



Putprop

Provisional Reviewed Condensed
Consolidated Financial Statements
for the year ended 30 June

2022

and Cash Dividend Declaration



THE YEAR IN REVIEW



Financial

Rentals
R111 325 ↑
2021: R73 075

Operating Profit
R67 283 ↑
2021: R57 681

HEPS
87.96 cents ↑
2021: 70.3 cents
(restated from 2021 results)

Operating profit margin
60.4% ↓
2021: 78.9%

Cost-to-income ratio
34.2 ↓
2021: 35.8

Net asset value of
1 601 cents ↑
per share (2021: 1 445 cents)

Annual escalation in contractual rental income of
6,7% ↓
2021: 7.1%

Total Debt
R448 556 million ↓
(2021: 495 887)



Manufactured

Total GLA
84 112 m² ↓
2021: 99 848 m²

Leverage Ratio
0.79 times ↓
2021: 0.91 times

DPS
10.25 cents ↓
2021: 15 cents

37.0% A Grade ↑ Tenants
2021: 26.7%

Retention of 100%
of tenants whose lease expired during the review period.
(2021: 94.1%) **↑**

Future minimum lease rentals greater than 2 years increased by
83.4% ↑
to R458 758 million
2021: 79.6%

WALE Weighted Average Lease Expiry
3.74 years ↑
2021: 3.4 years

Vacancy Profile of 1 827m² ↓ or 2.2%
2021: 2 238m² or 3.8%



Human

No Human Capital Reduction

29% Female
representation at senior management

R7.8 million
employee costs

Employee average age reduced to 54 years ↓



Social & Relationship

Enhanced public finances by R11 213m in tax

Social upliftment programs to offer assistance to over 1 000 disadvantaged adults and children

Sustainable Food Gardens
created for 644 school pupils

Expansion of Community Health Clinic adjacent to Mamelodi Square



Natural

Borehole
installations project commenced

Solar partnerships investigated for target properties

Waste recycling
increased to 42 tons
2021: 39 tons

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These results, and the restated results, have been reviewed by BDO South Africa Inc and their unmodified review report is available for inspection at the company's registered office.

The auditor's review report does not necessarily report on all of the information contained in the financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's review report with the accompanying financial information from the company's registered office.

Condensed Consolidated Statements of Financial Position

as at 30 June 2022

	2022 Reviewed R'000	2021 Restated* Reviewed R'000	2020 Restated* Reviewed R'000
Assets			
Non-current assets			
Net investment property	953 332	970 113	512 626
Gross investment property	985 375	1 009 630	541 121
Operating lease asset	(32 043)	(39 517)	(28 495)
Gross investment property held under development	82 730	16 780	-
Other non-current assets			
Operating lease asset	32 151	39 249	22 117
Property, plant and equipment	896	764	247
Investment in associates	14 576	7 402	125 061
Loan to associates	-	-	23 206
Cumulative redeemable preference shares in associate	52 084	52 084	52 084
Deferred taxation	13 570	-	-
Total Non-current Assets	1 149 339	1 086 392	735 341
Current assets			
Operating lease asset	-	412	7 067
Trade and other receivables	31 704	29 057	5 770
Current taxation receivable	461	-	595
Cash and cash equivalents	19 096	29 765	3 984
Total Current Assets	51 261	59 234	17 416
Net investment property held for sale	38 152	30 156	20 310
Gross investment property	38 260	30 300	21 000
Operating lease asset	(108)	(144)	(690)
Total Assets	1 238 752	1 175 782	773 067
Equity and liabilities			
Equity attributable to owners of the parent			
Stated capital	93 490	93 490	98 148
Retained income	564 651	500 703	483 351
Non-controlling interest	20 922	18 590	-
Total Equity	679 063	612 783	581 499
Non-current liabilities			
Deferred taxation	47 582	50 398	44 946
Loan liabilities	328 961	470 948	125 760
Total Non-current Liabilities	376 543	521 346	170 706
Current liabilities			
Loan liabilities	119 595	24 939	10 491
Trade and other payables	43 904	10 779	5 090
Bank overdraft	19 647	5 587	5 281
Current taxation payable	-	348	-
Total Current Liabilities	183 146	41 653	20 862
Total Equity and Liabilities	1 238 752	1 175 782	773 067

*Restated – Prior Period Errors

Condensed Consolidated Statements of Comprehensive Income

for the year ended 30 June 2022

	2022 Reviewed R'000	2021 Restated* Reviewed R'000
Rental income and recoveries	111 325	73 075
Property operating costs	(38 112)	(26 185)
Gross profit from property operations	73 213	46 890
Corporate administration costs	(18 818)	(12 144)
Investment and other income	5 112	11 365
Expected credit losses	601	396
Share of associates' profits	7 175	11 173
Operating profit before finance costs	67 283	57 680
Finance costs	(29 071)	(11 303)
Profit before fair value adjustments	38 212	46 377
Fair value adjustments on investment properties	24 281	(23 795)
Profit before taxation	62 493	22 582
Taxation	11 149	(86)
Profit and total comprehensive income for the year	73 642	22 496
Profit and total comprehensive income attributable to:		
Owners of the parent	64 025	22 790
Non-controlling interest	9 616	(294)
Earnings per share		
Basic and diluted earnings per share (cents)	150.97	52.80

*Restated –Prior Period Errors

Condensed Consolidated Statements of Changes in Equity

for the year ended 30 June 2022

	Stated capital R'000	Retained income R'000	Total attributable to equity holders of company R'000	Non- controlling interest R'000	Total equity R'000
Balance at 30 June 2020	98 148	485 230	583 378	–	583 378
Prior period error	-	(1 879)	(1 879)	-	(1 879)
Balance at 30 June 2020 – restated* reviewed	98 148	483 351	581 499	-	581 499
Non-controlling interest on acquisition of subsidiary	–	–	–	18 883	18 883
Share buy-back	(4 658)	–	(4 658)	–	(4 658)
Profit and total comprehensive income for the year	–	22 790	22 790	(294)	22 496
Dividends paid	–	(4 326)	(4 326)	–	(4 326)
Balance at 30 June 2021	93 490	503 619	597 109	18 590	615 699
Prior period error	-	(2 916)	(2 916)	-	(2 916)
Balance as at 30 June 2021 – restated* reviewed	93 490	500 703	594 193	18 590	612 783
Profit and total comprehensive income for the year	-	64 025	64 025	9 616	73 641
Dividends paid	-	(6 361)	(6 361)	-	(6 361)
Acquisition of additional shares	-	6 284	6 284	(7 284)	(1 000)
Balance at 30 June 2022	93 490	564 651	658 141	20 922	679 063

*Restated – Prior Period Errors

Condensed Consolidated Statements of Cash Flows

for the year ended 30 June 2022

	2022 Reviewed R'000	2021 Restated* Reviewed R'000
Cash flow from operating activities		
Net cash generated from operations	94 958	48 363
Finance costs	(29 071)	(11 303)
Investment income	3 360	6 659
Taxation paid	(6 046)	(7 495)
Net cash from operating activities	63 201	36 224
Cash flow from investing activities		
Additions and improvements to investment properties	(65 749)	(2 878)
Proceeds on sale of investment properties	32 864	-
Acquisition of furniture, fittings, computer equipment and motor vehicles	(353)	(432)
Net cash from investment activities	(33 238)	(3 310)
Cash flow from financing activities		
Payments made on share buyback	-	(4 658)
Cash paid due to change in holding	(1 000)	-
Dividends paid	(6 361)	(4 326)
Payments made on loan liabilities	(47 331)	(11 096)
Net cash from financing activities	(54 692)	(20 080)
Total cash at the beginning of the period	24 178	(5 281)
Total cash received due to change in control	-	16 625
Total cash movement for the year	(24 729)	12 834
Total cash and cash equivalents at the end of the period	(551)	24 178

*Restated – Prior Period Errors

Basis of Preparation

These provisional results have been prepared by the Chief Financial Officer, James E Smith, in accordance with International Financial Reporting Standards (“IFRS”), the Companies Act no. 71 of 2008, as amended, IAS 34: Interim Financial Reporting, the Listings Requirements of the JSE Limited, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. Apart from the prior period errors, the basis of presentation is consistent with the policies and methods of computation as used in the annual financial statements for the year ended 30 June 2021, which complied with IFRS.

Functional and presentation currency

South African Rand

Rounding principles

R'000 (Thousand)

These financial statements comprise the financial statements of Putprop Limited, its subsidiary companies and equity accounted associates and joint operations together referred to as the Group.

GOING CONCERN

Current liabilities exceed current assets on both Group and Company level. The liquidity position at Company and Group level is expected to improve during the 2023 review period as the main contributing factor to the Group's current liabilities is the Mamelodi development set to open in October 2022. Proceeds from the sale of 50% equity holding to McCormick were delayed during 2022 but are expected to be realised in the last quarter of 2022. The Group's assessment of going concern also took into consideration all debt covenants such as loan-to-value and interest cover ratios.

The Nedbank loan for the Parktown Property has a balloon payment of R46.9 million maturing in May 2023. This is reflected in current liabilities on a Group and Company level for June 2022 and an arrangement has been reached with Nedbank to convert the balance of the loan into long-term debt.

The directors have reviewed the Group's cash flow forecast for the period to 30 June 2023. On the basis of the review and having regard for the current financial position, the directors are satisfied that the Group has access to adequate resources for the continued operational functioning of Putprop Limited for the foreseeable future and accordingly these financial statements have been prepared on a going concern basis.

SUBSEQUENT EVENTS

The Group has identified certain properties in its portfolio as “non-core assets” with a view to disposing of them.

Proceeds will be used to reduce loan liabilities of the group and thus strengthen the balance sheet.

Two properties, Soshanguwe and Nancefield, subsequent to the date of this report, have been sold, as announced on SENS on 19 September 2022.

The registration of the transfer of the above two properties into the names of their respective purchasers is expected to occur in October 2022. Dividend 66 has been declared at 6.00 cents per share.

AUDITOR'S REPORT

These reviewed provisional condensed consolidated results were reviewed by BDO South Africa Incorporated, who expressed an unmodified opinion thereon. The provisional condensed consolidated annual results for the year ended 30 June 2022 and the unmodified review report are available at the registered offices of the company and Sponsor for inspection during normal business hours, and may also be viewed on the Group's website at www.putprop.co.za and <https://putprop.co.za/reports/auditorsreview.pdf>, respectively.

PRIOR PERIOD ERRORS

Nature and Circumstances of the Restatements

Corridor Hill Properties (Pty) Ltd

The Group had incorrectly included the financial impact of its joint operations, Corridor Hill in the financial results of the Company for the financial years ended 30 June 2020 and 30 June 2021 (prior periods). This treatment resulted in the incorrect presentation of the financial position of the Company, as well as the financial performance and cash flows of the Company in the prior periods but had no impact on the financial position of the Group's results.

Belle Isle Investment (Pty) Ltd

The Group had erroneously disclosed the Belle Isle preference and ordinary share investment at incorrect values for the prior periods.

Mamelodi Square

The joint operation development of Putprop's Mamelodi property was incorrectly accounted for in the financial results for the year ended 30 June 2021 for the Group.

The need for the restatements arose due to advice provided by the Group's previous auditors and acted on by the Group's financial executive in published results for 2020 and 2021, which has now been identified as incorrect.

The Group's current auditors, during the June 2022 audit, disagreed with the previous accounting treatment of certain information disclosed and after the financial executive engaged in detailed consultations with other parties, Putprop has accepted this revised view.

The impact of the restatements on the prior periods is set out in detail below.

All of the errors detailed above have now been rectified both to the satisfaction of the current auditors and the financial executive of Putprop.

PRIOR PERIOD ERRORS (Continued)

	As previously reported Audited R'000	Adjustments Reviewed R'000	Restated Reviewed R'000
30 June 2020			
Group statements of financial position			
Other non-current assets			
Investment in associates	143 132	(18 071)	125 061
Cumulative, redeemable preference share investment in associate	35 891	16 193	52 084
Equity attributable to owners of the parent			
Accumulated profit	485 230	(1 879)	483 351
Total assets	774 946	(1 879)	773 067
Total equity	583 377	(1 879)	581 499
Group statement of profit or loss and other comprehensive income			
Share of associate's profit/(loss)	(7 433)	9 021	1 588
Operating profit before finance costs	37 350	9 021	46 371
Profit before fair value adjustments	24 727	9 021	33 748
Profit before taxation	10 039	9 021	19 060
Profit for the year and total comprehensive income	2 884	9 021	11 905
Basic and diluted earnings per share (cents)	6.57	20.55	27.12
30 June 2021			
Group statements of financial position			
Non-current assets			
Net investment property	986 893	(16 780)	970 113
Other non-current assets			
Gross investment property held under development	-	16 780	16 780
Investment in associates	30 363	(22 962)	7 402
Cumulative, redeemable preference share investment in associate	35 891	16 193	52 084
Current assets			
Trade and other receivables	29 030	28	29 057
Cash and cash equivalents	24 323	5 442	29 765
Equity attributable to owners of the parent			
Accumulated Profit	503 619	(2 916)	500 703
Non Current liabilities			
Deferred Taxation	49 286	1 112	50 398
Group statement of profit or loss and other comprehensive income			
Share of associate's profit/(loss)	16 063	(4 890)	11 173
Fair value adjustments on investment properties	(28 761)	4 966	(23 795)
Operating profit/ (loss) before finance costs	62 571	(4 890)	57 681
Profit/ (loss) before fair value adjustments	51 268	(4 890)	46 378
Profit before taxation	22 507	75	22 582
Profit for the year and total comprehensive income	22 421	75	22 496
Basic and diluted earnings per share (cents)	52.63	0.17	52.80

INVESTMENT PROPERTY

Net investment property 30 June 2022

	2022 R'000	2021 Restated* Reviewed R'000
Property acquisitions, capital expenditure and tenant installations	818 036	842 210
Cumulative gain from gross fair value adjustment of investment property	167 339	167 420
Operating lease assets	(32 043)	(39 517)
Net investment property 30 June	953 332	970 113
Movement for the year[#]		
Investment property 1 July	970 113	512 626
Capital expenditure and tenant installations	-	2 878
Transfer to investment property held for sale	(31 640)	(18 000)
Transfer to investment property held under development	-	(16 780)
Transfer from investment property held for sale	-	8 700
Assets acquired through change in control	-	505 030
Disposals	(14 900)	-
Change in gross fair value of investment property	29 759	(24 341)
Net investment property 30 June	953 332	970 113
*Restated – Prior Period Errors		

Net investment property - held under development

Stated at fair value		
Property acquisitions, capital expenditure and tenant installations	73 416	16 780
Cumulative gain from fair value adjustment of investment property	9 314	-
Net investment property 30 June	82 730	16 780
Movement for the year[#]		
Investment property held under development 1 July	16 780	-
Transfer from investment property	-	16 780
Capital expenditure and tenant installations	56 636	-
Changes in gross fair value adjustment	9 314	-
Net investment property 30 June	82 730	16 780

INVESTMENT PROPERTY (Continued)**Net investment property - held for sale 30 June 2022**

Stated at fair value		
Property acquisitions, capital expenditure and tenant installations	27 057	19 097
Cumulative gain from fair value adjustment of investment property	11 095	11 203
Operating lease assets	-	(144)
Net investment property 30 June	38 152	30 156
Movement for the year[#]		
Investment property 1 July	30 156	20 310
Transfer from investment property	31 640	18 000
Transfer to investment property	-	(8 700)
Fair value adjustment	(5 680)	-
Disposals (net of operating lease asset)	(17 964)	546
Net investment property 30 June	38 152	30 156

*Restated – Prior Period Errors

#Movement for the year

An agreement was entered into in 2019 whereby the company sold a 50% undivided share of the Mamelodi property to McCormick Development Company. The selling price of the 50% share in the properties was estimated at R6.6 million for Mamelodi. Final consideration was determined by occupational certificate reflecting a final GLA of 16 550m² for the retail centre built at a price rate of R800 per m². As at 30 June 2022 final transfer was still outstanding on the Mamelodi property. The Board assessed the property yields on the Nancefield and Soshanguwe properties and decided that both the properties will be held for sale as at 30 June 2022. These properties are actively marketed. Nancefield property is held for sale at a selling price of R12 million and Soshanguwe is held at a selling price of R19.6 million.

In November 2020 a sale agreement was entered into with Phumrello Property (Pty) Ltd for the sale of the Grand Central property situated at 220 New Road Midrand, Portion 1 of Erf 71, Extension 21 Township. A sale price of R18 million was achieved. This property was successfully sold, and transfer was registered on 23 August 2021. In August 2021 a sales agreement was entered into with Brits Hardware CC for the sale of the Dubigeon property situated in Brits, Northwest, Erf 1770, Brits Extension 13 Township. This property was sold at a selling price of R17 million and transfer to Brits Hardware CC was registered on 4 April 2022.

Dividend Declaration

for the year ended 30 June 2022

DECLARATION OF FINAL DIVIDEND NO 66

The Board is pleased to announce the declaration of a dividend of 6.00 cents per ordinary share in respect of the year ended 30 June 2022 (2021: 10.75 cents), thus bringing the total dividend payable for the year to 10.25 cents (2021: 15 cents).

Additional information:

This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The dividend withholding tax ("DWT") rate is 20%. The net amount payable to shareholders who are not exempt from DWT is 4.80 cents per share, while the gross amount is 6.00 cents per share to those shareholders who are exempt from DWT.

There are 42 409 181 (2021: 42 409 181) ordinary shares in issue; the total dividend amount payable is R 2 544 551 (2021: R4 558 987). Putprop's tax reference number is 9100097717, and its company registration number is 1988/001085/06.

The salient dates are as follows:

Declaration date	Friday, 7 October 2022
Last date to trade to participate	Tuesday, 25 October 2022
Trading commences ex dividend	Wednesday, 26 October 2022
Record date	Friday, 28 October 2022
Date of payment	Monday, 31 October 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 October 2022 and Friday, 28 October 2022, both days inclusive.

By order of the Board

J E Smith
Financial Director
Sandton
7 October 2022

Segment Report - by Sector

for the year ended 30 June 2022

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its annual financial statements for the year ended 30 June 2021.

	GLA m ²	Revenue R'000	Operating lease rental income adjustments R'000	Property operating costs R'000	Change in fair values R'000	Other operating costs R'000	Investment and other income R'000	Finance costs R'000	Other operating income R'000	Net income R'000
Industrial	27 976	28 395	195	(8 854)	10 672	-	-	-	-	30 214
Retail	16 744	24 173	(241)	(5 533)	1 511	-	-	-	-	20 151
Commercial	38 520	57 905	(7 463)	(23 247)	11 878	-	-	-	-	46 537
Residential	872	852	-	(479)	220	-	-	-	-	593
Corporate	-	-	-	-	-	(18 818)	5 112	(29 071)	18 925	(23 853)
	84 112	111 325	(7 509)	38 112	24 281	(18 818)	5 112	(29 071)	18 925	73 642

	Investment Property fair value R'000	Other assets R'000	Total assets R'000	Total liabilities R'000
Industrial	156 130	-	156 130	389
Retail	304 440	-	304 440	91 379
Commercial	637 075	-	637 075	338 802
Residential	8 720	-	8 720	102
Corporate	-	132 417	132 417	129 018
	1 106 365	132 417	1 238 782	559 689

One of the Group's tenants, Larimar Limited contributes approximately 17% (2021: 34%) of total revenue received. This revenue falls within the industrial segment.

RECONCILIATION OF GROUP NET PROFIT TO HEADLINE EARNINGS

Figures in R'000	2022 Reviewed		2021 Restated* Reviewed	
	Gross	Net	Gross	Net
Profit for the year attributable to Putprop shareholders	-	64 025	-	22 790
Adjusted for				
Change in fair value of investment properties	(24 281)	(18 842)	23 795	18 465
Fair value adjustments on investment property of associate	(8 221)	(6 379)	(14 069)	(10 917)
Deferred tax rate change (28% - 27%)	-	(1 502)	-	-
Headline earnings attributable to Putprop shareholders	-	37 302	-	30 339

Weighted average number of shares 42 409 181 (2021: 43 159 345)

Earnings per share is 150.97 cents (2021: 52.8 cents)

Headline Earnings per share is 87.96 cents (2021: 70.3 cents)

*Restated - Prior Period Errors

Corporate Information

Putprop Limited

("the Group" or "the company")

Company Registration Number: 1998/001085/06

Share Code PPR ISIN: ZAE000072310

DIRECTORS

Daniele Torricelli (c,e,f,g,h,j)

Hayden Hartley (b,c,d,e,g,j,i,k)

Bruno Carleo (a,g,i)

James Smith (a,g,i)

Anna Carleo-Novello (a,g,i)

René Styber (c,d,e,g,i)

Gerrit van Heerden (c,d,e,g,i)

Chair

Chief Executive Officer

Chief Financial Officer

a. Executive

b. Chair Audit and
Risk Committee

c. Independent non-executive

d. Member of Audit and
Risk Committee

e. Member of the Remuneration,
Nomination and
Human Resources Committee

f. Chair Social and
Ethics Committee

g. Member Social and
Ethics Committee

h. Chair, Nomination
Committee

i. Chair of Remuneration and
Human Resources Committee

j. Member Investment Committee

k. Chair, Investment Committee

COMPANY SECRETARY

Acorim Proprietary Limited
13th Floor, Illovo Point
68 Melville Road
Illovo
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2196

TRANSFER SECRETARIES

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2196

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LISTING INFORMATION

Putprop Limited was listed on the JSE Limited on 4 July 1988
JSE code: PPR
Sector: Financial – Real Estate