial expertise and strategic background to effectively chair the Social, Ethics and Sustainability Committee. However, her failure to present the SES report for approval leads us to vote against her.	AGAINST	FOR 99.91% AGAINST 0.09%
4.2	Loyiso Dotwana	Independent director with 3.5 years' service. His 35+ years in engineering, construction, and property development offer highly relevant operational and environmental expertise essential for monitoring the Group's sustainability impact.	FOR	FOR 99.92% AGAINST 0.08%
4.3	Zuleka Jasper	Serving 7 years as an INED (CA(SA)). Her role as Audit and Risk Committee Chairman adds critical strength to the SES by ensuring financial rigour and oversight of the integrity of ESG data and external reporting.	FOR	FOR 99.96% AGAINST 0.04%
5	General authority to issue shares for cash	Active Shareholder guidelines generally oppose placing unissued shares under the directors' control unless the resolution specifies the number of shares, the share price, the reason for or circumstances under which directors may issue shares, and the expiry date. The resolution in question meets the requirement for stating the maximum number of shares (19,970,954 shares, or 5% of issued shares) and the expiry date but provides only general circumstances and limits the discount rather than stating a fixed price. Furthermore, vague statements of intention are typically considered insufficient. Active Shareholder would prefer a more clearly worded resolution and motivation.	AGAINST	FOR 94.82% AGAINST 5.18%
	Non-binding advisory votes			
6	Endorsement of the remuneration policy	Hyprop's remuneration policy is structured around a "total reward philosophy" adhering to King IV principles, featuring Total Guaranteed Pay (TGP), Short-Term Incentives (STI), and Long-Term Incentives (LTI), emphasizing a pay-for-performance model. **Variable pay metrics** Hyprop utilises a combination of financial, operational, and strategic metrics (known as Key Performance Drivers, or KPDs) to determine executive variable pay. STIs are intended to reward the achievement of challenging objectives at the Group, portfolio, divisional, and individual levels, measured over one year.	AGAINST	FOR 99.81% AGAINST 0.19%

	Resolution	Rationale	Vote	Outcome of AGM
		KPDs for FY2026 STIs include Growth in distributable income (DI)/share and LTV ratio on a consolidated basis, demonstrating alignment with core financial stability and shareholder return. Performance against KPDs uses specific threshold, target, and stretch parameters, alongside a five-point rating scale for individual performance. The FY2025 STI KPDs relied heavily on subjective or strategic milestones over which the Remuneration Committee (RemCo) exercised discretion. For instance, highly weighted components like "Exit sub-Saharan Africa," "Resolve the Hystead structure," and "Recycling assets" were assessed using a 5.00/Exceptional rating, contributing significantly to the STI outcome. Governance guidelines generally discourage subjective or discretionary bonuses and vague criteria, although in this case we can understand the urgency to “exit sub-Saharan Africa”. The Long-Term Performance Awards (LTPAs) are conditional shares designed to link pay to strategy over a minimum three-year performance period. The FY2026 LTPA metrics show solid alignment with capital market expectations. Total Return (45% weighting) is split between Relative Total Return (measured against a peer group average) and Absolute Return (measured against a threshold of 90% of the Weighted Average Cost of Capital, or WACC). This ensures reward is earned both relative to the market and above the cost of capital. Operational Health (25% weighting) is measured by growth in tenants’ turnover in the SA portfolio relative to CPI. **ESG Metrics** A significant deficiency in the remuneration structure is the absence of explicit, quantifiable ESG metrics in the key variable pay elements, especially the LTPAs (FY2026 performance targets shown are strictly financial or market-related, such as Total Return and Mall Health). While the policy states its objective is to promote an ethical culture and responsible corporate citizenship, and RemCo monitors corporate citizenship, the mechanism designed to drive long-term strategic positive outcomes – the LTI – does not appear to formally incorporate ESG objectives or performance. This lack of formal ESG linkage runs contrary to best practice guidelines recommended by Active Shareholders, which state that executive pay criteria must include an appropriate level of reward for ESG targets where relevant. The JSE also encourages the incorporation of ESG issues into executive remuneration.		

	Resolution	Rationale	Vote	Outcome of AGM
		Deferred Awards/Retention Shares The structure of deferred variable pay presents a governance concern: For employees in South Africa whose STI exceeds a threshold, 30% of the total STI is paid in Restricted Shares (Deferred Awards) under the LTIP. These Restricted Shares are allocated immediately and vest over three years based only on continued employment, not performance conditions. Paying a substantial proportion of variable remuneration (deferred STI) without performance conditions attached conflicts directly with governance advisories. Institutional Shareholder Services (ISS) generally recommends a vote against remuneration policies if Long-Term Incentive Schemes (LTIS) do not have performance conditions attached for all or a substantial proportion of awards. This feature transforms a portion of the long-term incentive into a pure retention mechanism, weakening the "pay-for-performance" alignment. In conclusion, while Hyprop demonstrates compliance with foundational disclosure requirements and links pay to critical financial metrics (DI/share, LTV, WACC), the policy contains governance anomalies: the heavy reliance on managerial discretion in the STI pool and the structural failure to integrate tangible, quantifiable ESG metrics into the long-term incentive scheme. Furthermore, the unconditional vesting of Restricted Shares contravenes best practice regarding performance linkage in variable compensation. In light of the identified governance deficiencies within the policy structure, we are compelled to register dissent.		
7	Endorsement of the remuneration implementation report	The Remuneration Implementation Report (IR) for the financial year ended 30 June 2025 (FY2025) is presented to shareholders for a non-binding advisory vote (Ordinary Resolution Number 7) in line with King IV principles. This report details the actual remuneration awarded and accrued to executive directors during the reporting period, addressing both cash remuneration and share-based incentives. **1. Executive Directors' Remuneration: Total Single Figure and Breakdown** In accordance with JSE Listings Requirements and King IV guidelines, which require disclosure of the single, total figure of remuneration, the compensation awarded to the executive directors is derived from combining Total Guaranteed Pay (TGP), cash performance bonuses, and the recognised expense associated with Long-Term Incentives (LTIs) for FY2025.	AGAINST	FOR 99.78% AGAINST 0.22%

	Resolution	Rationale	Vote	Outcome of AGM
		The Executive Directors during FY2025 were Morné Wilken (CEO), Brett Till (CFO), and Wilhelm Nauta (CIO) who received the following remuneration in FY2025. Morné Wilken (CEO): R18 001 000 Brett Till (CFO): R9 997 000 Wilhelm Nauta (CIO): T8 058 000 Short-Term Incentives (STIs) for FY2025 were based primarily on strategic objectives (100% executive director KPDs), including highly weighted strategic measures such as "Asset recycling" and achieving a certain transaction value (25% weighting). A critical omission is the lack of explicit, quantifiable ESG targets linked to executive incentives for FY2025. While the remuneration policy states the goal is to promote responsible corporate citizenship, the metrics disclosed for STIs and LTIs (Distributable Income/share, LTV, growth in tenants' turnover) do not formally incorporate ESG objectives. Governance advocates assert that executive pay criteria should include an appropriate level of reward for ESG targets where relevant. The total number of employees for the Group (South Africa plus Eastern Europe) is not published in the provided notes or reports. Without the total headcount, the average employee salary cannot be determined, and thus the final pay ratio remains uncalculated. These shortcomings warrant withholding support for the proposal.		
Special Resolutions				
8	Special resolution 1: Share repurchase	Active Shareholder will generally oppose Special Resolution 1 (SR1) because open market repurchases, executed via the JSE order book, treat shareholders unequally. Active prefers paying dividends or mounting a general pro-rata repurchase offered to all shareholders.	AGAINST	FOR 99.78% AGAINST 0.22%
9	Special resolution 2: Financial assistance to related and inter-related parties	Hyprop justifies this for essential group functions, such as existing guarantees provided to Balkan Retail. The authority includes statutory safeguards: directors must ensure the terms are fair and reasonable, and the Company satisfies solvency and liquidity tests. Active Shareholder supports this standard internal governance measure, enabling flexible group financing within the framework of mandatory legal controls.	FOR	FOR 99.48% AGAINST 0.52%
10	Special resolution 3: Increase of authorised share capital of the Company and amendment of the MOI	Active Shareholder supports this because: It is a necessary administrative step to ensure the Company has enough headroom for potential capital raising over the next few years, maintaining flexibility without being constrained by the current cap.	FOR	FOR 99.42% AGAINST 0.58%

	Resolution	Rationale	Vote	Outcome of AGM
		The purpose of pursuing funding for "organic and new growth opportunities" aligns with Active's mandate for long-term business success. The actual issuance of these newly authorised shares (and thus the risk of dilution) is subject to other shareholder resolutions (like the General Authority to Issue Shares for Cash or specific issues) and stringent JSE Listings Requirements.		
11	Special resolution 4.1 to 4.18: Approval of non-executive directors' fees			
	4.1 Chairman	R898k fee, 3.5% increase. Benchmarked by PwC, significantly below the R1,646k median fee.	FOR	FOR 99.98% AGAINST 0.20%
	4.2 Lead independent non-executive director	R120k fee, no increase. Benchmarked in 2025, substantially below the R1,186k median fee.	FOR	FOR 99.98% AGAINST 0.02%
	4.3 Non-executive directors	R454k fee, 3.5% increase. Benchmarked by PwC, near the R481k NED median fee.	FOR	FOR 99.70% AGAINST 0.03%
	4.4 Audit and risk committee chairman	R337k annual fee (3.5% increase). Fees were benchmarked by PwC generally.	FOR	FOR 99.80% AGAINST 0.20%
	4.5 Audit and risk committee member	R194k annual fee (3.5% increase).	FOR	FOR 99.76% AGAINST 0.24%
	4.6 Audit and risk committee member (per meeting)	R33k per meeting (3.5% increase). Active Shareholder supports a retainer plus a per-meeting fee.	FOR	FOR 92.83% AGAINST 7.17%
	4.7 Remuneration committee chairman	R150k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINST 0.20%
	4.8 Remuneration committee member	R83k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINST 0.20%
	4.9 Nominations committee chairman	R126k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINT 0.20%
	4.10 Nominations committee member	R70k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINT 0.20%
	4.11 Social, Ethics and Sustainability Committee chairman	R110k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINT 0.20%
	4.12 Social, Ethics and Sustainability Committee member	R89k annual fee (3.5% increase).	FOR	FOR 99.80% AGAINT 0.20%
	4.13 Social, Ethics and Sustainability Committee member (per meeting)	R33k per meeting (3.5% increase). Active Shareholder supports a retainer plus a per-meeting fee.	FOR	FOR 92.83% AGAINST 7.17%
	4.14 Investment Committee chairman	R81k fixed fee (3.5% increase).	FOR	FOR 99.8% AGAINST 0.20%
	4.15 Investment Committee member	R62k fixed fee (3.5% increase).	FOR	FOR 99.80% AGAINST 0.20%
	4.16 Investment Committee chairman (per meeting)	R41k per meeting (3.5% increase). Active Shareholder supports a retainer plus a per-meeting fee.	FOR	FOR 99.80% AGAINST 0.20%
	4.17 Investment Committee member (per meeting)	R31k per meeting (3.5% increase). Active Shareholder supports a retainer plus a per-meeting fee.	FOR	FOR 99.79% AGAINST 0.21%
	4.18 Ad-hoc meeting fee (per meeting)	R33k per meeting (3.5% increase). Active Shareholder supports a retainer plus a per-meeting fee.	FOR	FOR 92.84% AGAINST 7.16%
12	Signature of documentation	This is an administrative issue, enabling the decisions reached to be acted on.	FOR	FOR 99.99% AGAINST 0.01%

	Resolution	Rationale	Vote	Outcome of AGM
		Active Shareholder supports the proposal.		

AGM OUTCOME

At the annual general meeting of shareholders held on Thursday, 27 November 2025 (in terms of the notice dispatched on 27 October 2025) all the resolutions tabled thereat were passed by the requisite majority of shareholders.

Details of the results of voting at the annual general meeting are as follows:

- total number of Hyprop shares in issue as at the date of the annual general meeting: 399 419 089
- total number of shares that could have been voted at the annual general meeting, excluding 153 841 treasury shares: 399 265 248
- total number of Hyprop shares that were present/represented at the annual general meeting: 333 159 433, being 83.44% of the total number of Hyprop shares that could have been voted at the annual general meeting.