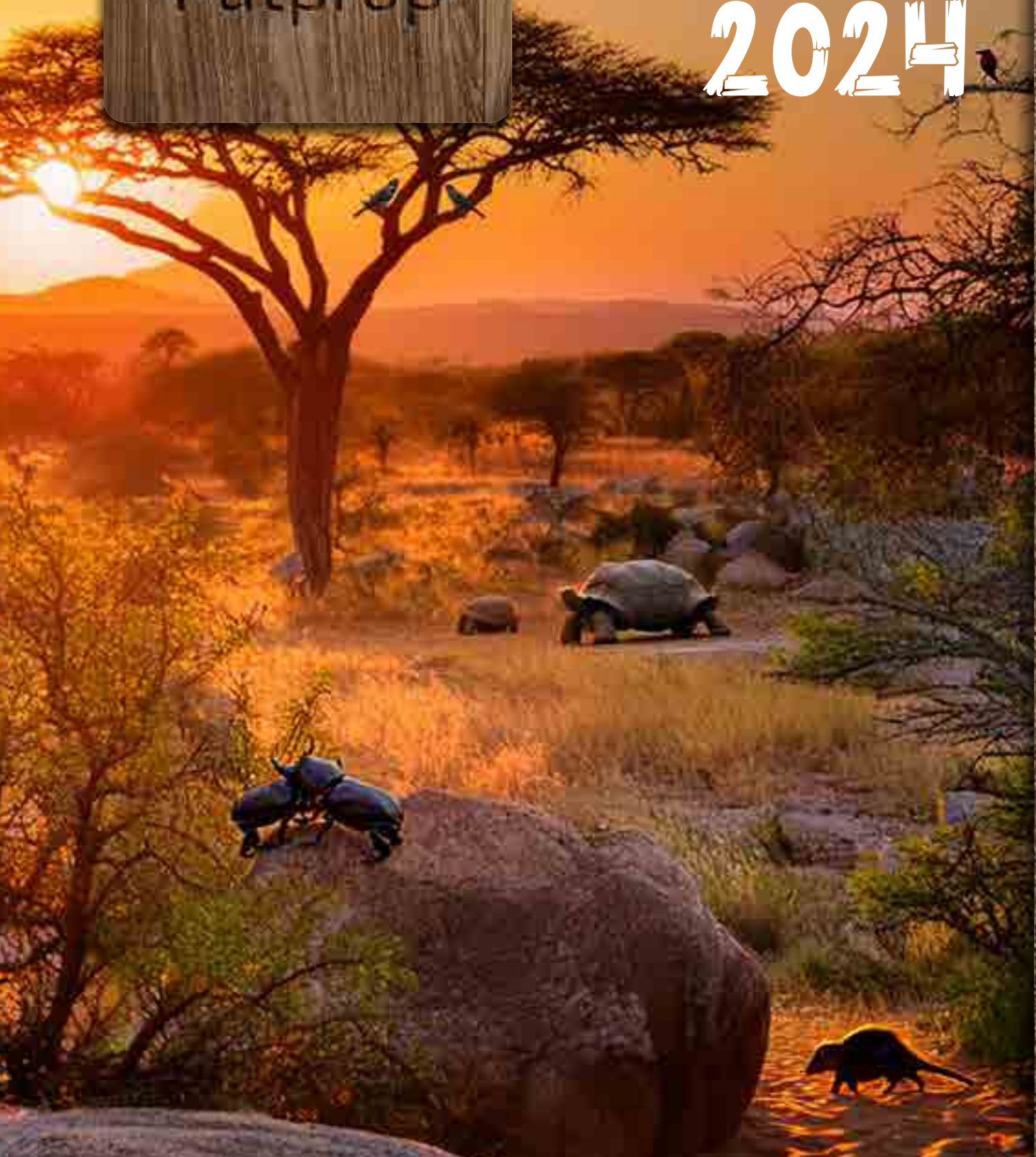




# Integrated Annual Report

for the year ended 30 June

# 2024



# WELCOME TO OUR 2024 INTEGRATED REPORT

Putprop is a South African-based Real Estate Company listed on the Johannesburg Stock Exchange (JSE).

This integrated report (IR or report) enables us to share our business activities, strategy and material themes with our key stakeholders. This report explains how our quality portfolio enables long-term value creation for providers of financial capital and other stakeholders. Given the variability in our operating context, we have highlighted the material uncertainties and our responses, where applicable.

For details on how this report was compiled and approved, please refer to pages 4 and 5.



## How To Navigate This Report



This page reference icon is applied throughout the report to improve usability and shows the integration between relevant elements of this report.



Scan QR code for more information



More information on our website



Download available



## Capital Inputs



The following icons are used to illustrate our capital inputs:



Financial capital



Manufactured capital



Intellectual capital



Human capital



Natural capital



Social and relationship capital

## Material Themes

The following icons are used to illustrate our material themes:



The uncertain macroeconomic, social, and political environment



Business sustainability



Uncertain property market/infrastructure fundamentals



The changing work environment



Rise of new asset classes



Changing consumer preferences

## Sector Icons

The following icons are used to illustrate the property sectors:



Commercial



Retail



Industrial



Residential



## Report Sections

GROUP OVERVIEW

MATERIALITY

LEADERSHIP REVIEWS

HOW WE CREATE VALUE

INVESTMENT PORTFOLIO

SUSTAINABILITY REPORTS

CORPORATE GOVERNANCE REVIEW

BOARD COMMITTEES

ANNUAL FINANCIAL STATEMENTS

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# GROUP OVERVIEW

## Small 5 and Putprop

When the majority of people visit the bush, the focus and aim is to see the big five - Elephant, Lion, Rhino, Buffalo and Leopard. The so called "Small Five" (the Antlion, Leopard Tortoise, Rhino Beetle, Elephant Shrew and Buffalo Weaver) are often ignored for their ecological importance to the biodiversity and ecosystem that allows the African bush to survive.

Although the small five are seen as niche players in the ecology of the bush, and their size is smaller and not as impressive as the big five, their impact remains significant.

The Putprop Group, like the small five although smaller in size than the majority of players in the property sector, still has a significant impact in their space in which it operates.

As a niche player in the property sector of the JSE, Putprop embodies the essence of resilience, adaptability, and specialised strengths, much like these remarkable creatures. Each member of the Small Five, though not as famous as their larger counterparts, plays a crucial role in the ecosystem. Similarly, Putprop, through strategic investments and sustainable practices, contributes substantially to the South African property market, proving that size doesn't determine significance.

Just as the Small Five thrive in their unique niches, Putprop leverages its focused expertise and strategic approach to navigate the competitive landscape of the property sector, creating value and impact in its own operating niche.

This report pay homage to and honours the importance of the South African small five.

### Resilience and Adaptability

### Specialised Strengths

### Significant Impact Despite Size

### Focused Expertise

### Community and Collaboration



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# INTRODUCING THE SOUTH AFRICAN SMALL 5

Elephant Shrew



Leopard Tortoise



Buffalo Weaver



Rhinoceros Beetle



Ant Lion





# ABOUT THIS REPORT

## SCOPE AND BOUNDARY

Our integrated report aims to give all our stakeholders' insight into the business model, performance, governance framework, strategies, risks, and opportunities that were utilised by the Group in its operations, during the year ended 30 June 2024.

In addition, where feasible, insights into future plans for creating sustainable value and growth for our shareholders will be presented.

Our objective in reporting is to provide stakeholders with a balanced view of our activities, to describe and explain management's decision-making processes as well as judgements made in these processes. This report should assist all our stakeholders in assessing Putprop's ability to create and sustain value. The Group believes that by following this approach it enables all stakeholders with information that is relevant to their investment decisions and interactions with the Group.

Our approach is to report on the significant issues arising within the business along with material matters identified through engagement with our stakeholders. This report covers all of the Group's business activities, sustainability, and financial performance of its subsidiaries from 1 July 2023 to 30 June 2024, as well as those entities over whose operating policies and practices Putprop exercises control or some influence. In addition, material post reporting date events are disclosed for the sake of completeness. Putprop continues to assess its reporting standards on an annual basis and where necessary, will continue to make additional disclosures in areas that may improve its reporting standards.

## CORE BUSINESS ACTIVITY

Putprop's business comprises a single business activity, that of a listed property fund. The group owns and manages a portfolio of commercial, retail, industrial and residential properties with a fairly balanced spread over each of our key segments namely commercial and industrial. Management's approach to the operational control of these assets is that of in-house micromanagement for those assets situated in the Gauteng province and the appointment of professional asset managers for those properties in other provinces.

## FINANCIAL AND SUSTAINABILITY OBJECTIVES

Putprop's primary objective is to build a quality portfolio of properties with strong contractual cash flows resulting in long-term sustainability and capital appreciation. We aim to actively build relationships with our tenants, suppliers and providers of capital. We also seek active engagement with the communities in our areas of operation.

## REPORTING APPROACH TO MATERIALITY

The principle of materiality informed our preparation of this report. We consider a matter to be material if it can substantively affect our ability to create and sustain value over the short, medium or long term.

Any material matters that may impact our ability to create stakeholder value in the short (18 months) and medium term (three to seven years) are considered and reviewed annually to ensure that strategic decisions made mitigate where possible, risks and maximise opportunities.

The Board and management are of the view that the material matters published on pages 28 to 31 of this report offer a balanced mix of information, allowing readers to assess our performance and prospects. These material matters were identified through our materiality determination workshops, risk management process, strategy deliberations and stakeholder engagements.

## ASSURANCE AND COMPARABILITY

This integrated report has been independently assured by two external consultants, Professor Pieter van der Zwan, and W Consult. The Group, in addition, reviews all internal and external assurances already in place and coordinates this process with existing risk management procedures. Preparation of this integrated report was done in accordance with best practice, applying the principles of King IV, the Companies Act, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, International Financial Reporting Standards (IFRS®) and the Listings Requirements of the JSE. For additional recent announcements, visit [www.putprop.co.za](http://www.putprop.co.za).

The Board is satisfied that the company has complied with and operates in conformity with:

- The provisions of the Companies Act of South Africa and any other applicable laws relating to its incorporation and,
- The Company's Memorandum of Incorporation and other relevant constitutional documents.

The information in this integrated report has been prepared using methods consistent with prior years and contains comparable information.

The Group's external auditors are obliged to examine the annual financial statements and have reported their opinion in this report. The external audit report prepared by HLB CMA South Africa ("HLB"), can be found on pages 171 to 174.





# ABOUT THIS REPORT (CONTINUED)

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements with respect to Putprop's future performance and prospects. While these statements represent our judgements and future expectations at the time of preparing this report, a number of inherent risks, uncertainties and other important factors could materially change the results from our expectations. Should the underlying assumptions prove incorrect, actual results may differ from those anticipated and could adversely affect our business and financial performance.

Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Putprop or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and Putprop assumes no responsibility to update forward-looking statements in this report except as required by law. Any forward-looking statements contained in this report have not been reviewed or reported on by the Group's auditors.

## BOARD RESPONSIBILITY STATEMENT

The Board acknowledges its responsibility, together with the assistance of the Audit and Risk Committee, to ensure the integrity and completeness of this report.

This report was prepared under the supervision of an executive and was submitted to the Audit and Risk Committee, which after a detailed review, was recommended to the Board for approval.

The Board has performed a detailed review with detailed discussions and consultations on this report.

The Board believes that this report addresses all material matters and offers a balanced and comprehensive view of Putprop's strategic direction to prevent value erosion and create and preserve value for stakeholders in the short, medium and long -term.

The directors believe this report materially aligns with the IFRS Framework, providing a true and material account of the group's performance and strategic direction.

The Board has unanimously approved this report for publication.

Leopard Tortoise are named for the leopard-like spots and patterns on their shells, which provide camouflage in their natural habitat.



**B C Carleo**

28 August 2024

**J E Smith**

28 August 2024

**D Torricelli**

28 August 2024

**H Hartley**

28 August 2024

**R Styber**

28 August 2024

**G van Heerden**

28 August 2024

## FEEDBACK ON THIS REPORT

Your feedback on the contents and presentation of this report is welcome and will assist us in improving the quality and relevance of future reports. Please send any feedback on reporting content or requests for copies to James Smith, at [james@putprop.co.za](mailto:james@putprop.co.za)





# WHO WE ARE

## WHO WE ARE AND OUR INVESTMENT CASE

Putprop is a property investment company listed on the main board of the JSE Limited under the real estate sector. We offer stakeholders the opportunity to invest and own quality properties in all segments of the property umbrella.

We have a portfolio of 13 properties situated in three Provinces which cater for the retail, commercial, residential and industrial sectors.

By Investing in these segments, we derive income from short to long-term contractual rentals.

Putprop's primary objective is to build a quality portfolio with strong contractual cash flows resulting in long-term sustainability and capital appreciation for all stakeholders.

Growth will come from strategic investments, focused on industrial, retail and commercial opportunities where yields are enhancing in the medium and long-term.

We invest to own for the long term. Developments and acquisitions are not made with a view for possible future sale. However, recycling of capital is permitted in our business model. Any assets that have exhausted their growth and underperformed their set yields, are disposed of to utilise this released capital for other yield enhancing opportunities.

In addition, development opportunities are undertaken with suitable Joint Arrangement partners in order to increase portfolio values and unlock future value for shareholders.

## MAJOR MILESTONES



**1988**

Putco Properties Limited lists on the Johannesburg Stock Exchange. Focus on the industrial property sector. Initial portfolio asset base R101 million with a market capitalisation of R18,5 million.



**1997**

Property portfolio exceeds R150 Million, industrial properties holding 100%.



**2002**

Record dividend distribution paid to shareholders of 100 cents per share.



**2004**

Group changes strategy to diversify its portfolio into the retail and commercial sectors.



**2006**

Group name change from Putco Properties to Putprop Limited to establish a property focused brand.

**2015**

Investment in Summit Place, a 1 billion rand, 30 000m<sup>2</sup> premium commercial precinct in the East of Pretoria.



**2012**

Ranked 74th in Financial Mail's Top 200 Listed companies.



**2007**

First grass roots development with a joint venture into two retail centres in the Centurion area.



**2017**

Acquisition of 100% holding in Secunda Value Centre and Corridor Hill, our first investments in Mpumalanga.



**2023**

Successful development of Mamelodi Square, a R230 million community retail centre in Mamelodi, Pretoria.

**2024**

Strategic disposal of non-core assets begins to release capital for reduction in loan finance and focused asset acquisitions.





## OUR PURPOSE MISSION AND VALUES

In the pursuit of the Group's objectives, three core actions determine our every strategy.

### OUR PURPOSE

We strive to impact in a positive way the daily lives of our tenants, their customer profiles and our surrounding communities.

### OUR MISSION

We are **Stakeholder focused** with all our **stakeholders** seen as equal and **valued assets**. We strive to provide rentable quality spaces and experiences that fulfil both our tenants and their customer exceptions and needs.

**Our vision** for our stakeholders is to deliver consistent short and long-term returns, long-term value with stability and low risk, thereby creating values for all stakeholders.

We are a **people-driven** organisation reflected in our **performance and results**.

**Responsible** corporate citizenship is acknowledged in respect of **our social and environmental responsibilities**.

### OUR VALUES

#### Integrity

To be accountable for our actions, consistently fair to others, and be truthful and respectful.

#### Transparency

To be transparent in our dealings and interactions with all stakeholders.

Responsibility and ownership for all of our actions.

#### Generosity

Our stakeholders need to receive value for their input and generosity is a key focus point.

#### Honesty

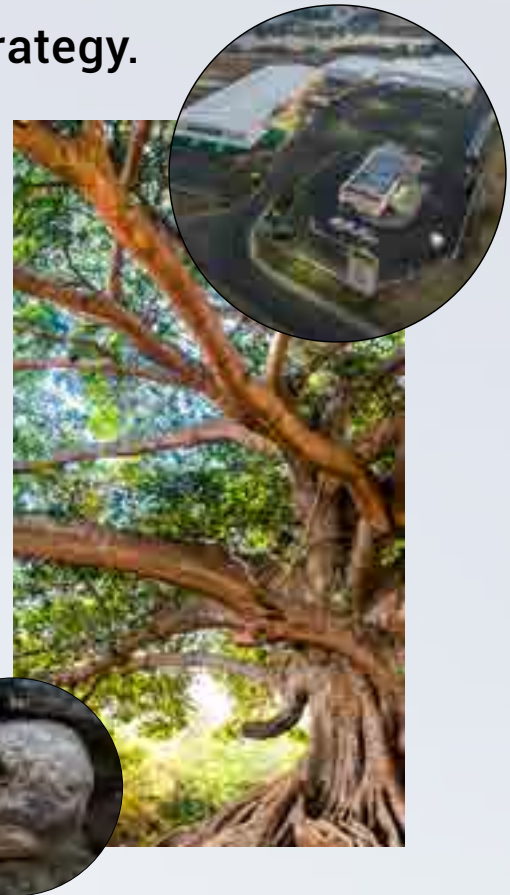
To be reliable, approachable, transparent, and sensitive to the needs of others.

#### Excellence

We have a high-performance culture where excellence is celebrated.

#### Respect

Respect guides all our daily interactions – with each other our tenant base and our stakeholders.





## OUR FOCUS AREAS

To broaden our geographic exposure into all of the provinces

Focus aggressively on the Group vacancy profile and manage the lease expiry profile of the portfolio

Optimise our profit before tax and growth in shareholder distributions

Broaden our contractual tenant base so as to minimise risk of over dependence on a limited number of tenants

Achieve and maintain balanced exposures to the retail and commercial segments of the property sector with smaller holdings in the industrial and residential segments

Maintain a strong statement of financial position with limited application and exposure and to gearing to the extent that such gearing enhances returns

Contract with financially sound tenants on a long lease basis in order to ensure sustainable income streams

Preserve and enhance our properties with a structured on-going maintenance and upgrading programme

### OUR INVESTMENT CASE

Our portfolio offers investors properties that are diversified with, strong contractual rentals and long-term capital growth.

### WHAT MAKES US UNIQUE

We differentiate ourselves by adopting an investment strategy based on conservative, clearly defined property fundamentals supported by operational excellence.

### WHAT DIFFERENTIATES US



Micromanagement of portfolios



Skilled property management team



A focus on property fundamentals



Retail



Commercial



Industrial



Residential

### OPERATIONAL EXPERTISE

Our management team has many collective years of property and management experience, which allows an understanding of operational issues in the property space.

This collective experience, entry and dedication allows delivery of value creation for the group. Refer to page 130.

The team has a deep understanding and affinity for the property market with particular emphasis on the industrial and retail segments.

With over 417 combined years of experience in the operational and finance fields we bring stability and focus to the strategic goals determined by our Board.



### STRATEGY.

Our group strategy as detailed in this report, with commentary, on its success for the current year, reflects the value creation and challenges the group is exposed to. Refer to pages 58 to 60.

Rhino beetles are among the strongest animals relative to their size, capable of lifting objects up to 850 times their own weight. This strength helps them in battles for mates and in navigating their environment.







Putprop Limited



# HOW WE ARE STRUCTURED



## DIRECTLY OWNED PROPERTIES

-  **Parktown Towers**  
**100%**
-  **Mamelodi Square**  
**50%**  
JOINT OPERATION
-  **Bank City** \*  
**100%**
-  **Putprop House**  
**100%**
-  **Eagle Canyon**  
**100%**
-  **Putcoton** \*  
**100%**
-  **Montana Park**  
**100%**
-  **Lea Glen 1** \*  
**100%**
-  **Dobsonville**  
**100%**

## SUBSIDIARY COMPANIES

- Pilot Peridot (Pty) Ltd**  
**85.27%**
-  **Summit Place**  
**50%**  
JOINT OPERATION
-  **Menlyn Villas** \*  
**100%**
- Corridor Hill (Pty) Ltd**  
**100%**
-  **Corridor Hill**  
**50%**  
JOINT OPERATION
- Secunda Value Mart (Pty) Ltd**  
**100%**
-  **Secunda Value Mart**  
**100%**

## INVESTMENT ASSOCIATE

- BELLE ISLE INVESTMENTS**  
**18.175%**
-  **The Gate, Mixed use, Centurion**
-  **Glen Manor Office Precinct**
-  **Highlands Retail Centre**
-  **Brooklyn Office**

\* Property held for resale





# THE YEAR IN REVIEW

## Financial capital

Rentals and recoveries  
**R140.334m**

2023: R128.439m

Cost-to-income ratio  
**34.9%**

2023: 36.9%

Operating Profit  
**R89.491m**

2023: R77.468m

Net asset value of  
**1 668 cents**

per share  
(2023: 1 574 cents)  
\* Restated

HEPS  
**46.54 cents**

2023: 93.22 cents \*  
Restated

Total third party liabilities  
**R458.5m**

(2023: R504,9m)

Operating profit margin  
**63.8%**

2023: 60.3%

Loans to value ratio (LTV) of  
**36.9%**

2023: 41.6%



## Manufactured capital

Total GLA  
**97 601m<sup>2</sup>**

2023: 97 601 m<sup>2</sup>

DPS  
**14.5 cents**

2023: 11.25 cents

Leverage Ratio  
**0.35 times**

2023: 0.46 times

**48% A Grade Tenants**

2023: 52%

Retention of **93.6%** of tenants whose lease expired during the review period.

(2023: 47.3%)



## Social and relationship capital

Enhanced public finances by  
**R4 815m** in tax

Social upliftment programs to offer assistance to **over 800** disadvantaged adults and children

Employees deemed **Historically**   
disadvantaged **33.3%**  
(2023: 28.6%)



## Human capital

Average tenure of all employees  
**15 years** in the Group

**33% Female** representation at senior management

Average executive tenure of  
**27 years**

**Employee** average age  
**55 years**



## Natural capital

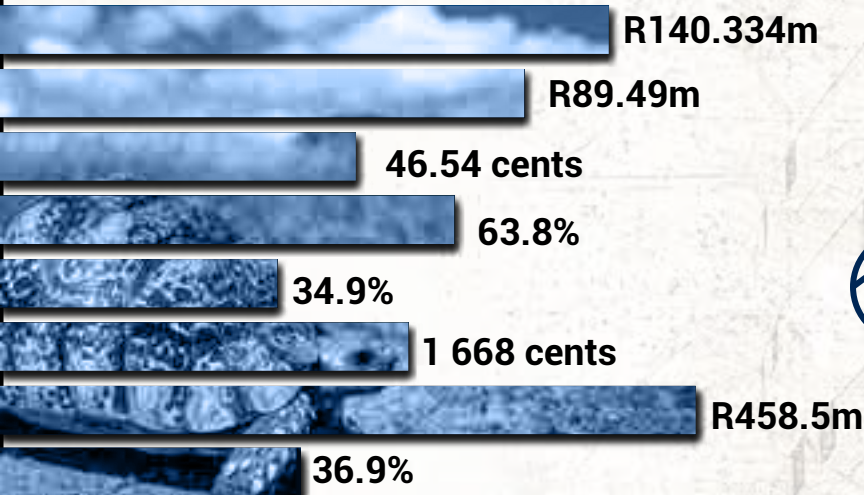
**Solar** partnerships investigated for target properties

**Waste recycling** increased to **72** tons  
2023: 49 tons

**Water consumption**  
2.05 kl per m<sup>2</sup>  
(2023: 2.3 kl per m<sup>2</sup>)  
Jojo water tank project commenced

**Energy consumption**  
51.8 kwh per m<sup>2</sup>  
(2023: 56.4kwh per m<sup>2</sup>)  
Solar project, being investigated





## KEY METRICS

Distributable income per share

**14.50 Cents** ^

(2023: 11.25 Cents)

Listed market price per share

**310 Cents** —

(2023: 310 Cents)

Market capitalisation

**R131.5 million** v

(2023: 136.8 Million)

Net asset value per share

**1 668 Cents** ^

(2023: 1 612 Cents)

Number of direct properties

**13** —

(2023: 13)

Direct property value

**R1.109 Billion** ^

(2023: R1.095 Billion)

Loan-to-value

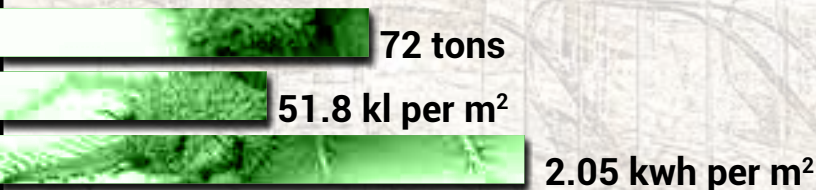
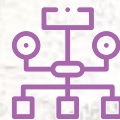
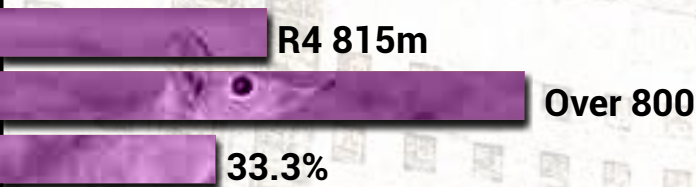
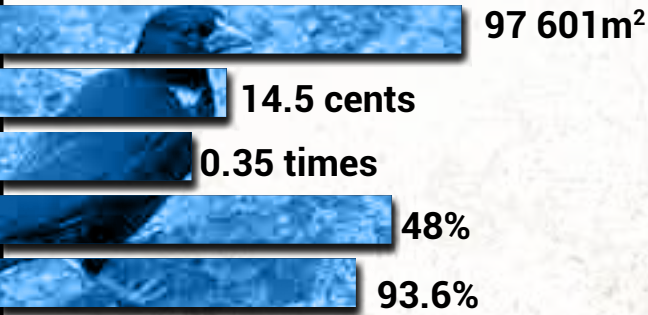
**36.9%** v

(2023: 41.6%)

Vacancy rate

**4.0%** v

(2023: 10.0%)



# THE SMALL 5

The "Small Five" refers to a group of lesser-known but fascinating animals found in the same habitats as Africa's famous Big Five. Despite their size, these creatures play significant roles in their ecosystems, exhibiting unique behaviors and adaptations that are essential for biodiversity and ecological balance.

## Overview:

- **Habitat:** Found primarily in savannas, forests, and grasslands of Africa.
- **Ecological Role:** Each member contributes uniquely to the ecosystem, from pest control to soil aeration.
- **Significance:** They highlight the importance of conservation beyond the more famous larger animals, demonstrating the interconnectedness of all species.



## Members of the Small Five:

1. **Antlion:** Known for their unique predatory behavior, creating sand traps to catch prey.
2. **Leopard Tortoise:** Recognised for its longevity and ability to live in diverse environments.
3. **Rhino Beetle:** Notable for its strength, capable of lifting many times its body weight.
4. **Elephant Shrew:** Distinguished by its speed and agility, and its role in seed dispersion.
5. **Buffalo Weaver:** Renowned for their complex communal nests and contribution to the ecosystem as insectivores.



## Conservation Importance:

- **Biodiversity:** Their presence indicates a healthy, balanced ecosystem, and is essential for its sustainability.
- **Education:** They provide opportunities to educate the public about the importance of lesser-known species.
- **Ecotourism:** They add depth to the wildlife viewing experience, encouraging broader conservation efforts.

## Conclusion:

The Small Five are a testament to the rich diversity of Africa's wildlife. Understanding and appreciating these creatures highlights the importance of preserving all species, regardless of size, for maintaining ecological harmony.





#### **Resilience and Adaptability:**

The Small Five are renowned for their resilience and adaptability in diverse environments. The antlion, for instance, creates intricate traps to secure food, demonstrating ingenuity and resourcefulness. Similarly, Putprop has exhibited resilience and adaptability by navigating the competitive landscape of the property sector, making strategic investments and pivoting when necessary to maintain its market position.

#### **Specialised Strengths:**

Each member of the Small Five possesses unique strengths that are crucial to their survival and the balance of their ecosystems. The leopard tortoise, known for its longevity and sturdy shell, symbolises protection and endurance. Putprop, with its focus on sustainable and strategic property investments, mirrors this strength by ensuring long-term value creation for its stakeholders through thoughtful asset management and development.

#### **Significant Impact Despite Size:**

Though smaller in comparison to larger competitors, the Small Five are essential to their ecosystems, just as Putprop plays a vital role in the property sector. The rhino beetle, despite its size, is one of the strongest creatures in the world relative to its body weight, exemplifying how small entities can have significant influence. Putprop's strategic approach to property investments, particularly in industrial, retail, and commercial sectors, showcases its ability to punch above its weight, driving substantial impact and value for its property assets.

#### **Focused Expertise:**

The elephant shrew, with its keen sense of smell and agility, thrives by leveraging its specialised skills. Putprop's expertise in identifying and capitalising on niche opportunities within the property market highlights a similar focus. This precision allows Putprop to create and sustain value in a competitive environment.

#### **Community and Collaboration:**

The buffalo weaver, known for its collaborative nesting, emphasizes the importance of community and teamwork. Putprop's commitment to sustainable practices, stakeholder engagement, and community development reflects this value. By fostering strong relationships and partnerships, Putprop ensures a collaborative approach to achieving its strategic objectives.

#### **In conclusion**

Putprop Limited, akin to the Small Five, demonstrates that significance, longevity and success in the property market is not solely determined by size. Through resilience, specialised strengths, focused expertise, and community engagement, Putprop continues to make a meaningful impact, proving that being a niche player we can drive substantial value for all our stakeholders from the South African property sector.





# PORTFOLIO SNAPSHOT

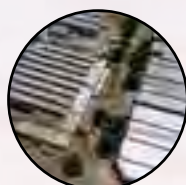
## GAUTENG



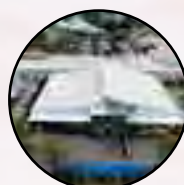
Summit Place



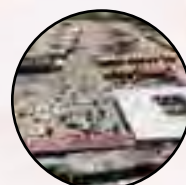
Parktown Towers



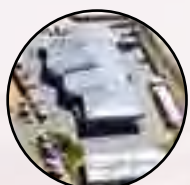
Lea Glen 1 \*



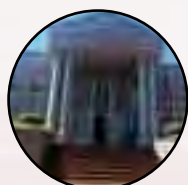
Montana Park



Dobsonville



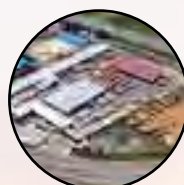
Eagle Canyon



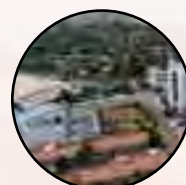
Putprop House



Mamelodi Square



Putcoton \*



Menlyn Villas \*



\* Properties held for resale

### Properties per Region

10 Properties 6 Cities

4 Industrial

3 Commercial

2 Retail

1 Residential

Johannesburg  
Pretoria  
Centurion  
Roodepoort  
Sandton  
Soweto

GEOGRAPHICAL PROFILE BY GLA %

82%

GEOGRAPHICAL PROFILE BY GROSS INCOME %

81%

## MPUMALANGA



Secunda Value Mart



Corridor Hill



2 Properties

2 Retail

2 Cities

Secunda  
Witbank

GEOGRAPHICAL PROFILE BY GLA %

16%

GEOGRAPHICAL PROFILE BY GROSS INCOME %

17%

## NORTH WEST



Bank City \*



1 Properties

1 Commercial

1 City

Potchefstroom

GEOGRAPHICAL PROFILE BY GLA %

2%

GEOGRAPHICAL PROFILE BY GROSS INCOME %

2%



# PORTFOLIO SNAPSHOT



Total Asset Value  
**R1.109 Billion**

Total GLA  
**97 601m<sup>2</sup>**

Properties

**13**



Tenants

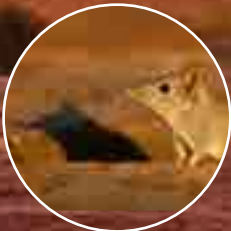


**125**



The antlion larva creates conical pits in sandy soil to trap ants and other small insects, which it then captures with its powerful jaws.

The buffalo weaver is known for its large, communal nests made from twigs and grasses, often found in acacia trees.



Elephant shrew have long, flexible snouts resembling an elephant's trunk, which they use to search for insects.



## 6 KEY PROPERTIES

# Summit Place

Sector

**Mixed Use**

Location

**Pretoria**

Value

**R538.5 Million**

Anchor tenants:

**Assupol Life** - 7 946 m<sup>2</sup>

**Kempster Ford** - 4 968m<sup>2</sup>

**Sizwe** - 4 805m<sup>2</sup>

**Planet Fitness** - 2 726m<sup>2</sup>

Occupancy: Ownership:

**97.0%** **50%**

Rentable area m<sup>2</sup>

**30 423**

Valuation R/m<sup>2</sup>

**16 261**

Rental 30 June 2024 (R'000)

**40 526**

Vacancy m<sup>2</sup>

**914**

Average gross rentals R/m<sup>2</sup>

**228.9**

Rental escalation

**6.0%**



Activities:  
**Retail and Commercial**



Leopard tortoise are named for the leopard-like spots and patterns on their shells, which provide camouflage in their natural habitat.



## Value Proposition

Summit Place is situated in the Centurion node of Pretoria, adjacent to Menlyn Maine, Pretoria's most prestigious mall.

The node is densely populated, offering easy access to the N1. The precinct, with its distinct offering is a preferred rental environment.

## Performance Overview

Trading density continued to recover. Vacancies have increased in this period mirroring the general office trend in the sector. Rentals continue to hold post COVID levels.

## Development Potential

The node has an available development bulk of 11 000m<sup>2</sup> zoned for mixed use. The site adjacent to Landrover/Jaguar, is at present still under review for potential disposal as at 30 June 2024 to release value for the Group.

## 6 KEY PROPERTIES

# Mamelodi Square

Sector

**Retail**

Location

**Pretoria**

Value

**R115.3 million**

Anchor tenants:

**Shoprite** - 2 833 m<sup>2</sup>

**Roots Butchery** - 751 m<sup>2</sup>

**Ackermans** - 652 m<sup>2</sup>

**Mr Price** - 507 m<sup>2</sup>

**Clicks** - 280 m<sup>2</sup>

Occupancy:

**96.3%**

Rentable area m<sup>2</sup>

**16 955**

Valuation R/m<sup>2</sup>

**6 800**

Rental 30 June 2024 (R'000)

**13 810**

Vacancy m<sup>2</sup>

**635**

Average gross rentals R/m<sup>2</sup>

**185.8**

Rental escalation

**6.5%**



Activities:  
**Retail**



**Buffalo Weaver:** A bird known for its robust build and for constructing large, communal unstructured and poorly designed nests.



## Value Proposition

The asset caters for the lower to mid LSM market of the densely populated Mamelodi township of Tshwane northeast of Pretoria. Mamelodi Square services the retail shopping needs of the surrounding residents with major convenience chains, including Shoprite, Roots and Mr Price.

## Performance Overview

Monthly foot counts continue to improve to over 450 000. Walk ins are slightly lower than expected. The vacancy has reduced to 3.7% from 11.5% in June 2023. Financial performance continues to improve with reporting levels on budget. The asset has built a strong community presence with shoppers, due to numerous community driven events and promotions.

## Development Potential

At present the centre is fully developed.

## 6 KEY PROPERTIES

# Secunda

Sector

**Retail**

Location

**Mpumalanga**

Value

**R133.2 million**

Anchor tenants:

Builders Warehouse - 5 397m<sup>2</sup>

Westpack Lifestyle - 2 286m<sup>2</sup>

Eskort - 685m<sup>2</sup>

Sea Harvest - 300m<sup>2</sup>

Occupancy:

**100%**

Rentable area m<sup>2</sup>

**9 414**

Valuation R/m<sup>2</sup>

**14 149**

Rental 30 June 2024 (R'000)

**13 491**

Vacancy m<sup>2</sup>

**0**

Average gross rentals R/m<sup>2</sup>

**203.9**

Rental escalation

**6.7%**



Activities:  
**Retail**



**Elephant Shrew:** Small, insect-eating mammals with long, pointed snouts, resembling tiny elephants in shape, but more closely related to moles and hedgehogs.



## Value Proposition

Secunda Value Centre is a suburban community centre serving a specialised home improvement suburban community and selective retail food node.

## Performance Overview

Trading density continues to be strong following the introduction of Eskort and Sea Harvest. Foot traffic remains high, Westpack Lifestyle one of our head tenants entered business rescue on 15 May 2024. A substantial rental revision resulted. Sustainability of the tenant is a concern.

## Development Potential

No current potential exists at the site.

## 6 KEY PROPERTIES

# Parktown Towers

Sector

**Commercial**

Location

**Johannesburg**

Value

**R77 million**

Anchor tenants:

Cavi Brands - 3 873

Boost Property Management - 400m<sup>2</sup>

Inoxico - 393m<sup>2</sup>

Occupancy:

**94.2%**

Rentable area m<sup>2</sup>

**4 666**

Valuation R/m<sup>2</sup>

**16 502**

Rental 30 June 2024 (R'000)

**8 561**

Vacancy m<sup>2</sup>

**274**

Average gross rentals R/m<sup>2</sup>

**147.2**

Rental escalation

**5.5%**



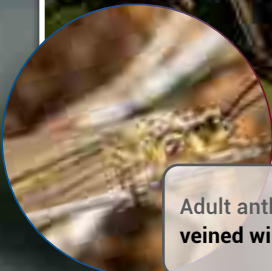
Activities:

**Distributor of high-end cosmetics,  
sporting and travel accessories**

**Rental management company**



Adult antlions resemble damselflies and have long, slender bodies with delicate, net-veined wings.



## Value Proposition

Parktown Towers sits on the Parktown ridge in an upmarket commercial node with easy access to the M1. The building is a high-grade A.

## Performance Overview

The property currently has a vacancy of 274m<sup>2</sup>. Rentals per m<sup>2</sup> continue to be substantially below pre Covid rates.

However there appears to be a slight increase in demand for office space which should translate into higher future rates.

## Development Potential

An additional 800 – 900m<sup>2</sup> is available in the form of an additional floor to the existing 3 floors. This is not being considered at present.

## 6 KEY PROPERTIES

# Putcoton

Sector

**Industrial**

Location

**West Rand**

Value

**R47.5 million**

Anchor tenants:

**Larimar Group - 9 559 m<sup>2</sup>  
Triple Net Tenant**

Occupancy:

**100%**

Rentable area m<sup>2</sup>

**9 559**

Valuation R/m<sup>2</sup>

**4 969**

Rental 30 June 2024 (R'000)

**9 033**

Vacancy m<sup>2</sup>

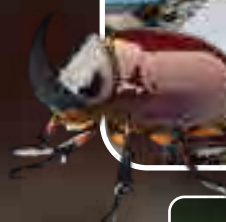
**0**

Average gross rentals R/m<sup>2</sup>

**78.7**

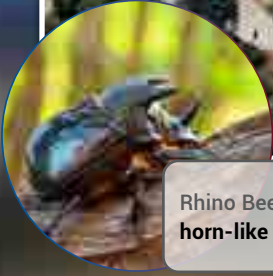
Rental escalation

**6.0%**



Activities:

**Mass transport facility  
and workshop operation**



**Rhino Beetle:** A large, horned beetle known for its impressive strength and distinctive horn-like structures on the males' heads.



## Value Proposition

Putcoton lies in the heart of Soweto, providing a logistic hub for some 300 – 400 Putco buses. These buses provide transport to over 20 000 daily commuters. The site is tailored to the needs of a large commuter service provider.

## Performance Overview

Putco is the only tenant. The asset is over 30 years old, maintenance and refurbishment are continual on such an aged asset. The asset is largely off grid for its bulk water requirements (washing of vehicles) with the introduction of two boreholes. This property has been identified as an end of life asset and is currently held for sale.

## Development Potential

There is no plan to develop the asset further.

## 6 KEY PROPERTIES

# Corridor Hill

Sector

**Retail**

Location

**Mpumalanga**

Value

**R46.2 million**

Anchor tenants:

**Bidvest**

**Volkswagen - 4 666 m<sup>2</sup>**

Occupancy:

**89.4%**

Rentable area m<sup>2</sup>

**5 835**

Valuation R/m<sup>2</sup>

**7 918**

Rental 30 June 2024 (R'000)

**4 806**

Vacancy m<sup>2</sup>

**617**

Average gross rentals R/m<sup>2</sup>

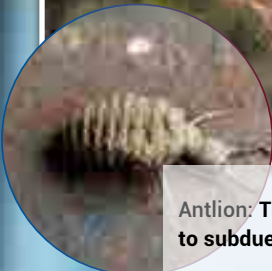
**154.1**

Rental escalation

**6.5%**



Activities:  
**Retail car dealership**



**Antlion:** The larval is covered in bristles allowing it to anchor itself to subdue prey larger than itself.



## Value Proposition

The asset services the motor industry in the Emalahleni precinct. The Volkswagen dealership is one of the largest in the area which together with the related motor industry services offers a "one stop" destination.

## Performance Overview

Volkswagen McCathy our head tenant has experienced a drop in car sales due to the current vehicle market for new cars. We have renegotiated a lease for a further 4 years but at reduced rate. We have been unable to find a tenant for the current vacant space.

## Development Potential

The asset does not allow for further development.

# MATERIALITY

## Small 5 FACT SHEET

### **Antlion (*Myrmeleontidae*):**

- Behavior: Known for their ingenious hunting technique, creating sand traps to capture ants and other small insects.
- Adaptations: Larvae are voracious predators, while adults are weak fliers, often resembling dragonflies.
- Life cycle: The transition from larvae state condition to adult (damselfly state) can take between 18 to 24 months.

### **Leopard Tortoise (*Stigmochelys pardalis*):**

- Behavior: Herbivorous and primarily grazers, feeding on grasses and occasionally fruits.
- Adaptations: Known for their longevity, robust shells, and ability to thrive in diverse environments.

### **Buffalo Weaver (*Bubalornis niger*):**

- Behavior: Social birds known for building large communal nests.
- Adaptations: Insectivores that help control pest populations.

### **Rhino Beetle (*Scarabaeidae*):**

- Behavior: Famous for their incredible strength, capable of lifting objects many times their own body weight.
- Adaptations: Males often have horn-like structures used in combat for mates and territory.

### **Elephant Shrew (*Macroscelididae*):**

- Behavior: Remarkably fast and agile, with long legs adapted for rapid movement.
- Adaptations: Plays a key role in seed dispersion and insect control.



# GETTING TO KNOW THE SOUTH AFRICAN SMALL 5





# MATERIALITY DETERMINATION

## OVERVIEW

Our most material matters are the factors that have the greatest potential impact on our ability to create and preserve value as a business. These are the matters that most affect our long-term sustainability, all value adds and the interests of our stakeholders.

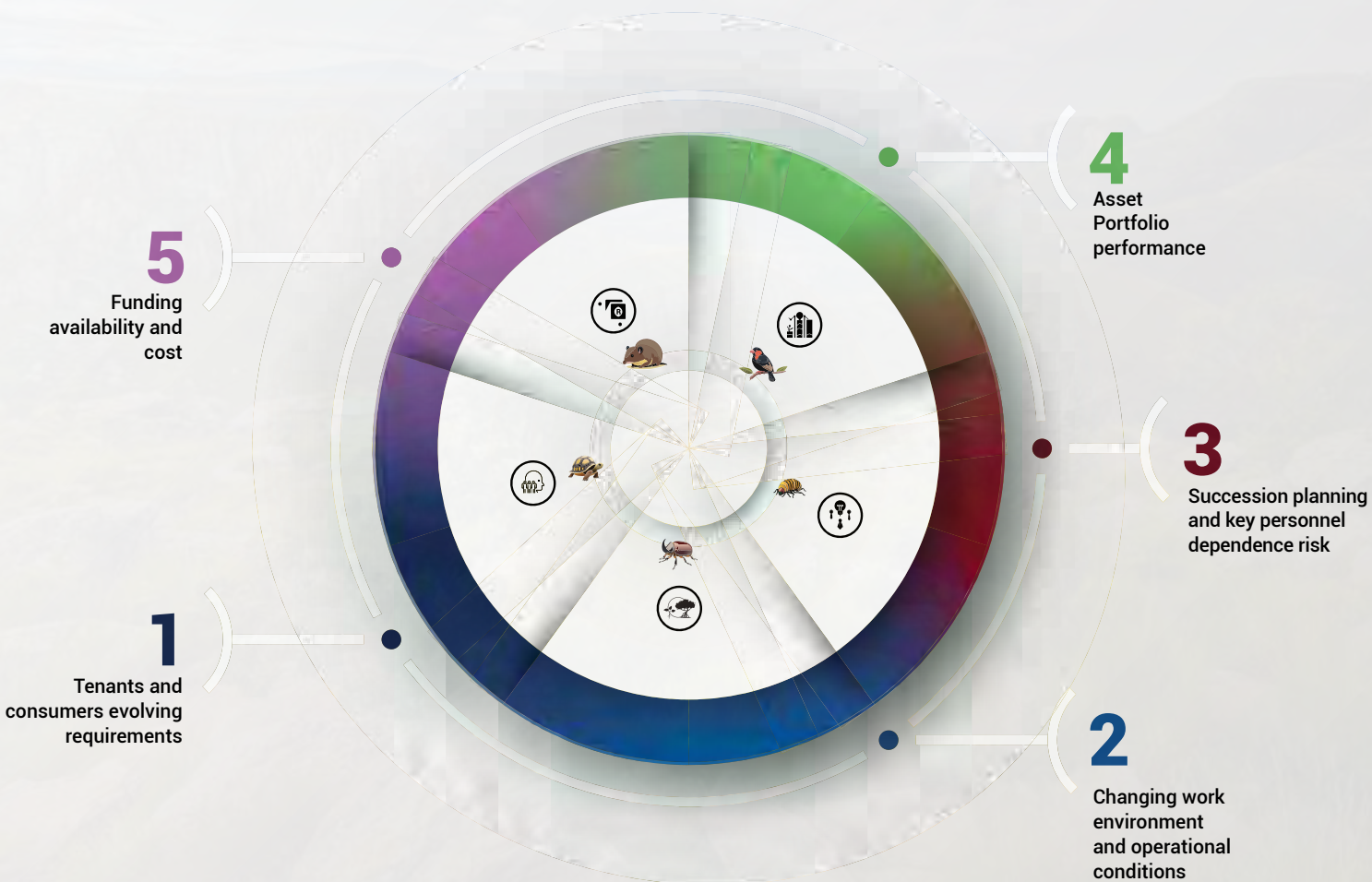
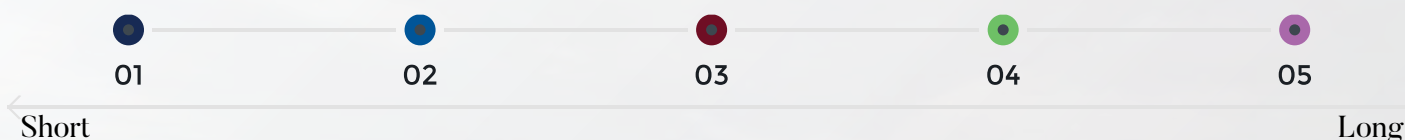
The executive, together with the Board and its subcommittee's, has assessed material themes and issues that may have or could materially impact on the ability to preserve stakeholder value, both in short and medium-term scenarios.

## OUR MATERIALLY THEMES

The outcome of the materiality review process, noted above, is detailed below. These focus areas determined our strategy to minimise risk and maximise opportunities.



### TIME SCALE





# MATERIALITY DETERMINATION

(CONTINUED)

FUNDING AVAILABILITY AND COST	
<p>The availability, pricing and maturity profile of debt funding has a material impact on Putprop's balance sheet, financial performance and ability to raise additional funding.</p> <p>Our financial position was strengthened after negotiating improved debt terms and longer-term loans with our financiers in 2024.</p> <p>These developments strengthened our ability to be more resilient to ongoing difficult economic conditions. Cost of finance, however, continues to be problematic with interest rate costs having a substantial effect on profitability.</p>	
LEVEL OF CONTROL	Change in level of impact from 2023

ASSET PORTFOLIO PERFORMANCE	
<p>The performance of our property portfolio determines our long-term sustainability. We balance tenants' and consumers' current requirements with their future expectations to optimise the performance of each asset. We evaluate each asset's continued relevance in our portfolio and actively pursue further diversification. In addition, our policy of resizing the portfolio remains ongoing.</p>	
LEVEL OF CONTROL	Change in level of impact from 2023

SUCCESSION PLANNING AND KEY PERSONNEL DEPENDENCY RISK	
<p>The property sector has a limited skills pool for candidates with property expertise and experience. Having the right people with the right skills is critical for our continued success, especially as we build our asset management capabilities.</p> <p>We appoint the best candidates and develop depth in our teams. We foster property skills through on-the-job experience and training. Although we have formal succession plans to mitigate the risk of key personnel dependency, we are not always in control of employee attrition. An ageing executive base remains a concern.</p>	
LEVEL OF CONTROL	Change in level of impact from 2023

CHANGING WORK ENVIRONMENT AND OPERATIONAL CONDITIONS	
<p>Although the initial impact of COVID-19 has now all but disappeared, the country continues to experience ongoing challenging operational conditions, as it recovers from the pandemic. Significant cost increases in fuel, food and municipal costs have impacted, our tenants and consumers, who are under pressure to manage costs and cash flow.</p> <p>In addition the new increases in interest rates over the past 18 months have impacted greatly on consumer confidence and spending patterns.</p>	
LEVEL OF CONTROL	Change in level of impact from 2023

TENANTS' AND CONSUMERS' EVOLVING REQUIREMENTS	
<p>Lower consumer spending, changing shopping patterns and the evolving of the "work from home trend" affect our tenants' performance.</p> <p>We build close relationships with our tenants by understanding their requirements, financial health and plans. Our portfolio managers work closely with their tenants to anticipate trends.</p> <p>Understanding tenants' requirements together with consumer trends, inform our investment approach and how we optimise our asset portfolio's performance.</p>	
LEVEL OF CONTROL	Change in level of impact from 2023



key

Level of control	Change in level of impact
Low	Increase
Medium	Decrease
High	Unchanged

# LEADERSHIP REFLECTIONS ON 2024



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# MEET THE ANTLION



**Unique Hunting Technique:** Antlion larvae dig conical pit traps in sandy soil to capture unsuspecting prey, such as ants, which fall into the pit and are seized by the larva's powerful mandibles.



**Distinctive Appearance:** The larva has an elongated, flattened body covered in fine hairs and spines, with a large head and sickle-shaped mandibles that are often larger than its head.

**Camouflage:** Its sandy brown or grey coloration helps it blend seamlessly into its dusty environment, making it nearly invisible to both prey and predators.





## CHAIRMAN'S THOUGHTS



### KEY MESSAGES

- **Formation of a GNU hopefully will improve prevailing economic decisions**
- **Tenants continue to see reduction of their income, percolating down as lower rentals**
- **The executives have reported excellent trading results for the period**



### THE YEAR UNDER REVIEW

Once again, South Africa and the world has experienced a year of flux and multiple challenges. Changes of government in the United Kingdom, the rise of the right wing in France and other parts of Europe, America in paralysis due to the 2024 election season and events that have transpired in the last few weeks and perhaps the most momentous for South Africans, the ANC government, in power for the last 30 years, losing its parliamentary majority. Covid19 is indeed a forgotten memory although some long-term effects remain.

The formation of an inclusive, if top heavy, Government of National Unity (GNU) with representatives from all of the relevant political players can hopefully only improve the economic conditions that currently prevail .

If the GNU can implement a no tolerance policy on corruption and provide a more efficient executive, in all government departments then South Africa and its citizens can only see an upside.

The GNU'S stated priorities include a massive investment in infrastructure (job creation, external investment) which will include roads, water, energy human settlements and digital infrastructure. In addition, there is a recognition that public-private partnerships are essential in order to enable investment in social and economic infrastructure. The "go it alone "approach has possibly been jettisoned.

All of this, if only partially successful, is immensely beneficial to South Africa's economy and people.

At a micro level economic conditions continued to be difficult and present challenging operational conditions.

Statistic South Africa, official growth rate for the South African economy of between 0.3% to 1.1% for the last 4 years is worrying. A developing country such as ours, where population growth outstrips economic growth, future challenges can be expected. Hopefully, the GNU will act decisively and recognise these key areas needing action.

South Africa's continued high unemployment rate is a source of concern with current rates estimated at well over 39%. Without decisive action in this area there cannot be real growth and stability.

Inflation in the second half of the year appears to be dropping to within the parameters set by the Reserve Bank. This would suggest that interest rate cuts are in sight, probably commencing in the third quarter of 2024.

When interest rates are reduced, confidence we believe, will slowly increase.

The war in Ukraine, unthinkable to most people and seen as the single biggest conflict in Europe since the Second World War, has been overshadowed by the October the 7th attack on Israel and the declaration of war by Israel on Hamas.

Tensions between Russia, the West and the USA have increased significantly over both conflicts.

The Gaza conflict has demonstrated through the global medium of TV the sufferings placed on local populations by armed conflict.

For Putprop and other property groups trading under these conditions these events continued to present unique challenges. The past 12 months continue to be a unique period that the property industry has had to operate in.



## CHAIRMANMAN'S THOUGHTS (CONTINUED)

### THE PROPERTY OPERATING ENVIRONMENT

The exposure of property investment companies to all sectors of the economy-retail, industrial and commercial as well as the widespread and variety of tenants operating in these segments, results in the global and local challenges referred to above, having a profound influence on our value-added market and, our tenant base.

Although the property sector has rallied from the historic lows of the past two years and has seen a substantial growth in the second quarter of 2024, it still remains well below pre-Covid levels.

Putprop has not been immune from the higher interest rates and the effect on property companies bottom line. This high-rate impacts on the low growth environment we are currently experiencing which percolates down to the entire population and their buying patterns.

The cost of electricity crisis is top of mind of both property owners and tenants. The cost to keep properties running during load shedding has been onerous. Fortunately, this appears to have improved over the last quarter, although cost of Eskom and municipal electrical supply has increased by 17.5% in certain areas we operate in.

Tenants, both national and line shops, have all suffered losses of income which flows down to what rentals they are able or prepared to pay in order to remain sustainable. The listed property industry has been one of those sectors materially affected. Property owners have been required to give rental relief in several formats from basic deferment of rentals through to 100% rental discounts, in some cases for up to six months, in order to retain the sustainability of their tenant base or attract new tenants to available space. We again, have not been immune from this trend.

### FINANCIAL OVERVIEW

In Bruno's and James's individual reports full details of our operational and financial performance are provided. Although the challenges as mentioned above have been substantial our executive have reported excellent trading results for the period. We have managed to increase or improve all of the major key indicators with the amount available for distribution up by over 260%.

We have strived to build a sustainable, defensive portfolio against those factors we are able to exert some control. This gives us the potential of a high growth rate when interest rates begin their downward movement.

Our 36th consecutive dividend distribution pay-out this year, is a record that we are justifiably proud of.





## CHAIRMAN'S THOUGHTS

(CONTINUED)

An increase in the final dividend payout reflects the increased profitability the group achieved this year.

This provides consistency and certainty to our shareholders as well as rewarding them for the trust and confidence they have given to the Group over the past 36 years.

### BOARD EVALUATION AND CHANGES

The Board annually evaluates its effectiveness and performance as a collective as well as the performance of its committees and individual directors in terms of the Board's governance mandate.

A formal evaluation is performed on an annual basis by an independent party.

The 2024 review reported that the Board was adequate to its tasks as formalised in the Board Charter. The Board has identified and will discuss several matters which merit a more formal treatment arising from this review. None of the directors raised major concerns with respect to the functioning of the Board or any of its committees, and the composition, skill set, and experience is considered adequate for the size of the Group.

Mrs A L Carleo retired from the board in November 2023. I would like to thank her on behalf of the Board, for her contributions and insights over the past 17 years and wish her well in her retirement. A new appointment will be considered by the Board in due course, if considered necessary.

### STAKEHOLDERS' ENGAGEMENT

Engaging with our stakeholder base allows both the Board and our executive to receive varied inputs which can then be utilised and assimilated in our strategic decision making and future directions of the group.

This continues to be an important tool that the board as well as the executive make use of, to identify, strategise and utilise varied inputs from different stakeholders.

Engagements include formal and informal communications, with our tenant base to measure the continued health and sustainability of their businesses as well as regular monthly interactions with large equity holders of the group.

Finally, we communicate regularly with our providers of finance to communicate the group's current strategic direction.

We believe in transparency with all our interactions with stakeholders, thus building a value trust and subsequent buy in to our strategic goals.

### FUTURE STRATEGY AND FOCUS AREAS

We will continue to realign our portfolio into one containing long-term sustainable tenants occupying properties of high value.

This will involve properties that have reached their end of life cycle, being disposed of over time to be replaced with properties of a higher investment grade higher contractual rentals and higher calibre tenants. Proceeds from certain disposed properties will also be utilised to reduce our current loan to value (LTV).

We will continue to look for opportunities to grow the portfolio, but not at the cost of degrading the quality of the present portfolio.

Looking ahead we expect little significant change in current operating conditions until the Reserve Bank commences to reduce the prime lending rate. However, the GNU remains an unknown at this stage and could possibly be the catalyst to allow South Africa to escape the low growth trap it has been in for many years.





## CHAIRMAN'S THOUGHTS

(CONTINUED)

### APPRECIATION STATEMENT

I wish to express my appreciation to the people who contribute to the Group's continued success and performance, in particular our tenants for their support, as well as all our shareholders and stakeholders

The board of directors continues to be active and supportive with each director contributing a high skill set and debate to meetings.

Finally, I thank my fellow directors for their contributions, insights, judgments and support, and the executive team and staff for their dedication and commitment in delivering results that are extremely gratifying and adds another step to the ongoing journey of the group.

.....  
**Daniele Torricelli**  
Chairman

Johannesburg

28 August 2024





# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



## KEY MESSAGE

- Sale of our non-performing assets seen as critical to release value for debt reduction and building a quality sustainable portfolio.



## OVERVIEW

Putprop had an excellent year compared to 2023 with positive metrics on most of our operational focus areas. Rental and operating income (excluding rental equalisation) was up 8.1%, property costs increased marginally by 3.5%, and our operating profit before finance costs increased by 15.5%. Add to this, the reductions in vacancies to 4%, a retention of leases expiring in this period of over 93% and further reductions in our loan to value from 41.6 to 36.9% allows us to report a substantial improvement on the previous year.

Although the listed property sector has experienced a bounce upwards in the first two quarters of 2024, which contributed to our results, the hard work and dedication shown by the management team must take most credit for this turnaround.

It is important to note, as memories are notoriously short, that in the first three quarters of this reporting period, load shedding was the worst in history, and the term "water shortages" was introduced to our vocabulary. The achievement of these results becomes impressive, under these conditions.

Unfortunately the poor state of public service continued, and state governance again degenerated.

The successful outcome for the country of peaceful elections as well as the newly inducted Government of National Unity (GNU) will, we believe, provide both a confidence and economic stimulus over the next 12 to 18 months (provided of course the GNU manages to not self-destruct).

This can only bode well for the property market and Putprop will be well placed to take advantage of this environment.

## SOCIO-ECONOMIC AND OPERATIONAL ENVIRONMENT

The continuing challenge of high unemployment, long term Eskom energy capacity, continued inequality in society impacts on how we manage our operational business, the asset portfolio and the difficult decisions we have to make.

We do not expect a quick fix to these critical challenges but with the GNU now in place with hopefully a "put South Africa" first approach to governance and corruption we can at least start the process.

Interest expense that decimated our profitability in 2023 and continued to place a burden on current operational results. Only a reduction in loan finance and interest rate movement downwards, will solve this issue.

Our process of resizing the portfolio began in 2023 was substantially stepped up this year in order to release funds for debt relief.

## FINANCIAL SUMMARY HEADLINES

Rental income and operating recoveries as already noted, were up with a improvement in our property expense ratio improving from 36.9% to 34.9%.

Corporate expenses although up, were in line with our forecast. Management during this period took to account certain non-recurring expenses including a large bad provision for irrecoverable debt, mainly in Summit Place.

Headline earnings decreased from 93.98 cents to 46.45 cents.

Our cash holdings remain stable at this reporting date

An interim dividend was declared in March 2024 of 6 cents per share (2023: 4.25 cents per share). The Board has approved a final dividend of 8.5 cents per share (2023: 7.0 cents). This brings the total distribution for the year to 14.5 cents (2023: 11.25 cents).

Operationally, our commercial sector continues to be our best performing sector contributing 49.0 % of our rentals.

Retail and Industrial sectors made up 34.0% and 16.3% of rental contributions and reflect again how our Group's profile has successfully changed over the past 5 years. We are no longer an industrial sector property company operating in the bus transport industry, but a niche player in all sectors.



## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CONTINUED)

### RIGHTSIZING THE PORTFOLIO

This strategy of moving away from ageing, end of life assets into a concentration of commercial and retail assets has been accelerated in the current year with 5 properties identified and allocated as held for sale assets. This represents R138 million of our portfolio or 20.1% of total GLA.

This will release substantial funding to be allocated into further debt reduction as well as identifying more suitable property assets for purchase.

The Board has chosen to hold and invest in only those assets that fit our agreed profile of quality, location and tenant attractiveness and have long-term sustainability and attractive yields.

The reduction in LTV to 36.9% is evidence of the effectiveness of this exercise.

### PORTFOLIO MOVEMENTS

The geographical spread and sectoral profile of the Group's investment portfolio is reported on pages 66 to 87. The lease expiry profile on pages 80 to 84 of this report reflects that 7.8 of the Group's leases are expiring during the coming year (by GLA).

The Group's property portfolio as at 30 June 2024 consisted of 13 properties (2023: 13 properties) with a gross lettable area of 97 601m<sup>2</sup> (2023: 97 601m<sup>2</sup>). Full details of the portfolio appear on pages 86 to 87 of this report. The entire portfolio was independently valued at 30 June 2024.

### TENANT PERFORMANCE

Our Mamelodi Square development continues to trade with a steady increase in footfall. Shoprite, Roots and Clicks as anchor tenant continue to drive trading densities and we have seen substantial growth in the the groceries sector.

The failure to lease out 100% of the centre, prior to launch has largely been remedied, with vacancy now at 3.7%.

Our leases continue to be weighted towards national, listed and franchise tenants, giving stability and a low risk profile to the portfolio for defaults. Annual escalations of the gross tenant rental income for the following 12-month period remains strong at 6.5%.

### STRATEGY OUTLOOK - BOARDS PERFORMANCE AGAINST STRATEGIC GOALS

Putprop has delivered steadily over the past three decades in terms of returns, sustainable profitability and distributions. Our approach continues to be one of conservative growth and limiting risk to all of our stakeholders, with the primary objective of building a quality property portfolio evenly spread over all operating segments.

Certain core strategic goals set for 2024 were:

<b>Vacancy rates maintained below 4%</b>	This reporting period, the rate was at 4%
<b>To increase our shareholding in Pilot Peridot</b>	An additional 12.0% was acquired from minority shareholders for a consideration of R6.1 million. Our equity holding is now 85.3%
<b>Disposal of non-core properties and the reutilisation of funds</b>	Five properties identified and held for sale. 1 property disposed of after date of this report
<b>Loan to value reduction to 38.5%</b>	Reduced our loan to value to 36.9%

\* For full details of the Group's current strategic directions see pages 52 to 55.

### OUTLOOK

Looking ahead, we believe that the next 12 months will slowly improve with the proviso that the GNU continues to operate and shows a partial improvement in state governance.

Downward pressure on rentals, lease terms, and escalation rates will continue to be a factor, and this expectation will take time to reverse in the mind set of tenants.

Operations wise, Putprop will experience challenges in retaining tenants in all those areas it operates in as will all Listed property entities. Management's efforts will be strongly focused on reducing the effect of these challenges.

The current interest rate structure will not continue. We expect an easing of rates from quarter 3. Although this will take time to percolate down into the economy the benefit is expected to be substantial once the strict interest rate policy has been eased.

### SPECIAL ACKNOWLEDGEMENTS

Finally, I would like to express my thanks and appreciation to the Chairman and the Board for their direction, insights and guidance over a challenging period for our Group.

To my executive team, I owe a special gratitude for all the hard work and resilience over the last 12 months well as to all the staff for their support.

**Bruno C Carleo**  
Chief Executive Officer  
Johannesburg  
28 August 2024





# THE CHIEF FINANCIAL OFFICER REFLECTS



## PERFORMANCE

2024	KEY METRICS	2023	% Change
147 889	Rental and recoveries income (R'000)	128 439	9.6
49 060	Property operating costs	47 384	3.5
91 274	Property operations profit (R'000)	81 055	12.6
(50 115)	Finance costs (R'000)	(44 221)	13.4
12 923	Fair value adjustment on investment properties (R'000)	(36 666)	135.2
59 852	Profit before taxation (R'000)	3 074	1 847
1 109 000	Property portfolio asset (R'000)	1 095 586	1.2
138 100	Investment property held for sale (R'000)	-	(14.3)
2.8	Weighted average lease expiry - years (WALE)	3.2	13.0
6.7	Live Lease escalations %	6.5	3.0
3 941	Tenant vacancies – GLA m <sup>2</sup>	9 726	(59.4)
93.6	Tenant retentions %	47	97.8
95	Rent collection rate %	70	33.3
48.0	National tenant base	52.0	(7.7)
1 668	Net asset value share cents	1 574	5.9
1.94	Interest cover ratio%	1.75	8.6
36.9	Loan to value %	41.6	(7.2)
14.5	Dividend distribution cents per share	11.25	28.9

**RENTAL AND RECOVERY INCOME**  
has increased by

**9.6%**

**BASIC RENTAL COLLECTION THROUGH-RATE**  
improved to

**95%**

**THE VACANCY PROFILE**  
in June 2024 was

**4.0%**

**PROPERTY OPERATING COSTS**  
increased by

**3.5%**

## OVERVIEW

The financial year ending June 2024 has produced a impressive turnaround over our previous reporting period. Key metrics that we measure have improved substantially in all critical areas.



## STRATEGY 2025

Our updated strategy and amended business plan concentrate on the following key drivers :

- A concerted focus to dispose of those assets that have reached their end-of-life cycle
- Increasing our geographical exposure into other provinces
- Building internal investment capital reserves where possible instead of leveraging debt in an economy where the cost of funding is high
- Increasingly integrating ESG matters and positioning Putprop to a broader investor base
- Expanding into asset development options and partnerships with partners of similar outlook
- Increasing the funding and asset risk appetite for new and diversified investment profiles
- Gradually increasing our asset management team over time.



## THE CHIEF FINANCIAL OFFICER REFLECTS

(CONTINUED)

### FACILITIES AND FINANCE COSTS

The Group's borrowings and facilities, with various providers of finance, are detailed by loan and property below.

Lender	Property	Type	Expiry	Amount R'm	Interest basis	Base rate at 30 June 2024	All-in rate 30 June 2023
ABSA	Summit Place	Term Loan	7 Feb 2025	279	Prime less 0.85	11.75%	10.90%
ABSA	Mamelodi Square	Term Loan	12 months after first drawdown	82	Prime less 0.75	11.75%	11.00%
Nedbank*	Parktown	Term Loan	5 July 2024	33	JIBAR +2.97	8.25%	11.22%
Nedbank*	Secunda	Term Loan	11 Aug 2025	19	10.93	10.93%	10.93%
Nedbank	Secunda	Term Loan	July 2026	8	Prime less 1.0	11.75%	10.75%
Standard	Corridor Hill	Term Loan	20 April 2027	7	Prime	11.25%	11.25%
Other loans	Various	Unsecured	No fixed repayment	30	Interest free, Prime +2	11.75%	11.75%
Total borrowings				458			
Unutilised facilities				72			

\* Refinanced with ABSA in August 2024 at similar rates

Our net finance costs continued to show an increase of 13.4% as the world of high interest rates commencing in 2023 continued. The Reserve Bank continues to exert tight fiscal control over the economy with a easing in rates only expected in September 2024 onwards.

Cash available for distribution to shareholders of R17.6 million although improved over June 2023 (R17.5 million), still allows for improvement.

### LOANS-TO-VALUE RATIO

As a result of the two properties sold in the 2023 reporting period as well as our active debt management policy, our LTV ratio was reduced from 41.6% to 36.9%, a very pleasing outcome.

The executive will continue to focus on reducing the LTV ratio to a level well below the mandated ceiling in future reporting periods. Disposal of non-core properties, and funds realised, will be used to achieve this objective. Our target for LTV in the medium term is 32%.

	2024	2023	2022
	R'000	R'000	R'000
Financial liabilities			
Financial liabilities properties non current and current	458 486	504 942	448 556
Cash and cash equivalents	(17 640)	(18 558)	(19 096)
Short term overdrafts	-	1 092	19 647
Net debt	440 846	487 476	449 107
Total assets per statement of financial position	1 227 161	1 236 644	1 266 563
Cash and cash equivalents	(17 640)	(18 558)	(19 096)
Trade and other receivables	(15 054)	(41 165)	(31 861)
Carrying amount of property related assets	1 193 256	1 169 985	1 215 606
Loan to value ratio	36.9	41.6	37.0





## THE CHIEF FINANCIAL OFFICER REFLECTS

(CONTINUED)

### SOURCES OF FUNDING

Putprops debt funding reflects a weighting towards ABSA. The group's strategy remains to refinance risk where appropriate and manage the corporation of lenders.

#### Group debt per Bank

	R'000	2024%	2023%
ABSA	361	79	72
Standard	7	2	3
Nedbank	60	13	16
Other	30	7	9
Total	458	100	100

### COST-TO-INCOME RATIOS

Our cost-to-income ratios are highlighted in the table below.

	2024	2023	2022
	R'000	R'000	R'000
Property operating costs	49 060	47 384	38 112
Corporate administrative costs	21 785*	19 229	18 818
Total operating costs	70 845	66 613	56 930
Rental income and recoveries	147 889	134 932	118 834
Operating lease rentals income/(loss)	(7 554)	(6 493)	(7 509)
Total Rental income and recoveries	140 335	128 439	111 325
Combined cost to income ratio	50.5	51.8	51.1
Total property cost to income ratio	34.9	36.9	34.2
Administrative cost to income ratio	15.5	14.9	16.9

\* Includes defensive bad debts taken to account

Management continues to focus aggressively in 2025 on cost cutting exercises.





## THE CHIEF FINANCIAL OFFICER REFLECTS

(CONTINUED)

### VACANCY

The vacancy rate at June 2023 was 4.0%, or 3 941 m<sup>2</sup> GLA. This is a substantial improvement on the previous years level of 10.0%. Mamelodi Square, as well as one of our larger industrial properties, Lea Glen, were aggressively marketed and focussed on, with positive results.

### WALE

By revenue, the weighted average lease expiry is 2.8 years and by GLA, 2.8 years.

### NET PROPERTY OPERATING COSTS

Property operating costs marginally increased by 3.6%, which was satisfactory in the market we currently operate in.

### ESCALATIONS AND TENANT RETENTIONS ON RENEWAL

A total of 23 714m<sup>2</sup> of GLA expired during the period. Of this 93.6% has been renewed, at favourable rates.

An average escalation of 6.7% was achieved by our in-house leasing team on leases renewed during the year.

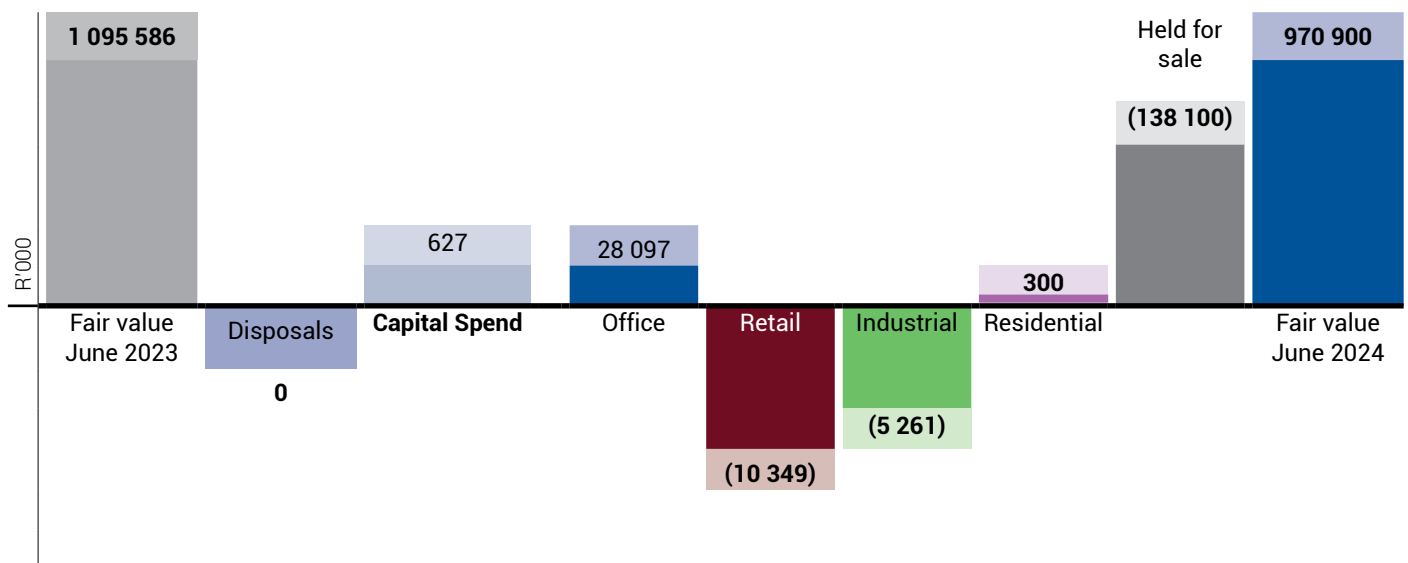
### FAIR VALUE OF INVESTMENT PORTFOLIO

Our property portfolio was revalued in 2024 by Spectrum Valuations and Asset Solutions, independent valuation consultants.

An increase in valuation of R 12.9 million (2023: R36.6 million down) was proposed and accepted by the Board.

This is a pleasing development in an increase in our asset base which includes our continued strategic decision to adjust down certain of our ageing poorly located and not fit for re-purpose assets. The depressed state of the current listed property market values continues but some uptick is noticeable. This adjustment upwards of our asset base is significant, and reflects the inherent value of the majority of our asset base.

### PROPERTY VALUATION BRIDGE



### DISTRIBUTIONS

Cents per share	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
Interim	6.0	4.25	4.25	4.25	8.25	7.25
Final	8.5	7.0	6.0	10.75	5.75	5.75
<b>Total</b>	<b>6 149</b>	<b>4 771</b>	<b>4 347</b>	<b>6 361</b>	<b>6 145</b>	<b>5 706</b>
<b>Total CPS</b>	<b>14.5</b>	<b>11.25</b>	<b>10.25</b>	<b>15.0</b>	<b>14.0</b>	<b>13.0</b>

An interim dividend of 6.00 cents per share was distributed in April 2024. A final dividend of 8.50 cents per share for the year ended June 2024 has been declared.



## THE CHIEF FINANCIAL OFFICER REFLECTS

(CONTINUED)

### CLOSING

Despite the local property sector currently anguishing at historical low realisable values and the volatile global markets, our niche investment property portfolio is in good shape. The policy of disposing of non-core, end of life of assets as well as our conservative and market realisable valuation of all of our assets in our portfolio allows us to establish a stronger, realistic, asset base value.

Our small administration footprint and niche portfolio allows us to focus intensely on managing and extracting value from all of our assets.

The focus going forward is to build on this base, our current results speaks to this, and to improve our LTV ratios and generate more cash from our operations.

Thanks go out to all of our tenants and investors as well as for the support received from my fellow executives and the Board.

To my staff, I pay a special tribute as it is you who keep the lights on in our office.

.....  
**James Smith**  
Chief Financial Officer

28 August 2024





# The Antlion Larvae



An antlion larva has an elongated, flattened body covered in fine hairs and small spines, with a large head featuring prominent, sickle-shaped mandibles. Its sandy brown or grey coloration provides camouflage in its dusty environment.

The larva uses short legs to dig conical pit traps to capture prey. Larva take up to 1 to 3 years, before pupating. After about 3 weeks metamorphosis occurs to produce a damselfly. Antlion larvae can consume prey up to their own body size, showcasing their impressive predatory capabilities. Larvae do not eat prey, but suck out bodily fluids, leaving behind a dry husk.





## OUR 10-YEAR FINANCIAL PERFORMANCE REVIEW

	2024 R'000	2023 Restated* R'000	2022 Restated* R'000	2021 R'000	2020 R'000
<b>SUMMARISED INCOME STATEMENT</b>					
Property revenue and recoveries	140 334	128 439	111 325	73 075	73 890
Property expenses	(49 060)	(47 384)	(38 112)	(26 185)	(19 856)
<b>Net profit from property operations</b>	<b>91 274</b>	<b>81 055</b>	<b>73 213</b>	46 890	54 035
Corporate expenses	(21 785)	(19 229)	(18 818)	(12 144)	(11 566)
Investment and other income	5 948	14 512	5 112	11 365	2 016
Associates' share of profits/(losses)	12 425	139	7 175	11 173	(12 521)
Gain on Bargain purchase	-	-	-	-	-
Expected credit losses	1 629	991	601	396	298
<b>Operating profit before Finance costs</b>	<b>89 491</b>	<b>77 468</b>	<b>67 283</b>	57 680	32 262
Finance costs	(50 115)	(44 221)	(29 071)	(11 303)	(12 623)
<b>Profit before capital items</b>	<b>39 376</b>	<b>33 247</b>	<b>38 212</b>	46 377	19 639
Fair value adjustments	20 476	(30 173)	24 281	(23 795)	(14 688)
Profit/(loss) on sale of capital assets and impairment transactions	-	-	-	-	-
<b>Net profit before tax</b>	<b>59 852</b>	<b>3 074</b>	<b>62 493</b>	22 582	4 951
Dividend distribution per share (cents)	14.50	11.25	10.25	15.0	14.0
Headline earnings per share (cents)	46.54	93.98	87.96	70.3	48.23
<b>SUMMARISED STATEMENT OF FINANCIAL POSITION</b>					
Investment property	928 877	1 058 842	953 332	970 113	512 626
Net investment property held for sale	138 100	-	38 152	30 156	20 310
Net investment property held under development	-	-	82 730	16 780	-
Investment in associates	82 627	69 799	66 660	59 486	200 351
Other non-current assets	43 227	38 221	33 047	78 807	22 364
Current assets	34 330	59 723	51 418	59 234	17 416
<b>Total assets</b>	<b>1 227 161</b>	<b>1 226 575</b>	<b>1 248 885</b>	1 214 576	773 067
<b>EQUITY AND LIABILITIES</b>					
Shareholders' equity	686 866	653 454	647 014	594 193	581 499
Non-controlling interest	20 587	14 200	16 192	18 590	-
Non-current liabilities	149 574	478 868	404 197	560 140	170 706
Current liabilities	370 134	79 953	181 483	41 653	20 862
<b>Total equity and liabilities</b>	<b>1 227 161</b>	<b>1 226 575</b>	<b>1 248 885</b>	1 214 576	773 067

\*Restated - refer to note 40 of the annual financial statements



## OUR 10-YEAR FINANCIAL PERFORMANCE REVIEW (CONTINUED)

2019	2018	2017	2016	2015	
R'000	R'000	R'000	R'000	R'000	
<b>SUMMARISED INCOME STATEMENT</b>					
76 091	72 971	73 865	65 755	54 136	Property revenue and recoveries
(19 636)	(19 966)	(20 074)	(17 617)	(14 958)	Property expenses
56 455	53 005	53 791	48 138	39 178	<b>Net profit from property operations</b>
(11 328)	(8 852)	(7 187)	(10 185)	(5 848)	Corporate expenses
5 356	4 312	3 788	8 754	2 629	Investment and other income
18 217	(18 657)	3 049	(5 942)	13 167	Associates' share of profits/(losses)
-	-	-	-	10 918	Gain on Bargain purchase
(1 900)	-	-	-	-	Expected credit losses
66 800	29 808	53 441	40 765	60 044	<b>Operating profit before Finance costs</b>
(15 105)	(15 135)	(9 448)	(6 820)	(889)	Finance costs
51 695	14 673	43 993	33 945	59 155	<b>Profit before capital items</b>
(14 587)	1 319	9 104	11 284	17 391	Fair value adjustments
-	-	-	(4 850)	800	Profit/(loss) on sale of capital assets and impairment transactions
37 108	15 992	53 097	40 379	77 346	<b>Net profit before tax</b>
13.0	13.0	13.0	17.0*	26.0	Dividend distribution per share (cents)
71.64	59.5	55.9	69.4	85.1	Headline earnings per share (cents)
<b>SUMMARISED STATEMENT OF FINANCIAL POSITION</b>					
495 640	573 865	571 941	454 071	434 634	Investment property
41 267	-	-	-	-	Net investment property held for sale
-	-	-	-	-	
209 131	162 428	151 643	102 076	114 473	Investment in associates
23 480	18 398	9 435	4 588	2 990	Other non-current assets
15 626	11 545	33 900	176 884	111 881	Current assets
785 144	766 236	766 919	737 619	663 978	Total assets
<b>EQUITY AND LIABILITIES</b>					
587 188	563 168	562 020	528 520	545 043	Shareholders' equity
-	-	-	-	26 780	Non-controlling interest
182 079	190 627	189 145	124 495	73 682	Non-current liabilities
15 877	12 441	15 754	84 604	18 473	Current liabilities
785 144	766 236	766 919	737 619	663 978	Total equity and liabilities

# HOW OUR BUSINESS MODEL UNLOCKS VALUE



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# The Antlion

## Adult

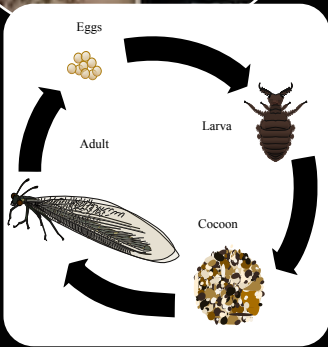
**Appearance:** Adult antlions resemble damselflies with slender bodies, long, net-veined wings, and prominent compound eyes, are closely related to lacewings.

**Antennae:** Unlike damselflies, adult antlions have long, clubbed antennae, which can be as long as or longer than their head and thorax combined.

**Wingspan:** The wingspan of an adult antlion typically ranges from 2 to 4 inches, with delicate, lace-like wings that often have a faint mottling or pattern.

**Nocturnal Behavior:** Adult antlions are primarily nocturnal and are often attracted to lights at night, where they can be seen fluttering around light sources.

**Life span:** Normally around 25 days. Both adults die after mating and eggs laying.



# OUR BUSINESS MODEL AND VALUE CREATION


Our business model illustrates how we preserve and create value, in the context of our operating environment.

We recognise the interconnectivity between the capitals we use, which informs our decision-making and our strategic choices. We adapt to changes in the availability, quality, and affordability of our inputs. These activities impact these capitals and our ability to remain a successful and sustainable business, over time and the trade-offs we must make.

## CAPITAL IN

## INPUTS

## OUTPUTS

 <p><b>FINANCIAL</b></p>	<p>Sufficient available funds and finance facilities to produce services. Utilised term loan facilities of R458 million and cash and undrawn facility of R72.0 million</p>	<p>DPS of 14,5 cents per share 29% Increase in cash dividend. All debt maturing in FY 2025 approved by respective finance house at favourable rates.</p>
 <p><b>MANUFACTURED</b></p> <p>Our assets are geographically diverse across three provinces. We continue to grow the asset base through acquisition, repositioning and improvements</p>	<p>Proactive property asset management in all segments of the property industry creating superior tenant experiences</p>	<p>Approved</p> <ul style="list-style-type: none"> <li>• Proposed sale of non-core assets of R138 million.</li> <li>• Dedicated master broker appointed for sale and leasing opportunities</li> <li>• Continued low vacancy levels in a volatile market</li> <li>• 94% tenant retention</li> <li>• Alternative income generating non GLA revenue</li> </ul>
 <p><b>INTELLECTUAL</b></p> <p>Putprop has its own unique governance framework and process with a culture of transparency, disclosure and ethics that define our competencies</p>	<ul style="list-style-type: none"> <li>• Clarity of vision, strategy and structure</li> <li>• Internal asset management structures that maximise cost efficiencies</li> <li>• Data driven asset management</li> <li>• Entrepreneurial approach to deal making, with quick decision making</li> </ul>	<ul style="list-style-type: none"> <li>• Talent and industry experience to focus on critical issues</li> <li>• Data driven marketing focus on strategies based on tenant needs</li> <li>• Ethical model and policies that align with our operational practices</li> </ul>

## OUR BUSINESS MODEL AND VALUE CREATION

(CONTINUED)



### CAPITAL OUTCOMES

#### FINANCIAL

- Putprop remains solvent and liquid and able to meet all financial challenges
- Increase in net asset value to 1 668 cents per share
- Reduction in LTV to 36.9%
- Cost of borrowing of 10.95% to 11.75%

#### MANUFACTURED

- Strategic growth of low risk, high quality portfolio
- Efficient operations of our assets to extend their life cycles
- Enhancing competitive appeal of our commercial and retail both to our tenants and their customer base

#### INTELLECTUAL

- Talent developed internally as well as externally to maximise business requirements
- Improved digital strategies resulting in more efficient utilisation of assets



# OUR BUSINESS MODEL AND VALUE CREATION

## CAPITAL IN

## INPUTS

## OUTPUTS



### HUMAN

Our small people footprint of 7 are key to ensuring we unlock value for our stakeholders, as well as how we manage our relationships with our partners and tenant base

- Succession planning, talent growth by active management
- Talent management by unique reward structure
- Employment equity planning

- Updated succession plan for executives approved by Social Ethics and Human Resource Committee
- Female employees comprise 57% of total employees



### SOCIAL AND RELATIONSHIP

Ongoing investment and introduction with communities in which are assets. We target small needy on the ground ongoing with a hands on approach

- Community relationships and charitable initiatives

- Community initiatives in our Mamelodi retail centre
- Active participation in feeding schemes for communities
- Development of our "Feed a family" scheme where food parcels are distributed to those in need



### Environment

Our properties and operations are developed to minimise our business impact on natural resources. We enhance our independence and sustainability from power and water supplies as these are crucial inputs for our tenants operations

- Continued investment in long term energy solutions through management initiatives

- Increased solar photovoltaic plant capacity
- Additional boreholes approved and completed
- Water storage tank project commenced

## VALUE CREATION AND

# OUR BUSINESS MODEL AND VALUE CREATION

(CONTINUED)

## CAPITAL OUTCOMES

### HUMAN

- Excellent staff retention, minimal staff turnover
- Stable and experienced board maintained for over 5 years
- Progress to creating a more diverse workforce
- Improved employee performance and capacity through employee structure

### SOCIAL AND RELATIONSHIP

Building strong relation with local communities and with community leaders  
Brand recognition increased

### Environment

- Increase in renewable energy components of our operational energy requirement
- Increased water storage and security
- Responsible waste management



## PRESERVATION OVER TIME



# HOW OUR BUSINESS MODEL UNLOCKED VALUE IN 2024

## OUR APPROACH

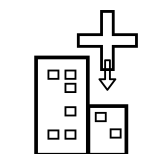
To create and preserve value in our business we review and determine the possible present and future influence of all material matters on the creation and preservation of value for our stakeholders. This necessitates short, medium and long-term views on all risks and opportunities both in our business model as well as the social economic environment we operate in.

Available resources for any value creation process too have to be assessed, and allocated effectively. All stakeholder interests and the relationship that exists between the parties must also be taken into account. The business model thus formulated will determine the life cycle of our property assets, and determine the value creation, preservation or erosion of such assets.

## WHAT WE DO

We seek ways to maximise value preservation and creation for our stakeholders by investing through the property life cycle.

### BUY



We acquire high-quality assets with strong property fundamentals.

### DEVELOP



We upgrade our properties to enhance their value. Including possible green field opportunities.

### LET AND MANAGE



We provide safe, well-maintained buildings.

### SELL



We recycle capital by disposing of non-core assets to constantly resize our portfolio and use proceeds to lower debt and reinvest in better fit assets.





## Facts about Antlion traps

**Cone Shape:** Antlion larvae dig conical pits in sandy or loose soil, creating traps that funnel prey directly into the larva's waiting jaws at the bottom.

**Size and Depth:** These pits can vary in size but are typically around 1-2 inches in diameter and depth, meticulously crafted to maximize the chances of capturing prey.

**Construction Method:** The larva constructs the pit by moving backward in a spiral, flicking sand out with its jaws and head to form steep, slippery sides.

**Trap Efficiency:** The steep sides of the trap cause prey to slide down toward the center, where the larva waits, often hidden just beneath the surface.





# HOW OUR BUSINESS MODEL UNLOCKED VALUE IN 2024

## FINANCIAL CAPITAL



## MANUFACTURED CAPITAL



### Inputs

Inputs are the tangible and intangible resources we depend on or that provide a source of differentiation for Putprop. This is not an exhaustive list of all inputs – it focuses on inputs that have a material impact on our ability to create and preserve value and prevent value erosion.

Our sources of financial capital are:

- Equity
- Debt
- Rental income

The availability of equity investors and the cost of debt funding can significantly impact our future growth.

The availability of cash is impacted by successfully collecting our debtor balances.

Our property assets provide us with our main source of revenue.

The quality of our portfolio and how we manage our assets and tenants directly impact our financial performance and future sustainability.

Our strategy of resizing our portfolio by disposing of end of life assets, formally commenced this year

### Outcomes in 2024

Outcomes are the material positive and negative impacts our business activities, products and services have on the various capitals.

We earned R140.3 million in gross revenue (2023: R128.4 million), and net rental income increased by 8.1% (2023: 9.4%).

We distributed R6.17 million to shareholders (2023: R4.7 million).

In 2024, Putprop gearing level was 36.9% (2023: 41.6%).

Average debtors' collection increased to 95% (2023: 70%).

We financed no debt during the year (2023: R130.0 million).

We invested R627 thousand (2023: R43.9 million) into developing new and maintaining and upgrading our existing properties.

### Trade-offs in 2024

Trade-offs outline the interdependencies between capitals, with business decisions impacting capital in different ways.

We monitor short-term and long-term investment tradeoffs to ensure optimal returns and financial performance.

Investing in our infrastructure requires significant financial capital, appropriate human and intellectual capital levels, and certain natural capital inputs and outcomes.

During previous years, we have occasionally sacrificed short term financial gain to assist our tenants with rent reductions and reversions to ensure their sustainability and retain our tenant base, We currently continue this process.

This also ensures our sustainability, in a challenging operating environment.

Investing in our operations requires significant financial, human and intellectual capital inputs. However, these are crucial to maintain our facilities, sustainability and ability to attract new tenants.



## HOW OUR BUSINESS MODEL UNLOCKED VALUE IN 2024 (CONTINUED)



### HUMAN AND INTELLECTUAL CAPITAL



### SOCIAL AND RELATIONSHIP CAPITAL



### NATURAL CAPITAL



Inputs are the tangible and intangible resources we depend on or that provide a source of differentiation for Putprop. This is not an exhaustive list of all inputs – it focuses on inputs that have a material impact on our ability to create and preserve value and prevent value erosion.

Our employees' skills and experience contribute to our success. The shortage of specialist property management skills in the property market is a key risk that we actively manage.

The technology we rely on to manage our assets and tenants impacts all the other capitals.

The quality of our relationships with key stakeholders drives business performance and value creation. Key stakeholders include providers of financial capital, tenants, employees and suppliers.

We rely on the availability of water, electricity and land.

Outcomes are the material positive and negative impacts our business activities, products and services have on the various capitals.

We enhanced our human and intellectual capital by:

- Conducting a detailed employee climate survey and implementing changes to address any concerns.
- Finalising a updated succession plan for key roles.
- Enhancing property and asset management expertise and skills.

We engaged with tenants throughout the year by means of tenant climate surveys.

We provide rent relief on an ad hoc basis where tenants remain under pressure.

We continued to reduce our environmental impact through ongoing resource management improvements.

We decreased the use of water consumption by sinking additional boreholes and installing JoJo tanks to selective sites. Two sites are now totally independent of municipal water supply.

Generators are to be a last solution for energy shortages. Solar solutions installed where practical.

Trade-offs outline the interdependencies between capitals, with business decisions impacting capital in different ways.

Our investment in training and development impacts financial capital but benefits human, social and relationship capital by ensuring we have the required skills to deliver on our business strategy.

Maintaining effective relationships requires a careful balance between stakeholder interests. Time and financial capital spent on relationships are beneficial and result in us being seen as an employer of choice and a responsible company that invests in its communities.

Our activities have an impact on natural capital. However, they positively impact financial, human and intellectual capital and social and relationship capital through employment, recreational facilities and infrastructure development, and contribute to the national economy through taxes and investment.

To impact natural capital positively often has a short-term financial capital impact. This is due to investment in environmentally responsible initiatives, such as solar power and green building practices, that require upfront investment to provide a longer-term return.



# STRATEGIC PILLARS 2024



## Strategic Pillars and Priorities

### Pillar 1

#### Loan-to-value reduction

##### OBJECTIVES

To reduce the Group's LTV ratio by 3% to 38,5% by 30 June 2024 and thus strengthen our balance sheet, reduce risk to interest variances and increase profitability.

##### PROGRESS

Excellent progress was made in this period with group LTV reduced to 36.9%. A portion of funds released from any further asset sales will be utilised to further reduce the LTV.

### Pillar 2

#### Vacancies to be maintained below 4%

##### OBJECTIVES

To preserve contractual rentals with a focus to retain current tenants and attract a future tenant mix with long-term sustainability horizons, thereby maintaining low vacancy levels.

##### PROGRESS

Vacancies were held constant throughout the year between 3 - 6%. At June our vacancy profile was 4.03%.

### Pillar 3

#### Realignment of Portfolio

##### OBJECTIVES

Identify those assets that have reached "end of life" status and those whose geographic locations, or yield achievement are not strategic to the Group.

##### PROGRESS

Two industrial properties, two commercial and a residential asset were identified for disposal and are currently being marketed.

### Pillar 4

#### Associate company exit

##### OBJECTIVES

To dispose of the Group's 18.175% holding in Belle Isle Investment and invest proceeds in assets where the Group has a majority holding or utilise to reduce debt levels.

##### PROGRESS

Discussions continue with interested parties, and a formal offer may materialise in the future.



# OUR STRATEGIC PRIORITIES AND OUR PERFORMANCE 2024

FINANCIAL		
METRIC	WHY IS THIS IMPORTANT?	HOW DID WE PERFORM IN THE YEAR?
Increased total distribution cents per share of dividend payout	Measures our financial health and ability to share our profits with shareholders.	14.5 cents per share (2023: 11.25 cents)
Net asset value (NAV)	Measures the total value of our assets.	1 668 cents (2023: 1 574 cents)
Overall weighted average cost of funding %	Measures whether we can achieve a return on our investments that exceeds or meets the cost of invested capital (funding).	10.72% (2023: 10.84%)
Market capitalisation	Measures our worth on the open market and the market's perception of our business and prospects.	R131.5 million (2023: R131.4 million)
Contract rental income growth %	Measures how well we have grown our net income or bottom line.	8.1% (2023: R9.4%)
Interest cover ratio times	Measures how easily we can pay interest on our outstanding debt.	1.94 times (2023: 1.75 times)
Property portfolio value (including investment property held for sale) R	Measures how the value of our portfolio has grown.	R1.11 billion (2023: R1.09 billion)
Loan to value ratio %	Measures our financial health and how well we can service our debt.	36.9% (2023: 41.6%)
Vacancy Rate %	Measures how well our properties are occupied, which is a key driver of our income.	4.0% (2023 10.0%)

NON-FINANCIAL		
While we are at the start of defining an ESG strategy, we have made some progress on ESG measures.		
FOCUS AREAS	WHY IS THIS IMPORTANT?	HOW DID WE PERFORM IN THE YEAR?
<b>Environmental</b>		
Electricity saved	Measures the efficiency of our operations and how environmentally responsible we are.	Refer to page 93
Water savings		Refer to page 96
Renewable energy generated		Refer to page 93
<b>Social</b>		
% Employee turnover	Measures the stability of our workforce	13% (2023: 28%)
% Female employees	Measures our empowerment of women.	57% (2023: 62%)
% Previously disadvantaged employees	Measures our transformation.	33% (2023: 25%)
Community investment	Measures our impact on our communities.	Corporate social investment spend of R365 000 (2023: R140 000)
<b>Governance</b>		
% Average Age Board	Measures the impact on our skill base and succession needs	62 years (6/6). (2023: 61 years) (7/7)
% Previously disadvantaged Board members	Measures our transformation.	0% (0/6). (2023: 0%) (0/7)
% Female Board members	Measures our empowerment of women.	17% (1/6). (2023: 28%) (2/7)



## 2024 STRATEGIC PILLARS

(CONTINUED)

	Strategy pillar 1 : NONCORE	Strategy pillar 2 : VACANCY PUSH
<b>Objectives</b>	Balance sheet and liquidity management	Organically optimising the portfolio's long-term cash generation
	<ul style="list-style-type: none"> <li>• Dispose of non-core or saleable assets to maintain an acceptable loan-to-value (LTV) ratio of 36%</li> <li>• Dispose of assets not contributing significantly to distributable income or reaching the end of their economic life cycle</li> <li>• Continue the current intensive debt collection process</li> <li>• Communicate with shareholders regarding the need to build large capital reserves during the current period of uncertainty in the property market.</li> <li>• Utilise innovative ways to generate income, including short tenancies in vacant properties</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce vacancies in offices, and retail sectors through intense marketing campaigns</li> <li>• Improve productivity and internal operational efficiencies and create a dedicated leasing team</li> <li>• Maintain portfolio vacancy profile at under 4%</li> </ul>
<b>Actions required</b>	<ul style="list-style-type: none"> <li>• Consider selling assets it proceeds unlock other areas of strategy.</li> <li>• Target debt collection process to a minimum of 85%.</li> <li>• Investigate short-term tenancies within the retail portfolio to drive additional income and reduce costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative broker and tenant packages in order to attract tenants to our properties as well as ensuring our properties are "front of mind" in the broker community.</li> <li>• Focus on retail vacancies in Mamelodi Square, with community awareness schemes of short term, small m<sup>2</sup> area rentals available subject to cost setup.</li> <li>• To focus on our expenses and maintain an expense ratio below 35% versus the benchmark of 40%</li> </ul>



	Strategy pillar 3 : EXPANSION	Strategy pillar 4 : GREENING
<b>Objectives</b>	Entrepreneurial and joint venture partnerships intended to increase income or develop nodes around major assets	Investing in green initiatives to optimise energy and water expenditure and reduce our carbon footprint
	<ul style="list-style-type: none"> <li>• Entrepreneurial focus on increasing revenue</li> <li>• Explore joint ventures and partnerships to strengthen the node around major assets</li> <li>• Grow in segments included in the Western Cape</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with our strategy to invest in green initiatives, specifically the installation of off grid solar systems on some of our larger assets</li> <li>• Continue to invest in water saving initiatives in some of our assets.</li> </ul>
<b>Action required</b>	<ul style="list-style-type: none"> <li>• Investigate partnerships in the listed and unlisted space for JVs currently being considered</li> <li>• Investigate commencement of the Dobsonville retail centre in Soweto</li> <li>• Expansion of the Eagle Canyon property to accommodate non motor related industries</li> </ul>	<ul style="list-style-type: none"> <li>• Target Parktown Towers and Secunda Value Centre for Solar installation</li> <li>• Install additional water tanks and investigate the installation of boreholes on selected properties</li> </ul>



# ENHANCING STAKEHOLDER RELATIONSHIPS

We align our efforts to build long-term partnerships with our key stakeholders. This focused approach to relationships enables us to create and sustain meaningful value for our stakeholders and improve stakeholder confidence.

Engaging with stakeholders provides essential input into strategic decision-making. We strive to understand and address the legitimate needs of our stakeholders to create mutual value. The Board and management team monitor and ensure that all communication to stakeholders is accurate and transparent. Our goal is to provide stakeholders with all the relevant information they need to accurately assess our performance and prospects. We understand that our reputation hinges on our relationship with our stakeholders.

## OUR KEY STAKEHOLDERS

Our Group is accountable to all its stakeholders. This report aims to provide the various categories of stakeholders with essential, practical and user-friendly information. The following are our key stakeholders:



**Shareholders, analysts and investors**



**Providers of debt capital**



**Tenants, and other business partners**



**Service providers**



**Employees**



**Communities**






Debris Removal: Antlion larvae often flick sand and debris out of the pit to keep it functional and ensure the sides remain unstable for any prey that ventures too close.



## KEY STAKEHOLDER ANALYSIS



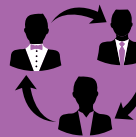
(continued)

Stakeholder	Our Engagement	Expectations from us (value for them)	Our expectations from them (value for us)
 <p><b>Shareholders analysts and investors</b></p>	<p>Executive directors have one on one meeting with major shareholders. Our operations and financial director is directly available to all shareholders and potential investors.</p>	<p>Reliability of growth of Group, and transparency in reporting</p> <ul style="list-style-type: none"> <li>• Positive shortterm growth in distributions</li> <li>• Excellent governance principals</li> <li>• Conservative cash, debt and liquidity management</li> <li>• Investment value growth with planned strategic vision.</li> </ul>	<ul style="list-style-type: none"> <li>• Open and transparent communication</li> <li>• Fair value of shares</li> <li>• Ability to trade shares</li> </ul>
 <p><b>Providers of debt capital</b></p>	<p>We meet regularly with our debt finance partners to assess their requirements after our results are published to ensure we are aligned to reflect our profitability and growth potential, with their expectations and covenants they require.</p>	<p>A assurance that through our transparency and regular interface, covenants can be relied upon to meet with their requirements.</p> <p>Regular instalments from a stable organisation.</p> <p>Updates on major strategy changes</p>	<ul style="list-style-type: none"> <li>• Reasonable, market driven covenants on loans raised</li> <li>• Access to funding in order to grow business and ensure its sustainability</li> <li>• Open and transparent communications</li> <li>• Fair value of shares</li> </ul>
 <p><b>Tenants, and other business partners</b></p>	<p>We arrange for visits to tenants operations in order to observe and understand their operations and challenges faced.</p> <p>Putprop's executive directors engage directly with tenants through direct and indirect (Electronic media) contact. Our property managers, Eris Property and Broll have standing instructions for regular face to face contact with those assets situated outside Gauteng.</p> <p>Other non-direct means of communication include social media, print communications and operational notices.</p>	<p>Ethical Business partners</p> <p>Relationship building</p> <p>Reliable source of income.</p>	<p>High level of service to enable them to thrive, grow and sustain their businesses.</p> <p>Transparent and honest interactions.</p> <p>Property Maintenance</p> <p>Flexible lease terms</p>

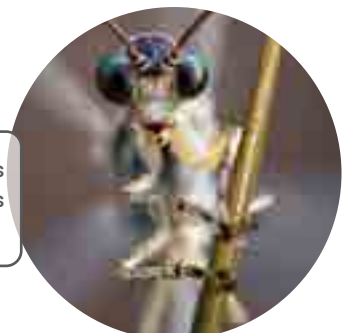


## ENHANCING STAKEHOLDER RELATIONSHIPS

(continued)

Stakeholder	Our Engagement	Expectations from us (value for them)	Our expectations from them (value for us)
 <b>Service Providers</b>	<p>Our service providers are managed directly through our property managers, whose function is to liaise and develop relationships with quality, reliable, cost efficient suppliers</p>	<p>A reliable service providers network ensures good, time effective service to our tenants and their operations. Services and products are monitored continually for all of our partners</p>	<p>Suppliers who meet our stringent requirement of cost effectiveness time efficient and quality services or products, are rewarded with long-term monopolist relationships.</p>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Employees, the foundation of our business and provide performances required to grow the business.</li> <li>• The Group ethos is maintained through communication, Training and development</li> <li>• Presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Performance reviews based on preset KPIs</li> <li>• Induction ongoing training and development days</li> <li>• Site visit for a better understanding of the Groups operations.</li> <li>• Lifestyle functions</li> </ul>	<ul style="list-style-type: none"> <li>• Employees who think innovatively and contribute to a positive ethos in the work environment</li> <li>• Understanding of and contributing to the company strategy</li> <li>• Delivery of exceptional performance in their job specification</li> </ul>
 <b>Communities</b>	<ul style="list-style-type: none"> <li>• Corporate Social Investment initiatives</li> <li>• Corporate Social Investment initiatives at our properties</li> <li>• Environmental initiatives</li> <li>• Community engagement to determine needs</li> <li>• Employment opportunities for youth created</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorship and funding of projects</li> <li>• Sponsorship and donations.</li> <li>• Communities initiatives and projects.</li> <li>• Job creation.</li> <li>• Stability for disadvantaged populations</li> <li>• Improved environment in and around our assets</li> <li>• Opportunities to communicate</li> </ul>	<ul style="list-style-type: none"> <li>• Active community support of our retail assets</li> <li>• Open communications with us enabling us to address needs</li> </ul>

Diet: Unlike their predatory larvae, adult antlions feed on nectar and pollen, making them less aggressive in their adult stage.



# INVESTMENT PORTFOLIO



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# The Leopard Tortoise:



They only reach maturity at around 15 years and lay 24 eggs with incubation taking 15 months

The leopard tortoise is one of the largest tortoises in Africa, capable of reaching lengths of up to 30 inches and can weigh over 50kg.



They are named for the leopard-like spots and patterns on their shells, which provide camouflage in their natural habitat.

Leopard tortoises are herbivores and have long lifespans, living up to 100 years

Leopard tortoises are good swimmers and can float due to their large domed shell.





# PORTFOLIO PERFORMANCE

## SOUTH AFRICAN PROPERTY MARKET

The property sector has been negatively impacted by concerns about local and global economic growth, due to uncertainties caused by conflicts in Gaza and Ukraine. In addition radical climate changes, have caused devastation in areas of both the west and third world countries. With the GNU in place, and appraising the diverse parties appealing to appearing to be co-operating the sector and economy will hopefully receive stimulus in the months ahead especially if interest rates begin a downward movement. Although the sector performed better in the last two quarters of 2024, property fundamentals such as vacancy rates, rental levels, lease contract terms and tenant reversions still place pressure on property groups. A improvement in energy delivery by government over the second quarter of 2024 has slightly impacted the property market positively and given more certainty to tenant operations.

The market still has not recovered to those levels last seen pre Covid19, and the property sector continues to be the worst performing sector on the JSE for the majority of this period. With the GNU now in place and the various diverse parties appearing to be co-operating the sector (and economy) will hopefully receive a stimulus in the months ahead. This effect will be positively compounded as interest rates begin in a downward move.

## KEY PERFORMANCE INDICATIONS

	2024 R'000	2023 R'000	% Increase/ (Decrease)
Rental income and recoveries	147 889	134 932	9.6
Property portfolio	1 109 000	1 095 585	1.3
Fair value adjustment - investment property	12 923	(36 666)	135.2
Properties held for resale	138 100	-	100
Vacancy profile m <sup>2</sup>	3 941	9 726	(59.4)
Lease renewals %	93.6	47	99.1
Escalation rate combined %	6.7	6.5	3.1
Net asset value cents.	1 668	1 570	6.2

## PORTFOLIO SUMMARY

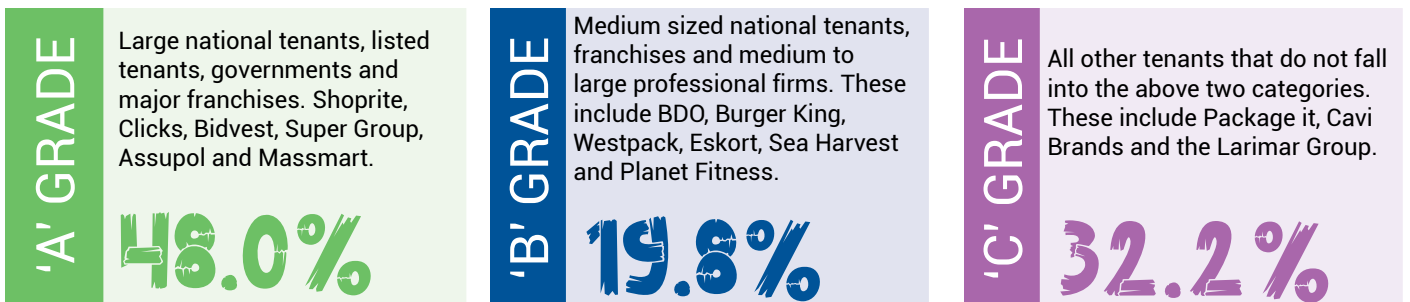
The Putprop property portfolio at 30 June 2024 consisted of 13 properties (2023: 13) including five properties held for resale with a total market value of R1.109 billion (2023: R1.095 billion) and a gross lettable area of 97601m<sup>2</sup> (2023: 97601m<sup>2</sup>). The portfolio is valued annually by an independent external valuer. Refer to note 5 in the annual financial statements.

A valuation increase of R12.9 million in the current year (2023: down R36.6 million) was recorded. Ageing properties like Putcoton and Lea Glen were again written down, but not to the extent of previous years as well as those properties where future contractual income may become problematic.

### Portfolio sector key:

	Retail portfolio
	Commercial portfolio
	Industrial portfolio
	Residential portfolio

## TENANT PROFILE BY GRADE AND CONTRACTUAL INCOME





# PORTFOLIO PERFORMANCE OVERVIEW

KEY STATISTICS AND KPI'S	Unit	2024	2023	2022	2021
Properties	Number	13	13	15	16
Value of portfolio (including investment property held for sale)	R bn	1 109	1 096	1 106	1 057
Property portfolio growth	%	1.3	(0.9)	4.6	879
Average base rent	R/m <sup>2</sup>	103.3	87.8	88.2	84.6
Vacancy rate	%	4.0	10.0	2.2	2.3
Tenant retention ratio	%	93.6	47.1	100	96
National tenancy	%	48.0	52.0	37.0	26.7
Disposals	%	-	2.9	1.4	0
Acquisition and Revamps	Rm	0.6	40.1	99.5	16.7
Property expense ratio	%	35.0	36.9	34.2	30.6
Municipal costs recovery ratio*	%	93	92	95	90

\* excludes rates

## OUR KPIS

Our most important property KPIs are:

- **Vacancy profile**
- **Net operating income on an individual asset basis**
- **Valuations**
- **Rental and tenant conversion rates**

## DISPOSALS

No properties were disposed of in the year under review.

Five assets are currently held for sale

	Value R'000	m <sup>2</sup>
<b>Industrial</b>		
Lea Glen, Roodepoort	19 500	6 728
Putcoton, Roodepoort	47 500	9 559
<b>Commercial</b>		
Bank City, Potchstroom	17 000	2 494
Summit Place G2, (bulk land), Pretoria	43 800	-
<b>Residential</b>		
Menlyn Villa Units (9), Pretoria	10 300	872
<b>Total</b>	<b>138 100</b>	<b>19 653</b>

## VALUATIONS

An external valuer is appointed annually to conduct a tender process. This appointment is approved by the Investment Committee and ratified by the Board. Spectrum Valuations and Asset Solutions again performed the valuations this year. Valuations are influenced by various factors, including vacancy rates, rental reversion rates, average lease escalations and expense and recovery ratios, as well as market sentiment.

The portfolio was valued at R1.109 billion (2023: R1.096 billion) with a positive fair value adjustment of R12.9 million (2023: negative R36.6 million). Retail was down by R10.3 million (2023: R12.1 million up). This arose from adjustments made to Corridor Hill and Mamelodi Square. Commercial showed a move upward from 2023 (R23.6 million down) of R28.1 million. Industrial was again down, due to an aging asset base and high maintenance costs of these assets, in 2024 of R5.2 million (2023: R24.0 million down).

## VACANCIES

Our property management teams worked hard to keep vacancies at a minimum and retain tenants. We continued to improve internal efficiencies and manage costs, with our expense ratios being better than the industry average.

Our overall vacancy rate decreased to 4.0% (2023: 10.1%).

## OUR WALE

(WEIGHTED AVERAGE LEASE EXPIRY)

Our WALE is 2.8 years (2023: 3.74 years), excluding the residential sector. The residential sector is not included in the overall WALE calculation due to the short-term nature of the leases, as the standard practice is a one-year lease term.

WALE profile

Sector (years)	2024	2023	2022
Industrial	1 year	2 year	2 years
Office	3.4 years	4 years	3 years
Retail	3 years	3 years	3 years

Putprop seeks an expiry profile with a relatively flat graph, with risk dispersed over a longer term. This becomes more critical in challenging times when tenants, and in some cases landlords, prefer shorter-term leases. Relationships and understanding of tenants' businesses are essential in managing expiry profiles. Due to the lasting impacts of COVID-19, we have been increasingly reviewing leases in the context of risk to ensure effective management. During negotiations, we are always conscious of the long term sustainability of the prospective tenant.





## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

### FINANCIAL PERFORMANCE SUMMARY FOR THE TOTAL PORTFOLIO

2024

Gross property \* revenue

R'000 **147 889**

Property expenses

R'000 **49 060**

Net property income

R'000 **91 274**

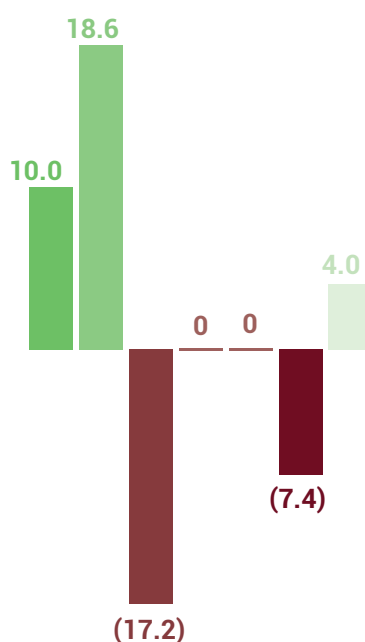
Property expense ratios

R'000 **34.9%**

Weighted average rental m<sup>2</sup> (combined)

R'000 **103.4**

### VACANCY SUMMARY



### Balance at 1 July 2023

Area m<sup>2</sup> %  
**9 726 10.0**

### Leases expired or terminated early

Area m<sup>2</sup> %  
**18 201 18.6**

### Renewal of expired leases

Area m<sup>2</sup> %  
**(16 700) (17.2)**

### Property purchased during the year

Area m<sup>2</sup> %  
**0 0**

### Property sold during the year

Area m<sup>2</sup> %  
**0 0**

### New letting of vacant space

Area m<sup>2</sup> %  
**(7 286) (7.4)**

### Balance at 30 June 2024

Area m<sup>2</sup> %  
**3 941 4.0**

### GLA SUMMARY

#### Balance at 1 July 2023

GLA m<sup>2</sup> **97 601**

#### Acquisitions, adjustments and extensions

GLA m<sup>2</sup> **=**

#### Disposals

GLA m<sup>2</sup> **=**

#### Balance at 30 June 2024

GLA m<sup>2</sup> **97 601**

\* excludes straight line adjustments

Leopard tortoises have a long lifespan, often living 50 years or more in the wild, with some individuals in captivity reaching over 75 years.





## OFFICE

The office market is still significantly depressed. The national vacancy rate for A and B grades has improved slightly. Rode equates this to a rate of 14.7% still way above the long-term average of 8.8% (back to 2000). This slight improvement in vacancy rate comes at a cost with rental growth declining by 1.6% year on year after accounting for inflation. The oversupply of available space allows tenants to negotiate fantastic deals including low rentals, high tenant installation allowances and long beneficial occupation periods.

A small positive is that the decline in rentals has reduced gradually over the past 12 months. However, in real terms, rentals still fell by more than 10%.

# COMMERCIAL

## PORTFOLIO

Number of Properties

**4**

Value Rm

**649 600**

Average gross rental per m<sup>2</sup> Rands

**138.3**

Value per m<sup>2</sup> Rands

**16 274**

Gross lettable area m<sup>2</sup>

**38 675**

Vacancy m<sup>2</sup>

**2 689**

Escalation

**6.4%**

held for sale

**2 60 800**

## OUR TENANT EXPOSURE BY GROSS RENTAL (%)

<b>ASSUPOL LIFE</b>		<b>19.2</b>
<b>CAVI BRANDS</b>		<b>14.2</b>
<b>SIZWENTSA-LUBAGOBODO</b>		<b>13.8</b>
<b>KEMPSTER SEDGWICK</b>		<b>10.7</b>
<b>PLANET FITNESS</b>		<b>5.5</b>















# INDUSTRIAL

## INDUSTRIAL


































The sector continues to be well placed with rental growth of 4.8% (Rode). The recovery in the manufacturing and retail markets contributed to this sector outperforming all other sectors. Logistics continues to do well which should support the sector going forward, as the online sales expansion shows no sign of easing. The pandemic accelerated this trend.

Two properties have been identified as held for sale.

### portfolio

 Number of Properties	<b>4</b>	 Value Rm	<b>104 500</b>
 Average gross rental per m <sup>2</sup> Rands	<b>69.0</b>	 m <sup>2</sup> Value per m <sup>2</sup> Rands	<b>5 252</b>
 Gross lettable area m <sup>2</sup>	<b>7 140</b>	 Vacancy m <sup>2</sup>	<b>0%</b>
 Escalation	<b>6.5%</b>	 held for sale	<b>2 60 800</b>

### OUR TENANT EXPOSURE BY GROSS RENTAL (%)

<b>LARIMAR - PUTCOTON</b>												<b>9.1</b>
<b>LARIMAR - DOBSONVILLE</b>												<b>3.6</b>
<b>PACKAGE IT</b>												<b>2.2</b>





## RESIDENTIAL

Vacancy rates were high, with a national average between 9 - 10.5%. House prices in real terms fell by 2-3% already in 2024 due to the high inflation rate. All indications are that this trend will continue for the year. This means that for the seventh consecutive year residential prices have declined.

We expect this sector to grow at a low nominal rate over the next 2 years due to a weakening economy, unemployment pressures and high interest rates. Real house price growth remains distant.

This property has been identified as a non-core asset and is currently held for sale asset.

# RESIDENTIAL

### Portfolio



Number of Properties

9



Value Rm

10 300



Average gross rental per m<sup>2</sup> Rands

84.20



Value per m<sup>2</sup> Rands

11.811



Gross lettable area m<sup>2</sup>

872



Vacancy m<sup>2</sup>

—



Average Escalation

7,0%



held for sale

All properties held for sale

### OUR TENANT EXPOSURE BY GROSS RENTAL (%)

INDIVIDUAL



100





## Facts about the Leopard tortoises

**Habitat:** Found across Eastern and Southern Africa, leopard tortoises inhabit a range of environments from semi-arid savannas to grasslands and scrublands.

**Reproduction:** Females lay clutches of 5 to 30 eggs in burrows dug into the ground. The eggs incubate for about 8 to 15 months before hatching, depending on temperature and environmental conditions.

**Adaptations:** Leopard tortoises have tough, scaly skin and strong limbs, allowing them to traverse rough terrain and dig burrows for nesting and shelter.

**Conservation Status:** While not currently endangered, leopard tortoises face threats from habitat loss, road mortality, and collection for the pet trade, making conservation efforts important for their continued survival.





## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

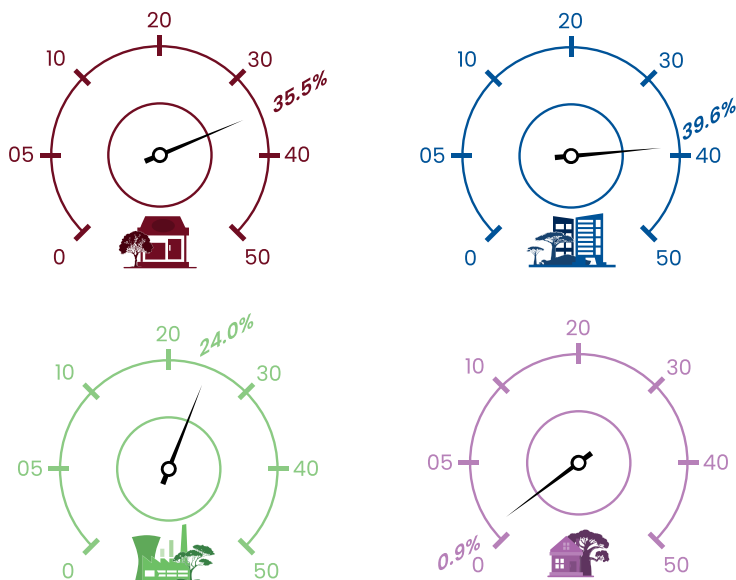
### OUR TENANTS

Putprop believes that by offering our tenants the best value for rentable money, in a specific environment, and by enhancing their business success, our own business model is improved. Our philosophy is to upgrade our portfolio on a continuous basis, thereby, maximising our premises and providing better facilities to our tenants. The success of our tenant base is vitally linked to our own.

Acquisitions of properties are done after an internal risk assessment of the premises, both at a financial level and in terms of returns, as well as the long-term demand for the property, its age, its accessibility to supply routes and its suitability for tenant needs.

All our properties should provide a solid basis for our tenants to operate from, and to grow their own business. In addition, although sustainability and profitability form the reason for our operations, it is relationships and trust that drive the vehicle to achieve this objective.

### OUR GROUP OPERATES ITS BUSINESS ACTIVITIES AS FOLLOWS BY GLA:



### TENANT RETENTION

Management's emphasis is to retain good tenants wherever possible, even at the expense of lower escalations or rentals per square meter. It is more cost-effective to retain rather than replace tenants.

Putprop makes use of an in-house asset management model for the control and monitoring of its Gauteng property portfolio. We may utilise sector expertise on certain operational issues, where necessary.

Our properties in other provinces are managed by professional asset managers.

### TENANT FEEDBACK

In order to improve our services to tenants we hold regular feedback meetings with them, on a structured, regular basis. This takes the form of site visits and presents an opportunity to interact directly with them, at an operational level. This allows us to increase efficiencies on both sides and identify areas of frustration or operational issues at an early stage and to proactively react to these.

### TENANT ANALYSIS

National tenants comprise 48.0% of the portfolio tenant profile by rental income (Standard Bank, Liberty, Massmart and Super Group). The average property value was R85.307 million (2023: R84.275 million). Geographical and sectoral distribution is reflected in the graphs on pages 69 to 72. The portfolio by value reflects a more concentrated weighting, in the commercial sector due to the high value of Summit Place. Industrial and retail weightings by rentals are reflected at 16.3% and 34.0% respectively with commercial at 49.0%. Residential is insignificant.

See graph on page 79. At present, the portfolio continues to be predominantly situated in Gauteng with one property in the North-West and two in Mpumalanga.



## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

### TOP TEN TENANTS - GROSS ANNUAL RENTALS FOR PERIOD

#### Larimar Limited

R12 673 000  
12.0%



#### Assupol

R12 112 000  
12.5%



#### Cavi Holdings

R7 313 000  
7.73%



#### SizweNtsalubaGobodo

R7 104 000  
7.0%



#### Builders Warehouse

R5 928 743  
6.0%



#### Kempster Sedgwick

R5 516 160  
5.0%



#### Westpack lifestyle

R4 584 523  
4.0%



#### Shoprite

R4 476 763  
4.0%



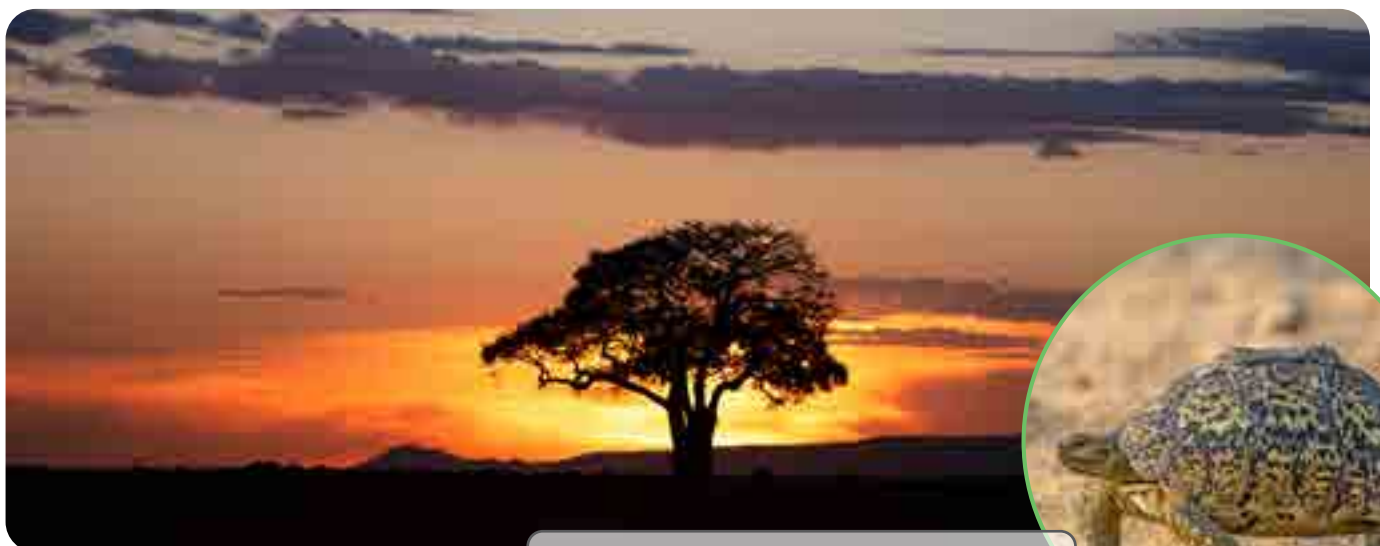
#### Supergroup

R4 352 771  
4.0%



#### BDO Audit

R3 069 000  
3.2%



Leopard tortoises are native to Eastern and Southern Africa, inhabiting countries such as Kenya, Tanzania, Botswana, South Africa, and Namibia.



## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

### SECTORS MIX

	Number of properties	Gross lettable area m <sup>2</sup>	Vacancy m <sup>2</sup>	Vacancy %	Value Rm	Value per m <sup>2</sup> Rands	Average gross rental per m <sup>2</sup> Rands*
<b>Commercial portfolio</b>							
Office	4	38 675	2 689	2.8	649 600	16 796	125.8
<b>Total commercial</b>	<b>4</b>	<b>38 675</b>	<b>2 689</b>	<b>2.7</b>	<b>649 600</b>	<b>16 796</b>	<b>125.8</b>
<b>Retail portfolio</b>							
Retail/motor related	2	8 258	617	0.70	96 100	11 637	126.9
Retail Shopping Centre	2	26 369	635	0.60	248 500	9 424	81.3
<b>Total retail</b>	<b>4</b>	<b>34 627</b>	<b>1 252</b>	<b>1.30</b>	<b>344 600</b>	<b>9 952</b>	<b>179.2</b>
<b>Industrial portfolio</b>							
Retail warehousing	1	3 640	-	-	21 000	5 769	48.4
Remanufacturing	1	6 728	-	-	19 500	2 898	25.3
High grade industrial	2	13 059	-	-	64 000	4 901	80.3
<b>Total industrial</b>	<b>4</b>	<b>23 427</b>	<b>-</b>	<b>0</b>	<b>104 500</b>	<b>4 461</b>	<b>58.7</b>
<b>Residential Portfolio</b>							
<b>Total Residential</b>	<b>1</b>	<b>872</b>	<b>-</b>	<b>-</b>	<b>10 300</b>	<b>11 812</b>	<b>83.7</b>
<b>Total Putprop</b>	<b>13</b>	<b>97 601</b>	<b>3 941</b>	<b>4.0</b>	<b>1 109 000</b>	<b>11 363</b>	<b>115.6</b>

\* Includes properties held for resale.



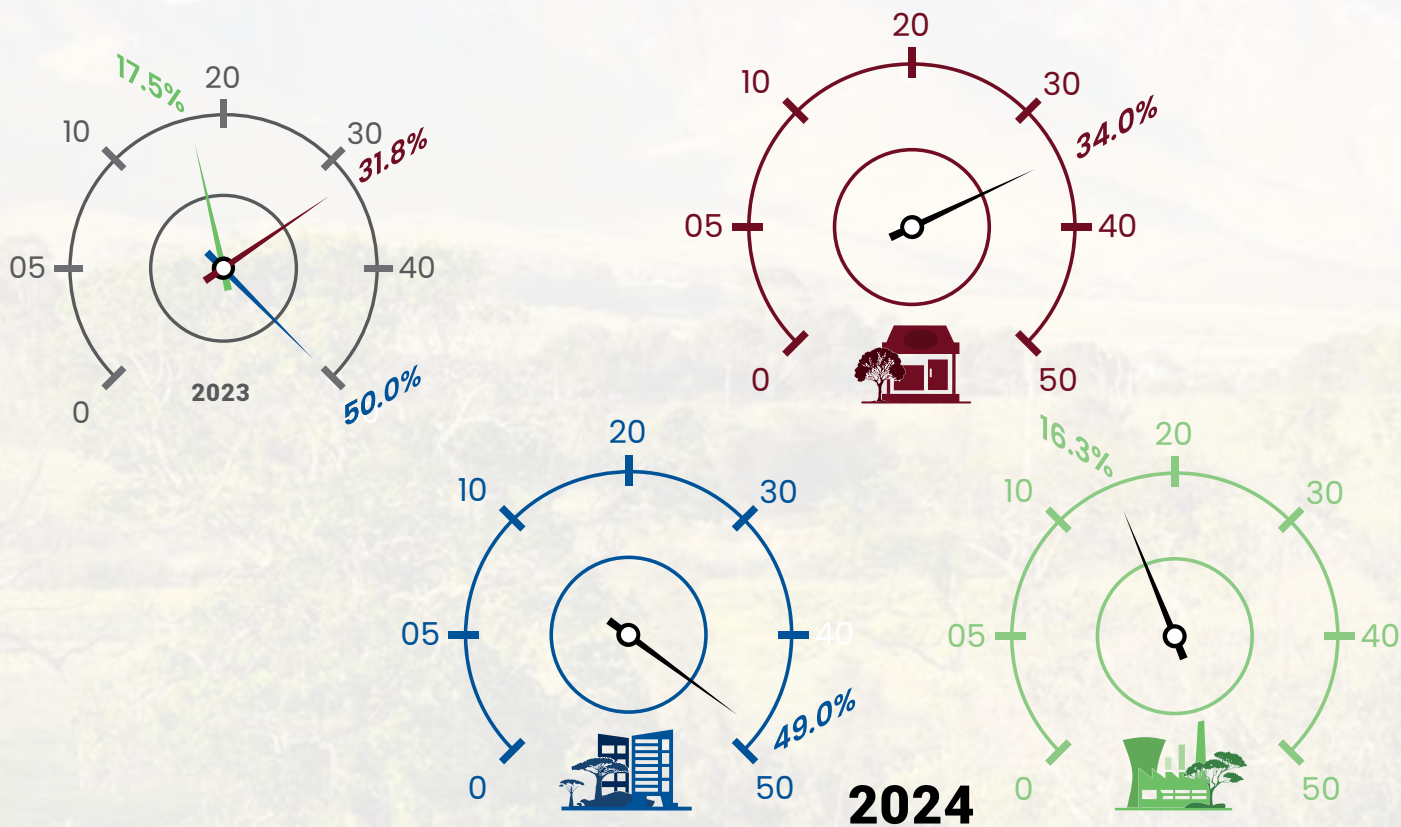
Diverse Environments: Leopard tortoises thrive in a variety of habitats including semi-arid savannas, grasslands, scrublands, and open woodlands. These areas provide the mix of vegetation they need for food and shelter.



# PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

## TENANT PROFILE BY RENTAL



## TENANT MIX BY CATEGORY

	By GLA %	By Income %
- Motor related-	12.9	13.3
- Hardware	5.5	5.6
- Clothing -	5.0	3.1
- Public Transport -	13.4	12.1
- Retail other -	7.6	11.1
- Retail Groceries -	8.9	5.4
- Education and Beauty -	4.7	7.6
- Gyms-	2.8	2.7
- Residential -	0.9	0.8
- Auditing -	6.9	9.7
- Industrial	10.6	4.2
- Office General	11.9	12.8
Insurance	8.9	11.6
- Total -	100	100

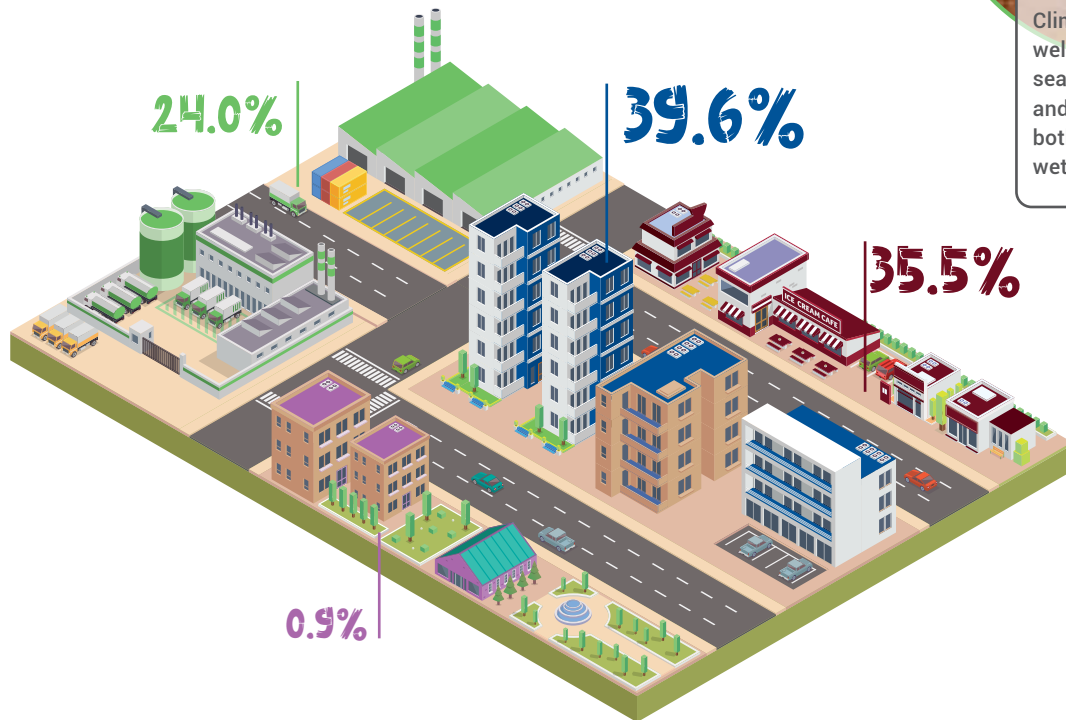




## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

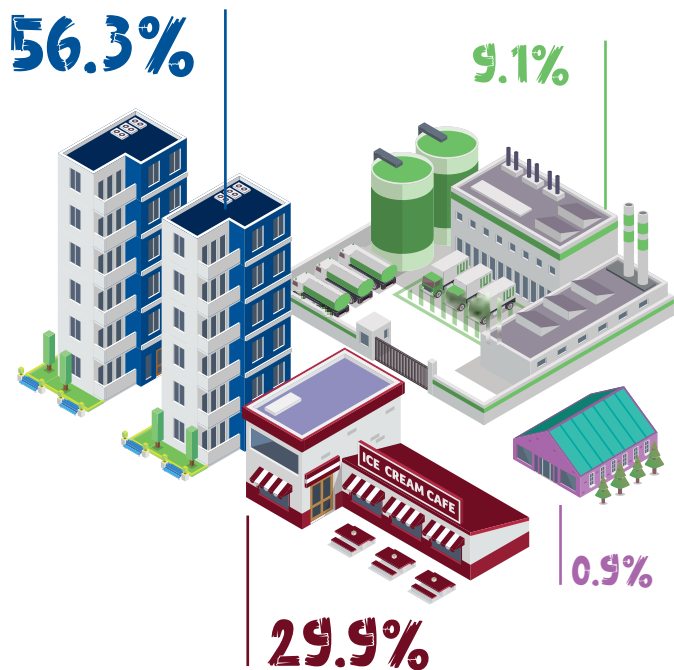
### SECTORAL PROFILE (GROSS LETTABLE AREA) %



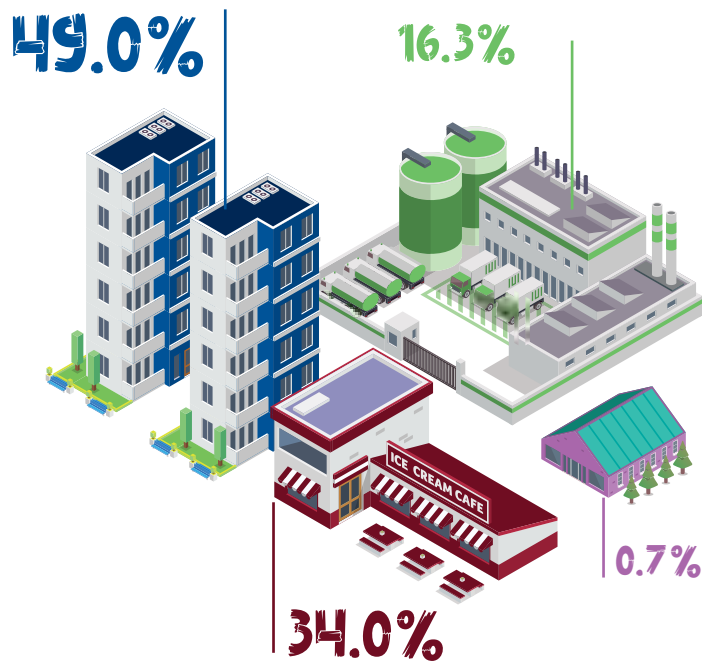
Climate: Leopard tortoises are well adapted to environments with seasonal variations in temperature and rainfall. They can withstand both hot, dry conditions and cooler, wetter periods.



### PORTFOLIO VALUE BY SECTOR (%)



### SECTORAL PROFIT BY CONTRACTUAL RENT %





## PORTFOLIO PERFORMANCE OVERVIEW

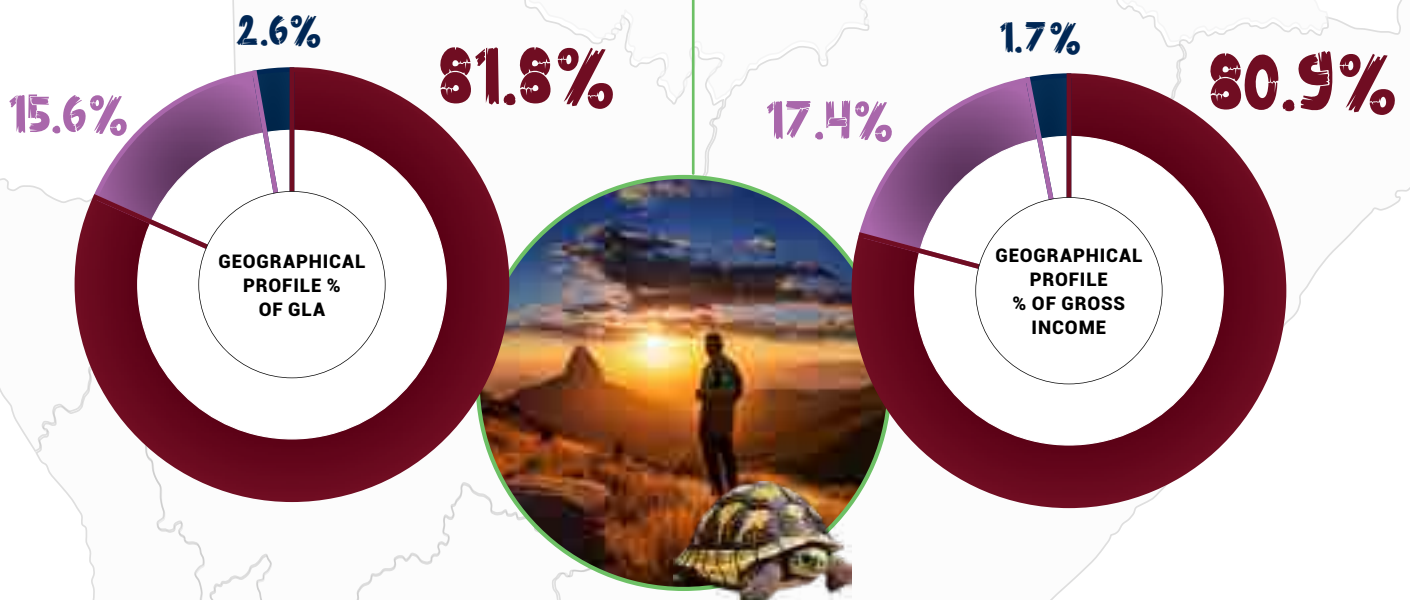
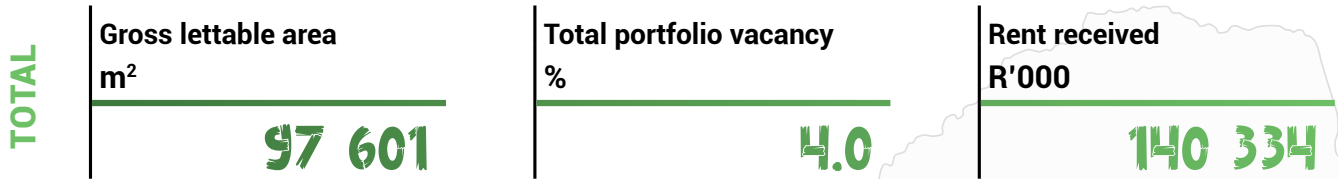
(CONTINUED)

### GEOGRAPHICAL PROFILE

The majority of the Group's properties are situated in Gauteng province, with one property located in the North West and one in the Mpumalanga province. The geographical distribution is detailed below:

Location	Gross lettable area m <sup>2</sup>	Total portfolio %	Rent received R'000
<b>Gauteng</b>			
Johannesburg West	18 710	19.2	14 944
Pretoria	51 890	53.2	54 336
Sandton	1 092	1.1	673
Johannesburg Central	4 666	4.8	8 562
Soweto	3 500	3.6	3 840
<b>Gauteng Total</b>	<b>79 858</b>	<b>81.8</b>	<b>85 152</b>

Location	Gross lettable area m <sup>2</sup>	Total portfolio %	Rent received R'000
<b>North West</b>			
Potchefstroom	2 494	2.6	1 796
<b>North West Total</b>	<b>2 494</b>	<b>2.6</b>	<b>1 796</b>
<b>Mpumalanga</b>			
Witbank	5 835	6.0	4 806
Secunda	9 414	9.6	13 493
<b>Mpumalanga Total</b>	<b>15 249</b>	<b>15.6</b>	<b>18 299</b>

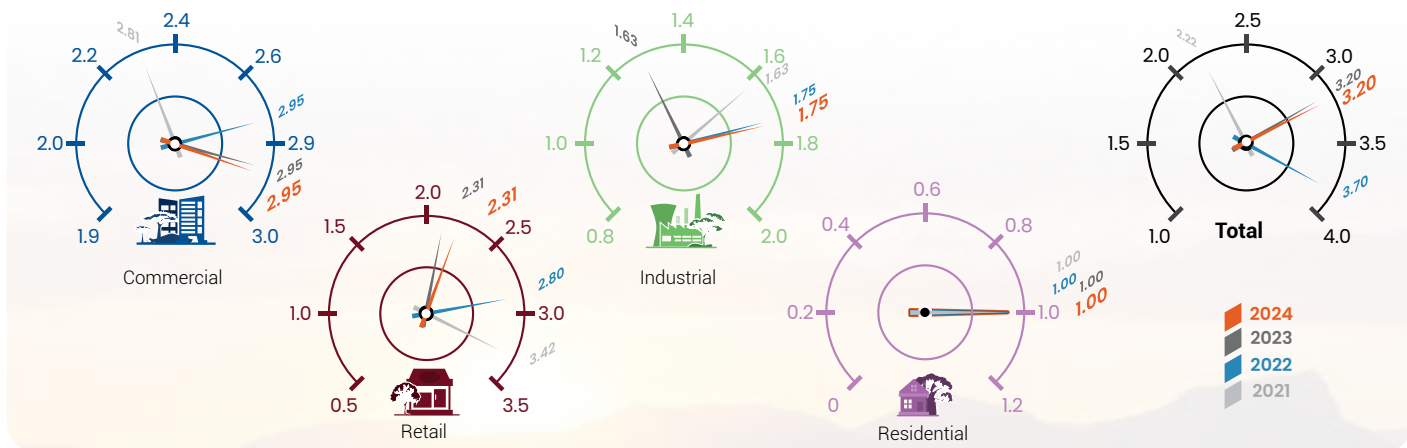




# PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

## WEIGHTED AVERAGE LEASE EXPIRY ("WALE") IN YEARS



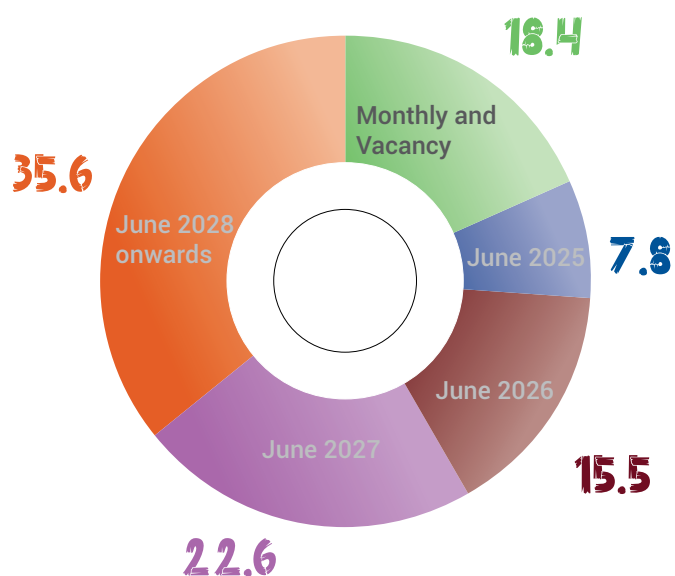
## 5 MAJOR LEASE EXPIRIES BY GROSS RENTAL: 2024

Property	Sector	Tenant	Lease end	GLA (m <sup>2</sup> )	Status
Bank City	Commercial	Standard Bank	Nov 2023	1 504	VACATED
Lea Glen	Industrial	Ecwamix	Feb 2023	6 728	RENEWED
Dobsonville	Industrial	Larimar	Dec 2023	3 500	RENEWED
Eagle Canyon	Retail	Super Group	April 2024	2 423	RENEWED
Putcoton	Industrial	Larimar	Dec 2023	9 559	RENEWED

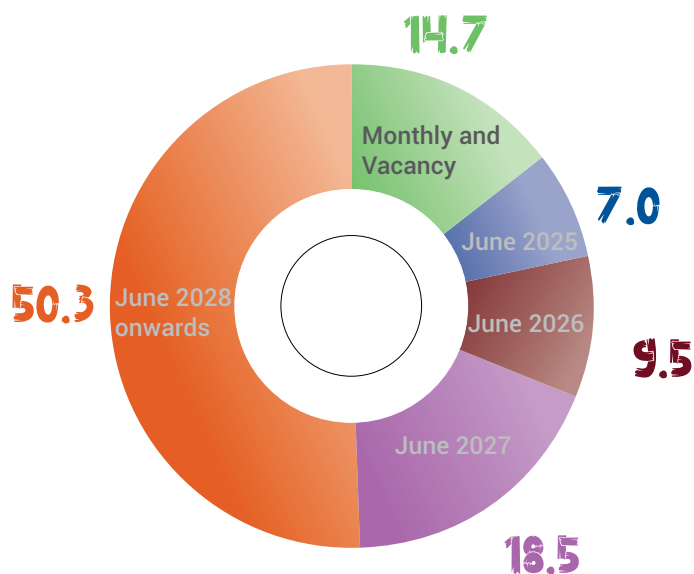
Total m<sup>2</sup> expire  
**23 714**

Retained %  
**93.6**

## TOTAL LEASE EXPIRY BY GLA %



## TOTAL LEASE EXPIRY BY REVENUE %



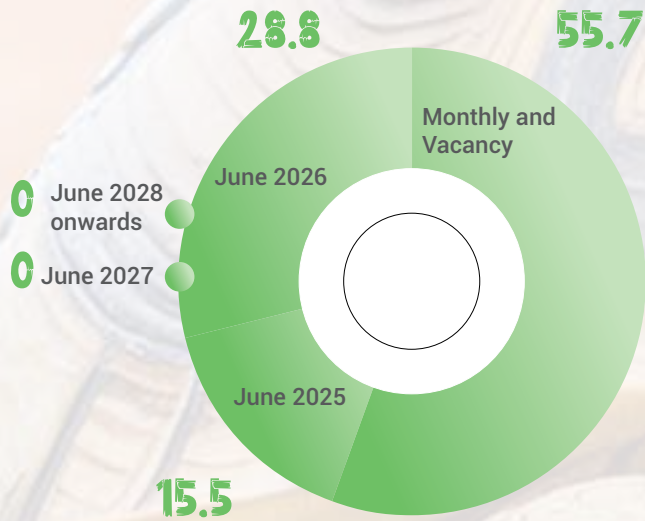


# GROUP LEASE EXPIRING BY SECTOR

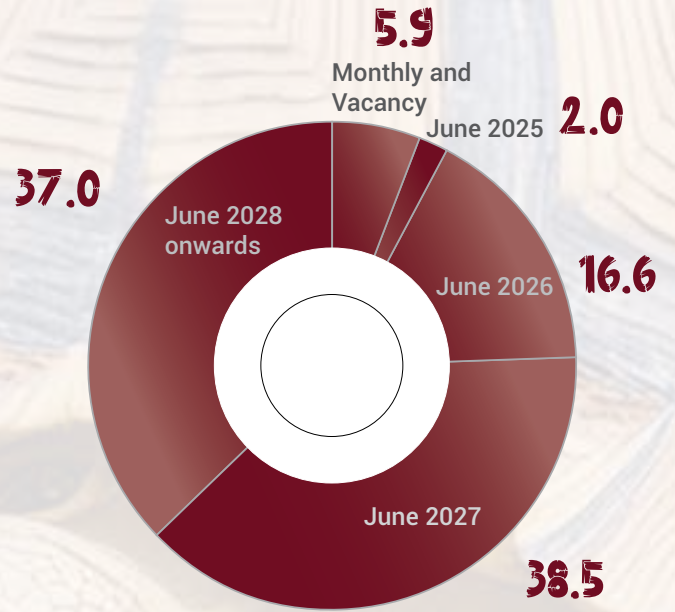
GLA



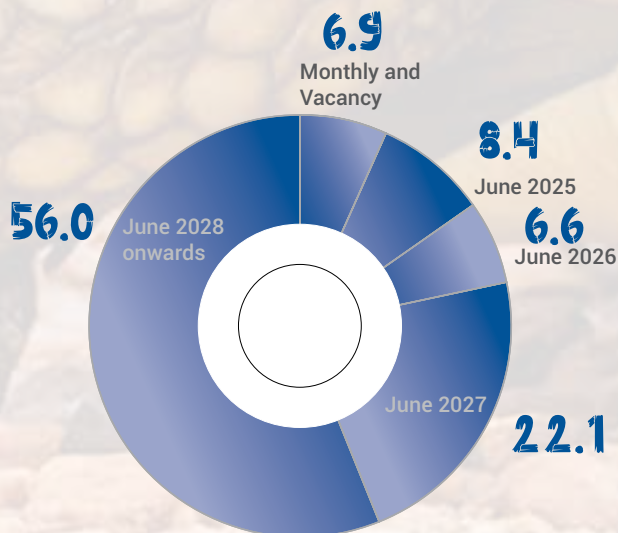
## Industrial



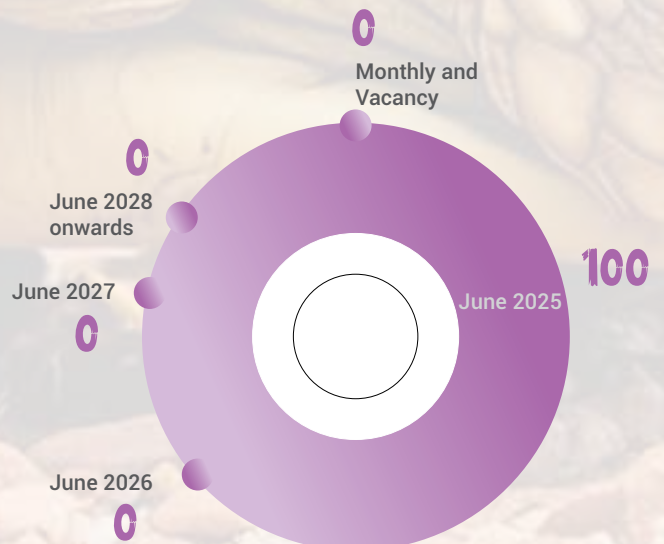
## Retail



## Commercial



## Residential





## PORTFOLIO PERFORMANCE OVERVIEW

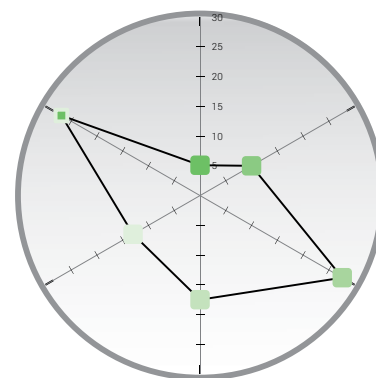
(CONTINUED)

### LEASE EXPIRY PROFILE

Leases expiring for the year ended June 2025 including current monthly rentals comprise 26% of the Group's current rental income and those leases expiring in the next reporting period amount to 18.6% of gross lettable area.

#### LEASE EXPIRY PROFILE – GROSS LETTABLE AREA

Year	%	Cumulative	Lettable area (m <sup>2</sup> )
Monthly and vacancy	18.2	18.2	17 795
2025	7.8	26.0	7 570
2026	15.4	41.4	15 026
2027	22.4	63.8	21 880
2028 onwards	36.2	100	35 330
<b>Total</b>	<b>100</b>	<b>100</b>	<b>97 601</b>

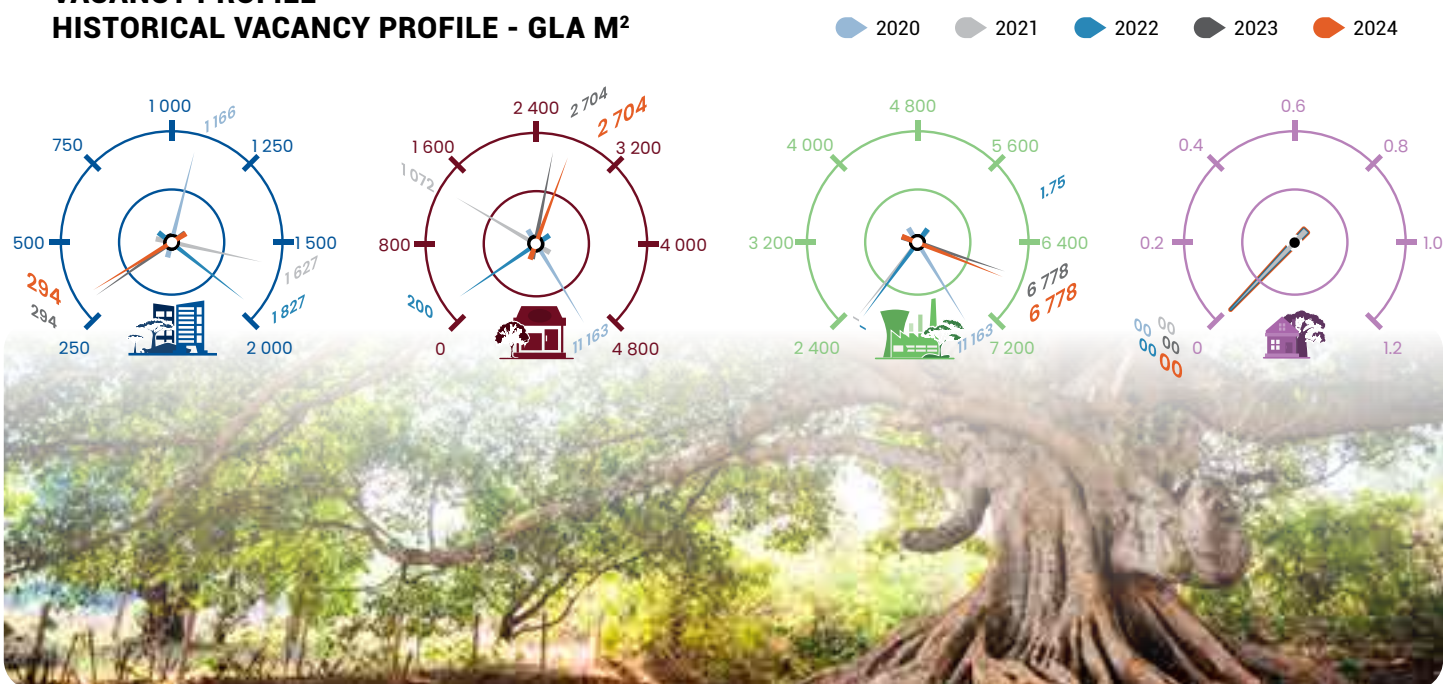


At 30 June 2024, the vacancy in the portfolio was 4.0% (2023: 10%).

### VACANCIES

#### VACANCY PROFILE

##### HISTORICAL VACANCY PROFILE - GLA M<sup>2</sup>



#### COMMERCIAL VACANCIES

	No. of buildings Jun 2024	GLA Jun 2024 (m <sup>2</sup> )	Vacancy Jun 2024 (m <sup>2</sup> )	Vacancy Jun 2024 (%)	No. of buildings Jun 2023	GLA Jun 2023 (m <sup>2</sup> )	Vacancy Jun 2023 (m <sup>2</sup> )	Vacancy Jun 2023 (%)
Office	4	38 675	2 689	0.8	4	38 675	294	0.8
Retail	4	34 627	1 252	7.8	4	34 627	2 704	7.8
Industrial	4	23 927	-	28.7	4	23 927	6 728	28.7
<b>Total</b>	<b>12</b>	<b>96 729</b>	<b>3 941</b>	<b>4.0</b>	<b>12</b>	<b>96 729</b>	<b>9 726</b>	<b>10.0</b>

#### RESIDENTIAL VACANCIES

	No. of buildings Jun 2024	GLA (M <sup>2</sup> ) Jun 2024	Vacancy Jun 2024	Vacancy Jun 2024 (%)	No. of buildings Jun 2023	GLA (M <sup>2</sup> ) Jun 2023	Vacancy Jun 2023	Vacancy Jun 2023 (%)
<b>Total</b>	<b>1</b>	<b>872</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>872</b>	<b>0</b>	<b>0</b>



# PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

## BASE RENTALS

The weighted average monthly base rental rates per sector, between 30 June 2023 and 30 June 2024, are set out in the graph below. All sectors reflected decreases in weighted average rentals achieved.



Vegetation: Their habitats are characterized by an abundance of grasses, succulents, and shrubs, which constitute their primary food sources. They particularly favor areas with ample low-lying vegetation.

## WEIGHTED AVERAGE BASE RENTALS R/M



▲ = % movement





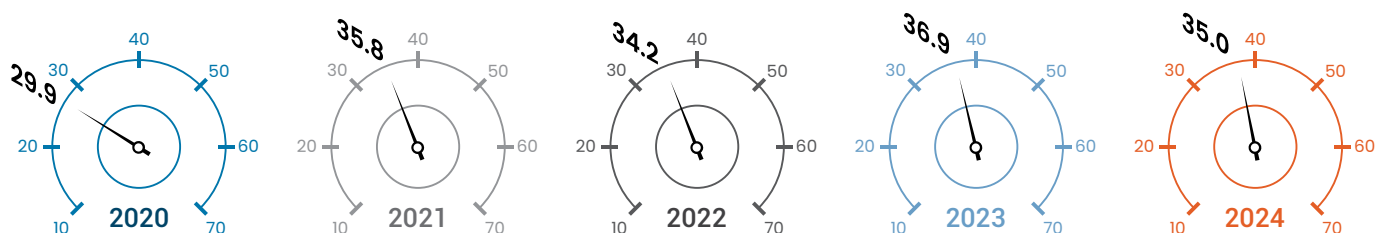
## PORTFOLIO PERFORMANCE OVERVIEW

(CONTINUED)

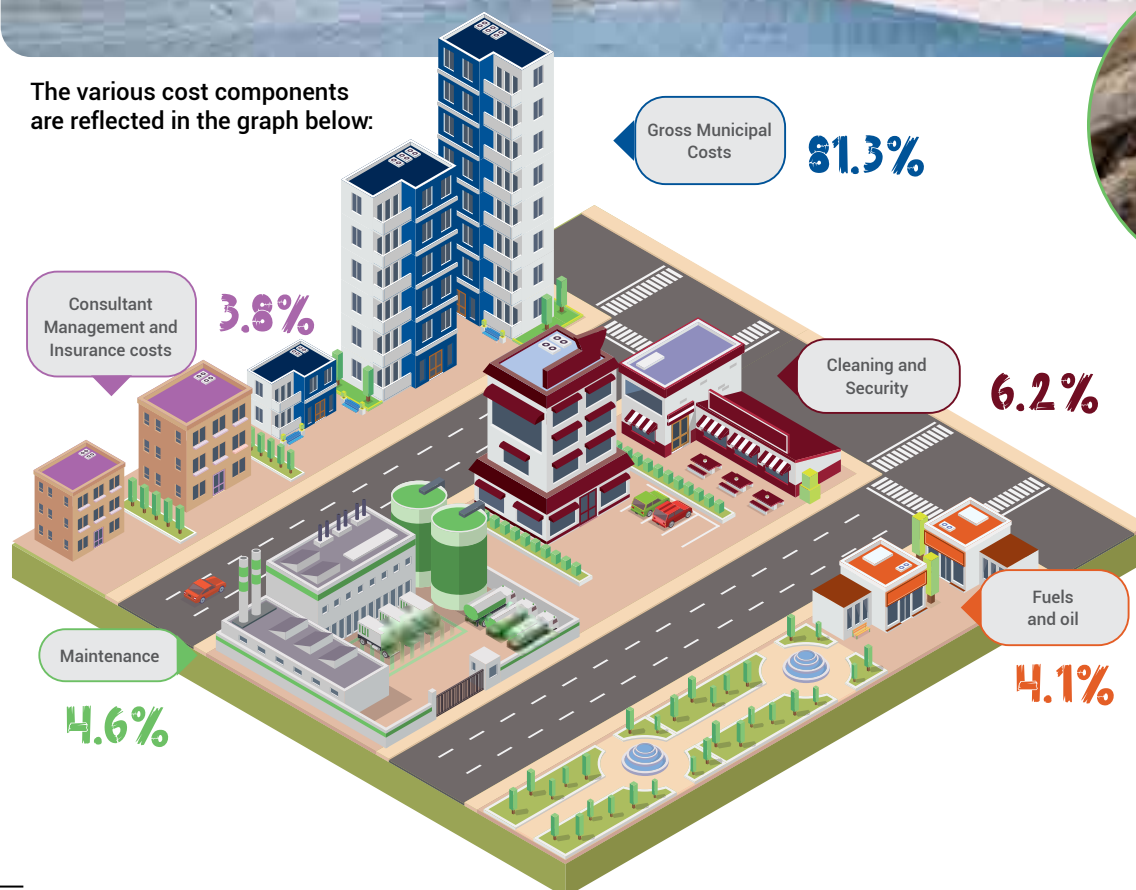
### EXPENSE CATEGORIES AND RATIOS

The Group continuously evaluates methods of containing costs in the portfolio. The recurring costs to property revenue ratios including electricity, rates and taxes decrease from June 2023 to June 2024. Operating costs over all property sectors as reported by SAPOA in 2024, varied between 35% to 37% of rental income. The Group's reported figure of 35.0% reflected a decrease of 1.9% from 2023 (36.9%). In the current market, the cost containment program introduced in 2024, has been successfully implemented.

A graphical representation of property costs-to-revenue is shown below. The present level of cost to revenue ratio is expected to be maintained in the 32-33% range decreasing slightly going forward.



The various cost components are reflected in the graph below:





## OUR PORTFOLIO

(CONTINUED)

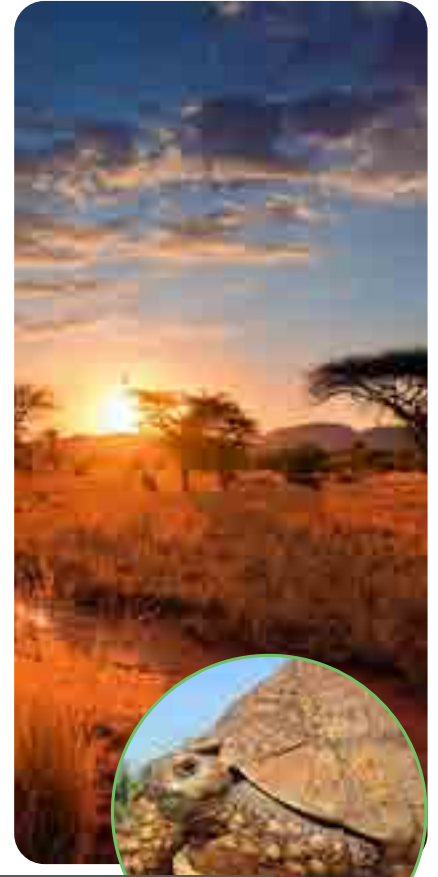
### RENTAL COLLECTIONS

An important part of protecting the Group against the likelihood of tenants defaulting on their lease agreements is our credit vetting process prior to the acceptance of a tenant. We have developed a comprehensive screening process for each applicant, which assesses the tenant according to type (national, government, SMMEs and other), nature of business, main shareholders and other relevant characteristics and in the case of renewals, payment history.

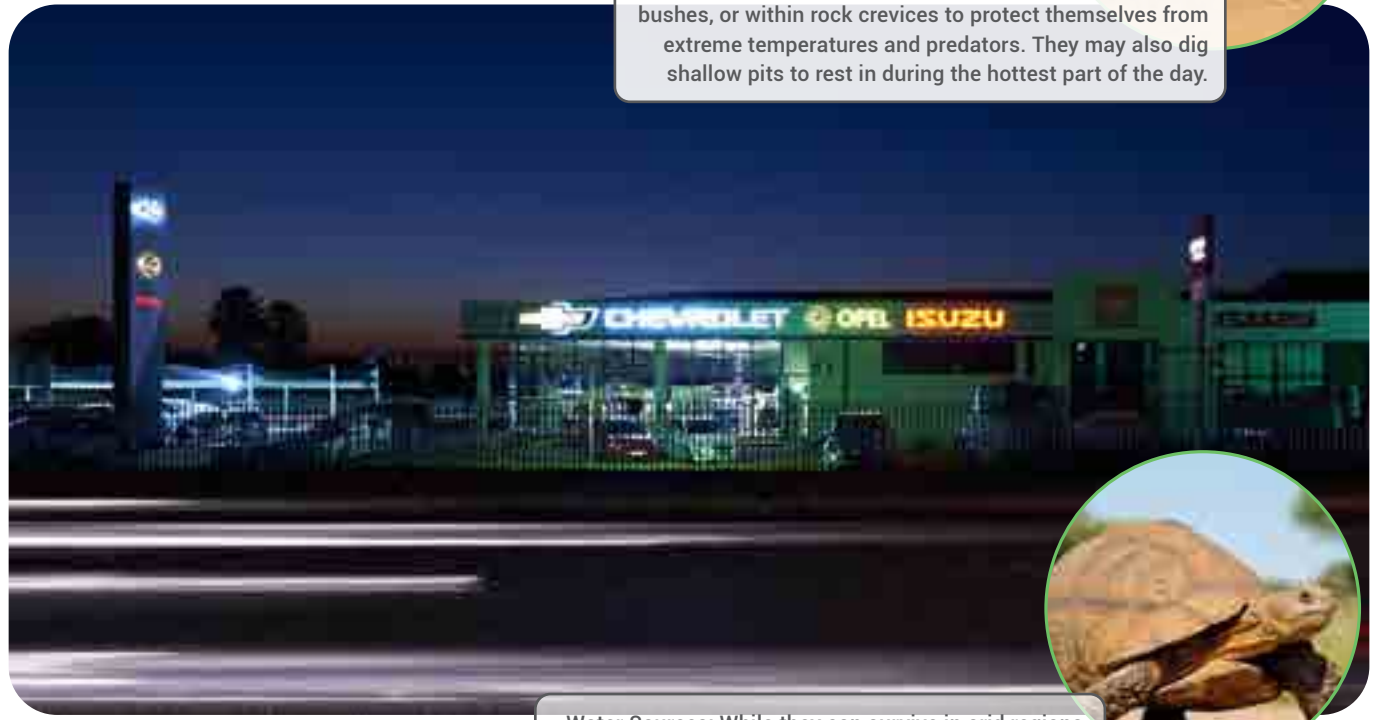
We measure the effectiveness of our collections process based on the percentage collected by the seventh business day of each month which is in line with the Group's Standard Lease Agreement.

On average, our collection percentages recovered on the seventh business day of the month - for the current and previous years are:

Sector	2024		2023	
	Less < 7 days %	Greater > 7 days %	Less < 7 days %	Greater > 7 days %
<b>Retail</b>	90.0 ▽	10.0 △	94.4 △	5.6 ▽
<b>Industrial</b>	35.4 △	64.6 ▽	33.3 ▽	66.7 △
<b>Commercial</b>	64.9 ▽	35.1 △	79.7 △	21.3 ▽
<b>Residential</b>	90.0	10.0	90.0	10.0



**Shelter:** Leopard tortoises seek shelter in burrows, under bushes, or within rock crevices to protect themselves from extreme temperatures and predators. They may also dig shallow pits to rest in during the hottest part of the day.



**Water Sources:** While they can survive in arid regions, access to water is crucial. They often inhabit areas near temporary water sources like rain pools or streams, especially during the wet season.



## OUR PORTFOLIO (CONTINUED)

### Properties owned by the Group as at 30 June 2024

	Region	Gross lettable area m <sup>2</sup> –	GLA % of portfolio	Vacancy m <sup>2</sup> R'000	Vacancy %
<b>Commercial</b>					
Summit Place*	Gauteng	30 423	31.17	914	0.9
Parktown Towers	Gauteng	4 666	4.78	274	0.3
Putprop House	Gauteng	1 092	1.12	–	–
<b>Total</b>		<b>36 181</b>	<b>37.07</b>	<b>1 188</b>	<b>1.2</b>
<b>Retail</b>					
Mamelodi Square*	Gauteng	16 955	17.37	635	0.7
Eagle Canyon	Gauteng	2 423	2.48	–	–
Corridor Hill	Mpumalanga	5 835	5.98	617	0.6
Secunda Value Mart	Mpumalanga	9 414	9.65	–	–
<b>Total</b>		<b>34 627</b>	<b>35.48</b>	<b>1 252</b>	<b>1.3</b>
<b>Industrial</b>					
Montana Park	Gauteng	3 640	3.73	–	–
Putco Dobsonville	Gauteng	3 500	3.59	–	–
<b>Total</b>		<b>7 140</b>	<b>7.32</b>	<b>–</b>	<b>–</b>
<b>Properties held for sale</b>					
Bank City	North West	2 494	2.54	1 501	1.5
Lea Glen	Gauteng	6 728	6.9	–	–
Putcoton	Gauteng	9 559	9.8	–	–
Menlyn Villas	Pretoria	872	0.89	–	–
G2 Land	Gauteng	–	–	–	–
<b>Total</b>		<b>19 653</b>	<b>20.13</b>	<b>1 501</b>	<b>1.5</b>
<b>Total Group</b>		<b>97 601</b>	<b>100</b>	<b>3 941</b>	<b>4.0</b>

\* 50% Economic interest



## OUR PORTFOLIO (CONTINUED)

Property revenue R'000	% rental portfolio R'000	Weighted average rental m <sup>2</sup>	Property expenditure R'000	Valuation June 2023 R'000	Valuation June 2024 R'000	
						<b>Commercial</b>
40 526	38.5	228.9	19 238	460 800	494 700	Summit Place*
8 634	8.1	147.2	5 112	75 000	77 000	Parktown Towers
673	0.6	78.3	798	16 800	17 100	Putprop House
<b>51 365</b>	<b>47.3</b>	<b>149.8</b>	<b>26 898</b>	<b>552 600</b>	<b>588 800</b>	<b>Total</b>
						<b>Retail</b>
13 810	13.1	185.8	10 044	126 686	115 300	Mamelodi Square
3 691	3.5	126.9	504	48 700	49 900	Eagle Canyon
4 806	4.6	138.3	436	51 200	46 200	Corridor Hill
13 491	5.6	143.6	5 007	128 700	133 200	Secunda Value Mart
<b>35 798</b>	<b>34.0</b>	<b>183.3</b>	<b>15 991</b>	<b>355 286</b>	<b>344 600</b>	<b>Total</b>
						<b>Industrial</b>
2 242	2.1	51.3	486	20 000	21 000	Montana Park
3 640	3.5	86.7	1 147	21 500	16 500	Putco Dobsonville
<b>5 882</b>	<b>5.6</b>	<b>69.0</b>	<b>1 633</b>	<b>41 500</b>	<b>37 500</b>	<b>Total</b>
						<b>Properties held for sale</b>
1 796	1.7	81.1	1 751	18 900	17 000	Bank City
2 220	2.1	27.5	1 819	20 600	19 500	Lea Glen
9 033	8.6	78.7	2 449	47 500	47 500	Putcoton
758	0.7	83.7	281	10 000	10 300	Menlyn Villas
-	-	-	-	49 200	43 800	G2 Land
<b>13 807</b>	<b>13.1</b>	<b>67.8</b>	<b>6 300</b>	<b>146 200</b>	<b>138 100</b>	<b>Total</b>
<b>105 248</b>	<b>100.0</b>	<b>116.6</b>	<b>49 070</b>	<b>1 095 586</b>	<b>1 109 000</b>	<b>Grand total</b>

# SUSTAINABILITY REPORT

The Board accepts overall responsibility for the implementation of policies and the advancement of sustainable development within the Group.

## Integrating sustainability

We are committed to integrating sustainability into our long-term decision-making. We will create sustainable value for our stakeholders by being a good corporate citizen and adopting the principles of integrated sustainability.

Our goal is to create value that extends beyond profits, to ensure our efforts benefit our people, the communities we operate in and our stakeholders by demonstrating good corporate citizen leadership attributes in our development activities whilst considering our impact on the planet. We drive this goal by upholding the rights, responsibilities, and obligations of society at large and the natural environment in which we operate. To achieve this, we focused our attention on formulating a sustainability strategy, investigating how to report and communicate key sustainability metrics; and subscribing to the following sustainability objectives:

- Using energy, water, and materials responsibly by reducing, reusing, and recycling
- Engaging meaningfully with stakeholders around issues of sustainability
- Being cognisant of climate change projections in the areas in which we operate

Putprop subscribes to the following sustainability objectives:

- Implementing sustainable practices such as energy efficiency
- Using energy, water and waste materials responsibly by reducing, reusing and recycling
- Being cognisant of climate change projections in the areas in which we operate



OUR ENVIRONMENT

90

EMPOWERING OUR PEOPLE

97

SOCIAL INITIATIVES

101

# The Leopard Tortoise:



**Soil Type:** They prefer habitats with sandy or loamy soil, which is ideal for digging nests for egg-laying. Such soil types also help in thermoregulation and provide a suitable environment for hatchlings.

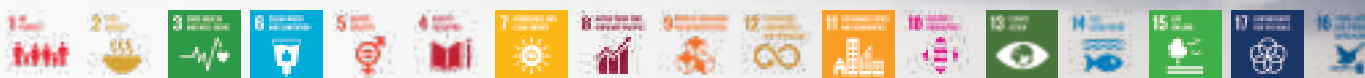


**Human Impact:** Habitat loss due to agricultural expansion, urban development, and road construction poses significant threats to leopard tortoise populations. Conservation of their natural habitats is crucial for their survival.





# ENVIRONMENTAL REPORT



## UN SUSTAINABLE DEVELOPMENT GOALS

While each of the 17 UN Sustainable Development Goals (“SDGs”) is important, Putprop’s current position is to place emphasis where practical, on the following goals during the current year:



### Good health and well-being

Ensuring our properties maintain and promote good health through indoor air quality, water quality, thermal comfort and lighting.



### Affordable and clean energy

Ensuring tenants have access to affordable, reliable, sustainable, and modern energy.

- Solar PV installation in the portfolio
- Reduction in electricity usage through energy efficiency projects



### Life on land

We strive to serve communities responsibly and protect the surrounding environment and biodiversity at our properties.

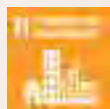
- Beehive’s installed at select properties to combat bee population declines.
- Owl project implemented for ecological control of rodents



### Clean water and sanitation

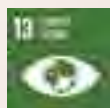
Putprop believes in responsible water management. We strive to improve the operational usage and quality of water in our properties.

- Management and reduction of water usage
- Alternative water initiatives in the form of boreholes and water storage



### Sustainable cities and communities; and climate action

Ensuring that the Group’s buildings are environmentally sustainable and climate resilient.



- We invest in renewable energy
- Reduction of emissions



### Partnerships for the goals

We partner with parties that advocate for sustainable development in the property sector.



# Getting to know the Leopard Tortoise:



**High-Domed Shell:** The leopard tortoise's shell is not only striking with its unique, leopard-like spots and patterns, but its high-domed shape also helps protect against predators and environmental hazards.

**Hydration Strategies:** Unlike many tortoises, leopard tortoises can drink and store large amounts of water when it is available, allowing them to survive in arid environments by relying on this stored water during dry periods.

**Burrow Builders:** Leopard tortoises are known to dig burrows not only for nesting but also for shelter, using their strong limbs and claws to create these protective retreats from extreme weather and predators.





# NATURAL CAPITAL

## OVERVIEW OF ENERGY AND WATER USAGE

Managing and, where possible, reducing the environmental impact of our properties, as well as monitoring our carbon footprint, are recognised as strategic objectives by the Board.

As a Group, we are committed to reducing the impact our asset base may have on the environment, with the goal of limiting any negative impact.

As our assets are relatively large energy consumers, we aim to become as self-sufficient as possible in the provision of utilities, despite the challenges faced due to government and municipal inefficiencies.

The implementation and management of this objective will, by necessity, have to occur with the active support and input of all of our stakeholders and will also, be an ongoing process.

All solutions identified and implemented need to be workable, cost efficient and self-sustaining, for the immediate future.

With the current energy and environmental challenges facing South Africa, these initiatives can have identifiable financial benefits for all our stakeholders, in the long term.

## ENERGY EFFICIENT INITIATIVES

To make informed energy efficient decisions linked to effective implementation, we need to evaluate the most practical and cost-effective means to manage our utilities.

The current Eskom inability to provide a reliable energy source and the greater than inflation increases have accelerated the need to have alternative energy solutions. A large number of our properties are occupied by tenants whose energy consumption is high but who also need a consistent, reliable and cost-efficient supply.



The following initiatives have been identified and either implemented or under discussion in our properties:

Renewable energy in the form of Solar Power. Currently the Group has a medium term program to fast track the implementation of Solar Power on all suitable assets in the portfolio. Many properties have large roof areas which is ideal for bulk solar panel installations. Two properties were successfully completed in the 2024 year. Discussions continue with several parties to convert this roof space into a renewable energy generation source, where suitable and cost effective.

Formal monthly program that monitors consumption of energy across our asset base that highlight variations in consumption, enabling early detection of system defects and incorrect billings

Programmes to introduce efficient light fittings and globes in all of our properties as well as future refurbishments are now standard.

Discussions are underway with suitable parties to consider investing in rooftop solar farm installations. Putprop House solar installation was successfully completed in late 2023. Water storage tanks have been installed in two properties and a additional borehole sunk in another. The aim is to become net zero in certain properties.



### AVERAGE ENERGY CONSUMPTION:

We consumed

**51.8 kWh per m<sup>2</sup>**  
in FY2024

(2023: 56.4 kWh per m<sup>2</sup>)\*.

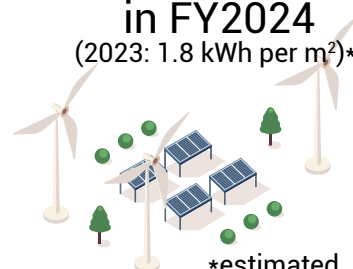


### RENEWABLE ENERGY PRODUCED:

We produced

**2.4 kWh per m<sup>2</sup>**  
in FY2024

(2023: 1.8 kWh per m<sup>2</sup>)\*.

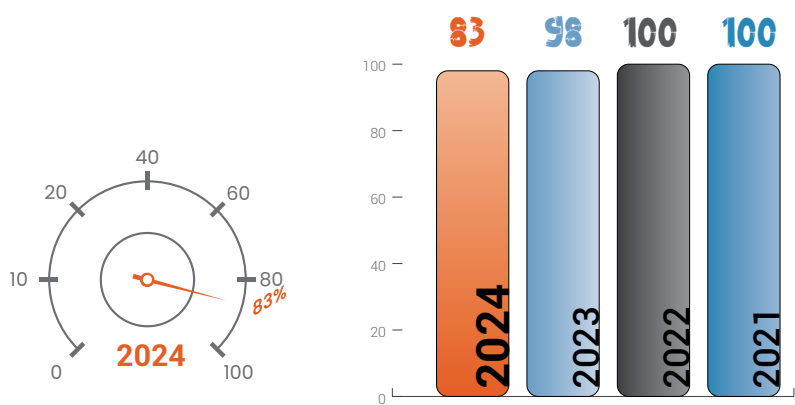


\*estimated

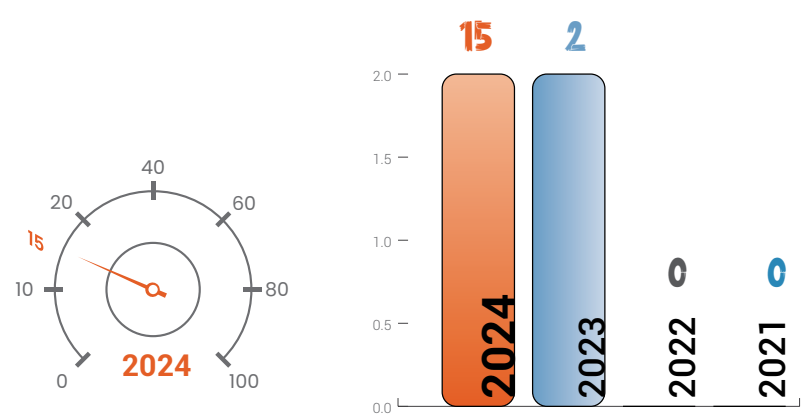


# NATURAL CAPITAL (CONTINUED)

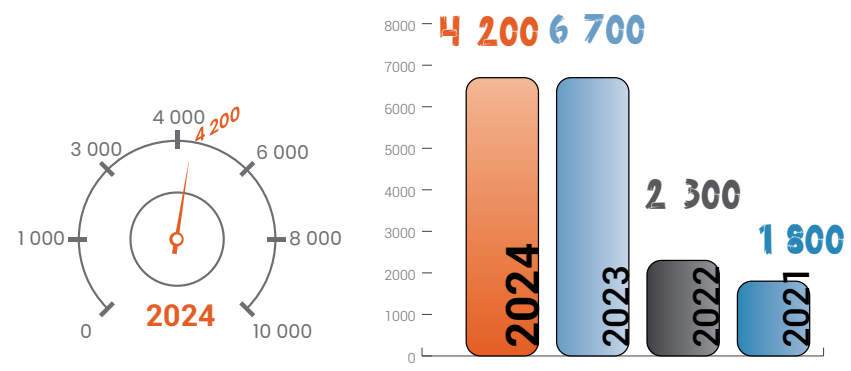
## ENERGY STATUS OF OUR ASSET BASE



### Grid electricity %kw



### Renewable electricity Kwm<sup>2</sup>



### Diesel R'000

Reduction in diesel usage arose from increases in solar generated energy by our asset base and a suspension of load shedding in the second quarter of 2024.

## COMMENTS

Putprop is currently still largely dependant on the Eskom grid, with backup facilities being limited mainly to generator power and limited solar installations. Although load shedding has substantially reduced during the first two quarters we continue to implement our strategy of long term independence with respect to both energy and water supply.

### ESKOM:

Coal usage reduction	3.68T
Water usage reduction	22.3KL
CO2 Emissions reduction	5.9





# NATURAL CAPITAL

(CONTINUED)

## WATER CONSERVATION AND MANAGEMENT PROGRAM

Efficiency focus of water usage across our property portfolio

Introduction of a formal monthly program that monitors consumption of water across our asset base to highlight variations in consumption, enabling early detection of water wastage and system defects;

All new refurbishing use low flushing mechanisms in toilet facilities;

Investigation into waterless systems for men's urinal facilities;

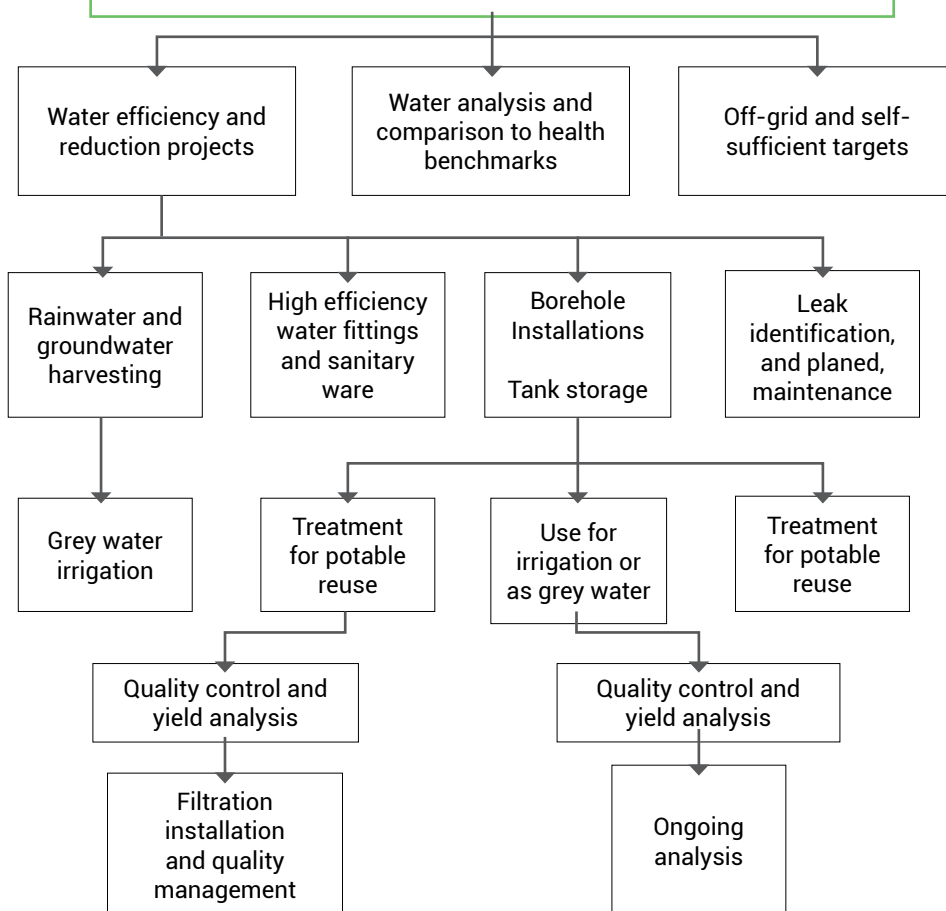
Changeroom shower systems program introduced to fit with water reducing mechanisms;

Integrated water and wastewater management;

Boreholes continue to be installed at selected high usage tenant locations where water is used for high volume activities such as fleet washing. In addition, we have added water purification mechanisms to make water safe for human consumption at our borehole installations;

Installation of JoJo tanks for continuous use where municipal supply is problematic water usage in progress and will continue to roll out across suitable properties in 2024/2025

### BASELINE CONSUMPTION AND RISK ANALYSIS



South Africa is a water deficient country with water supply concerns increasingly frequent in recent years witnessing the critical water supplies in the Western and Eastern Cape. These trends are largely due to the following:

- The country's water supplies have been impacted by climate change, with infrequent rainfalls that do not replenish water consumed.
- With increasing urbanisation stemming from the country's rural areas, cities are struggling to meet the demand for water.
- According to the Water Research Commission, approximately 40% of total municipal water supplied in South Africa is lost before it reaches customers, as a result of leaks in an ageing infrastructure. As a result certain large metros such as Johannesburg experience frequent water outages.
- The deterioration of existing dam structures continues, which is exacerbated by delays in the construction of new dams in key areas.

### SUSTAINABLE CONSUMPTION

- A utility audit in respect of water and energy consumption is essential. This necessitates, by implication, that this is an ongoing process. As a result, we intend to audit all our properties in the course of the next 12 - 24 months with a view to determine which properties, if any, are in need of remedial action and then to determine the appropriate response.



# NATURAL CAPITAL

(CONTINUED)

## WASTE MANAGEMENT AND RECYCLING

Our policy is to separate waste and recycle items, where feasible at source. Waste is defined as plastics, metals, oil and consumables.

Our tenant base is encouraged to participate in this initiative and support is provided in certain instances

Large recycling bins have been installed at certain retail centres

## CLIMATE CHANGE

- In pursuing our financial activities and objectives, we believe we have a responsibility to make a contribution to reducing our carbon footprint as part of our sustainable environmental program.



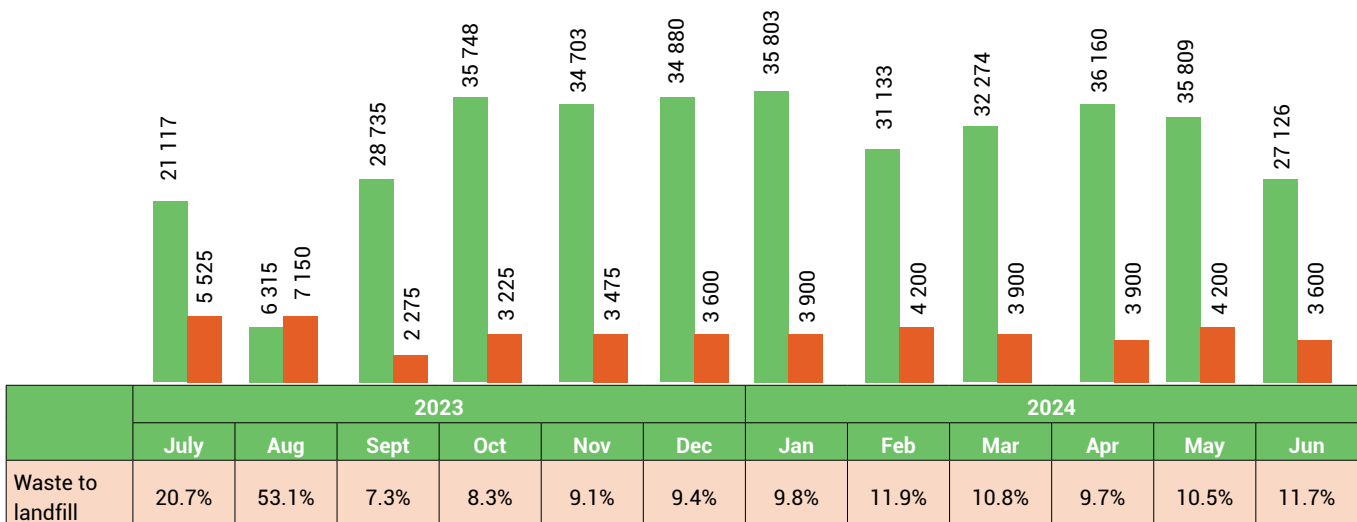
## WASTE TO RECYCLING

Commodity Name	2023						2024					
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cans (kg)	29	92	20	107	127	92	74	69	106	59	45	53
Cardboard (kg)	9 295	4 105	3 310	4 380	3 406	4 320	5 460	3 740	4 200	5 120	3 220	4 030
Compost (kg)	10 500		24 200	28 600	28 600	28 600	28 600	26 400	26 950	28 600	30 800	21 450
Glass (kg)	0	800									409	80
Paper (kg)	355	378	328	1 101	550	524	500	240	389	666	467	485
Plastic (kg)	909	927	862	1 510	1 972	1 270	1 114	649	595	1 654	836	990
Tetra Pack (kg)	29	13	15	50	48	74	55	35	34	61	32	38
<b>Total (kg)</b>	<b>21 117</b>	<b>6 315</b>	<b>28 735</b>	<b>35 748</b>	<b>34 703</b>	<b>34 880</b>	<b>35 803</b>	<b>31 133</b>	<b>32 274</b>	<b>36 160</b>	<b>35 809</b>	<b>27 126</b>



## WASTE TO LANDFILL

Commodity Name	2023						2024					
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
240L Wheelie Bin Lifts	5 525	7 150	2 275	3 225	3 475	3 600	3 900	4 200	3 900	3 900	4 200	3 600
<b>Total (kg)</b>	<b>5 525</b>	<b>7 150</b>	<b>2 275</b>	<b>3 225</b>	<b>3 475</b>	<b>3 600</b>	<b>3 900</b>	<b>4 200</b>	<b>3 900</b>	<b>3 900</b>	<b>4 200</b>	<b>3 600</b>





### WATER CONSUMPTION:



We consumed **2.05 kℓ per m<sup>2</sup>** in FY2024 (2023: 2.3 kℓ per m<sup>2</sup>)

### TOTAL VOLUME OF WASTE SENT FOR RECYCLING:

We recycled **104 tons in FY2024** (2023: 49 tons)



### DETERMINING OUR CARBON FOOTPRINT

We will take advice on our carbon emissions at certain of our properties, identified as possible high emission units. A carbon emission audit will commence in the 2025 period, with the view of informing the Board of a suitable strategy.

2024 WATER CONSUMED **2.05 kℓ per m<sup>2</sup>**

2023 WATER CONSUMED 2.37 kℓ per m<sup>2</sup>

2024 WATER SAVED **13.5% kℓ per m<sup>2</sup>**

2023 WATER SAVED 8.3% kℓ

2024 TREES SAVED **1 025**

2023 TREES SAVED 725

2024 WASTE RECYCLED **104 tons**

2023 WASTE RECYCLED 49 tons \*

\* estimated



Leopard tortoises have an impressive ability to store large amounts of water, drinking deeply and retaining it in their bladders, which allows them to survive extended periods of drought in their arid and semi-arid habitats.



# EMPOWERING OUR PEOPLE





# OUR PEOPLE

## CULTURE

Our employees are key to our success. We believe that long-term success is directly linked to the quality of our people, our ability to retain exceptional people, our working environment, and our culture. We strive to build an environment which encourages a high performance culture where the values of employee and company are in sync.

## ETHICS

Putprop is committed to creating a workplace culture that promotes fair and ethical standards. Guidelines on expected employee behaviour are communicated through our Code of Conduct, employee communication plan and meetings. We have a Fraud Prevention Policy that allows employees and stakeholders to report irregularities to an independent party for appropriate investigation anonymously. The Group operates a whistle-blowing electronic platform as well as a formal gift policy (read more on page 126). During the year, a new Disciplinary Code was launched and communicated throughout the Group to ensure all employees are aligned with Putprop's expectations and standards regarding the workplace.

## EMPLOYEE DIVERSITY

Putprop's team comprises 7 full time employees with diverse and complementary skills. We believe that value creation and a diverse workforce go hand in hand. Together, our leadership and Board-approved diversity policy aims to broader diversity, including gender, race, culture, age, field of knowledge, skills and experience.

## TOTAL WORKFORCE



2024 **7**



2023 **8**

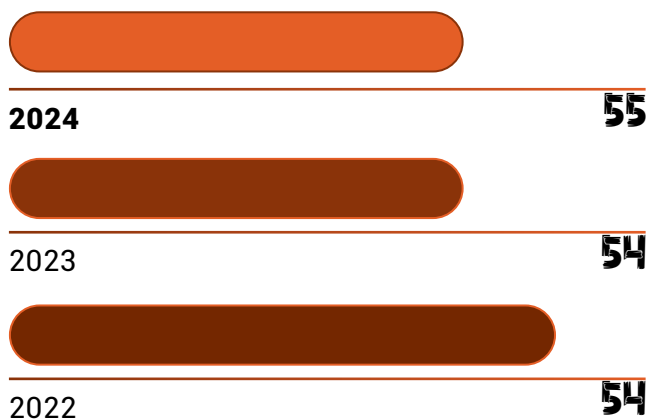


2022 **7**

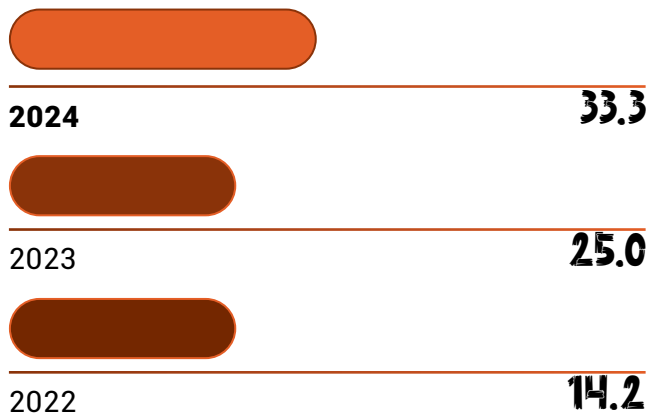
## PERMANENT EMPLOYEES (%)



## EMPLOYEE AVERAGE AGE (YEARS)



## EMPLOYEES WHO ARE DEEMED HISTORICALLY DISADVANTAGED (%)





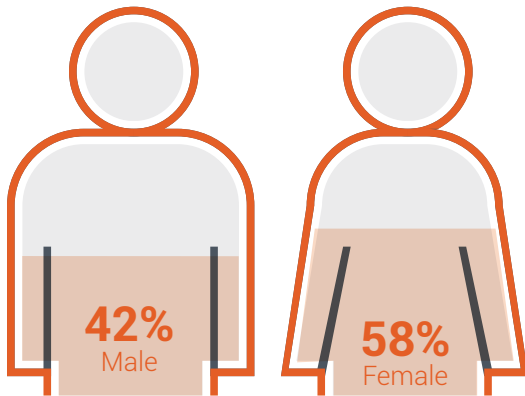
# OUR PEOPLE

(continued)

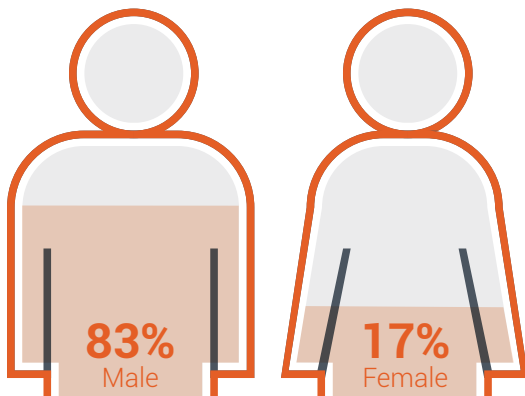
## RACIAL DIVERSITY



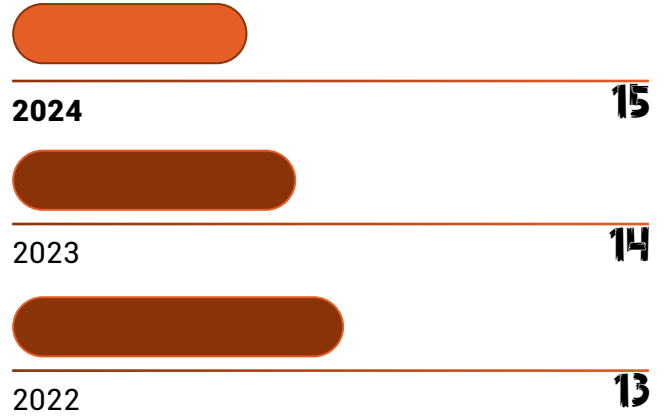
## GENDER DIVERSITY OF GROUP



## GENDER DIVERSITY OF BOARD



## AVERAGE TENURE (YEARS)



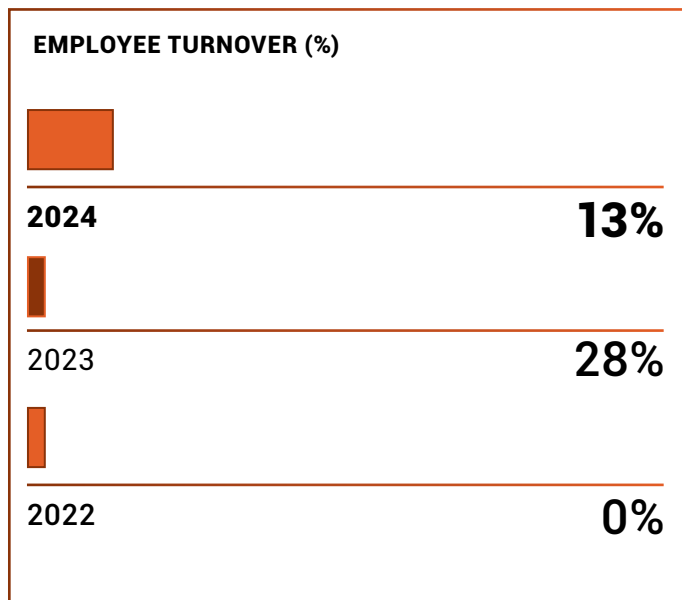
## RETENTION RATE %





## OUR PEOPLE

(continued)



### OPEN DOOR POLICY

Our open door policy allows substantial employee interaction with top management on an equal footing allowing creative thinking and an idea generating think tank.

### TRAINING AND DEVELOPMENT

We engage with employees to understand their strengths, weaknesses, and career objectives. We support on-the-job training to guide employees without property experience and send employees on specialised property courses. Training and development requirements are identified in formal performance management sessions.

As people development is considered essential to Putprop, we have committed to a formal training budget and have made training a specific focus area for the 2025 financial year. Training will include topics related to the property industry, business skills and soft skills development.

### HEALTH AND SAFETY

We prioritise employee well-being by creating a healthy, fair, safe, and engaging work environment for our workforce. This is an important strategic objective for us.

No injuries or medical treatment cases were reported during the financial year.

### OUR COMMITMENT TO B-BBEE

At present, the Group does not comply with B-BBEE legislative requirements.

Strategic objectives will include the development of a new Employment Equity Plan and a B-BBEE strategy where progress will be tracked and reported to the Board on a regular basis. The Group has set targets and is busy charting a plan to achieve a basic compliance within a reasonable period.

To this end a formal B-BBEE consultant has been approached.

### ATTRACTION AND RETENTION OF TALENT

We aim to attract and retain talent through market-related remuneration and career development opportunities. We conduct regular one-on-one discussions with all employees, and develop succession planning for key roles. These succession plans are evaluated yearly by the Remuneration Committee and comments and strategies sent for Board comment and approval.

### SUCCESSION PLANNING

The Putprop Board has developed in 2024 a formal succession plan for key roles in the executive to address the risk of skills loss. The approach included:

- Identification of an applicable succession methodology and guidance on how to manage the process;
- Identification of critical roles and unpacking the competency requirements of each key role;
- Identification of key employees in these roles; and
- Determining internal successors if any, along with a current skill analysis where gaps are identified.

Where knowledge or skill gaps limit succession, a plan is put in place and reviewed quarterly to assist the potential successor in closing these gaps. Succession planning and key man dependency risk are considered a material matter.



# SOCIAL AND RELATIONSHIP CAPITAL



## SOCIAL AND RELATIONSHIP CAPITAL

### CORPORATE SOCIAL INVESTMENT

After the successful completion of our past projects, the Board again gave approval for a increase in budget to R500 000 for the current year.

Various projects were examined by the Social and Ethics Committee, with an emphasis again on projects involving children and education as well as supporting communities in the areas we operate in.

During the year, the Social and Ethics Committee (SE) met on two occasions.

#### In 2024 we focused on the following key areas:

- Tenant assistance retention for key properties
- Provision of food packs for vulnerable communities. This involved a change in policy for the current year. A smaller month budget was allotted for food support for target communities. Our staff are actively involved in preparation and distribution of the parcels.



#### Approval was given for the following funding:



Jicama 89



WAS Foundation



Chubby Chums



Kaross foundation



Home of Hope for Girls



East Rand Children's Fund



Little Eden



Sea Rescue



Samaritaan Huis



LOVE LIGHT CARE Foundation





## SOCIAL AND RELATIONSHIP CAPITAL

(continued)



### Chubby Chums

Chubby Chums was established in 1999 to help address the needs of the many children left destitute by poverty, disease and abuse. Chubby Chums is in partnership with Child Protection Units and has 36 Children's Homes.

Putprop donated towards 3 Soup kitchens that is based in Angelo Informal Settlement which serves nutritional foods 3 times a week to +- 20 000 people a month.

**Contribution:**

# R50 000

**TOWARDS SOUP KITCHEN**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### Jicama 89

Jicama 89 started assisting the Sibonile School for Visually Impaired and Disabled children in 2007 and have been actively involved in supporting the children in the care of the Sibonile School which is based in Klipriver to date. Jicama 89 has recently adopted 2 additional schools, 2nd school – The Harvey Cohen Centre, which is based in Eldorado Park and the 3rd school - Isizwe Setjhaba SID School based in Midvaal. This NPO seeks to make individuals and the public aware of the task of educating children with Visual Impairment or Mentally and Physically Impaired and Severe Intellectual Disabilities.

Putprop donated funds towards the upliftment of the toilets, plumbing and the roof repairs at the Harvey Cohen Centre.

**Contribution:**

# R50 000

**TOWARDS RENOVATING RESTROOM FACILITIES FOR 170 LEARNERS WHO ARE MENTALLY AND PHYSICALLY DISABLED**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### Kaross Foundation

In 2017 the Kaross Foundation was born. The foundation is a non-Profit organization with the main objective to identify, fund and implement projects that will result in a sustainable improvement in the quality of life of both Kaross and Groep 91 Uitvoer's employees and their communities.

Putprop sponsored 719 Fun with English Workbooks and 24 Teacher Guide books for grades 1 and 2 at Manyunyu, Nyavana, Nwajaheni and Vhulakanjhani Primary! Fun with English workbooks, written by Magri Genovese, has been used for the past few years in our partnering schools. These books supplement the DBE curriculum.

#### Contribution:

# R174 481

**TOWARDS 719 FUN WITH ENGLISH WORKBOOKS AND 24 TEACHERS GUIDE BOOKS TO 4 PRIMARY SCHOOLS**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### Little Eden

LITTLE EDEN is a registered non-profit organisation providing life-long care to 300 children and adults with profound intellectual disability in two custom designed residential facilities – Domitilla and Danny Hyams Home in Edenvale, and Elvira Rota Village, in Bapsfontein.

Putprop donated shading and paving for the residence in memory of Gaetano Antonio Carleo.

27 November 1952 – 31 December 2023.

#### Contribution:

# R30 000

**TOWARDS SHADING AND PAVING FOR  
RESIDENCE IN MEMORY OF GAETANO  
ANTONIO CARLEO**





# COMMUNITY AND SOCIAL INITIATIVES

(continued)

## WAS Foundation



The WAS (We're Against Starvation) Foundation was founded on the 27th of October 2009 by Esmarelda van Zy and is based in Krugersdorp, Gauteng. Initially an animal rescue initiative, they've evolved to helping the poverty-stricken communities in the area. This NPO provides immediate relief to the homeless, people living in squatter camps and in backyards, and the poor community, where they can have a place to get a daily meal, clothing and attend upliftment projects.

Putprop sponsored 3 months of children's breakfast and towards a daily Soup Kitchen.

**Contribution:**

**R25 000**

**TOWARDS 3 MONTHS KIDS BREAKFAST MEALS**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### East Rand Children's Fund

East Rand Children's Fund has a Soup Kitchen every Tuesday and Thursday that provides a healthy plate of food to approximately 400 underprivileged families and street children. This NPO also helps families with basic necessities like toiletries, blankets, clothes, stationery and food parcels.

Putprop sponsored the Soup Kitchen every Tuesday and Thursday for 2 months.

**Contribution:**

# R20 000

**TOWARDS SOUP KITCHEN**



### Home of Hope for Girls

Home of Hope for Girls offers a safe residence to children and teens who have survived abusive situations, predominantly linked to child sex trafficking. This NPO has two homes in the suburbs of Johannesburg, in addition to an outreach centre in the Hillbrow/Berea area. In total, there are 75 girls in full-time care and another 150 children are supported by the outreach programme.

Putprop donated funds towards the 67 Minutes of Hope Concert.

**Contribution:**

# R1 400

**TOWARDS 67 MINUTES OF HOPE CONCERT**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### Sea Rescue

The NSRI provides an essential rescue service to water users who find themselves in difficulty on South African coastal and inland waters. Manned entirely by volunteer crew we are the only nation-wide service of its kind, operating 24/7 and 365 days of the year.

Putprop donated funds towards rescue operations, boats, fuel, an emergency operations centre, rescue stations and equipment.

**Contribution:**

# R3 475

**TOWARDS RESCUE OPERATIONS,  
BOATS, FUEL, AN EMERGENCY  
OPERATIONS CENTRE, RESCUE  
STATIONS AND EQUIPMENT.**





## COMMUNITY AND SOCIAL INITIATIVES

(continued)



### Samaritaan Huis

NPO based in Boksburg North has been in operation for the past 23 years which is runned by Ouma Minnie van der Klashorst, Mari Russel and Duane Maartens. The NPO gives out food parcels daily and warm meals three times a week as well as offers free Gr R education.

Putprop has donated 70 food hampers that were handed out to the local residence.

**Contribution:**

**R5 000**

**TOWARDS 70 FOOD HAMPERS**





# COMMUNITY AND SOCIAL INITIATIVES

(continued)



## LOVE LIGHT CARE Foundation

Putprop put together 50 nutritional food hampers which was handed out at Witkoppen Clinic in the Antenatal and Baby Department. The hampers were handed out to mothers with newborn babies, elderly and pregnant woman which come from the surrounding Informal Settlements in/ around the North of Joburg. Putprop worked together with Michelle Chelliah Singh from LOVE, LIGHT, CARE Foundation to hand out the hampers and to meet with the community.

**Contribution:**

# R5 000

**TOWARDS 50 FOOD HAMPERS**



# CORPORATE GOVERNANCE



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# The Buffalo Weaver



**Nesting Habits:** Buffalo weavers are known for their large, communal nests made from twigs and grass. These nests, often built in acacia trees, can house multiple pairs and have separate chambers for each pair.



**Species:** There are two species of buffalo weavers: the White-billed Buffalo Weaver (*Bubalornis albirostris*) and the Red-billed Buffalo Weaver (*Bubalornis niger*), both named for the color of their distinctive bills.

**Diet:** They have a varied diet that includes seeds, insects, and small fruits. Buffalo weavers are often seen foraging on the ground or following large mammals like buffalo to catch insects disturbed by their movement.





# GOVERNANCE OVERVIEW AND STRUCTURE

## PHILOSOPHY

Corporate governance incorporates the adoption and monitoring of sound and effective systems of internal control, the assessment and management of business risks and the definition and implementation of appropriate business procedures. Responsibilities are fixed, directed and controlled for the purpose of administering and safeguarding shareholders' interests and Group assets.

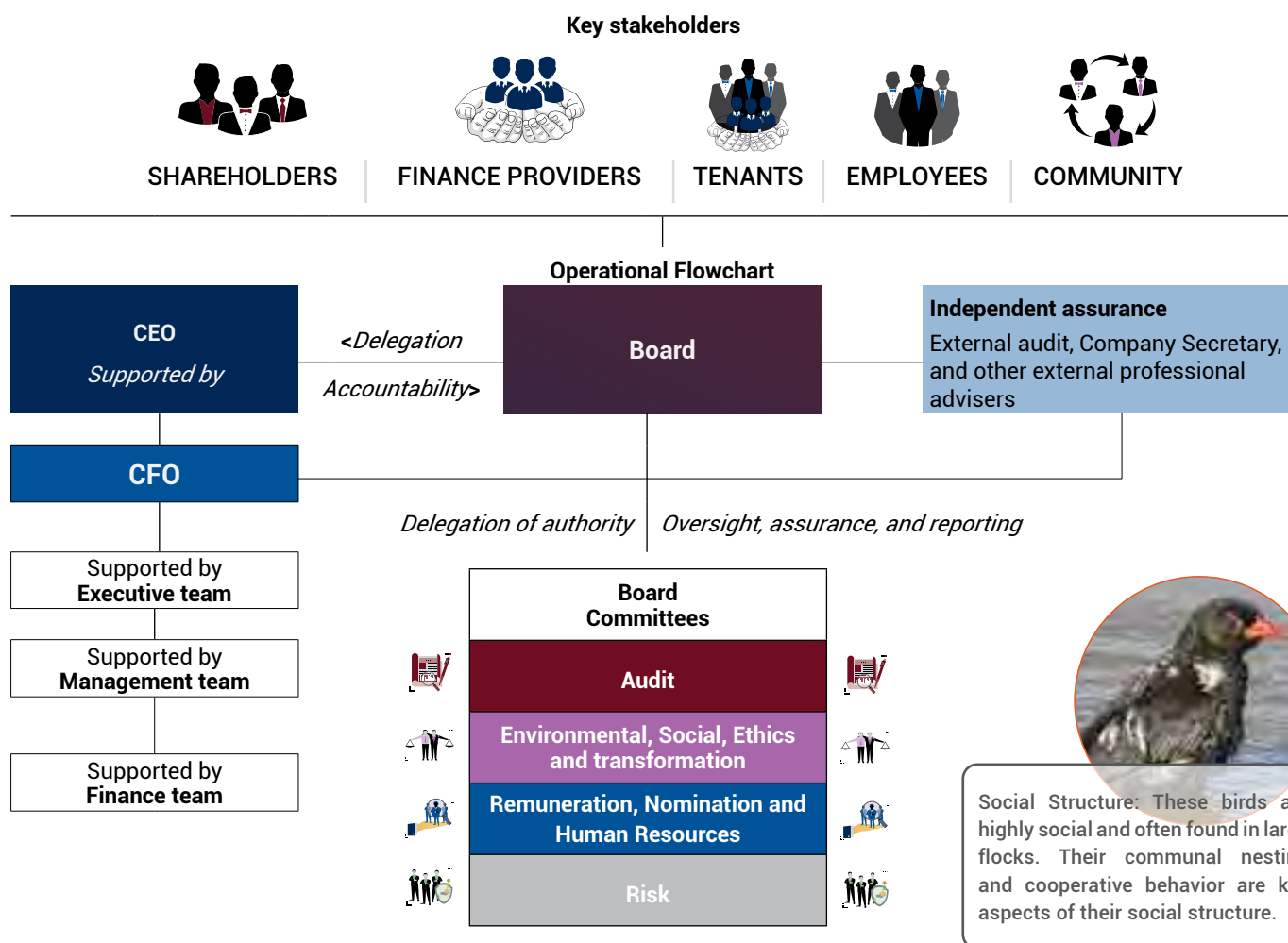
Effective governance supports the value creation processes within our group and ensures the preservation of value created.

Governance within Putprop is managed and monitored by the Board. The Board deems corporate governance a priority and is committed to applying the principles, structures, policies and practices necessary to ensure that good corporate governance is practiced, and for this accepts full responsibility. These principles include integrity, transparency, accountability, and relevant and meaningful reporting to all stakeholders.

We are committed to review our governance mandate annually and principles to continuously improve where necessary.



## GOVERNANCE STRUCTURE





# RISK MANAGEMENT

## RISK MANAGEMENT

The Group has a formal policy document setting out its approach to and control of risk management.

During 2024, the board decided to formally separate the Audit and Risk Committee into two committees - an Audit Committee and a Risk Committee. This now allows for a more detailed focus and risk strategy development than previously with a measurable benefit to the Group. The Board, through its executives and the Risk Committee, together with the systems of internal control, identifies and manages significant Group risks on an ongoing basis. This enables it to discharge its responsibilities for ensuring that the wide range of risks associated with its operations are effectively managed in support of the creation and preservation of all stakeholders' value. Putprop, through the Risk Committee, monitors regulates and determines the Group's risk management policy, as well as its risk matrix tolerance.

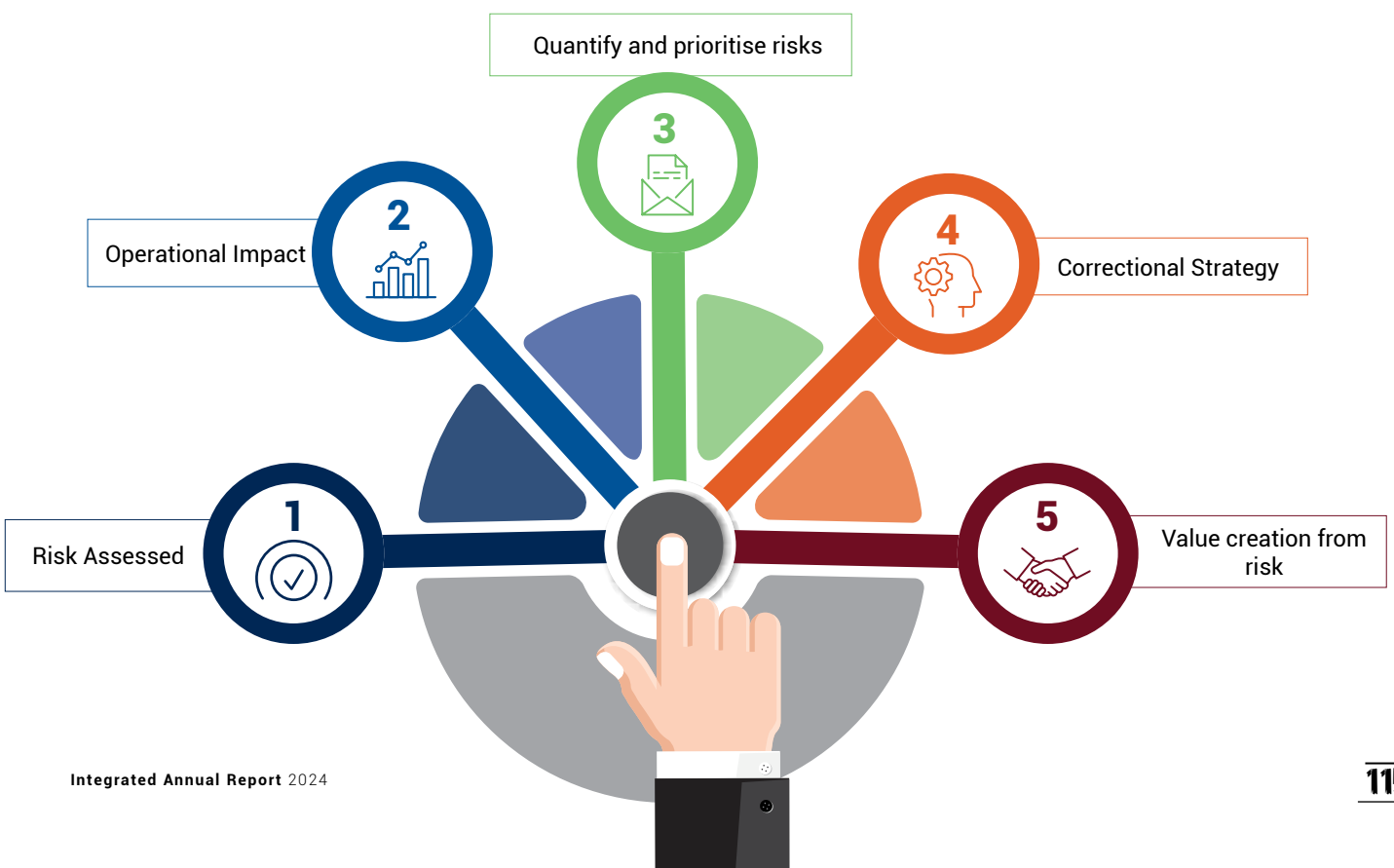
### Risk appetite

Our risk appetite reflects a balanced and integrated approach to risk management. This enables Putprop to take calculated risks in our pursuit of long-term value creation. Material risks are frequently reviewed, challenged and prioritised by executive management.

Management formulates strategic plans to mitigate these risks. These plans are then reviewed and recommended by the Risk Committee to the Board for approval. This process determines the residual risks to be assessed and thereby, determines our risk appetite.

### Risk tolerance

Our risk matrix guides Putprop. Where a risk remains residually high, the activity giving rise to the risk is closely monitored by management. These risks are identified in terms of their probability and potential impact on Putprop. Each risk is mapped to the strategic objective that it could impact.





# RISK MANAGEMENT

(CONTINUED)

Key Low Medium High

## RISK MATRIX

The risk management framework for this reporting period which has been presented to the Risk Committee and monitored during the year ended 30 June 2024 is detailed below.

### Investment property portfolio

Risk	Inability to source suitable properties for acquisition	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Restricts ability to grow the portfolio	<ul style="list-style-type: none"> <li>Regular interaction with key people in the industry</li> <li>Auction attendance</li> </ul>
Risk	Damage to investment property	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Financial loss to the company and reduced asset value	<ul style="list-style-type: none"> <li>Comprehensive insurance policy based on the replacement cost of investment properties</li> <li>Regular review of the insurance policy and insured values</li> </ul>
Risk	Inadequate and/or irregular maintenance of investment property	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Devaluation and/or depreciation of properties due to lack of maintenance	<ul style="list-style-type: none"> <li>Implementation of a programme for ongoing maintenance</li> <li>Budget to allow for adequate and regular maintenance of investment property</li> <li>Regular building inspections by portfolio managers, property managers, asset managers and executive management</li> </ul>
Risk	Investment property valuations volatility in current market conditions	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Danger to balance sheet loan covenants	<ul style="list-style-type: none"> <li>Tenant mix and local trading conditions monitored and assessed on a regular basis</li> <li>Program for disposal of poor quality low yield assets and poorly situated locations</li> </ul>
Risk	Physical deterioration of properties	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Difficulty to grow quality portfolio Risk of erosion of property value	<ul style="list-style-type: none"> <li>Property managers perform regular property asset rolling maintenance program</li> <li>Disposal of aging, past expiry date non core assets</li> </ul>



# RISK MANAGEMENT

(CONTINUED)

## Operational performance

Risk	Vacancies and rental default	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	<p>Rental growth, capital appreciation and return to shareholders may be adversely impacted by increased vacancies and tenant defaults</p> <p>High vacancy levels impacting on rental income</p>	<ul style="list-style-type: none"> <li>• Strong focus on tenant relationships to ensure retention</li> <li>• Targeted leasing strategy</li> <li>• Early renewal negotiations</li> <li>• Effective credit control procedures for defaulting tenants</li> <li>• Ensure asking rentals are market related, with flexibility on rental levels if necessary. Strong relationship with brokers, leasing incentive programs, to fast track and fill vacancies</li> <li>• Master broker policy created for efficient dedicated focus</li> </ul>

## Operational performance

Risk	Prevailing Economic conditions	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	<p>Current economic growth of 1% impacts consumer spending patterns</p>	<ul style="list-style-type: none"> <li>• National tenant ratio to be high to negate risk</li> <li>• Focus on essential product tenants such as groceries and clothing</li> </ul>

Risk	Significant increases in rates and taxes, other municipal costs and poor service delivery	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	<p>The increased cost of occupancy for tenants A decrease in net operating income for the Group A decrease in valuation of assets</p> <p>Increase in defaults, non- recoveries of all operating costs, lower yields</p>	<ul style="list-style-type: none"> <li>• Putprop thoroughly reviews municipal valuations and lodges objections when appropriate</li> <li>• Investment in solar and boreholes to reduce reliance on municipal power and services</li> <li>• Monthly monitoring of existing tenant's utilities costs by independent contractor. This ensures early warning of irregularities</li> </ul>

Risk	Political riots and unrest	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	<p>Violence and looting leads to more poverty, increased unemployment and the loss of innocent life, negatively impacting the communities we serve, our employees and the Group's properties, particularly the retail malls</p>	<ul style="list-style-type: none"> <li>• Putprop has dedicated managers at all our retail properties who liaise with the on-site security function on a regular basis to assess risks</li> <li>• Appropriate insurance cover is in place</li> <li>• Emergency evacuation plans for tenants and employees</li> </ul>

Risk	Inconsistent supply of critical services and a deterioration in local authorities' service delivery	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	<p>Tenant loss of income and retention. Risk of defaults on contractual rentals</p>	<ul style="list-style-type: none"> <li>• Installation of generators and boreholes for large tenants</li> <li>• Solar energy projects initiated</li> </ul>



## RISK MANAGEMENT (CONTINUED)

### Operational performance (continued)

Risk	Rental reversions of existing tenant base	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Substantial loss of contract rental income	<ul style="list-style-type: none"> <li>Formal Risk management document with procedures to manage such events and specific authority levels set for short term relief to tenant base</li> </ul>
Risk	Over-dependence on a single tenant– loss or failure to renew	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Substantial operational losses in the Group's industrial sector with significant loss of income	<ul style="list-style-type: none"> <li>Continuation of diversification into properties with diverse tenants</li> </ul>
Risk	Significant volume of leases expiring in a short period with failure to renew	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Impact on growth and distribution	<ul style="list-style-type: none"> <li>Lease expiries monitored with negotiations with tenants held well in advance of expiry and early re-lets encouraged.</li> <li>Shorter or Longer let periods. Staggering of lease expiry profile where feasible</li> </ul>

### Financing

Risk	Interest rate risk	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Increased cost of borrowings will reduce the return to shareholders	<ul style="list-style-type: none"> <li>Continual review of policy regarding fixed interest rates and hedging</li> <li>Negotiations with banks to reduce cost of borrowings</li> <li>Loan to value ratio strategy to focus on rate management in times of high finance rates</li> </ul>
Risk	Availability of finance for property acquisitions and redevelopment	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Inability to grow the portfolio	<ul style="list-style-type: none"> <li>Regular interaction with bankers to ensure the availability of debt for funding</li> <li>Facilitate access to equity in the future through engagement with analysts and fund managers to create awareness.</li> </ul>



# RISK MANAGEMENT

(CONTINUED)

## Financing (continued)

Risk	Refinance risk
IMPACT OF RISK	MITIGATION STRATEGY
Risk of refinancing refusal when existing debt facilities near expiry	<ul style="list-style-type: none"> <li>• Maintain ratios at levels accepted to finance industries loan-to-value</li> <li>• Stagger debt expiry profile</li> <li>• Policy of being multi-banked</li> <li>• Strict covenant adherence</li> </ul>
Risk	Liquidity due to poor rental collections
IMPACT OF RISK	MITIGATION STRATEGY
Insufficient liquidity at operational levels	<ul style="list-style-type: none"> <li>• Regular cash forecasts and loan maturity managed through suitable finance arrangements</li> <li>• Strict control of debtor base</li> </ul>

## Governance

Risk	Non-compliance with regulations
IMPACT OF RISK	MITIGATION STRATEGY
Suspension or termination of the company's listing Failure to comply with key laws and regulations of the jurisdictions in which the entity operates may result in fines and penalties, reputational harm or potential loss of listing status	<ul style="list-style-type: none"> <li>• Active monitoring by the designated advisor, Company Secretary</li> <li>• Risk Committee</li> <li>• Management consults with specialists to ensure compliance with all laws, where necessary.</li> </ul>
Risk	Economic climate challenges resulting in increased probability of business failures and loss of income
IMPACT OF RISK	MITIGATION STRATEGY
Impact on growth and distribution	<ul style="list-style-type: none"> <li>• Close monitoring of existing tenant's operations with assistance given to tenants who are considered beneficial to the Group</li> </ul>
Risk	Inability to maintain dividend distribution growth
IMPACT OF RISK	MITIGATION STRATEGY
Loss of confidence in the market	<ul style="list-style-type: none"> <li>• Active management of portfolio and operational efficiencies</li> </ul>



# RISK MANAGEMENT

(CONTINUED)

## Skills and systems

Risk	Retention of key staff and adequate human resourcing	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Loss of key staff or being under- resourced will impact the ability to achieve the Group's objective effectively	<ul style="list-style-type: none"> <li>Executive management constantly assesses the capacity of staff and closely monitors staffing requirements as the business grows</li> <li>All staff members are awarded short-term incentive bonuses</li> </ul>
Risk	Information technology ("IT") failure	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Loss of revenue as a result of loss of data Impact on the company's reputation in the event that the data is not recovered promptly	<ul style="list-style-type: none"> <li>Support of appropriately skilled IT resources and contractors</li> </ul>
Risk	Fraud and errors	
	<b>IMPACT OF RISK</b>	<b>MITIGATION STRATEGY</b>
	Financial loss as a result of employee fraud going undetected	<ul style="list-style-type: none"> <li>Regular review of internal controls</li> </ul>

Having regard for the size and life stage of the Group a dedicated internal audit function is not considered appropriate at this time. The Risk Committee believes that no additional risk results from this omission. In addition, the Risk Committee and Board are confident that the current IT procedures that are in place are appropriate.

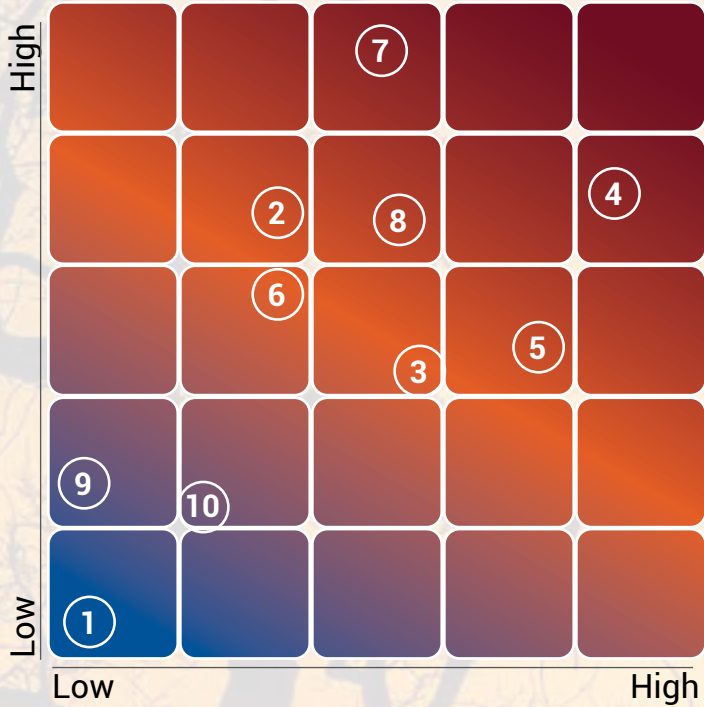




# RISK MANAGEMENT

(CONTINUED)

## RISK APPETITE AND TOLERANCE



### CRITICAL RISKS

1. Single tenant dependent
2. Failure to renew leases
3. Failure to maintain property valuations
4. Rental reversions
5. Management losses
6. Labour unrest
7. Critical services suppliers
8. Deterioration of ageing assets
9. Interest rate increases
10. Fraud and errors

## IT MANAGEMENT

New and enhanced information management capabilities and connectivity facilitates have been developed allowing for improved decision-making for the Board and senior management at a faster pace than before while still maintaining a prudent approach.

The accelerating rate of technological change requires that the Company remain agile and competitive in the markets in which it operates. The proliferation of new technology creates both opportunities and threats, and these must be assessed and analysed in terms of their impacts on Putprop. These requirements and potential threats are formally identified and analysed and action plans developed. at Risk Committee meetings.

Where necessary, suitable adjustments are implemented.



Vocalisations: Buffalo weavers are noisy birds with a variety of calls and songs, which they use to communicate within their flocks and to defend their nesting sites.



# BOARD OVERVIEW AND DIRECTORS

## STRUCTURE

The Board is collectively responsible to all shareholders for the sustainability, long-term success and strategic direction of the Group. The Board exercises control through a governance framework providing for detailed reporting to the Board by management and Board Committees, as well as established and regularly reviewed systems of internal controls.

As at the date of this report, Putprop has a unitary board comprised of six directors, of whom four are independent non-executive and two are executive. The independent non-executive directors collectively contribute an extensive range of financial, corporate governance and business experience to the decision-making processes of the Board.

## DIVERSITY OF BOARD

The Board believes that the number, calibre and wide-ranging business experience in strategic, financial, commercial and property activities of the independent non-executive directors are such that their views carry significant weight in the Board's decision-making processes and allows them to exercise independent judgement in board decisions and deliberations.

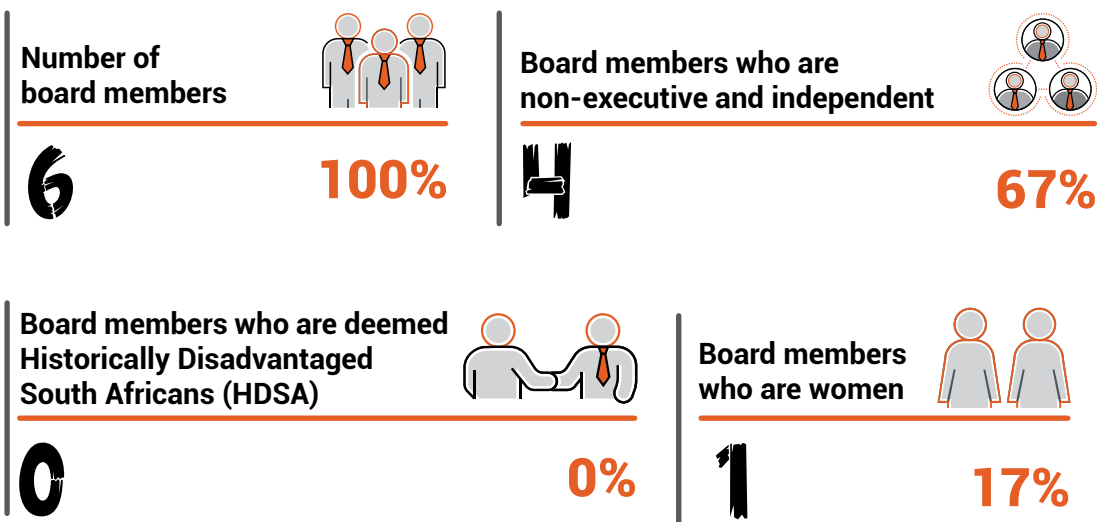
In line with the Board approved Diversity Policy, should a vacancy on the Board arise, or should there be a requirement for an additional Board appointment to be made, preference will be given to diverse candidates who meet the skills, expertise, experience and background required to fill such position.

There is a clear distinction between the running of the Board and the executive responsibility for the running of the Group's day-to-day business. The Board believes that this division of responsibilities ensures that a balance of power and authority amongst directors exists, such that no one director has unfettered powers of decision making.

Non-executive directors receive no benefits from Putprop other than their directors' fees.

All non-executive directors are considered to be independent. This level of independence for all non-executive directors is reviewed every two years by an independent external party. This review was performed during the current review – refer to the Board Evaluation on page 125.

## BOARD DEMOGRAPHICS






# BOARD OVERVIEW AND DIRECTORS

(CONTINUED)

## DIVERSITY OF AGE AND TENURE

**Average age of directors**



**62 Years**

**Average Tenure Executive**



**21 Years**

**Average Tenure non-Executive**



**8 Years**

## DIVERSITY OF THE BOARD

An important enabler of value creation is a balanced Board comprised of individuals with diverse and complementary skills. To this end, the Board ensures that the directors have a diverse range of knowledge, expertise and experience in strategic, financial, commercial and property activities, in order to function efficiently and effectively, while exercising independent judgement in Board decisions and deliberations. The Board has adopted a policy on the promotion of broader diversity on the Board, focusing not only on gender and race but also on the promotion of other diversity attributes such as culture, age, field of knowledge, skills and experience.

These combined skills and experience benefit the Board as a whole in its supervisory role. Biographies of the Board can be found on pages 132 to 134 of this integrated report.

## DIVERSITY OF AGE

To enhance the diversity of age on the Board, the Company has adopted a policy on director rotation, which is discussed below, under the heading Board refreshment and succession. As at 30 June 2024, the average age of the Company's directors is 62 years. See page 123 for further details.

## APPOINTMENTS

Appointments to the Board are made using a formal and transparent process based on recommendations received from the Nomination Committee. All candidates are reviewed in detail by the Board against objective criteria such as diversity, experience, qualifications and industry knowledge. Final appointments must be unanimously approved by the Board. Once appointed, the Nomination Committee ensures that all new directors are adequately informed with respect to Putprop's business policies, ethical standards, meeting dates and procedures. This is achieved through the provision of information and by formal induction.

In addition, new directors are introduced to courses provided by the JSE and the Institute of Directors at the Group's expense. New developments, including those relating to the Companies Act, corporate governance and other relevant legislation are communicated at Board meetings.

## CHANGES TO THE BOARD

Anna Carleo retired from the Board of Directors after 17 years served to the group with effect from 30th November 2023. The board wishes to express its appreciation of the contributions made by Anna to the growth of the group and wish her well in her retirement.

## BOARD CHAIRMAN

The Board is chaired by an independent non-executive director and, in accordance with King IV and the JSE Listings Requirements, the roles of the Chairman and CEO are separate and distinct to facilitate the smooth and efficient functioning of the Board. A formal delegation of authority framework ensures that there is a clear division of responsibilities between the Chairman, the CEO and those of the Board as a whole.



Resilience: Buffalo weavers are adaptable birds and can thrive in a variety of environments, including areas altered by human activity, which helps them maintain stable populations despite habitat changes.



## BOARD OF DIRECTORS (CONTINUED)

### ROTATION, RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with Putprop's Memorandum of Incorporation (MOI), non-executive directors have no fixed terms of appointment but one third are subject to retirement by rotation at each Annual General Meeting and, if eligible, thereafter are re-elected by shareholders. Mr Gerrit van Heerden & Ms Rene Styber will retire for the current term and have offered themselves for reappointment at the Annual General Meeting. In addition to this, the appointment of any new directors, by the Board during the year, are required to be confirmed at the following Annual General Meeting.

The Group has a compulsory retirement age for executive and non-executive directors, of 70 years. On retiring, this compulsory retirement age tenure may be annually extended for a further period of one year. Mr Smith and Mr Van Heerden reaching compulsory retirement age in February 2024 had their tenure extended for a further 12 months to February 2025 with majority Board approval. Non-executive directors standing for reelection received approval for their nomination to be submitted at the Annual General Meeting for approval and appointment.

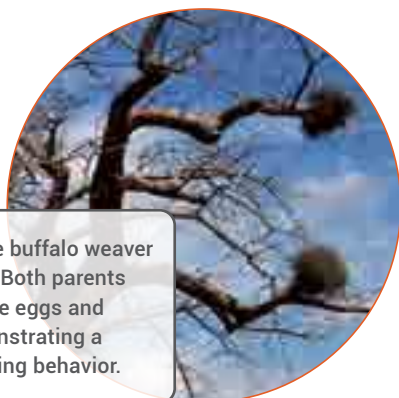
### DIRECTORS' TENURE POLICY

The Company's MOI states that:

- One-third of Non executive directors are to retire by rotation at each AGM and are eligible for re-election
- As set out in the notice of AGM and in terms of the MOI, Gerrit van Heerden and Rene Styber are due to retire by rotation at the upcoming AGM and offer themselves for re-election. Their brief biographies are on page 8 and 9.

The Board has adopted the following framework regarding non-executive director ("NED") tenure:

1. Initial period of three years
2. Extendable, with majority approval, for two further periods of three years (to nine years).
3. Extendable, with majority approval for three further periods of one year each (to 12 years)
4. Special exception for specific skills, with majority approval for three further periods of one year each (to 15 years)
5. Maximum retirement age is 70 years old. Eligible for a further annual one year tenure with majority board approval



Reproduction: The female buffalo weaver lays 2-4 eggs per clutch. Both parents take part in incubating the eggs and feeding the chicks, demonstrating a strong cooperative breeding behavior.

### RESPONSIBILITIES

The Board operates under an approved charter which regulates the way business is conducted. Primary responsibilities include discussing and reviewing the strategic direction of the Group, monitoring investment decisions, considering significant financial matters and reviewing performance. In addition, specific attention is given to ensuring that a comprehensive system of policies and procedures is operative and compliant with corporate governance principles. This is reviewed regularly. The Board remains responsible to its shareholders in the exercise of its duties.

Non-executive directors contribute an independent view to matters under consideration and add to the breadth and depth of the experience of the Board. All directors have the appropriate knowledge and experience necessary to perform their duties and are actively involved in the Group's affairs.

### BOARD CHARTER

The Board has a formal written charter which encompasses legislative requirements, King IV recommendations and the principles of best practice. The Board further acknowledges that it is responsible for the main functions in the charter as set out below:

- **Providing strategic direction and leadership by assessing and authorising budgets, plans and strategies submitted by senior management;**
- **Determining, implementing and monitoring policy procedures, practices and systems to ensure the integrity of risk management and internal controls to protect Putprop' s assets and good name;**
- **Monitoring the operational performance of the business against predetermined budgets, financial and non-financial indicators;**
- **Monitoring the performance of management at both operational and executive level;**
- **Establishing relationships with its shareholders, staff and other relevant stakeholders which are open, transparent, and honest using accepted principles of good communication;**
- **Appointing the CEO and delegating authority levels of authority for all executives;**
- **Ensuring compliance with codes of best business practice, corporate governance regulations and all relevant laws;**
- **Balancing the interests of all stakeholders of the Group;**
- **Ensuring that succession plans for the executive directors and senior management are maintained;**
- **Approving and reviewing Group policies; and to**
- **Establish, maintain and set terms of reference for all Board Committees.**



## BOARD OF DIRECTORS (CONTINUED)

### INFORMATION REQUIREMENTS AND PROFESSIONAL ADVICE

In order to make informed decisions, it is essential that directors have sufficient information relating to matters under discussion. The Board continuously assesses the information requirements of directors to enable them to perform their duties and fulfil their obligations and responsibilities.

The directors are entitled to seek independent professional advice at the Group's expense concerning Group affairs. All Board members have unrestricted access to the services of the Company Secretary as well as unrestricted access to the Group's records, property portfolio information and all other relevant documentation. Non-executive directors have access to management at any time.

### INDEPENDENCE OF THE DIRECTORS

The Board's independence from the Group's executive is ensured by:

- Separation of the roles of the Chairman and CEO;
- The Board, as well as all Board appointed Committees, being dominated by a majority of independent non-executive directors;
- An external independent annual evaluation of the independence of non-executive directors; and
- Independent professional advice concerning all affairs of the Group being available to all directors at the Group's expense.

### BOARD REFRESHMENT AND SUCCESSION

To address both diversity and business continuity, the Remuneration, Nomination and Human Resources Committee oversees the Company's succession planning. Putprop is a small company in respect of headcount, with a staff of 7 permanent staff members, including two executive directors. To ensure seamless operations, the Company has a succession plan in place to address any shortfalls should the need arise.

#### Executives

If required, the Board Chairman, as well as the Chief Financial Officer are able to temporarily fulfil the role and assume the responsibilities of the Chief Executive Officer. The Chief Financial Officer's role can be covered temporarily by the Group Financial Manager. There are also individuals within the group's holding company who are capable to fulfilling both positions again on temporary basis.

#### Board and Committee

Other non executive directors are also able to assume the duties of the Board and Audit and Risk Chairman, if required.

Putprop's succession plan specifies key areas of need such as ensuring membership of the Audit and Risk Committee are suitably filled. These and other factors are also considered when targeting new Board appointments.

### EXTERNAL EVALUATION

External Board evaluations play an important role in maintaining and improving the effectiveness of the Board through a fair assessment of its skills, expertise and practices by a suitable, independent service provider. The Company benefits from the added value of an honest and objective assessment and therefore encourages external Board evaluations.

### BOARD PERFORMANCE EVALUATION

The Board should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.

The Board assesses its performance and that of its individual directors, as well as their independence, on an annual basis. During the period under review a formal verbal assessment was conducted by Acorim Proprietary Limited ("Acorim") of the performance of the Board, its Committees and the individual directors.

#### Matters considered in this assessment included:

- Composition and performance of the Board as an entity;
- Board dynamics and role of the Chairman;
- Individual members effectiveness in holding their positions and their skills sets;
- Value of individual directors' contribution in respect of knowledge, strategy and risk management;
- Communication and interpersonal relationships;
- Performance and contributions in relation to problem solving; and
- Performance of directors against objectives and performance targets set.

### BOARD EVALUATION IN 2024

Acorim was appointed to conduct the annual independent evaluation to determine the effectiveness of the Board and its committees. The direction and subject matter covered by the evaluation was determined by the Chairman and the CFO.

#### Evaluation scope

Each director was interviewed by virtual communication and required to answer all predetermined 34 questions.

The questions focussed on:

- Board and committee-related matters;
- Board composition and performance;
- The roles, duties and responsibilities of executive and non-executive directors;
- Independence, conflicts of interest and capacity of directors
- Performance parameter analogies; and
- Blue sky' possibilities for the Group

The results of the evaluation and an extensive analysis of the findings were presented to the Board, without identifying any matters of material concern. The positive assessment found that the Board and its committees were operating effectively and, where required, plans were formulated to make improvements. The evaluation of the Board was conducted fairly and in a timeous manner without being restrictive.

Matters which merit a more formal treatment will be discussed by the Board in the appropriate forum.



## BOARD OF DIRECTORS

(CONTINUED)



### WHISTLE BLOWING

The Board investigated implementing a formal whistleblowing structure to accommodate reporting of any irregular activities in Group actions. Due to its small size this has not been actioned. However, a dedicated independent email whistleblowing facility has been agreed upon, independent of all directors of the group.

The Whistleblowing hot-line contact is [whistleblowing@putprop.co.za](mailto:whistleblowing@putprop.co.za), where any messages reporting irregular activity are forwarded directly to the Board Chairman for further action. This service has not been used as at the date of this report.

### GIFT POLICY

The Group has updated and expanded its formal policy on gifting that dictates the ethical conduct for all employees.

#### 1 PURPOSE

- To establish clear ethical lines for employees within the organization, promoting good judgement and avoiding conflict of interest when accepting a gift
- Provide guidance to management to manage gifts received and accepted by employees
- Standardise the management of gifts

#### 2 SCOPE/APPLICATION

This policy applies to all elected and appointed officials, as well as all employees of Putprop Ltd.

#### 3. DEFINITIONS

##### 3.2 GIFT

Any bestowal of money, any item of value, service, loan, thing or promise, discount or rebate for which something of equal or greater value is not exchanged in the line of work. This includes but are not limited to stationary, marketing material/branded goods, alcohol, third-party donations, meals, vouchers indulgences, hunting trips, weekend breaks, holidays, tickets to sporting events and/or other events or productions.

#### 4. ACCEPTANCE CONSIDERATIONS

Before deciding to accept or reject a gift, The relevant individual must decide if it will be in the interest of Putprop to accept the gift and if there is any risk that acceptance may influence his/her actions and future decision making.

The following issues should be considered before accepting the gift:

- Intentions of the person providing the gift (appreciation, relationship building etc.)
- Timing of the gift
- Value of the gift, individual or in aggregate of multiple gifts given at the same time

### 5. RULES FOR ACCEPTANCE OF GIFTS



#### Gifts in cash or EFT transfer received or given

- Gifts of this nature are strictly prohibited and may not be accepted.
- Must be reported to [whistleblower@putprop.co.za](mailto:whistleblower@putprop.co.za)



#### Gifts with a value of less than R1,000

- Gifts with a value of less than R1,000 may be accepted without any prior executive approval.
- Must still be reported in Putprop Ltd's gift register



#### Gifts with a value greater than R1,000 but less than R2,000 that are considered marketing material.

- Gifts with a value up to R2,000 that are considered marketing material may be accepted without prior approval.
- This include but is not limited to calendars, diaries, branded clothing etc.
- Must still be reported in Putprop Ltd's gift register
- All marketing gifts greater than R2,000 are strictly prohibited.



#### Gifts with a value greater than R1,000 but less than R2,000 that are not considered marketing material.

- Requires the approval of any Executive Director
- Must be reported in Putprop Ltd's gift register



#### Gifts with a value of more than R2,000 but less than R4,000 that are not considered marketing material.

- Requires the CEO and CFO'S or Chairman's (in case of CEO/CFO) preapproval
- Must be reported in Putprop Ltd's gift register
- Must formally inform the board of directors of nature and source of gift



#### Any Gifts greater than R4,000

- Gifts of this nature are strictly prohibited and may not be accepted.
- Must be reported to [whistleblower@putprop.co.za](mailto:whistleblower@putprop.co.za)



## 6. RULES FOR GIVING OF GIFTS

All employees and persons acting on behalf of the organisation will at all times be subject to, and act in accordance with, the following guiding principles:



### Gifts in cash or EFT transfer

- Gifts of this nature is strictly prohibited and may not be accepted.
- Must be reported to whistleblower@putprop.co.za



### Gifts with a value not more than R2,000

- Requires any executive directors pre-approval
- Must be reported in Putprop Ltd's gift register



### Gifts with a value of greater than R2,000 but less than R4,000

- Requires the CEO or Chairman's (in case of CEO) preapproval
- Must be reported in Putprop Ltd's gift register



### Any gifts greater than R4,000

- Gifts of this nature are strictly prohibited and may not be accepted
- Must be reported to whistleblower@putprop.co.za



Tool Use: Some buffalo weavers have been observed using their beaks to manipulate objects, such as using twigs to help construct their large, communal nests, showcasing a level of intelligence and adaptability.

## COMPANY SECRETARY

The Company Secretary is responsible for the duties set out in Section 88 of the Companies Act. Acorim, represented by Natasha Davies, is the appointed Company Secretary. Acorim advises both listed and non-listed clients in accordance with various regulatory frameworks including the Companies Act, the JSE Listings Requirements and the recommendations of the King IV.

The Board as a whole and the individual directors have unrestricted access to the advice and services of the Company Secretary, who provides guidance to the Board and to the directors with regard to how their responsibilities are to be discharged.

Acorim (Proprietary) Ltd is an independent company secretarial and corporate governance advisory service provider and is represented by Natasha Davies.

### COMPANY SECRETARY – PRIMARY RESPONSIBILITIES AND CORPORATE GOVERNANCE SERIES PROVIDED

These include:

- Attending all Board meetings
- Ensuring the Company's corporate governance processes are adhered to
- Providing guidance to directors on how they should fulfil their obligations and responsibilities in the best interests of the Company and its stakeholders
- Assisting the CEO in ensuring that the annual Board plan is set and that agendas are relevant to Board decision making
- Overseeing the training of all directors and induction of newly appointed directors
- Reporting to the Chairman on governance matters and to the CFO on general company secretarial matters
- Maintaining independence and an arm's length relationship with the Board and its directors
- Performing independent, external evaluations of the Board and its committees.

The Board is satisfied that Acorim has the required knowledge, skills and discipline to perform the functions and duties of the Company Secretary. The Board has concluded that Acorim maintains an arm's length relationship with the Group and its Board. It is not a director of the Company, nor does it have any other interests or relations that may affect independence. In making this assessment, the Board considered the independence of Acorim's directors, shareholders and employees as well as Acorim's collective qualifications and track record.



## BOARD OF DIRECTORS (CONTINUED)

### DIRECTORS' DECLARATIONS AND MANAGEMENT OF CONFLICTS OF INTEREST

When directors become aware that they have a direct or indirect interest in an existing or proposed transaction with the Group, they notify the Chairman of the Board accordingly.

All directors have an obligation to update any changes in these interests before, or at, each Board meeting.

Any potential professional conflict of interests such as a directorship in another company which is tabled for discussion, is disclosed by the director concerned and noted in the minutes. Such directors are then required to recuse themselves from any discussions and decisions on matters in which they have identified a conflict of interest. This process was adhered to for the year under review.

### INTERNAL CONTROL

The Board is responsible for oversight over the Group's systems of internal control and to keep its effectiveness under review. The Board, supported by the AR Committee, reviews the Group's risk profile annually. Responsibility for the adequacy, extent and operation of these systems is delegated to the executive directors. To fulfil this responsibility, accounting records and appropriate systems of internal control are developed and maintained.

The director's report states that the Group's internal controls and systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability for its assets, and to detect and minimise fraud, potential liability, loss and material misstatement, while complying with applicable laws and regulations. The Board regularly receives reports from specialist financial and property advisors setting out key financial performance indicators. Monitoring of these key indicators allows the Board to consider relevant control issues.

The directors have satisfied themselves that the systems and procedures of internal controls are implemented, maintained and monitored for the year ended 30 June 2024. No indications exist that these systems of internal control were not appropriate. Furthermore, no material loss, exposure or misstatement arising from a material breakdown in the functioning of the systems has been reported to the directors in respect of the year under review.

### STAKEHOLDER COMMUNICATIONS

The Group subscribes to the principles of objective, honest, transparent, timeous, relevant and understandable communication of both financial and non-financial matters. Communication to the public, shareholders and other stakeholders embodies the principles of balanced reporting and substance over form.

The Board acknowledges its duty to present a balanced and understandable assessment of the Group's position in reporting to all of its stakeholders.

### CODES OF ETHICS AND CONDUCT

Putprop has a formal codes of ethics and conduct that have been adopted by the Board, following an annual review by the Environmental, Social, Ethics and Transformation (ESETC) Committee and is communicated to all staff. These codes are consistent with the highest principles of integrity, honesty, ethical behaviour and compliance with all laws and regulations. These codes require all directors, officers and staff to adhere to their standards and are reviewed by the ESETC Committee on an annual basis.

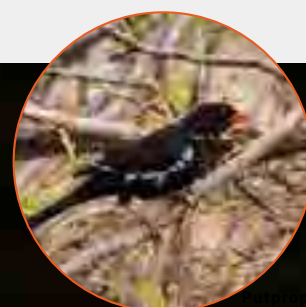
The Board is not aware of any transgressions of the codes of ethics or conduct for the 2024 financial year no issues of non-compliance or prosecutions have been actioned against the Group.

### LIABILITY INSURANCE

Liability insurance providing cover for all members of the Board, both executive and non-executive directors as well as prescribed officers, are in place to cover potential legal action against them by third parties.

### CONCLUSION

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience and diversity to carry out its mandate per the Board charter.







# BOARD OF DIRECTORS







# BOARD OF DIRECTORS



**BRUNO CARLEO**  
CHIEF EXECUTIVE OFFICER

Date of appointment:  
**11 March 1997**

Years of Experience  
**35+ Years**

Committees:



**JAMES SMITH**  
CHIEF FINANCIAL OFFICER

Date of appointment:  
**17 June 2009**

Years of Experience  
**40+ Years**

Committees:



**HAYDEN THOMPSON HARTLEY**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:  
**17 February 2018**

Years of Experience  
**20+ Years**

Committees:



**DANIELE TORRICELLI**  
CHAIRMAN, INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**3 December 2015**

Years of Experience  
**30+ Years**

Committees:



**GERRIT VAN HEERDEN**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

Years of Experience  
**40+ Years**

Committees:



**RENÉ STYBER**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

Years of Experience  
**28+ Years**

Committees:



## KEY



Audit and Risk



Remuneration Nomination  
and Human Resources



Investment



Social, Ethics  
and transformation



## BOARD OF DIRECTORS (CONTINUED)

### **BRUNO CARLEO** (68)

#### **CHIEF EXECUTIVE OFFICER**

Date of appointment: 11 March 1997

Bruno has held numerous senior managerial positions in the transport and property industries gaining varied experience for over 30 years before bringing operational expertise to Putprop Limited. He joined the Board in 1992 and also holds directorships in several unlisted companies.

### **JAMES SMITH** (71)

#### **CHIEF FINANCIAL OFFICER**

Date of appointment: 17 June 2009

James holds a B.Sc., B. Acc degrees as well as marketing diplomas. He was appointed an executive director in 2009. He joined Messina Limited in 1988 gaining 11 years broad financial experience in the automotive industry, culminating in being appointed Group Financial Director of Messina Heavy Vehicles. James chairs boards of several other Group companies and associates. He contributes over 35 years operational and management experience in the retail and property sectors. He also holds directorships in several unlisted companies.

### **DANIELE TORRICELLI** (60)

#### **CHAIRMAN, INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Date of appointment: 3 December 2015

Daniele holds a Bachelor of Science (Mechanical Engineering) as well as an MBA from Wits Business School and is a member of the Exco team of one of the largest clay brick manufacturers in Africa. He brings extensive strategic and tactical skills to the Board as well as broad general business experience.

### **HAYDEN HARTLEY** (51)

#### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Date of appointment: 17 February 2016

Hayden holds a Bachelor of Commerce Honours degree in Finance and Economics, with 20 years' experience in the property, construction and development sectors. He has also been involved in numerous projects for a leading South African gold mining company in his capacity as construction and project manager, and is currently involved in additional projects from a developmental perspective.

### **GERRIT VAN HEERDEN** (70)

#### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Date of appointment: 1 July 2018

Gerrit holds a B.Sc.Eng. (Civil Engineering) degree from the University of Pretoria and has over 40 years of engineering experience. Gerrit has extensive exposure to township and development schemes with particular reference to municipal services designs, implementation thereof and project and contract management. Gerrit joined GVM Incorporated, a private engineering firm in 1993 as a director, where after he became the Managing Director and owner in 2005, a position which he holds to date.

### **RENÉ STYBER** (53)

#### **INDEPENDENT, NON-EXECUTIVE DIRECTOR**

Date of appointment: 1 July 2018

René is a sales professional with 30 years of management experience across a variety of fields including, *inter alia*, product management, residential and commercial property sales and company management. René has successfully managed her own commercial property business for many years. In 2023, Rene sold this business and joined a large solar property installation group.



# BOARD OF DIRECTORS

## SKILL SET MATRIX

Member	BC	JS	HH	DT	GvH	RS
Property development	Executive Director	Executive Director	Independent Non-executive Director		Independent Non-executive Director	Independent Non-executive Director
Property asset management	Executive Director	Executive Director	Independent Non-executive Director			
SA retailer knowledge	Executive Director	Executive Director	Independent Non-executive Director	Independent Non-executive Chairman		Independent Non-executive Director
SA corporate knowledge	Executive Director	Executive Director		Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Tax		Executive Director				
Financial markets		Executive Director	Independent Non-executive Director	Independent Non-executive Chairman		
Financial accounting		Executive Director	Independent Non-executive Director			
Risk management	Executive Director	Executive Director	Independent Non-executive Director	Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Funding		Executive Director	Independent Non-executive Director			Independent Non-executive Director
Investment management	Executive Director	Executive Director	Independent Non-executive Director	Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Sales and marketing		Executive Director	Independent Non-executive Director	Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Legal and regulatory		Executive Director	Independent Non-executive Director	Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Environmental, social and governance	Executive Director	Executive Director	Independent Non-executive Director	Independent Non-executive Chairman	Independent Non-executive Director	Independent Non-executive Director
Human resources	Executive Director	Executive Director	Independent Non-executive Director	Independent Non-executive Chairman		

### KEY MEMBER NAME

<b>BC</b>	Bruno Carleo
<b>JS</b>	James Smith
<b>HH</b>	Hayden Hartley
<b>DT</b>	Daniele Torricelli
<b>GvH</b>	Gerrit Van Heerden
<b>RS</b>	René Styber

### KEY

Independent Non-executive Chairman	Independent Non-executive Chairman
Independent Non-executive Director	Independent Non-executive Director
Executive Director	Executive Director



Symbiotic Relationships: These birds often benefit from following large herbivores, such as buffalo, which disturb insects as they move, making it easier for buffalo weavers to find food.



## BOARD OF DIRECTORS (CONTINUED)

### MEETINGS HELD AND ATTENDANCES



#### BOARD

7 MEETINGS HELD

Executive Directors

Non-Executive Directors

**B C Carleo**

**J E Smith**

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

7 / 7

7 / 7

7 / 7

7 / 7

7 / 7

7 / 7



#### AUDIT AND RISK (COMMITTEE SPLIT ON 13 MARCH 2024)

4 MEETINGS HELD AS  
COMBINED COMMITTEE

Non-Executive Directors

Executive Directors

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

**B C Carleo**

**J E Smith**

4 / 4

4 / 4

4 / 4

4 / 4

4 / 4

4 / 4

#### AUDIT COMMITTEE

Non-Executive Directors

Executive Directors

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

**B C Carleo**

**J E Smith**

0 / 1

1 / 1

1 / 1

1 / 1

1 / 1

1 / 1

#### RISK COMMITTEE

Non-Executive Directors

Executive Directors

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

**B C Carleo**

**J E Smith**

0 / 1

1 / 1

1 / 1

1 / 1

1 / 1

1 / 1



#### REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE

5 MEETINGS HELD

Executive Directors

Non-Executive Directors

**B C Carleo**

**J E Smith**

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

5 / 5

5 / 5

5 / 5

5 / 5

5 / 5

5 / 5



#### ENVIRONMENTAL, SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

2 MEETINGS HELD

Executive Directors

Non-Executive Directors

**B C Carleo**

**J E Smith**

**D Torricelli**

**H Hartley**

**R Styber**

**G Van Heerden**

2 / 2

2 / 2

2 / 2

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## KEY BOARD MILESTONES 2024

Review and approval of the audited annual financial statements, interim unaudited financial statements, annual report commentary, Group portfolio property valuations, as at 31 December 2023 and 30 June 2024.

Approval of the interim and final shareholder distributions for the year ended 30 June 2024 approved.

**The 2024 Group Risk Management Policy document updated.**

**2024 Vision and Strategy document of the Group updated.**

The Group's Code of Ethics Charter, the Diversity Policy and the Information and Communication Policy for 2024 reviewed.

Approval of an increased budget for the social upliftment and responsibility programmes for the year ended 30 June 2024.

Approval of disposal of 12% by value and 20% by GLA of portfolio assets not contributing significantly to income or assets that have reach end of life status.

Approval of the acquisition of additional 12% equity in Pilot Peridot.

Succession planning and key personnel dependency risks identified and a updated strategy for executives succession identified.

Review of the Group's approach to funding availability and cost, with approval, to maintain the loan-to-value ratio at 42% but linked with a policy to reduce to 38% within 6 months.

The mothballing for our development of the Dobsonville property into a Community Retail shopping centre to a date to be determined.

The Group's cash flow, solvency and going concern status continually reviewed for the 12 months ended June 2024.





# Facts about Buffalo Weaver



**Vocalizations:** Known for being noisy, buffalo weavers use a variety of calls and songs to communicate within their flocks and to defend their nesting territories.

**Habitat:** They are commonly found in savannas, grasslands, and open woodlands across sub-Saharan Africa, especially in areas with large trees suitable for nesting.

**Reproduction:** Female buffalo weavers lay 2-4 eggs per clutch, and both parents share the responsibilities of incubating the eggs and feeding the chicks, demonstrating strong cooperative breeding behavior.





RONNIE

COMFORTABLE

AL

ULA

MC



## THE MANAGEMENT TEAM

(CONTINUED)

### ALICIA NOLTE (AL)

GROUP FINANCIAL MANAGER CA (SA)

**"Do the best you can until you know better. Then when you know better, do better – Maya Angelou"**

Chartered Accountant (SA), BCompt Accounting Science. Postgraduate Diploma in Applied Accounting Sciences. Alicia completed her studies part-time while working her way through her articles and as an audit senior. She was the Financial Manager at an accounting company, providing services to one of SA's major role players in the funeral industry, before becoming an audit consultant to international businesses. Alicia has over 10 years experience within the accounting industry, largely focusing on ensuring business's financial reporting is accurate and in line with current laws and regulations.

### URSZULA KALANDRANIS (ULA)

GROUP FINANCIAL ACCOUNTANT

**"Believe that you can, and you are halfway there"**

Urszula holds a BCompt degree, which has equipped her with a strong foundation in accounting principles.

Over the years, she has gained valuable experience in managing accounts for diverse businesses.

While working in the field of accounting, she discovered a particular passion for property management accounting.

This interest led her to pursue opportunities in the real estate industry.

She has built up considerable experience in this area, specifically by managing the accounts for various shopping malls in Pretoria.

### RONICA NAIDOO (RONNIE)

FINANCE ADMINISTRATION

**"Our only limitations are those we set up in our own minds"- Napoleon Hill**

With over 13 years of experience in the finance industry, Ronica is passionate about facilitating the smooth-running of businesses. She has held numerous financial roles at JSE listed companies including financial admin, debtors, and billing specialist.

### MARIE CASEY (MC)

FINANCIAL ACCOUNTANT  
PA TO CFO

**"To be old and wise you must first be young and stupid"**

Marie has held the position of assistant accountant and accountant with Putprop and its associated companies for over 44 years. She brings a wealth of expertise and practical operational knowledge to the accounts department as well as other administrative areas within the Group.

### COMFORT NGWENYA (COMFORTABLE)

ADMINISTRATIVE ASSISTANT

**"Pray. Set Goals. Work hard. Succeed. Thank God and stay humble"**

Comfort has worked for Putprop for twelve years and is responsible for the day-to-day administrative duties of the head office.



### NATASHA DAVIES (NATS)

COMPANY SECRETARY

**"Success is not final, failure it not fatal. It is the courage to continue that counts."**

Natasha who has a B.Com (law) LLB degree started her career as a practising attorney in private practice, Natasha acted for clients across many sectors assisting with complex financing, corporate and compliance matters. Natasha is company secretary for Putprop on behalf of Acorim Proprietary Limited, where she is also a director.

# KING IV APPLICATION

KING IV APPLICATION

140



# The Rhino Beetle



**Distinctive Horns:** Male rhino beetles are known for their impressive horn-like structures on their heads, which they use for fighting rivals during mating season. These horns can vary in size and shape depending on the species.



**Strength:** Rhino beetles are among the strongest animals relative to their size, capable of lifting objects up to 850 times their own weight. This strength helps them in battles for mates and in navigating their environment.

**Species Diversity:** There are over 300 species of rhino beetles worldwide, found in various habitats ranging from tropical rainforests to temperate woodlands.





## KING IV APPLICATION

(CONTINUED)

**“Effective communication through integrated reporting allows an organisation to explain how it responds to the ever-changing and often challenging context in which it operates. This openness and transparency enhances credibility and trust and allows stakeholders to form a view of the quality of the organisation's leadership, strategy and performance.**

**The integrated report is an opportunity to convey how the governing body is leading the organisation, especially through difficult times, and to explain to what extent it creates, preserves or erodes value.”**  
(Mervyn King)

### PRINCIPLE 1

#### Leadership

The governing body should lead ethically and effectively.

#### HOW WE COMPLY

The Board has approved a code of conduct and ensures that its own and management's conduct set the example for how Putprop's values are enshrined in all of its activities. Measures are in place to ensure that all Board members have sufficient working knowledge of the Group, its industry, and all key laws, rules, regulations, codes and standards.

The Board further operates under an approved Charter, which regulates the way business is conducted in line with the principles of sound corporate governance. The Charter details the powers of the Board and provides that the Board has ultimate accountability and responsibility for the Group's performance and affairs.

### Principle 2

#### Organisational Ethics

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

#### HOW WE COMPLY

The Board has assumed responsibility for the ethics of the Group by having established a code of ethics that it ensures is clearly articulated and implemented throughout the Group. The code of ethics is reviewed annually and updated where necessary to ensure that it remains relevant to the Group's activities.

The Board ensures that compliance with the code of ethics is integrated into the strategy and operations of the Group. The Group's ethics are contained in its vision, strategies, operations, its decisions and conduct as well as the way it treats its internal and external stakeholders.

A whistleblowing hot line has also been established which is independently managed by the Chairman.

### Principle 3

#### Responsible corporate citizenship

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

#### HOW WE COMPLY

The ESETC Committee manages the Group's corporate citizenship responsibilities on behalf of the Board through continuous oversight over the Group's activities in respect of public health, safety, the environment, social responsibility and stakeholder engagement.

The Board ensures that the Company is a responsible corporate citizen, by complying with all legislation and regulations applicable to it and allowing for time at meetings to discuss issues relating to the workplace, the economy, society and the environment.



Diet: Adult rhino beetles primarily feed on nectar, fruit, and tree sap, while the larvae consume decaying wood and plant matter, playing a crucial role in nutrient recycling in their ecosystems.



# KING IV APPLICATION (CONTINUED)

## Principle 4

### Strategy and performance

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

### HOW WE COMPLY

The Board informs and approves strategy and ensures that the strategy is aligned with the purpose and objectives of the Group, the value drivers of its business and the legitimate interests and expectations of its stakeholders.

An overview of the Group's short, medium and long-term goals, as well as an assessment of the Group's performance in comparison thereto, is contained on pages 58 to 60 of this report.

## Principle 5

### Reporting

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

### HOW WE COMPLY

Putprop has controls to enable it to verify and safeguard the integrity and reliability of its integrated report.

The Board is responsible for overseeing the integrity and completeness of the integrated report and has applied its collective mind to the preparation and presentation of the report. The Board is further responsible for ensuring that the Group's reporting framework complies with the provisions of the Companies Act and the JSE Listings Requirements.

The Board ensures that the integrated report sets out the positive and negative effects of the Group's operations on the environment and society– as well as any plans to improve the positive effects and remove or reduce the negative effects in the financial year ahead.

The integrated report discloses details of how the Board has satisfied itself that risk assessments, responses and interventions are effective.

## Principle 6

### Primary role and responsibilities

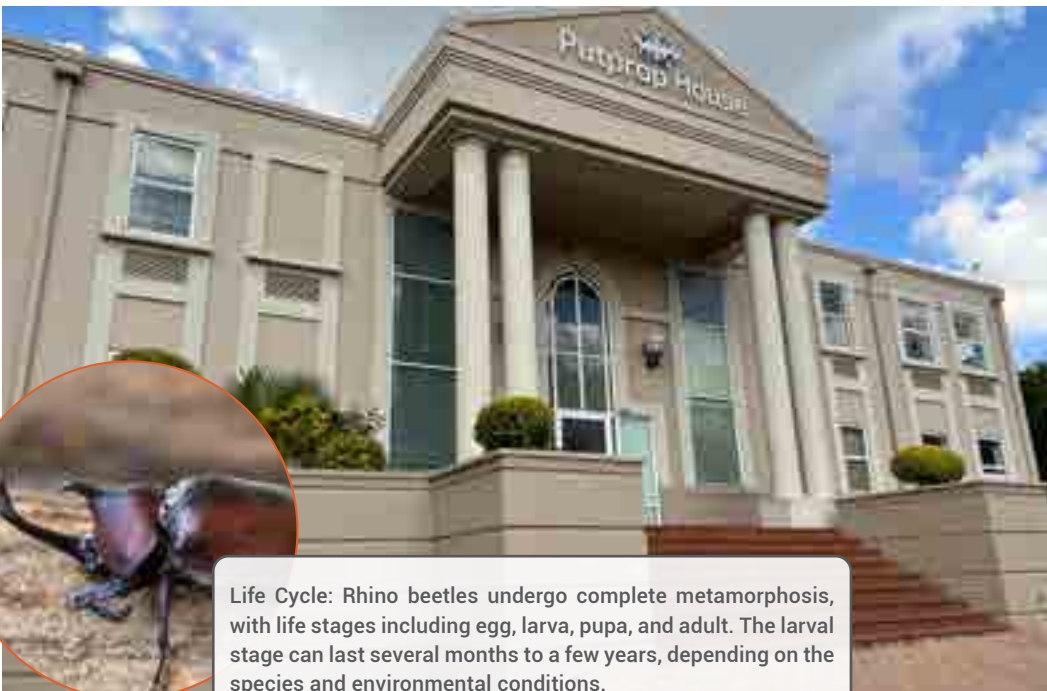
The governing body should serve as the focal point and custodian of corporate governance in the organisation.

### HOW WE COMPLY

The Board Charter provides that the Board's role is to act as the focal point for, and custodian of corporate governance in the Group by arranging its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

The Board's activities in this regard are more fully set out on page 114 of this report.



Life Cycle: Rhino beetles undergo complete metamorphosis, with life stages including egg, larva, pupa, and adult. The larval stage can last several months to a few years, depending on the species and environmental conditions.





## KING IV APPLICATION

(CONTINUED)

### Principle 7

#### Composition

The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

#### HOW WE COMPLY

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence for it to discharge its roles and responsibilities objectively and effectively.

The Board is comprised of a majority of non-executive members, all of whom are independent, and has a set target in terms of race and gender representation through its approved Race, Colour, Religion, Age and Gender Diversity Policies.

The Chairman is an independent non-executive director and is separate from the Chief Executive Officer (CEO).

A schedule of other professional positions held by Board members is reviewed prior to all meetings.

Periodic rotation of directors is provided for in Putprop's MOI.

Further to the above, the Board Charter encapsulates that a formal induction programme is established for new directors and that inexperienced directors are developed through mentorship and training programmes.

### Principle 8

#### Committees

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

#### HOW WE COMPLY

While the Board remains accountable and responsible for the performance and affairs of the Group, Board Committees assist the Board in discharging its duties and responsibilities. These Committees do not, however, in any way, mitigate or discharge the Board of its duties and responsibilities.

Board Committees observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise. The Board has constituted the following Committees: AR Committee, SE Committee and RNHR Committee. Each Committee has a formally determined and Board approved charter, containing clearly agreed upon reporting procedures and a written scope of authority, which is reviewed annually and approved by the Board.

The Board ensures that suitable candidates, who have suitable qualifications, from within its structures are appointed to the above Committees, so as to achieve their respective objectives.

### Principle 9

#### Evaluations of the performance

The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairman and its individual members, support continued improvement in its performance and effectiveness.

#### HOW WE COMPLY

The Board determines its own role, functions, duties and performance criteria as well as that for directors and Board Committees. An annual effectiveness self-evaluation is undertaken in respect of the Board and its sub-Committees and for the year under review, the Board satisfied itself that it and its sub-Committees operated effectively.

In addition, the Chairman also ensures that the Board operates effectively by regularly engaging with the non-executive directors on their performance and other matters that may need to be raised. Matters of concern are conveyed by the Chairman to the CEO and CFO respectively.

The Board is satisfied that the evaluation process is improving its performance and effectiveness.



Sound Production: Some species of rhino beetles can produce sounds by rubbing their abdomen against their wings, a behavior known as stridulation, which is used for communication and deterrence of predators.





## KING IV APPLICATION (CONTINUED)

### PRINCIPLE 10

#### Appointment and delegation to management

The governing body should ensure that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.

#### HOW WE COMPLY

The CEO is responsible for executing the Group's strategy and periodically reports to the Board in this regard.

The Board is satisfied that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.

The Company Secretary is empowered and authorised to provide corporate governance services to the Board and management. The Board is of the view that this arrangement is sufficient.

### PRINCIPLE 11

#### Risk governance

The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.

#### HOW WE COMPLY

The Risk Committee assists the Board in respect of the governance of the Group's risk tolerance and risk appetite. The implementation and execution of risk management has been delegated to the Executive, however, the Board exercises continuous oversight in this regard.

The Board's responsibility for risk governance is expressed in its Charter as well as the Board approved Risk Management Policy.

The Board, through the Risk Committee, ensures that appropriate risk management programmes are in place and monitors their implementation against key risk indicators.

Each year the Board evaluates the Group's risks against current realities and resets risk tolerances as and when necessary.

An overview of the arrangements for governing and managing risk is included in the Risk Committee report contained on pages 115 to 121 of this report.

### PRINCIPLE 12

#### Technology and information governance

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

#### HOW WE COMPLY

The Risk Committee assists the Board in respect of technology and information governance. The implementation and execution of the technology and information framework has been delegated to the Executive, however, the Board exercises continuous oversight in this regard.

Management regularly demonstrates to the Board that Putprop has adequate business resilience arrangements in place for disaster recovery.



**Nocturnal Behavior:** These beetles are mostly nocturnal, active at night when they search for food and mates, and they are often attracted to lights.



## KING IV APPLICATION

(CONTINUED)

### PRINCIPLE 13

#### Compliance governance

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

#### HOW WE COMPLY

The Board ensures compliance with all relevant South African legislation, including REIT, King IV and JSE Listings Requirements. Compliance with laws, rules, regulations and relevant codes is integral to the Group's risk management process and key to ensuring that it achieves its strategy. The AR Committee is responsible for ensuring that an appropriate compliance framework is in place and that non-compliance is reported. The SE Committee has also been mandated to monitor the effectiveness of compliance management.

### PRINCIPLE 14

#### Remuneration governance

The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.

#### HOW WE COMPLY

The Board, assisted by the RNHR Committee, oversees the establishment of a remuneration policy that will promote the achievement of strategic objectives at all levels in the Group and encourage individual performance. The Board reviews the outcomes of the implementation of the remuneration policy on an annual basis.

Non-binding advisory votes in respect of the Group's remuneration policy and remuneration implementation reports are placed before shareholders at the Annual General Meeting of the Company. In the event that either of these are voted against by 25% or more of the voting rights exercised at the Annual General Meeting, the Board engages with dissenting shareholders to address legitimate and reasonable objections and concerns.

### PRINCIPLE 15

#### Assurance

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

#### HOW WE COMPLY

The Board is responsible for the management of the Group's systems in respect of internal control and risk management and evaluates the adequacy and effectiveness of these processes. Internal controls are established not only in respect of financial matters, but also operational, compliance and sustainability issues. The Board, through the Board Committees and external assurance providers, operates within the confines of the JSE Listings Requirements, the Companies Act, King IV and the integrated reporting framework to determine the approach and direction of external reporting.

The AR Committee ensures the efficiency and profitability of operations, the reliability of information, and adherence to rules and regulations.

The independent external auditor is responsible for reporting on whether the Annual Financial Statements are fairly presented in compliance with IFRS® and the Companies Act.

The SE Committee is responsible for providing assurance in respect of Putprop's B-BBEE certification, health and safety issues, whistleblowing, corporate social investment and other sustainability issues.

The Board and its Committees rely on management's knowledge and expertise of the various areas requiring assurance in order to scrutinise and validate the results of all external reports.

### PRINCIPLE 16

#### Stakeholders

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

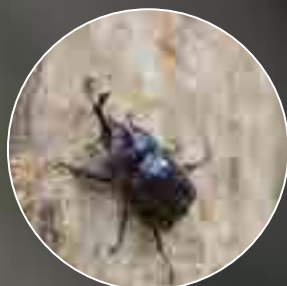
#### HOW WE COMPLY

Stakeholders have been identified as one of the Group's four key strategic pillars, therefore, the Board has adopted a stakeholder-inclusive approach which carefully considers legitimate and reasonable stakeholder risks and concerns when reviewing and refining strategy.

The CEO and the Chief Financial Officer (CFO) continuously engage with key financial audiences, particularly investors and analysts. Each stakeholder is communicated with through various channels such as SENS announcements, circulars and periodic reports, and feedback is encouraged in writing, telephonically or via the website.



# Facts about Rhino Beetle



**Conservation Status:** While many rhino beetle species are not endangered, habitat destruction and collection for the pet trade threaten certain populations, making conservation efforts important for their continued survival.

**Cultural Significance:** In some cultures, rhino beetles are kept as pets, used in beetle-fighting competitions, and even considered symbols of strength and power.

**Defense Mechanisms:** Rhino beetles have a hard exoskeleton that provides protection from predators, and some species can emit a hissing sound to deter threats.



# BOARD COMMITTEES AND DELEGATION OF AUTHORITY

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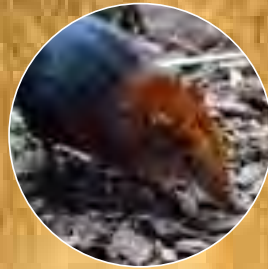
# The Elephant Shrew



**Distinctive Snout:** Elephant shrews, also known as sengis, have long, flexible snouts that resemble an elephant's trunk. These snouts are highly sensitive and used to probe for insects and other small prey.

**Species Diversity:** There are over 20 species of elephant shrews, ranging in size from small mouse-like species to larger ones nearly a foot long. They inhabit various regions of Africa, from forests to savannas.

**Diet:** Elephant shrews are primarily insectivorous, feeding on ants, termites, spiders, and other small invertebrates. They use their keen sense of smell and quick reflexes to catch their prey.





## DELEGATION OF AUTHORITY

To assist the Board in discharging its collective responsibilities, certain Board functions have been delegated to the Audit Committee, Remuneration, Nomination and Human Resources Committee, Environmental, Social Ethics and Transformation Committee, (ESET) and the Risk Committee (RC). The granting of such authority to Board Committees does not release the Board of its responsibility for the discharge of its duties to the Group's shareholders.

Each Committee acts within the ambit of clearly defined terms of reference as determined by the Board and the appropriate approved committee charter. These approved charters are subject to change as and when so required by the Board to accommodate the changing needs of the Group.

The Board Committees meet independently and provide detailed feedback to the Board via their Chairman. The Committees can make recommendations to the Board. All Committee meetings are minuted and directors may raise questions arising from these minutes. The various Committee Chairmen have confirmed that the terms of reference have been materially complied with.

The Board is provided with regular reports by the Committees on Putprop's financial results, accounting policies, internal controls, financial reporting practices and identification of exposure to any significant risk.

The performance of all the Committees are reviewed by the Company Secretary (Acorim) via an annual performance evaluation.



Board	Audit	Risk	Remuneration Nomination and Human Resources	Social, Ethics, Environmental and Transformation	Risk
CHAIRPERSON <b>D Torricelli</b>	CHAIRPERSON <b>H Hartley</b>	CHAIRPERSON <b>H Hartley</b>	CHAIRPERSON <b>H Hartley</b> <i>(Remuneration and Human Resources)</i> <b>D Torricelli</b> <i>(Nomination)</i>	CHAIRPERSON <b>D Torricelli</b>	CHAIRPERSON <b>H Hartley</b>
NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS HELD
<b>7</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>1</b>



# AUDIT COMMITTEE



**HAYDEN THOMPSON HARTLEY**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:

**17 February 2018**

Years of Experience

**15+ Years**



**GERRIT VAN HEERDEN**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:

**1 July 2018**

Years of Experience

**40+ Years**



**RENÉ STYBER**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:

**1 July 2018**

Years of Experience

**30+ Years**

## Regular invitees

**JAMES SMITH**

*Chief Financial Officer*

**BRUNO CARLEO**

*Chief Executive Officer*

**HLB**

*External Auditor*

## FOCUS AREAS IN 2024

- 01 External audit plan and effectiveness of external audit function
- 02 Financial reporting of interim and annual published results
- 03 External valuers portfolio and property valuations and directors interim property valuations
- 04 Assessing the Company's solvency and liquidity including its ability to declare a dividend to shareholders
- 05 Assessment of and approval of new models introduced for the combined assurance approach
- 06 Intensive monitoring of high risk tenants
- 07 Monitoring of tax compliance across the Group
- 08 Review of monthly management reports produced by the executive.
- 09 Approval of split of AR Committee into separate audit and risk committees for more focus on Risk Management.

## PLAN FOR 2025

The committee plans to dedicate significant time to the following key areas during the year ahead:

- Financial reporting of the Group's interim and annual results
- Monitoring the internal financial controls within the business to ensure compliance with JSE Listings Requirement 3.84(g)(ii)
- Further expanding the combined assurance approach
- Monitoring tax compliance across the Group
- Monitoring of the Groups compliance with the Protection of Personal Information Act
- Assess the effect and impact of changes in technology on the Group combined with an analysis of the efficient use of such technology

## INTRODUCTION

During the year under review, the Audit Committee comprised of three independent non-executive directors. The Committee met four times during the year with the Group's executive directors as well as the external auditors, present as invitees. The Company Secretary attends as secretary to this Committee. The table included on page 135 of this report references attendance. The Audit Committee performs its review function over all of Putprop's and subsidiary operations and its report in this regard is set out on pages 178 to 181.

## SPLIT OF AUDIT COMMITTEE

During the year the Risk Committee was separated from the combined Audit and Risk Committee to allow for a more detailed focus of each committees functions.

## OUR APPROACH

The Audit Committee charter provides clear terms of reference to the Audit Committee. The Audit Committee identifies and continuously evaluates exposure to significant risks and reviews the appropriateness and adequacy of the systems of internal finance and operational controls. In addition, the Audit Committee reviews accounting policies and financial information issued to the public and provides for effective communication between directors and external auditors.

The Audit Committee's charter also prescribes that sessions may be held with the external auditors with no management present, to ensure that matters are considered without undue influence. The external auditors have unlimited access to the Audit Committee's Chairman.



Speed: Known for their incredible speed and agility, elephant shrews can run swiftly through their habitats, using zigzag patterns to evade predators, in addition, they are able to jump up to 1 meter.

## AUDIT COMMITTEE

(CONTINUED)



### ROLES AND RESPONSIBILITIES

The objective of the Audit Committee is to assist the Board in discharging its duties including but not limited to:

- The safeguarding of assets.
- The operation of adequate systems and control processes.
- The preparation of accurate financial reports and statements, complying with all relevant corporate disclosure requirements and accounting standards.
- Review and submission to the Board of the portfolio valuation carried out by the executive directors in December as well as review and submission of the external valuation of the portfolio performed in June.
- Approving the terms of engagement and remuneration of the external auditors.
- Reviewing current and planned developments in accounting and auditing standards.
- Reviewing the findings contained in the JSE Proactive Monitoring report.
- Assessing and reviewing the going concern status, capital adequacy, and solvency and liquidity of the Group.
- Reviewing the appropriateness of the expertise and experience of the CFO and the finance function.
- Review the independence and performance of HLB as the Group's external auditor.
- Consideration of the information provided by HLB in accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements and assessment of the suitability for its continued appointments as the Group's external auditor; and
- Establishment of the principles for the provision of the non-audit services by HLB to ensure that will not undermine its independence as Group's external auditor.

Audit Committee members have unlimited access to all

information, documents and explanations required in the discharge of their duties. This authority has been extended to the external auditors. The Audit Committee sets principles for recommending the use of external auditors for non-audit services, to ensure that such services do not substantively undermine their independence as external auditors.

The Audit Committee has the cooperation of all directors, management and staff.

### IT MANAGEMENT

As at 30 June 2024 the Group does not have its own dedicated IT infrastructure. However, the Audit Committee ensures that security policies, daily off-site backups and suitable firewalls are in place. Putprop is not considered IT critical, but IT remains of high importance. Eris, Sage Pastel as well as the Bidvest IT Group maintain electronic records on behalf of the Group which include financial, rent rolls and other documents.

All accounting records and critical documents are backed up daily to a cloud-based security system.

During this period all accounting records operating systems have been migrated to a cloud-based system thus eliminating hardware failure and redundancies.

### GOING CONCERN

The Audit Committee has reviewed a documented assessment, including key assumptions prepared by Management, of the going concern status of the Group. The Board's statement on the going concern status of the Group, is supported by the Audit Committee.

The Audit report is set out on pages 178 to 181.



**Monogamous Pairs:** Many elephant shrew species form monogamous pairs, establishing and defending a shared territory. They communicate using vocalizations, scent markings, and drumming their feet.



# RISK COMMITTEE



**HAYDEN THOMPSON HARTLEY**  
CHAIRMAN

Date of appointment:  
**17 February 2018**

Years of Experience  
**15+ Years**



**DANIELE TORRICELLI**  
CHAIRMAN, INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**3 December 2015**

Years of Experience  
**25+ Years**



**GERRIT VAN HEERDEN**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

Years of Experience  
**40+ Years**



**RENÉ STYBER**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

Years of Experience  
**30+ Years**



**BRUNO CARLEO\***  
CHIEF EXECUTIVE OFFICER

Date of appointment:  
**11 March 1997**

Years of Experience  
**30+ Years**



**JAMES SMITH\***  
CHIEF FINANCIAL OFFICER

Date of appointment:  
**17 June 2009**

Years of Experience  
**30+ Years**

\*Invitees

## INTRODUCTION

The duties and responsibilities of the RC do not reduce the individual and collective responsibilities of the Board in respect of the carrying out of its individual and collective fiduciary duties and legal obligations.

The RC is appointed by the Board and ensures that the Board's mandate in respect of risk of property investments is reviewed and adhered to.

The RC is comprised of two executive directors who attend by invitation and four non-executive directors.

All property acquisitions, disposals and capital expenditure proposed by the Group's executive are considered by the RC. The RC can approve such acquisitions, disposals and capital expenditure up to pre-set limits, without further Board approval. However, all acquisitions, disposals and capital expenditure are forwarded to the Board for formal ratification.

The RC's duties and responsibilities are governed by a charter, which is reviewed annually by the Board.



Unique Locomotion: Some species of elephant shrews exhibit a unique form of locomotion called "bounding," where they use their powerful hind legs to leap and cover ground quickly.

# RISK COMMITTEE



## ROLES AND RESPONSIBILITIES:

- Reviewing and approving the Company's investment strategy and investment proposals
- Considering, interrogating and stress testing the Company's potential acquisitions, investments and disposals
- Evaluating major capex proposals such as new developments, extensions, upgrades and refurbishments
- Considering and making recommendations to the Board on all risk-related matters
- Integrating the risk management policy in the daily activities of the investment and sales teams
- Ensuring the investment team has appropriate resources of experience and expertise
- Fulfilling its mandate in accordance with laws, regulations and the Company Approval Framework
- Reviewing the replacement values of the property portfolio for insurance purposes
- Considering the viability of capital projects, acquisitions and disposals of property in line with the Group's strategy objectives and defined parameters;
- Considering the financial viability of refurbishments, upgrades, extensions and improvements to existing properties in the portfolio;
- Reviewing and approving the sales mandate of properties to be sold, if any.
- Overseeing the development and annual review of, a formal policy and strategy for the management of risks associated with the Group's operations;
- Monitoring the implementation of this formal policy by means of risk management systems;
- Identifying and analysing risks faced by the Group and assessing the impact, if any, on the Group's continued operations;
- Making recommendations to the Board concerning risk tolerance levels and expressing formal opinions as to the process and effectiveness of risk management;

## FOCUS AREAS IN 2024

- 01 Comprehensive review of groups risk and risk tolerance matrix maturing where appropriate updates implemented.
- 02 Analysis of balloon finance making in current financial period, for assurance of continued loan finance.
- 03 Loan maturity quarterly review, with attention given to refinance terms.
- 04 Approval of existing Nedbank facility to be switched to ABSA on maturity.
- 05 Risk assessment of vacant space and lease expiry profiles.

## PLAN FOR 2025

- Continued assessment of finance facilities enjoyed by the group.
- Continued review and update of group risk matrix.
- Succession and talent analysis of group to ensure continuity of executive function.
- Review of portfolio to ensure asset base suitably maintained and insured.
- Analysis and review of groups compliance with all regulatory areas and suitable external assurance mechanisms are in place to ensure this compliance.



Lifespan: In the wild, elephant shrews typically live for 2-4 years, but they can live longer in captivity under ideal conditions.



# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE



## Regular invitees

**JAMES SMITH**  
Chief Financial Officer

**BRUNO CARLEO**  
Chief Executive Officer



**HAYDEN THOMPSON HARTLEY**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:  
**17 February 2018**

Years of Experience  
**15+ Years**



**DANIELE TORRICELLI**  
CHAIRMAN, INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**3 December 2015**

Years of Experience  
**25+ Years**



**GERRIT VAN HEERDEN**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

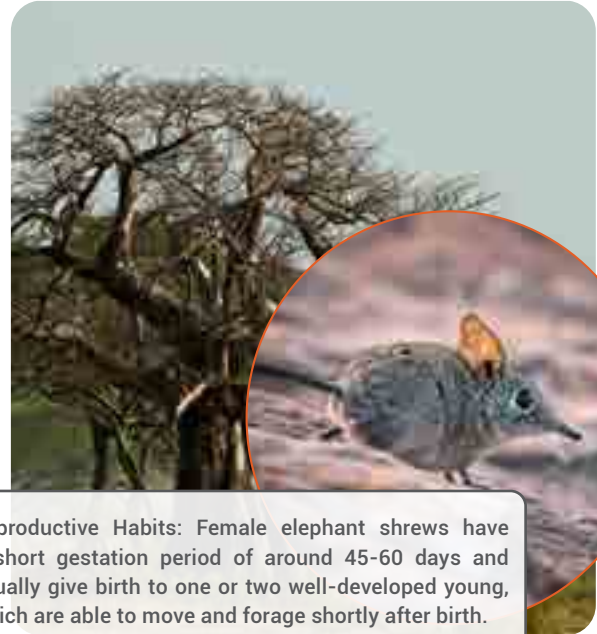
Years of Experience  
**40+ Years**



**RENÉ STYBER**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR

Date of appointment:  
**1 July 2018**

Years of Experience  
**30+ Years**



Reproductive Habits: Female elephant shrews have a short gestation period of around 45-60 days and usually give birth to one or two well-developed young, which are able to move and forage shortly after birth.

## ROLES AND RESPONSIBILITIES

An updated charter has been adopted by the Board setting out the purpose, role and responsibilities of this Committee. At the Company's AGM, shareholders are requested to consider and vote on separate non-binding advisory resolutions that recommend the approval of the remuneration policy and its implementation.

The committee follows a formal, transparent and fair process of nominating and appointing Board members, and complies with the relevant legislation, regulation and governance codes.

The board has combined the functions of the Remuneration Committee and the Nominations Committee into a single Committee. Discussions pertaining matters which fall within the pure view of the Nomination Committee are chaired by the Chairman of the Board, while remuneration is chaired by the Chairman of the AR Committee. The Nomination Committee meets as and when required to consider and interview candidates considered for appointment to the Board.

During the year under review, the RNHR Committee comprised of four independent non-executive directors. The executive directors attend meetings by invitation but are not present when discussions pertaining to their remuneration and performance are discussed. The RNHR Committee met twice in the current year.

The RNHR Committee meets to discuss matters concerning director's remuneration, the determination of general staff salary increases, bonus payments, appointment of directors and senior management, and any other relevant issues.

- Developing the Group's remuneration policy;
- Ensuring that the remuneration policy is applied consistently throughout the Group;
- Recommending bonuses and annual percentage salary increases for staff and executives to the Board;
- Ensuring that Putprop remunerates its directors and executives fairly and responsibly;
- Ensuring that the disclosure of remuneration is accurate, complete and transparent; and
- Developing performance measurement policies.

For more information pertaining to the RNHR's activities refer to the Committee's report on pages 159 to 162

The curricula vitae of the members are set out on pages 132 to 134. The Committee held two meetings during the period. All meetings were scheduled in advance. Meeting attendance is set out on page 135.



# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE

## RESPONSIBILITIES OF THE COMMITTEE INCLUDE:

- Upholding, reviewing and amending the Company's remuneration philosophy and policy as appropriate
- Ensuring the fair market related remuneration of all our staff, with appropriate criteria to measure their performance
- Approving remuneration packages that attract, retain and motivate employees
- Encouraging longer term wealth creation for staff through share ownership in the Company
- Submitting recommendations to shareholders for appropriate remuneration of non-executive directors
- Reviewing Board and committee composition according to the needs of the Company
- Succession planning to ensure the transfer of skills and business continuity

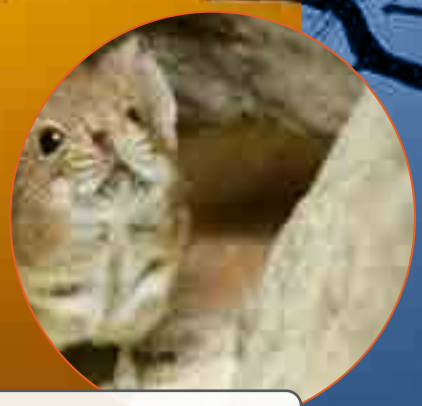
## FOCUS AREAS IN 2024

- 01 Review and approval of the FY2024 increases, for executive directors and all Putprop employees
- 02 Review of non-executive directors' remuneration against market benchmarks
- 03 Reviewing KPIs against peer group benchmarks
- 04 Review and assessment of Board and Committee's annual functionality evaluation
- 05 Review of and direction of, succession planning template and procedures currently in existence.

## PLAN FOR 2025

The Committee plans to dedicate significant time to the following key areas during the year ahead:

- 01 Design and implementation of a new more relevant Board and Committee evaluation procedure with emphasis placed on strategic issues.
- 02 Review of current KPIs to ensure relevant and in line with Group's benchmarks and update where necessary
- 03 Finalisation and approval of changes in amendments to Companies Act gazetted in 2024
- 04 Comprehensively review the groups reporting on remuneration to better communicate and enhance disclosures of its remuneration policies and practises to all stakeholders.
- 05 Review the groups talent development, succession and retention programmes and ensure that resources available to the group are adequate to meet the executive strategic objectives.



Conservation Status: While some species of elephant shrews are relatively common, others face threats from habitat loss and fragmentation. Conservation efforts are crucial to protect their diverse habitats and ensure their survival.



# ENVIRONMENTAL, SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE



**DANIELE TORRICELLI**  
CHAIRMAN, INDEPENDENT,  
NON-EXECUTIVE DIRECTOR  
Date of appointment:  
**3 December 2015**  
Years of Experience  
**25+ Years**



**HAYDEN THOMPSON HARTLEY**  
INDEPENDENT, NON-EXECUTIVE DIRECTOR  
Date of appointment:  
**17 February 2018**  
Years of Experience  
**15+ Years**



**GERRIT VAN HEERDEN**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR  
Date of appointment:  
**1 July 2018**  
Years of Experience  
**40+ Years**



**RENÉ STYBER**  
INDEPENDENT,  
NON-EXECUTIVE DIRECTOR  
Date of appointment:  
**1 July 2018**  
Years of Experience  
**30+ Years**



**BRUNO CARLEO**  
CHIEF EXECUTIVE OFFICER  
Date of appointment:  
**11 March 1997**  
Years of Experience  
**30+ Years**



**JAMES SMITH**  
CHIEF FINANCIAL OFFICER  
Date of appointment:  
**17 June 2009**  
Years of Experience  
**30+ Years**

## INTRODUCTION

The ESET is constituted as a Committee of the Board of Putprop, in terms of Section 72(4) of the Companies Act read with regulation 43 of the Companies Regulations, 2011.

In King IV it is recommended that the Chairman of the Board should not be the Chairman of the Social and Ethics Committee, however, the entire Board sits on this Committee but decision-making is undertaken by the Board as a whole.

The ESET Committee meets twice a year to discuss, monitor and oversee the Group activities in respect of the core values and social responsibility code adopted by the Board.

The main responsibilities of the ESET Committee are:

- Promoting ethical and transparent business conduct;
- Reviewing the Group's compliance with current codes of best practice and the International Labour Organisation's protocols on working conditions;
- Evaluating issues and requests for corporate social investment;
- Ensuring the Group promotes a positive corporate image, equality and non-discrimination in its interactions with all stakeholders; and
- Actively pursuing energy efficient initiatives within its scope of operations.

The ESET report is set out on page 163.



**Taxonomic Uniqueness:** Despite their name, elephant shrews are not true shrews and are more closely related to elephants, manatees, and armadillos, belonging to a distinct order called Macroscelidea.

# ENVIRONMENTAL, SOCIAL AND ETHICS, TRANSFORMATION COMMITTEE



## COMPOSITION AND MEETING PROCEDURES

This Committee has been constituted in terms of section 72(4) of the Companies Act No. 71 of 2008, as amended and its accompanying regulations, to implement the mandate prescribed by regulation 43(5).

The Committee comprises of four independent non-executive directors and two executive directors. The Committee meets on an ad hoc basis by at least twice a year. The Committee met twice during the year under review.

## ROLES AND RESPONSIBILITIES

These include:

- Driving initiatives to minimise the Company's impact on the environment
- Reducing the Company's carbon emissions, energy and water usage
- Accurate reporting and observing environmental laws and applicable regulations
- Driving policies relating to the training, development, health, safety and ethical conduct of employees
- Effective stakeholder engagement programmes and managing the outcomes
- Facilitating corporate social investment programmes to assist local communities
- Helping to provide decent work and working conditions for employees
- Driving transformation, including racial and gender diversity, and improving the Company's B-BBEE rating level
- Aligning with relevant employment equity policies and legislative requirements
- Managing ethical conduct effectively in accordance with King IV recommendations
- Enhancing enterprise risk management processes and frameworks

For details on Putrops environmental and social reporting for the year under review, refer to the sections commencing on page 163 of this integrated report.

## FOCUS AREAS IN 2024

- 01 To start the process of designing a framework for the Groups ESG position
- 02 Drive the Groups strategy of water conservation by means of suitable interventions in select properties
- 03 Drive the Group's strategy of energy efficiency through solar installations in select properties
- 04 Review the opportunity of implementing transformation in the Group
- 05 Review and approve corporate social initiative budget for the year
- 06 Approval of 10 social initiative project spends in local communities

## PLAN FOR 2025

- 01 To continue the feasibility of implementing certain goals of the ESG program on sustainable linked projects
- 02 To drive and finalise the process of transformation in the Group's activities
- 04 Review and renew the Social and Ethics Charter adding changes where appropriate
- 05 Approval of social initiatives and investment spend budget for 2025
- 06 Focus on sustainability linked areas of the Group where we can influence changes in waste disposal, water conservation and energy efficiency

Rocky Terrain: Some species, like the Rock Elephant Shrew, are specifically adapted to rocky habitats where they can use crevices and boulders for shelter and protection from predators.





# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE REPORT



## OVERVIEW

This report sets out Putprop's Remuneration Policy in respect of both executive and non-Executive directors for the 2024 financial year.

THE REPORT IS DIVIDED INTO TWO PARTS:

### PART 1 - BACKGROUND STATEMENT.

THIS DETAILS OUR APPROACH TO REMUNERATION AND THE BASIS FOR REMUNERATION DECISIONS DURING THE CURRENT YEAR.

### PART 2 - AN OVERVIEW OF THE REMUNERATION POLICY AND ITS IMPLEMENTATION REPORT

THE REMUNERATION REPORT IS ALIGNED WITH KING IV AND OUTLINES THE GROUP'S APPROACH TO FAIR, REASONABLE AND TRANSPARENT REMUNERATION PRACTICES

## PART 1: BACKGROUND STATEMENT

### INTRODUCTION

THE MAIN OBJECTIVES AND TERMS OF REFERENCE OF THE RNHR ARE:

- Attract and retain talent at every level of the organisation;
- Motivate and synergise such talent with the core principles and objectives of the Group;
- Establish a clear differentiation between the executive and all staff with regard to performance;
- Recognition of high performance, standard performance and underperformance in respect of all job specifications and remunerate and reward accordingly;
- Follow an active approach to drive a high-performance culture;
- Underperformance will not be rewarded and where possible corrective measures will be employed to conform to the standard;
- Adhere to legislative and regulatory requirements relating to remuneration policies in South Africa. All standards, taxes and statutory deductions are applied or deducted as required;
- Competitive remuneration packages and rates of pay must be enforced to be able to attract and retain staff; and
- Remuneration policies and the process of determining pay levels and packages to be transparent and open.

The RNHR Committee believes that remuneration is a key instrument to attracting and retaining competent and skilful individuals in order to become more efficient and ultimately increase returns for all our stakeholders.

## PART 2: OVERVIEW OF THE 2024 REMUNERATION POLICY AND IMPLEMENTATION REPORT

### REMUNERATION POLICY ON APPROACH

Putprop's remuneration policy is informed by the need to attract, retain and incentivise high-quality staff in order to grow the business and create sustainable value for its stakeholders. In setting remuneration, the Board considers various internal and external factors including market benchmarks, the shortage of skills in the market and the social responsibility to reduce income inequality.

While external remuneration consultants have not been used, the Board has referred to reports from top auditing and consulting firms for guidance.

The remuneration policy is based on the principle that total rewards are set at levels competitive within the relevant market. This policy prescribes that levels of pay and incentives awarded to executive directors are set rationally and impartially. Executive pay is linked to value creation and positive outcomes, and is subject to independent oversight and approval by the committee.

Remuneration is linked to the groups performance with defined measurable deliverables. This ensures shareholder interest are aligned with performance.

Putprop's remuneration structure generally includes a guaranteed base salary and employment benefits. The remuneration of Putprop's executives is structured as follows:

#### Executive

**Base salary:** The base salary is set to be competitive when comparing the remuneration for similar positions in companies comparable in terms of size, market sector and business complexity. Base salaries are reviewed annually, considering the performance of the individual, Putprop's financial results and any changes in responsibility.

**Employment benefits:** Benefits include medical aid and car allowance.

The Group does not allow for any short-and long-term incentive schemes at present.

The executives are employed on standard employment contracts requiring a minimum notice period of three months. Arrangements in respect of any bonus or long-term award payments upon retirement are decided on at time of occurrence, Putprop has also not paid any sign-on, retention or restraint payments during the reporting period.

All Executives are assessed based on the annual performance of Putprop as well as their individual performance.

#### Non-Executive

Non-executive directors are remunerated for their services as directors and these fees are submitted to shareholders for approval each year. These fees are based on per-meeting attendance. Salaries and benefits are disclosed further in this report.



Geographic Range: Elephant shrews are native to Africa, with different species found across the continent from southern to central and eastern regions.



# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE REPORT

(CONTINUED)



## FEES PAID TO NON-EXECUTIVE DIRECTORS FOR FINANCIAL YEAR 2024 AND PROPOSED FOR 2025

		Board	Audit Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Risk Committee
Fee per meeting						
March 2024 to 28 Feb 2025	Chairman	28 000	19 000	10 000	-	19 000
Proposed fee per meeting						
March 2025 to 30 June 2026		32 000	22 000	12 000	-	22 000
Fee per meeting						
March 2024 to 28 Feb 2025	Member	20 000	10 000	7 000	-	19 000
Proposed fee per meeting						
March 2024 to 30 June 2026		23 000	12 000	8 000	-	12 000

Note, that effective from the 2025 financial year the committee has decided to make fees increases run with the groups 12 month reporting period of 1 July to 30 June. Fees reflected above have been increased to reflect the 15 month commencement period.

## EXECUTIVE REMUNERATION PAID

	Board and committee fees	Salary	Car allowance	Long service award	Bonus	Medical aid contribution	Total
<b>2024</b>							
BC Carleo	128	1,600	115	-	131	218	2,192
JE Smith	128	1,822	115	-	148	218	2,432
AL Carleo-Novello	51	365	-	386	78	69	950
	<b>308</b>	<b>3,787</b>	<b>230</b>	<b>386</b>	<b>358</b>	<b>505</b>	<b>5,574</b>
<b>2023</b>							
BC Carleo	120	1,505			123	196	1,944
JE Smith	120	1,703			139	196	2,158
AL Carleo-Novello	120	899			73	175	1,267
	<b>360</b>	<b>4,107</b>			<b>335</b>	<b>567</b>	<b>5,369</b>

## NON-EXECUTIVE DIRECTORS FEES PAID (TOTAL)

	2024		2023	
	Board and committee fees	Total	Board and committee fees	Total
DG Torricelli	211	211	175	175
HT Hartley	255	255	211	211
R Styber	205	205	171	171
GH Van Heerden	205	205	171	171
	<b>876</b>	<b>876</b>	<b>728</b>	<b>728</b>



# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE REPORT

(CONTINUED)



## COMMITTEE PERFORMANCE EVALUATION

The RNHR Committee is responsible for assisting the Board to ensure that Putprop's remuneration philosophy is applied consistently throughout the Group, that Putprop remunerates its non-executive and executive directors fairly and responsibly and to ensure that the disclosure of such remuneration is accurate, complete, and transparent.

The performance of the RNHR Committee is assessed on an annual basis. The 2024 review was satisfactory with no areas of concern raised.

The RNHR Committee is satisfied that it fulfilled its mandate during the reporting period. The RNHR Committee will continue to ensure that the remuneration policy is aligned with furthering Putprop's strategic objectives.

## SHAREHOLDER ENGAGEMENT

In line with the King IV recommendations, the remuneration policy has been updated to provide for shareholder engagement should more than 25% of shareholders vote against the policy and/or the implementation report at the upcoming Annual General Meeting. In this event, shareholders will be called upon to explain their reasons for voting against the policy and/or its implementation and these responses will be discussed by the RNHR Committee and the Board. The Board will then decide on the best way to address the responses and identify where amendments to the policy are required. A report will be provided to shareholders regarding the engagements and actions taken.

## REMUNERATION REPORT OF AGM HELD ON 7 NOVEMBER 2023

During the Group's 2023 AGM of shareholders, the group's remuneration report was not approved by the majority shareholder of Putprop, Carleo Enterprises.

A meeting was held with the representative of the major shareholder immediately after the AGM as well as a follow up discussion.

The aim of these meetings was to determine reasons for the non-approval of the Remuneration Report by shareholders and discuss concerns.

The Chairman of the Board, the Chairman of the Remuneration committee and other two non-executive directors, were present.

The content major shareholder indicated their concern was *not the Remuneration Report* and its content but related to Item 2, listed on page 136 of the Group's 2023 Annual Report "Review existence of and direction of succession planning template and procedures currently in existence"

They indicated that the succession plan in its current format and approved by the Board did not address and meet all their concerns and requirements.

It was noted by the shareholder that they would like to nominate candidates to the Nomination Committee for both the Chief Executive and Chief Financial Officers' positions.

These nominations would form part of the Nomination Committee's candidates to be considered by the Committee for these positions, when they become available.

Both the Remuneration Committee Chairman and the Board Chairman agreed to review the current succession plan policy as well as the majority shareholders request, at the Groups next Committee meeting.

At the Remuneration & Nomination Committees meeting of February 2024 ,the succession plan document was modified and approved, to satisfy the majority shareholders concerns.

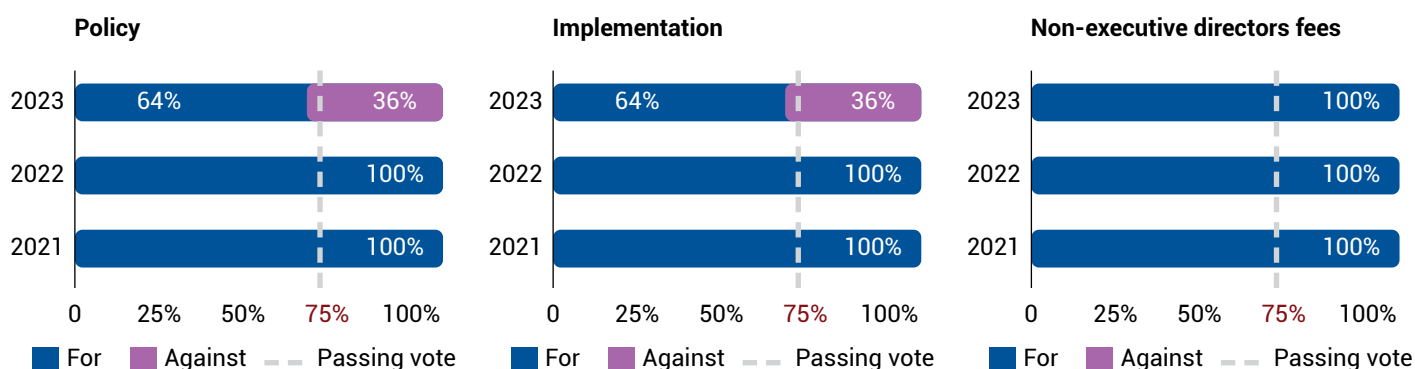
It was however noted by the Committee any candidate for these positions of CEO and CFO by the majority shareholder needed to be submitted timeously, to commence this process, as the current incumbents are due to retire at the end of 2025.

This has been conveyed to the majority shareholder who indicated their concerns have been addressed to their satisfaction.

Shareholders will be asked to pass resolutions at the upcoming Annual General Meeting approving the non-executive directors' fees as well as separate nonbinding advisory votes on the remuneration policy and remuneration implementation report.

## VOTING OUTCOMES OF PREVIOUS SHAREHOLDER ENGAGEMENTS

### SHAREHOLDER ENGAGEMENT AND VOTING OUTCOME OF A NOW BINDING VOTE





# REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE REPORT

(CONTINUED)



The Company does however continue to invite legitimate comments and concerns from dissenting shareholders to engage with the RNHR Committee on these issues.

## COMPANIES AMENDMENT BILL, 2023

The Companies amendment bill 2023 (CAB) passed by the South African parliament, was signed into law by President Ramaphosa on 30 July 2024, with date of implementation still to be announced. The CAB 2023 introduces new provisions in the Companies Act, dealing with executive remuneration and disclosure of remuneration information.

The CAB 2023 goes substantially further than disclosures required by King IV as it requires approval of the remuneration policy and remuneration report by ordinary resolution of shareholders.

- King IV and the liability requirements contemplate a non binding advisory vote, whereas CAB 2023 recommends certain binding actions.
- If the policy is not approved by shareholders it must be resubmitted for approval at the next AGM.
- Once a remuneration policy is approved it remains in place for a period of three years and must be approved every three years thereafter.
- Any material amendments made to the policy will require shareholder approval.

## REMUNERATION DISCLOSURE CHARGES

To date, Companies have been required to disclose the total remuneration received by each director and prescribed officer in the annual reports.

With the introduction of CAB 2023, the total remuneration of the highest and lowest paid employees, the average and medium total remuneration of all employees and the remuneration gap between the top 5% highest paid and 5% lowest paid employees must also be disclosed.

The group has decided to introduce certain of these recommendations in the June 2024 report, although not obliged to do so.

## SANCTIONS

If the remuneration report is not approved by shareholders, then at the following AGM the remuneration committee must indicate how shareholder concerns have been considered and addressed. The non executive directors on the remuneration committee must stand for re-election. If the report is again not approved at the following AGM the committee members cannot serve on the remuneration committee for a period of two years.

## FAIR AND RESPONSIBLE PAY METRICS

The committee has recommended to the board early adoption of certain of the requirement of CAB 23, which the boards has accepted.

The committee has established a policy for monitoring compliance with fair and responsible pay principles. This policy will be fully developed in the 2025 year.

In respect of the groups pay metrics the pay ratios as required by CAB 2023 are disclosed below in table form.

Pay ratio	2024 ZAR	2023 ZAR
Single figure average bottom 5%	26 684	21 653
Single figure average top 5%	183 435	174 983
Pay ratio	6.9	7.9

The pay ratio has shown a substantial narrowing in 2024 of 14.4% due to the committees policy of applying and re-evaluating fair and responsible pay principals.

## NOMINATION COMMITTEE

The nomination committee met twice during the current review period.

## CONCLUSION

The RNHR Committee is of the opinion that the current committee has the necessary management, property expertise and financing skill sets to discharge its duties as required under King IV.

The RNHR Committee on a previous instruction from the Board continued to investigate alternative performance related incentive and share schemes as well as other possible options during this review period. No formal recommendation has been approved for forward consideration to the Board.

The RNHR Committee would like to extend its appreciation to the management and staff for their assistance during the year under review.

.....  
**H Hartley**  
Chairman  
Remuneration

Sandton  
21 August 2024

.....  
**D Torricelli**  
Chairman  
Nomination



# ENVIRONMENTAL, SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT



## OVERVIEW

### TERMS OF REFERENCE AND MANDATE

The ESET Committee has adopted a charter setting out its formal terms of reference which has been approved by the Board in the review period. These terms of reference are reviewed on a regular basis.

The ESET Committee performs a monitoring and oversight role to ensure the Group fulfils its statutory obligations in respect of issues detailed in the Companies Act, as well as guidelines set out in King IV, and the ESET Charter as adopted by the Board.

The ESET Committee provides an oversight that ensures that Putprop fulfils its social responsibilities and meets high ethical standards across all of the Group's business activities.

The ESET Committee main mandate and responsibilities are to monitor the Group's activities having regard to any relevant legislation legal requirements or existing codes of best practice, including:

- Ensuring that the Group supports, respects and complies with the principles, as set out in the International Labour Organisations and UGCP'S various directives on working conditions, health and public safety;
- Compliance with the Employment Equity Act;
- Accreditation efforts in respect of Broad Based Black Economic Empowerment (B-BBEE);
- Good corporate citizenship;
- Reviewing the Code of Conduct and Code of Ethics for the Group annually;
- Environmental, health and public safety, to include the impact of the Group's activities and of its products and services;
- Consumer relationships, and compliance with consumer protection laws;
- Labour and employment acts;
- Raising matters of concern and importance within its mandate to the attention of the Board; and
- Reporting to the shareholders of the Group at the Annual General Meeting.

The ESET Committee met twice during the review period identifying the key points of its role and responsibilities as identified above. The charter as approved by the Board was also reviewed.



**Habitat Diversity:** They inhabit a wide range of environments including forests, savannas, grasslands, rocky areas, and scrublands, adapting to various ecological conditions.



## ACTIVITIES AND FOCUS AREAS 2024

### Monitor of Putprop's ethical culture

The Groups ethical values are detailed on page 7 of this report. The ESET Committee attaches high importance to ensure that these standards are maintained.

### Work environment review

The Group pays particular attention to its workforce. Although very small, at seven employees this complement is considered the Group's biggest and most important asset. Friendly and positive labour policies form one of our core values statements. During the year, one employee retired. A replacement employee has not been approved at present.

### Social investment

A register of sponsorship and humanitarian investments is maintained by the ESET Committee. As at 30 June 2024 the total value of the social sponsorship and donations was R2 457 031 (2023: R2 086 026). For details of humanitarian investments made for this review period refer to pages 102 to 111 of this report.

### Detailed review and strategic direction to comply with Employment equity, B-BBEE and transformation

Due to the small staffing complement and the present ownership structure, the status of the Group at present is that of a Non-Compliant Contributor. The ESET Committee feels, however, that it is essential progress be made in the Skills Development and Preferential Procurement elements of the Code. During this period, two transformation agencies were approached to give direction to the Group in achieving a improvement in the B-BBEE status. To date no action has been approved for recommendations arising from this exercise and this process is ongoing at present.

### Health and Safety protocols

Health and safety continues to be a priority at our various assets. We strive to ensure that together with our tenant base that correct protocols exist.

Legal advice has previously been obtained as to the legal obligations of both lessee and lessor in respect of the Health and Safety Act at the Group's properties. The ESET Committee has assessed the report submitted and has suggested improvements in certain areas. After review, additional procedures and polices have been drafted for implementation.

These recommendations have been approved by the Board.





# ENVIRONMENTAL, SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT (CONTINUED)

## KEY FOCUS AREAS 2024

The ESET Committee will focus on the following key areas in the next reporting period

A review of ESG requirements with an emphasis on solar energy

Continued monitoring of all health and safety protocols at all of our assets to ensure compliance with current legislation

Continued support for marginalised disadvantaged communities

Continued review of B-BBEE transformation, with a view to the introduction of processes to charter a way forward to reach a minimum of level 7 of the Act.

### IN CONCLUSION

The ESET Committee believes that it has discharged all of its duties and obligations as required by the formal terms of reference as contained in its Charter.

#### D Torricelli

Chairman  
Environmental, Social, Ethics and Transformation Committee

Sandton  
21 August 2024



Home Range: Elephant shrews establish and maintain small territories, which they mark with scent glands and defend from intruders. Their home ranges vary in size depending on species and habitat quality.



Burrows and Nests: They often create nests or use abandoned burrows for shelter. These nests are usually well-hidden and constructed from leaves and other plant materials to provide insulation and camouflage.



# The Elephant Shrew

**Temperature Regulation:** In hotter climates, elephant shrews are often more active during cooler parts of the day, such as early morning or late afternoon, to avoid extreme heat. Some species in cooler regions may be active throughout the day.

**Water Sources:** While they can survive in arid environments, elephant shrews still need access to water. They get moisture from their diet but also need to drink water when it is available.

**Impact of Human Activity:** Habitat loss and fragmentation due to agricultural expansion, urban development, and deforestation pose significant threats to elephant shrews. Conservation of their habitats is crucial for their continued survival.



# ANNUAL FINANCIAL STATEMENTS



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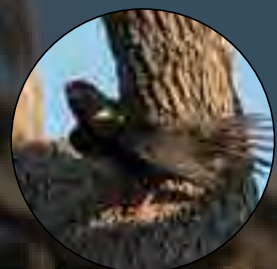
# The Buffalo Weaver

**Large and Communal:** Buffalo weaver nests are large and communal, often housing multiple breeding pairs within the same structure. These nests can become quite extensive, sometimes spanning several feet in diameter.

**Durable Construction:** The nests are constructed using thorny twigs and sticks, which provide a sturdy and protective structure. The use of thorns also helps deter predators from accessing the nest chambers.

**Multiple Chambers:** Each nest typically contains multiple chambers, with separate compartments for each pair of birds. This allows several pairs to live and breed within the same nest complex while maintaining individual nesting spaces.

**Preferred Nesting Sites:** Buffalo weavers prefer to build their nests in tall, thorny trees such as acacias. These trees offer both a secure location and additional protection from ground predators.



# DIRECTORS' RESPONSIBILITY STATEMENT AND CEO AND CFO DECLARATION STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

## Overview

The audited annual consolidated financial statements set out on pages 182 to 233 are the responsibility of the Board. The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records for the safeguarding of assets and for the developing and maintaining of a system of internal control. The audited annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, the Companies Act, Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council, the Listing Requirements of the JSE and include amounts based on judgements and estimates made by management.

## Going Concern

The going concern basis has been adopted in preparing the Group's annual financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

In the prior and current year, the current liabilities exceeded current assets at Group level at our reporting date.

Our Nedbank loan matures in August 2024 and the loan with ABSA for Summit place in February 2025. Refer to note 18. Both of these loans have been successfully refinanced with ABSA Limited. In respect of the new ABSA facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to JIBAR +2.5 per annum.

In terms of IFRS reporting standards, these loans have been reflected as current liabilities. This is in order to comply with IFRS accounting standards as at year end, signature of both loan refinancing agreements with ABSA, had not occurred as at 30 June 2024. Term sheets have been subsequently approved by the group on the 19th of August 2024. This reporting allocation represents purely an accounting requirement and both loans will be reflected as Non-Current liabilities in our June 2025 financial statements.

Current assets will exceed current liabilities immediately on the signature of loan agreements.

The directors have assessed the Group's ability to continue as a going concern and have reviewed the Group's cash flow forecasts for the year ending 30 June 2025. Following this review and the current financial position, the directors are satisfied that the Group has access to adequate resources to continue operational existence for the foreseeable future.

The directors, supported by the Audit Committee, are satisfied that the Group's annual financial statements, fairly present the current state of affairs of the Group and that there was no material breakdown in the system of internal control during the year. For further comment and additional disclosures on the Group's going concern status refer to the Directors' Report on page 175 of the Annual Financial Statements.

## Operating Statement

Each of the directors' whose names are stated below, hereby confirms that:

- (a) The audited annual consolidated financial statements set out on pages 182 to 233, fairly present in all material respects of the financial position, financial performance and cash flows of Putprop Limited, in terms of IFRS;
- (b) To the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) Internal financial controls have been put in place to ensure that material information relating to Putprop Limited, and its Consolidated Subsidiaries has been provided to effectively prepare the financial statements of the Group;
- (d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- (f) We are not aware of any fraud involving directors.

## External Auditors

The Group's annual financial statements have been audited by its independent external auditors HLB CMA SA Incorporated (HLB), who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and Committees of the Board. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. It is the responsibility of the auditors to report on the Group's financial statements in conformity with International Standards on Auditing. HLB audit report is presented on pages 171 to 174.

## Approval

The financial statements were approved by the Board on 28 August 2024 and signed on their behalf by:



**J E Smith**  
*Chief Financial Officer*

Johannesburg  
28 August 2024



**BC Carleo**  
*Chief Executive Officer*

Johannesburg  
28 August 2024



# **CERTIFICATION BY THE COMPANY SECRETARY**

FOR THE YEAR ENDED 30 JUNE 2024

The Company Secretary hereby certifies in accordance with section 88(2)(e) of the South African Companies Act, 2008 (Act 71 of 2008), as amended that, to the best of our knowledge, the Group has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns as are required for a listed Group and that all such returns are true, correct and up to date in respect of the financial year reported.

*Acorim*

.....  
**Acorim Proprietary Limited represented by  
N. Davies**

Johannesburg  
30 August 2024



# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023



**Head Office:**  
CMA Office & Conference Park  
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Midrand, 1685  
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www.hlbisouthafrica.co.za

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## Independent Auditor's Report

*To the Shareholders of Putprop Limited*

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate financial statements of Putprop Limited (the group and company) set out on pages 182 to 233, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Putprop Limited as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Corporate**NTL Audit & Assurance Services Firm of the Year 2019 and 2023

IRBA Practice no.: 912476  
SAICA Practice no.:30701993

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Key audit matter 1</b></p> <p>The investment property of Putprop Limited and the group is significant. The fair values of the investment property, which contain assumptions and significant inputs, are judgemental. Valuations are performed on an annual basis using either the discounted cash flow or capitalisation of net income methodology by an external valuer which is regarded as management's expert.</p> <p>As a result of the value of the investment property held at group and company level and due to the subjectivity and judgment associated with fair value determination, this matter is regarded as a significant one that we had to address from an audit perspective.</p>	<p>Our audit procedures, included the following, amongst others:</p> <ul style="list-style-type: none"> <li>○ Assessment of the control environment surrounding investment property by considering its design and implementation.</li> <li>○ The qualifications and independence of the external valuers were inspected and verified to assess their capabilities and competence.</li> <li>○ The formal valuation reports were obtained from the valuers and the following procedures performed thereon:               <ol style="list-style-type: none"> <li>1. The forecasted financial information was evaluated for reasonableness which included comparing forecast figures for 2025 with actuals for 2024.</li> <li>2. The capitalisation and discount rates used were evaluated for reasonableness.</li> <li>3. The valuations were recalculated to test the mathematical accuracy thereof.</li> <li>4. Obtained audit evidence for any significant discrepancies in the calculations or inputs used and concluded that the audit evidence is sufficient. These included a comparison of yields, discount rates and square meter prices for similar properties for reasonability.</li> </ol> </li> <li>○ Audit procedures performed to ensure that the investment property disclosures were made in terms of the IFRS.</li> </ul>
<p><b>Key audit matter 2</b></p> <p>In the current year, management identified an error in the tax base calculation of Pilot Peridot Investments 1 (Pty) Ltd's (a subsidiary company) investment property.</p> <p>The error arose from a fair value adjustment which was incorrectly included in the tax base of the property as a cost in respect of which future allowances would be available. This resulted in an understatement of the taxable temporary difference and an overstatement of the deferred tax asset.</p> <p>The error was corrected by resubmitting the 2023 income tax return and retrospectively restating the affected financial statement line items for prior periods.</p>	<p>Our audit procedures, included the following, amongst others:</p> <ul style="list-style-type: none"> <li>○ We inspected the entity's revised tax asset register to verify that the correction was appropriately reflected. This involved ensuring that the fair value adjustment was excluded from the tax base calculation for future allowances.</li> <li>○ We examined both the original and the revised income tax returns and assessments to confirm that the 2023 income tax return had been appropriately corrected.</li> <li>○ Recalculations were performed on the deferred tax for the group for the years 2022, 2023 and 2024.</li> <li>○ A thorough review of the prior period error note in the financial statements was conducted to ensure compliance with IAS 8. This included confirming that the error and its correction were appropriately disclosed, and that all affected financial statement line items for prior periods were restated correctly.</li> <li>○ Detailed consideration was given to the nature of the error which concluded that it was not a reportable irregularity.</li> </ul>





# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

"Putprop Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.





# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that HLB CMA South Africa Incorporated has been the auditor of Putprop Limited for 2 years.

**HLB CMA South Africa Incorporated**  
**Registered Auditors**



---

**Jeandre Du Toit**  
**Director**  
**Registered Auditor**

**29 August 2024**

**CMA Office & Conference Park**  
**No. 1 2nd Road**  
**Halfway House Estate**  
**Midrand, 1685**





# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

## NATURE OF THE BUSINESS

The directors have pleasure in submitting the 36<sup>th</sup> directors' report which forms part of the annual financial statements for the year ended 30 June 2024.

Putprop Limited (The Group), incorporated and domiciled in the Republic of South Africa, was listed on the JSE Limited on 4 July 1988. The Group is listed on the JSE under the Real Estate sector, and invests in industrial, commercial, retail and residential properties deriving its income primarily from tenant rentals. The Group has both directly owned property holdings as well as indirectly held property investments.

## SUMMARY OF FINANCIAL PERFORMANCE AND DISTRIBUTIONS

The information presented for the year ended 30 June 2024 has been prepared in accordance with International Financial Reporting Standards ("IFRS"), Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the Listings Requirements of the JSE Limited. The financial statements have been audited by HLB, the Group's External Auditors.

In summary, rental income, including straight-line adjustments, was up 9.1% to R140.1 million (2023: R128.4 million).

Operating profit before finance costs was up 15.3% to R89.3 million (2023: R77.5 million).

Finance costs during this period were up from R44.2 million in 2023 to R50.1 million. Mamelodi loan facility is now fully accounted for in this increase.

Profit before fair value adjustments of R39.1 million (2023: R33.2 million) was reported, or 17.8% up.

Headline earnings per share were 46.54 cents per share (2023: 93.22 cents)

The Group's financial results are set out in detail on pages 158 to 210 of this report.

The Board has approved a final dividend distribution of 8.5 cents per share for the period ended 30 June 2024 (2023: 7.00 cents). The total dividend distributed for the year ended 30 June 2024 was 14.5 cents per share (2023: 11.25 cents).

## DIRECTORATE

Details of the current directors providing full names, ages, qualifications and abridged curricula vitae are set out on page 131 of the annual report.

Anna Carleo retired from the Board of Directors, with effect from 30 November 2023.

In terms of the MOI of the Company, one third of all non-executive directors have to retire annually by rotation. Mr Gerrit van Heerden and Ms René Styber, retire in terms of this requirement. Both offer themselves for re-election by shareholders at the Group's Annual General Meeting. All retiring directors are eligible for re-election. No other changes occurred in the reporting period.

It is the policy of the Board that all directors, on reaching the age of 70 years, may continue to serve on the Board, provided that such appointment will be on a yearly basis, and subject to the approval of a majority of the Board.

## CAPITAL STRUCTURE

The authorised capital comprises 500 000 000 ordinary shares of no-par value. At 30 June 2024 the issued shares of no-par value amounted to 42 405 133 shares (2023: 42 409 181).

Unissued shares of 457 594 867 (2023: 457 590 819) are held under the control of the directors, subject to the JSE Listings Requirements until the next Annual General Meeting.

## GOING CONCERN

The Group's assessment of going concern also took into consideration all debt covenants such as loan-to-value and interest cover ratios.

In the prior and current year, the current liabilities exceeded current assets at Group level at our reporting date.

Our Nedbank loan matures in August 2024 and the loan with ABSA for Summit place in February 2025. Refer to note 18. Both of these loans have been successfully refinanced with ABSA Limited. In respect of the new ABSA facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to JIBAR +2.5 per annum.

In terms of IFRS reporting standards, these loans have been reflected as current liabilities. This is in order to comply with IFRS accounting standards as at year end, signature of both loan refinancing agreements with ABSA, had not occurred as at 30 June 2024. Term sheets have been subsequently approved by the group on the 19th of August 2024. This reporting allocation represents purely an accounting requirement and both loans will be reflected as Non-Current liabilities in our June 2025 financial statements.

Current assets will exceed current liabilities immediately on the signature of loan agreements.

The directors have reviewed the Group's cash flow forecast for the period to 30 June 2024. 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.

## ULTIMATE HOLDING AND HOLDING COMPANY

Putprop's holding company is Carleo Enterprises Proprietary Limited and its ultimate holding company is Carleo Investments Proprietary Limited.

## DEBT COVENANTS

The Group has evaluated and assessed its ability to meet all its debt covenants as required by providers of finance for the year ended June 2025. We conclude that the Group will fulfill all its covenants in the next 12 months.

# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## SPECIAL RESOLUTIONS

The following special resolutions were passed at the Annual General Meeting held on 7 November 2023:

- Approval of the non-executive directors' remuneration for the financial years ending 30 June 2024;
- General approval for Putprop's and/or its subsidiaries to acquire shares in the Company;
- Approval for the Company to provide financial assistance for the subscription of securities in terms of Section 44 of the Companies Act; and
- Approval for the Company to provide financial assistance in terms of Section 45 of the Companies Act.

## MANAGEMENT AND ADMINISTRATION

The management of Putprop is responsible for the property asset managed function of the Group.

Putprop has contracted with the following property managers to assist in the day to day property management of the Group's property portfolio:

Broll Property Group (Pty) Ltd, Emira Property Management, McCormick Property Development (Pty) Ltd, Trafalgar Property Management (Pty) Ltd and Bidvest Property Management (Pty) Ltd.

## DIRECTORS' SHAREHOLDINGS

On 30 June 2024, the directors held a total of 4 094 143 (2023: 4 094 143) shares in the Group. There has been no change in these interests between 30 June 2024 and the date of this report.

The paragraph above discloses the quantity of shares and the table below the percentage of shares.

	Direct beneficial		Indirect beneficial	
	2024 %	2023 %	2024 %	2023 %
Non-executive directors				
No shares are held by any of the Group's Non-executive directors	–	–	–	–
Executive directors				
A L Carleo-Novello*	–	0.05	–	3.94
B C Carleo	0.13	0.13	5.07	5.07

\* Retired November 2023

## DEALINGS IN SECURITIES

Directors, Executives and Senior Employees are prohibited from dealing in Putprop's securities during certain prescribed restricted periods. A formal securities dealings policy has been developed to ensure directors' and employees' compliance with the JSE Listings Requirements and the insider trading legislation in terms of the Financial Markets Act.

## DIRECTORS INTERESTS IN CONTRACTS AND CONFLICTS OF INTERESTS

The directors have no interest in material contracts or transactions, other than those directors involved in the operation of the Group as set out in this report. There have been no bankruptcies or voluntary arrangements of these persons.

Directors' declarations are tabled and circulated at every Board meeting. All directors are encouraged to declare any potential conflict of interest and to bring such circumstances to the attention of the Chair.

The Executive Directors of Putprop have not acted as directors with an executive function of any company at the time or within the 12 months preceding any of the following events taking place: receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangements with its creditors generally or any class of its creditors.

The directors of Putprop have not been the subject of public criticisms by statutory or regulatory authorities (including professional bodies) and have not been disqualified by a court from acting as directors of a company or from acting in the management or conduct of the affairs of any company. There have been no offences involving dishonesty by the directors of Putprop.

## BOARD AND COMMITTEE COMPLIANCE

The attendance registers of directors for each Board and Committee meeting for the year ended 30 June 2024 is detailed on page 135 of the governance report.

## DIRECTORS' REMUNERATION CONTRACTS

The executive directors do not have fixed-term contracts with the Company. A three-month notice period is required for any executive director, the CEO and CFO respectively for the termination of services. Details of remuneration and incentive bonuses paid to executive and non executive directors are set out in note 35 of the annual financial statements.



# DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## LITIGATION STATEMENT

The directors are not aware of any legal or arbitration procedures that are pending or threatening, that may have had, in the previous 12 months, a material effect on the Group's financial position.

## CONTINGENT LIABILITY

At the date of this report, no events have been identified that may result in a contingent liability.

## COMPANY AUDITORS

HLB CMA South Africa Incorporated have acted as the Company and Group auditors for the year ended 30 June 2024 and will continue in terms of section 90 of the Companies Act.

## COMPANY SECRETARY

The Company Secretary for the period under review is Acorim Proprietary Limited represented by N. Davies whose physical and postal address is: 13th Floor, Illovo Point, 68 Melville Road, Illovo, 2196 and PO Box 41480 Craighall, 2024, respectively.

The Company Secretary is responsible for the duties set out in section 88 of the Companies Act and the Board for ensuring compliance with the JSE Listings Requirements. Director induction and training are part of the Company Secretary's responsibilities. The Company Secretary is responsible to the Board for ensuring the proper administration of Board proceedings, including the preparation and circulation of Board papers, drafting annual work plans, ensuring that feedback is provided to the Board and Board Committees and preparing and circulating minutes of Board and Committee meetings. They provide practical support and guidance to the Board and directors on governance and regulatory compliance matters.

Company Boards must consider and satisfy themselves annually regarding the competence, qualifications and experience of the Company Secretary. The performance of the Company Secretary, as well as their relationship with the Board, is assessed on an annual basis. The Company Secretary has unfettered access to the Board and maintains an arm's length relationship with the Board and is also not a member of the Board.

The Board has evaluated the Company Secretary and it is satisfied that they are suitably qualified for the role.

## EVENTS AFTER THE REPORTING PERIOD

### Refinancing of long-term liabilities

The Nedbank loan for the Parktown Property has a settlement of R29.8 million maturing on 30 August 2024. The loan has been refinanced through ABSA Limited and the final terms sheets was signed on 19 August 2024. In respect of the new ABSA facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to JIBAR +2.5 per annum.

The Nedbank loans, 30150755, 30151232 and 30151238 secured over Secunda Value Centre has been refinanced through ABSA and the final term sheet was signed on 19 August 2024. In respect of the new ABSA facility, capital and interest is repayable monthly over sixty months after first drawdown, with interest linked to JIBAR +2.5% per annum.

The ABSA loan for Summit Place has a settlement of R271.7 million maturing on 7 February 2025. The loan has been refinanced by ABSA and the final term sheet will be signed prior to February 2025. In respect of the new facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to prime less 0.85% per annum.

The above is estimated to reduce current loan liabilities by an estimation of 279,302 and to increase non-current loan liabilities by the same amount.

### Sale of Bank City

On 31 July 2024, an offer of purchase Bank City, an investment property held for sale, for R15.75 million was approved by the Board of Directors. The property's fair value at year end is R17 million and a loss on sale of investment property is estimated to be R1.2 million. The offer is subject to loan financing.

### Dividend declaration

Dividend 70 has been approved by the Board of Directors at 8.50 cents per share on 28 of August 2024.

There are no other significant events that have occurred in the period from 30 June 2023, and to date of the publication of this report.

Johannesburg

28 August 2024

B C Carleo

J E Smith

D Torricelli

H Hartley

R Styber

G van Heerden



# AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The AR Committee presents its report in terms of section 94(7)(f) of the Companies Act, as amended and as recommended by King IV for the financial year ended 30 June 2024.

## TERMS OF REFERENCE AND ROLE OF COMMITTEE

The information below constitutes the report as required by section 94 of the Companies Act. The AR Committee's operation is guided by a detailed Charter that is informed by the Companies Act and is approved by the Board as and when it is amended.

The main objectives of the AR Committee are:

- To assist the Board in discharging its duties relating to safeguarding of assets, the operations of adequate systems, controls and reporting processes and the preparation of accurate reporting and financial statements in compliance with the applicable legal requirements and accounting standards;
- To provide a forum for discussing business risk and control issues for developing recommendations for consideration by the Board;
- To oversee the activities of the external audit; and
- To perform duties that are attributed to it by the Companies Act and the JSE Listing Requirements.

## RESPONSIBILITIES

The responsibilities of the committee are to:

- Nominate for appointment as auditor a registered auditor, who is independent of Putprop.
- Determine the fees to be paid to the auditor and the auditor's terms of engagement.
- Ensure that the appointment of the auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors.
- Determine the nature and extent of any non-audit services that the auditor may provide or that the auditor must not provide to Putprop.
- Pre-approve any proposed contract with the auditor for the provision of non-audit services to Putprop.
- Review and approve the interim and final financial results and their press releases and the reviewed statements of financial position and statements of comprehensive income of Putprop with the relevant press releases for recommendation to the Board.
- Evaluate the quality of the financial information produced to ensure the integrity of reporting and to ensure that measures necessary, in the committee's opinion, are introduced to enhance the integrity of such reporting.
- Evaluate and approve the effectiveness and expertise of the Financial Director
- Review Putprop's solvency and liquidity position.
- Review the insurance cover effected by Putprop annually to ascertain its sufficiency, scope and costs.
- Receive and evaluate reports from management on significant breakdowns and/or potential areas in the risk management and assessment process, including the disaster recovery plan.
- Consider the audit plans for the external auditors to ensure completeness of coverage, reduction of duplicate effort and the effective use of audit resources.
- Ensured that a comprehensive combined assurance model was applied to the Group's key risks to ensure a coordinated approach to all assurance activities.
- Consider any significant findings and recommendations of the external auditors as well as the adequacy of corrective actions taken in response to these findings.
- Review the effectiveness of the systems of internal control.



# AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## COMMITTEE COMPOSITION AND MEETING ATTENDANCE

During the year under review the AR Committee comprised of three independent non- executive directors all of whom satisfy the requirements to serve as members on an audit committee as referred to by the Companies Act.

The Chair, the CEO, the Group Financial Director, other members of senior management and representatives from the external auditors attend the AR meetings by invitation only. The external auditors have unrestricted access to the Chair and other members of the AR Committee.

Meeting attendance is set out on page 135 of the corporate governance review. The AR Committee meets at least four times a year with the group executive management and the external auditors. The Company Secretary attends all meetings as secretary to this Committee.

During the year the Board approved the separation of the Audit and Risk Committee's combined function into two committees, a Audit Committee focused primarily on financial issues and disclosure requirements and a Risk Committee to focus on the risk appetite matrix of the group. As a result of these changes, Mr Daniele Torricelli was appointed as a non-executive member of the Risk Committee.

## APPROPRIATENESS AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION REVIEW

The AR Committee reviewed the performance of the CFO, Mr James E Smith and was satisfied that the expertise and experience of the CFO was considered appropriate to meet his responsibilities in that position as required by the JSE. The AR Committee also considered and was satisfied with:

- The expertise and adequacy of resources within the financial function;
- The financial reporting procedures in place and that such are operating efficiently; and
- The expertise of the senior financial management staff.

The AR Committee has confirmed that the company has, with consideration to all entities included in the consolidated Group IFRS financial statements, established appropriate financial reporting procedures and that these procedures are operating to ensure that it has access to all the financial information on Putprop Limited to effectively prepare and report on the financial statements.

In making these assessments the AR Committee obtained feedback from the external auditors. Based on the processes and assurances obtained we believe the Group's accounting policies to be effective.

## EXTERNAL AUDIT

- The external auditors provide an independent assessment of systems of internal financial control and express an independent opinion on the annual financial statements. The external audit function offers reasonable, but not absolute assurance on the accuracy of financial disclosures.
- The AR Committee, in consultation with executive management, agreed to an audit fee for the 2024 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at the time.
- There are formal procedures that govern the process, whereby if the auditor is considered for non-audit services, a specific letter of engagement for such work must be created and subsequently reviewed by the AR Committee. No non-audit services were carried out for the year ending 30 June 2024.
- Meetings were held with the auditor where management were not present, and no matters of concern were raised. Based on our processes followed nothing has come to the AR Committee's attention which would lead the AR Committee to question the external auditor's independence. Based on our satisfaction with the results of the activities outlined above, the AR Committee has recommended to the Board that HLB be appointed as the external auditors for the 2024 financial year, and Jeandre Du Toit as the designated auditor, subject to shareholder approval.



# AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## INDEPENDENCE OF EXTERNAL AUDITORS

- The Committee is required to review the independence of the external auditors HLB, in accordance with the following criteria:
- Representations made by HLB to the Committee
- The criteria specified for independence by the Independent Regulatory Board of Auditors and international regulatory bodies
- The auditor does not receive any remuneration or other benefit from Putprop except for Putprop's appointed external auditor and approved non-audit services
- The auditor's independence was not prejudiced as result of any previous appointment as auditor
- The Committee is satisfied that the external auditor is independent

## FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The annual financial statements of the Group and Company have been reviewed for the year ended 30 June 2024. Based on information provided by management the AR Committee is of the view that in all material aspects both the accounting policies and the annual financial statements are appropriate and comply with the provisions of the Companies Act, Act 71 of 2008, as amended, International Financial Reporting Standards (IFRS), interpretations as issued by the International Financial Reporting Interpretations Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Committee, and the JSE Listings Requirements.

Where it was considered appropriate, the AR Committee, made submissions to the Board on matters concerning the Group's and Company's accounting policies, financial control records and reporting.

The AR Committee considered, reviewed and approved for submission to the Board the following:

- The Group's and Company's property valuations both internal, by the directors of the Group in December 2023 and June 2024;
- The valuation performed by an independent external valuer, as at 30 June 2024;
- The full year integrated report to 30 June 2024; and
- The interim results to December 2023.

All of the reports as listed above were recommended for approval to the Board.

The AR Committee has further considered the JSE's most recent report back on proactive monitoring of financial statements, and where necessary to respond to the findings highlighted in the JSE report when preparing the annual financial statements for the year ended 30 June 2024.

## ASSURANCE

As disclosed and reported on in the 2023 report, the Company, Putprop appointed an additional external review consultant to ensure compliance and correct interpretation of all IFRS and JSE requirements of published annual financial statements, further strengthening its controls. This additional independent review's, for 2024, advised on certain disclosure elements to further strengthen the group's interpretation of IFRS. All suggestions were implemented in the current year.

The AR Committee confirms that it received no complaints relating to the accounting policies, reporting practices, internal financial controls or the content and auditing of its financial statements during the year under review but noted no additional assurance methods adopted.

## INTEGRATED ANNUAL REPORT AND ANNUAL FINANCIAL STATEMENTS

At its meeting held on 21 August 2024, the AR Committee considered and recommended the June 2024 integrated annual report and annual financial statements for approval to the Board. The Board has subsequently approved the integrated annual report and the annual financial statements, which will be open for discussion at the forthcoming Annual General Meeting.



# AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## RISK MANAGEMENT AND FORMATION OF RISK COMMITTEE

During this reporting period the Board decided to split the Audit and Risk Committee into two Committees a Audit Committee focused mainly on financial aspects and a Risk Committee, focused on risk management of the group.

## INTERNAL FINANCIAL CONTROLS

The AR Committee has reviewed the reports of the external auditors detailing their findings arising from the audit and the appropriate response from management. The AR Committee confirms that no material findings in regard to internal financial controls have been brought to its attention during the year under review. In addition, the AR Committee reviewed and ensured adherence to the annual audit plan.

## SOLVENCY AND LIQUIDITY

The AR Committee is satisfied that the Board has performed a solvency and liquidity test on the Group and Company in terms of sections 4 and 46 of the Companies Act as amended and concluded that the Group and Company will satisfy this test after payment of the final dividend distribution as approved by the Board on 7 September 2023. In addition, the AR Committee noted and confirmed that this test was performed and satisfied for the payment of the interim dividend distribution approved in December 2023.

## GOING CONCERN STATUS

The AR Committee has considered the going concern status of the Group and Company on the basis of reviews of the unaudited interim financial statements and the audited annual financial statements and information provided to the AR Committee by management and have recommended such going concern status to the Board. The Board statement on the going concern status of the Group and Company is noted on page 175 of the directors' report.

## REGULATORY COMPLIANCE

The AR Committee has, to the best of its knowledge, complied with all applicable legal and regulatory responsibilities.

## IT MANAGEMENT

As at 30 June 2024 the Group does not have its own dedicated IT infrastructure. However, the Audit Committee ensures that security policies, daily off-site backups and suitable firewalls are in place. Putprop is not considered IT critical, but IT remains of high importance. Eris, Sage Pastel as well as the Bidvest IT Group maintain electronic records on behalf of the Group which include financial, rent rolls and other documents.

All accounting records and critical documents are now backed up daily a cloud-based security system

During this period all accounting records operating systems have been migrated to a cloud-based system thus eliminating hardware failure and redundancies.

On behalf of the AR Committee

.....  
**H Hartley**  
*Committee Chair*

Johannesburg  
21 August 2024

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Note(s)	GROUP			COMPANY	
		2024 R'000	2023* R'000	2022* R'000	2024 R'000	2023 R'000
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Investment property (excluding straight-lining)	3	970,900	1,095,585	985,375	296,800	395,685
Straight-lining lease income accrual	4	(42,023)	(36,743)	(32,043)	(5,175)	(3,859)
<b>Investment property (including straight-lining)</b>	3	<b>928,877</b>	<b>1,058,842</b>	<b>953,332</b>	<b>291,625</b>	<b>391,826</b>
Investment property held under development		-	-	82,730	-	-
<b>Other Non-current Assets</b>						
Operating lease asset	4	42,023	36,743	32,151	5,175	3,859
Property, plant and equipment	6	1,204	1,468	896	1,204	1,194
Investment in subsidiaries	7	-	-	-	28,431	28,431
Loans to subsidiaries	8	-	-	-	-	182,845
Investment in associates	10	27,140	14,715	14,576	47	47
Cumulative redeemable preference shares in associate	11	55,487	55,084	52,084	55,487	55,084
Deferred tax	12	-	-	23,546	-	-
<b>Total Non-current Assets</b>		<b>1,054,731</b>	<b>1,166,852</b>	<b>1,159,315</b>	<b>381,969</b>	<b>663,286</b>
<b>CURRENT ASSETS</b>						
Loans to subsidiaries	8	-	-	-	195,706	-
Trade and other receivables	13	15,054	41,165	31,861	7,076	27,001
Current tax receivable		1,636	-	461	1,590	-
Cash and cash equivalents	14	17,640	18,558	19,096	6,890	9,416
<b>Total Current Assets</b>		<b>34,330</b>	<b>59,723</b>	<b>51,418</b>	<b>211,262</b>	<b>36,417</b>
<b>INVESTMENT PROPERTY HELD FOR SALE</b>						
Investment property held for sale	3	138,100	-	38,260	84,000	-
Straight-lining lease income accrual		-	-	(108)	-	-
<b>Total Assets</b>		<b>1,227,161</b>	<b>1,226,575</b>	<b>1,248,885</b>	<b>677,231</b>	<b>699,703</b>

\* - Restated

# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	Note(s)	GROUP			COMPANY	
		2024 R'000	2023* R'000	2022* R'000	2024 R'000	2023 R'000
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
<b>Equity Attributable to Equity Holders of Parent</b>						
Stated capital	15	93,477	93,490	93,490	93,477	93,490
Retained income		593,389	559,964	553,524	452,565	451,996
		<b>686,866</b>	<b>653,454</b>	<b>647,014</b>	<b>546,042</b>	<b>545,486</b>
Non-controlling interest	17	20,587	14,200	16,191	-	-
<b>Total Equity</b>		<b>707,453</b>	<b>667,654</b>	<b>663,205</b>	<b>546,042</b>	<b>545,486</b>
<b>LIABILITIES</b>						
<b>Non-Current Liabilities</b>						
Loan liabilities	18	104,641	443,747	328,961	81,271	122,326
Deferred tax	12	44,933	35,221	75,236	9,204	10,713
<b>Total Non-current Liabilities</b>		<b>149,574</b>	<b>478,968</b>	<b>404,197</b>	<b>90,475</b>	<b>133,039</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables	19	16,265	16,195	42,241	6,921	10,793
Loan liabilities	18	353,845	61,195	119,595	33,793	8,199
Current tax payable		24	1,471	-	-	1,094
Bank overdraft	14	-	1,092	19,647	-	1,092
<b>Total Current Liabilities</b>		<b>370,134</b>	<b>79,953</b>	<b>181,483</b>	<b>40,714</b>	<b>21,178</b>
<b>Total Liabilities</b>		<b>519,708</b>	<b>558,921</b>	<b>585,680</b>	<b>131,189</b>	<b>154,217</b>
<b>Total Equity and Liabilities</b>		<b>1,227,161</b>	<b>1,226,575</b>	<b>1,248,885</b>	<b>677,231</b>	<b>699,703</b>

\* - Restated

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note(s)	GROUP		COMPANY	
		2024 R'000	2023* R'000	2024 R'000	2023 R'000
Rental income and recoveries	20	140,334	128,439	67,988	59,550
Property operating costs	21	(49,060)	(47,384)	(23,448)	(20,873)
<b>Gross profit from property operations</b>		<b>91,274</b>	<b>81,055</b>	<b>44,540</b>	<b>38,677</b>
Corporate administration costs	22	(21,785)	(19,229)	(15,324)	(16,003)
Interest income	23	4,400	11,221	6,549	12,882
Other income	24	1,548	3,291	971	2,366
Expected credit losses	25	1,629	991	73	502
Share of associates' profits	10	12,425	139	-	-
<b>Operating profit before finance costs</b>		<b>89,491</b>	<b>77,468</b>	<b>36,809</b>	<b>38,424</b>
Finance costs	26	(50,115)	(44,221)	(13,255)	(12,493)
<b>Profit before fair value adjustments</b>		<b>39,376</b>	<b>33,247</b>	<b>23,554</b>	<b>25,931</b>
Fair value adjustments	5	20,476	(30,173)	(16,068)	(32,547)
<b>Profit/ (loss) before taxation</b>		<b>59,852</b>	<b>3,074</b>	<b>7,486</b>	<b>(6,616)</b>
Taxation	27	(14,527)	5,722	(1,404)	7,416
<b>Profit/ (loss) for the year</b>		<b>45,325</b>	<b>8,796</b>	<b>6,082</b>	<b>800</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/ (loss) for the year</b>		<b>45,325</b>	<b>8,796</b>	<b>6,082</b>	<b>800</b>
<b>Profit and total comprehensive income/ (loss) attributable to:</b>					
Owners of the parent		38,938	10,787	6,082	800
Non-controlling interest		6,387	(1,991)	-	-
		<b>45,325</b>	<b>8,796</b>	<b>6,082</b>	<b>800</b>
<b>Earnings per share</b>					
<b>Per share information</b>					
Basic and diluted earnings per share (c)	39	91.82	25.44	14.34	1.89

\* - Restated

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Stated capital R'000	Retained income R'000	Total attributable to equity holders of the Group/ company R'000	Non- controlling interest R'000	Total equity R'000
<b>GROUP</b>					
<b>Balance at 01 July 2022</b>	<b>93,490</b>	<b>566,471</b>	<b>659,961</b>	<b>20,922</b>	<b>680,883</b>
Prior period error - note 40	-	(12,947)	(12,947)	(4,731)	(17,678)
<b>Balance at 01 July 2022 - restated*</b>	<b>93,490</b>	<b>553,524</b>	<b>647,014</b>	<b>16,191</b>	<b>663,205</b>
Profit and total comprehensive income for the year	-	10,787	10,787	(1,991)	8,796
Dividends	-	(4,347)	(4,347)	-	(4,347)
<b>Balance at 01 July 2023</b>	<b>93,490</b>	<b>559,964</b>	<b>653,454</b>	<b>14,200</b>	<b>667,654</b>
Profit and total comprehensive income for the year	-	38,938	38,938	5,749	44,687
Share purchase (note 17)	-	-	-	638	638
Dividends	-	(5,513)	(5,513)	-	(5,513)
Share buy-back (note 15)	(13)	-	(13)	-	(13)
<b>Balance at 30 June 2024</b>	<b>93,477</b>	<b>593,389</b>	<b>686,866</b>	<b>20,587</b>	<b>707,453</b>
Note(s)	15				
<b>COMPANY</b>					
<b>Balance at 01 July 2022</b>	<b>93,490</b>	<b>455,543</b>	<b>549,033</b>	<b>-</b>	<b>549,033</b>
Profit and total comprehensive income for the year	-	800	800	-	800
Dividends	-	(4,347)	(4,347)	-	(4,347)
<b>Balance at 01 July 2023</b>	<b>93,490</b>	<b>451,996</b>	<b>545,486</b>	<b>-</b>	<b>545,486</b>
Profit and total comprehensive income for the year	-	6,082	6,082	-	6,082
Dividends	-	(5,513)	(5,513)	-	(5,513)
Share buy-back (note 15)	(13)	-	(13)	-	(13)
<b>Balance at 30 June 2024</b>	<b>93,477</b>	<b>452,565</b>	<b>546,042</b>	<b>-</b>	<b>546,042</b>
Note(s)	15				

\* - Restated

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note(s)	GROUP		COMPANY	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from/(used in) operations	28	98,509	33,550	43,300	(16,093)
Interest income	23	4,609	6,985	4,907	4,582
Finance costs	26	(49,437)	(35,342)	(13,217)	(4,605)
Tax paid	29	(7,987)	(8,337)	(5,656)	(7,658)
<b>Net cash from operating activities</b>		<b>45,694</b>	<b>(3,144)</b>	<b>29,334</b>	<b>(23,774)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	6	-	(768)	-	(768)
Purchases of investment property	3	(627)	(47,061)	-	(44,209)
Proceeds from sales of investment property	3	-	21,592	-	21,592
Advances on loans to group companies	8	-	-	(9,794)	-
Loan repayment received from group companies	8	-	-	-	(500)
<b>Net cash from investing activities</b>		<b>(627)</b>	<b>(26,237)</b>	<b>(9,794)</b>	<b>(23,885)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of loan liabilities	30	(39,379)	(27,677)	(15,461)	(6,465)
Advances received on loan liabilities	18	-	79,421	-	79,421
Dividends paid	16	(5,513)	(4,347)	(5,513)	(4,347)
<b>Net cash from financing activities</b>		<b>(44,892)</b>	<b>47,397</b>	<b>(20,974)</b>	<b>68,609</b>
<b>Total cash movement for the year</b>		<b>175</b>	<b>18,016</b>	<b>(1,434)</b>	<b>20,950</b>
Cash and cash equivalents at the beginning of the year		17,465	(550)	8,324	(12,626)
<b>Cash and cash equivalents at the end of the year</b>	<b>14</b>	<b>17,640</b>	<b>17,466</b>	<b>6,890</b>	<b>8,324</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

## 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

### 1.1. Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (IFRS®) interpretations issued and effective at the time of preparing these consolidated and separate annual financial statements, the JSE Listings Requirements and the Companies Act of South Africa of 2008.

These consolidated and separate annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. The consolidated financial statements are presented in Rand and all values are rounded to the nearest million (Rm), except when otherwise indicated.

These accounting policies are consistent with the previous period.

### 1.2. Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates.

Information on the key estimates and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statement:

- Investment in associate – refer to policy note 1.5 and note 10
- Fair value measurement of investment property - refer to policy note 1.6, note 3 and note 5
- Impairment of financial assets - refer to policy note 1.10, note 8, note 11, note 13, and note 37

### 1.3. Consolidation

#### Basis of consolidation

Control is achieved when the company:

- Has power over the investee
- Is exposed or has a right to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The company reassesses whether it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The group's annual financial statements include the financial statements of the company and its subsidiaries, including any entities over which the group has control. The operating results of the subsidiaries are included from the effective dates of acquisition up to the effective dates of disposal.

Intracompany balances and transactions are eliminated in the consolidated financial statements.

Profit or loss and Other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.



# Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.3. Consolidation (continued)

### Non-controlling interest

The non-controlling interest relates to the portion of equity ownership in a subsidiary not attributable to the parent company. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. When the proportion of the equity held by non-controlling interest's changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group recognises, directly in equity, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent company.

### Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

## 1.4. Joint operations

The Group has various undivided shares in investment properties which have been classified as joint operations, hence only the Group's percentage share in the property is included in the consolidated results.

The Group recognises the following in relation to its interests in a joint operation:

- Its assets, including its share of any assets held jointly,
- Its liabilities, including its share of any liabilities incurred jointly,
- Its share of the revenue from the sale of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for assets, liabilities, revenue and expenses relating to its interest in a Joint Operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

## 1.5. Investment in associate

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 10% and 50% of the voting rights.

Investments in associates are accounted for using the equity method.

Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post- acquisition changes in the Group's share of net assets of the associate, less any impairment losses if applicable.

### Investments in associates in the separate financial statements

In the company's separate financial statements, investments in associates are carried at cost less any accumulated impairment losses.

## 1.6. Investment property

Investment property, which is stated at fair value less straight-line lease adjustments, constitutes land and buildings held by the Group for rental producing purposes and to appreciate in capital value. Investment properties under development are measured based on estimates prepared by an independent valuer, where this can be determined. If a property is no longer considered a core property or does not meet the Group's strategic requirements, then a sale of the property will be approved, and the property transferred to non-current assets held for sale.

Investment property is measured initially at cost, including transaction costs directly attributable to the acquisition. The carrying amount includes the cost of subsequent expenditure relating to an existing investment property incurred subsequently to add to or to replace a part of a property, if at the time that cost is incurred, it is probable that future economic benefits that are associated with the investment property will flow to the enterprise. Tenant installations are capitalised to the cost of a building. All other subsequent expenditure including the costs of day-to-day servicing of an investment property is expensed in the period in which it is incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)



## 1.6. Investment property (continued)

Capital expenditure is cost incurred to upgrade or extend the life of the investment property. Tenant installations are upgrades are costs incurred by the Landlord in order to fit out and modify leased space to make it more suitable to the tenants needs.

Capitalized borrowing costs related to interest capitalized on the construction of Mamelodi Square at rates linked to prime

Investment property is maintained, upgraded and refurbished as determined by management from time to time, in order to preserve or improve the capital value of the asset. Maintenance and repair costs which do not add value to the asset or prolong the useful life of the asset are charged against profit and loss in the period in which it is incurred.

### Effective date of property transactions

In the event of an investment property being disposed of or acquired, the effective date of the transaction is generally when all suspensive conditions have been met and complied with and the buyer becomes contractually entitled to the income and expenses associated with the property.

### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment properties reflects market conditions. Fair value is determined on the basis of an annual, independent, external valuation carried out by a registered professional valuer. The directors also consider the value the entire property portfolio bi-annually on the fair market value basis. Fair market value is the open market value, which in the opinion of the directors, is the fair market price at which the property could have been sold unconditionally for a cash consideration in an orderly transaction at the date of valuation.

A gain or loss arising from a change in fair value is included in net profit or loss in fair value adjustments for the period in which it arises.

### Derecognition

Investment property is derecognised when the assets has been disposed of or no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property (the difference between the sale proceeds and the carrying amount) are recognised in profit or loss in profit/(loss) of sale of investment property for the period in which it arises.

## 1.7. Non-current assets held for sale

Investment property is classified as held for sale when it is highly probable that the property will be sold within one year from the year end. The Group considers the following factors indicative of a highly probable sale:

- Sale agreements that have been concluded that are subject to transfer and unconditional in all other material respects: and
- Options to purchase have been exercised or management has received firm indications that options are going to be exercised.
- An active programme to locate a buyer is initiated,
- The asset is available for immediate sale in its present condition,
- The asset is being actively marketed for sale at a price reasonable in relation to its fair value,
- Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn.

Investment property classified as held for sale are presented separately as current assets in the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.8. Plant and equipment

Plant and equipment is initially carried at cost less accumulated depreciation and impairment losses.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using the straight-line method.

The useful lives of items of plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Computer equipment	Straight line	3 years
Solar equipment	Straight line	10 years

An item of plant and equipment is derecognised when no future economic benefits are expected from its use. The gain or loss on disposal is recognised in profit and loss in profit/(loss) on sale of plant and equipment.

## 1.9. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## 1.10. Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Note 37 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

### Financial assets at amortised cost

#### Classification

Trade and other receivables (note 13), loans to subsidiaries (note 8), cumulative redeemable preference shares (note 11) and cash and cash equivalents (note 14) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these financial assets give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these financial assets.

#### Recognition and measurement

Financial assets are measured, at initial recognition, at fair value plus transaction costs, if any. A trade receivable without a significant financing component is initially measured at the transaction price.

They are subsequently measured at amortised cost using the effective interest rate method.

The amortised cost is the amount recognised on the financial assets initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.10 Financial instruments (continued)

### Impairment

In terms of IFRS 9 an entity is required to recognise an expected credit loss on a financial asset at amortised cost based on unbiased, forward-looking information.

Exposures would be divided into the following three stages:

- Stage 1: 12-month expected credit loss will be recognised on exposures where the credit risk has not significantly increased since origination.
- Stage 2: Lifetime expected credit losses will be recognised for exposures with a significant increase in credit risk since origination.
- Stage 3: Lifetime expected credit losses will be recognised on exposures that meet the definition of default. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the probability weighted estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money, certain forward-looking information including estimates of economic growth, the expected value of the assets and the effect thereof on forecasted of returns, and the risks specific to the asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics. All impairment losses are recognised separately in expected credit losses in profit or loss.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised.

### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition. A credit rating is generated by:

- Calculating historical loss ratios for each trade and lease receivable ageing bucket, and
- Adjusting these historical loss ratios by multiplying the ratio by a forward-looking factor.

The resultant credit rating provides an adjusted loss ratio for each internal credit grade. This is assessed with reference to the credit rating framework outlined as follows:

### Credit rating framework for loans to subsidiaries and other receivables

For purposes of determining the credit loss allowances, management determines the credit rating grades of each financial asset at the end of the reporting period. These ratings are determined internally by assessing evidence such as history, existing market conditions and forward-looking estimates of economic growth and forecast of loans and other receivables to determine whether there is no realistic prospect of recovery. The table below sets out the internal credit rating framework which is applied by management when internal ratings are not available.

External credit grade	Description	Basis for recognising expected credit loss
Performing	Low risk of default and no amounts are past due	12 month ECL
Doubtful	Either 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL (Stage 2)
In default	Either 90 days past due or there is evidence that the asset is credit impaired	Lifetime ECL (Stage 3)
Write-off	There is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery	Write-off

The assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the borrower will default when debt is due upon the agreed terms, depends on whether the counterparty has sufficient cash or other liquid assets to repay its debt within the agreed period. (meaning that the risk of default is very low, possibly close to 0%) or it will not (meaning that the risk of default is very high, possibly close to 100%).

A financial asset is in default when debt is 90 days past due and where there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay its debt when due upon the agreed terms. This is assessed based on the number of factors, including various liquidity and solvency ratios.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increases in credit risk before the amount becomes past due.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.10 Financial instruments (continued)

### Write off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in other income in profit or loss.

### Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on information as afore mentioned described. The exposure at default is the gross carrying amount of the financial asset at the reporting date.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all financial assets in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in corporate administration expenses in profit or loss as a movement in credit loss allowance.

### Credit risk

Details of credit risk related to financial assets are included in the specific notes and the financial instruments and risk management note (note 37).

### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount, which is based on their amortised cost.

### Financial liabilities at amortised cost

#### Classification

Trade and other payables (note 19), loan liabilities (note 18) and bank overdrafts (note 14) are classified as financial liabilities and subsequently measured at amortised cost, except for VAT and amounts received in advance included in trade and other payables, which are not financial liabilities and are measured at cost.

#### Recognition and measurement

Financial liabilities are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 26).

#### Bank overdrafts

Bank overdrafts are repayable immediately and form an integral part of the daily cash management and have therefore been included in cash and cash equivalents. Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Derecognition

##### Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

##### Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.11. Tax

### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in taxation in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

## 1.12. Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

There were no significant judgments and sources of estimation uncertainty in determining whether a contract is or contains a lease.

### Group as lessor

Contractual rental income is recognised as revenue in profit and loss on a straight-line basis over the term of the lease.

Due to the nature of the Group's lease agreements, they are considered operating leases. Operating leases does not transfer substantially all the risks and rewards related to ownership.

Leased investment property is straight-lined over the duration of the lease term, considering the annual escalation percentage and recognising and operating lease asset.

Income for leases is disclosed under rental income and recoveries in profit or loss.

## 1.13. Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as 'share capital' in equity. Dividends are recognised as a liability in the period in which they are declared.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.14. Employee benefits Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered) are recognised in the period in which the service is rendered and are not discounted.

Accrual for leave pay represents the present obligation that the Group has as a result of employees' services rendered up to the reporting date and is calculated using salary rates and accrued days leave as at reporting date.

## 1.15. Rental income and recoveries

Rental income and recoveries comprises of the following streams:

Types of revenue	Recognition
Operating lease income	Recognised as income on a straight-line basis over the lease term. Considered fixed escalations. There is no variable lease income.
Revenue from contracts with customers: Operating cost recoveries	Municipal and other operating cost recoveries are recognised over the period for which the services are rendered. The Group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants. Operating cost recoveries are based on actual consumption and actual expenses incurred.

## 1.15. Rental income and recoveries (continued)

### Recoveries

Operating cost recoveries represent the transaction price, i.e. the amount of the consideration which the entity expects to receive for services provided, net of value added tax.

Recoveries are recognised on an accrual basis in line with the service being provided. Accordingly, the Group maintains its recording of service charge income on a gross basis.

Rental income and recoveries received in advance is recognized as other payables in trade and other payables.

## 1.16. Investment income

Income is recognised as interest accrues using the effective interest rate method (that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to the net carrying amount of the financial asset).

Dividend income is recognised when the Group's right to receive payment has been established.

## 1.17. Property operating costs

Operating expenses, as well as service costs for service contracts identified with a specific property are expensed as incurred.

## 1.18. Finance costs

Borrowing costs that are directly attributable to the development or acquisition of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 1.19. Segment reporting

The core business of the Group is property rental, which is reported into segments based on the nature and business functions of the tenants for JSE reporting purposes. A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segments are identified per sector as commercial, industrial, retail and residential. Corporate segments expenses relate to head office expenditure and income. The Group secondary is based on geographical location and are determined based on the location of the properties, presented by province.

James Smith (Chief Financial Officer) acts as the Chief Operating Decision Maker for the Group when analysing the segments. The Group operates in the greater Gauteng area, the North West and Mpumalanga provinces.

The measurement policies the Group uses for segment reporting under IFRS 8 - Operating Segments are the same as those used in its financial statements, except corporate administrative expenses and investment and other income are not included in determining operating profit of the Operating Segments.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Operating segments have been aggregated per sector as similar characteristics are noted for the nature of the products and services being rent and recovery and the type or class of tenant occupying GLA.

## 1.20. Basic earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares in issue during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue for any dilutive effects. The presentation of headline earnings is not an IFRS requirement, but is required by the JSE Limited. The calculation of headline earnings is done in accordance with SAICA Circular 1/2023.

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1. Standards and interpretations effective and adopted in the current year

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective. The Group did not adopt any of these new standards and interpretations in the current year that had a material impact.

### 2.2. Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 July 2023 or later periods. These standards will be implemented in the applicable year for which they are mandatory.

There is unlikely to be a material impact on the future implementation of any of these standards.

Standard/ Interpretation:	Details of amendments	Effective date:	Impact on the financial statements
		Years beginning on or after	
IFRS 18 – Presentation and Disclosure in Financial Statements	IFRS 18 was issued by the IASB on 9 April 2024 and sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	01 January 2027	Impact on group subsidiaries presentation and disclosure to be assessed.
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	In May 2024 the IASB published IFRS 19 which permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.	01 January 2027	Impact on group subsidiaries presentation and disclosure to be assessed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 3. INVESTMENT PROPERTY

### 3.1. Investment property

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Property acquisitions, capital expenditure and tenant installations	757,406	895,013	229,594	313,728
Changes in fair value (Note 5)	213,494	200,572	67,206	81,957
<b>Investment property at fair value (excluding straight-lining)</b>	<b>970,900</b>	<b>1,095,585</b>	<b>296,800</b>	<b>395,685</b>
Operating lease assets (Note 4)	(42,023)	(36,743)	(5,175)	(3,859)
<b>Investment property at fair value (including straight-lining)</b>	<b>928,877</b>	<b>1,058,842</b>	<b>291,625</b>	<b>391,826</b>
<b>Reconciliation of investment property at fair value</b>				
Investment property at 1 July	1,095,585	985,375	395,685	284,100
Transfer to investment property held for sale (note 3.3)	(146,200)	-	(87,000)	-
Acquisition and development cost of investment property	626	3,106	-	254
Disposals	(134)	-	(134)	-
Transfer from held under development (note 3.2)	-	126,685	-	126,685
Change in fair value (Note 5)	21 023	(19,581)	(11,751)	(15,354)
<b>Investment property at fair value (excluding straight-lining) at 30 June</b>	<b>970,900</b>	<b>1,095,585</b>	<b>296,800</b>	<b>395,685</b>

#### Investment property held as security

Investment property held as security over the loan liabilities in note 18 are as follows:

Erf 27 and 28, Corridor Hill, Mpumalanga to the value of R46,200,000 (2023: R51,200,000);

Erf 8 839, Secunda, Ext 60, Mpumalanga to the value of R133,200,000 (2023: R128,700,000); and

Section 1 of 55 Oakhurst, Portion 1 and 2 of Erf 915 Parktown to the value of R77,000,000 (2023: 75,000,000).

Exclusive use area of Scheme 159, Portion R8 and R9; Scheme 640 Portion R3, R4 and R5; Sectional Title Unit 159, Portion 6 and 8; Sectional Title Unit 83, Portion 1 and 2 and Sectional Title Unit 816, Portion 14 of SS Summit Place to the value of R538,500,000 (2023: R510,000,000).

50% undivided share in Portion 111 of the Farm Mamelodi 608 (Known as Mamelodi Square), Registration Division J.R. Gauteng to the value of R115,300,000 (2023: R 83 562 000).

### 3.2. Investment property - held under development

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Stated at fair value</b>				
Property acquisitions, capital expenditure and tenant installations	-	-	-	-
Changes in fair value (note 5)	-	-	-	-
<b>Net investment property at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement for the year</b>				
Investment property held for development at 1 July	-	82,730	-	82,730
Capital expenditure and tenant installations	-	37,472	-	37,472
Borrowing cost capitalised	-	6,483	-	6,483
Transfer to investment property (note 3.1)	-	(126,685)	-	(126,685)
<b>Investment property at fair value (excluding straight-lining)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The capitalisation rate of the cost capitalised for the 2023 financial year was linked to prime.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 3.3. Investment property - held for sale

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Stated at fair value</b>	64,350			
Property acquisitions, capital expenditure and tenant installations		-	31,496	-
Changes in fair value	73,750	-	52,504	-
<b>Net investment property at 30 June</b>	<b>138,100</b>	-	<b>84,000</b>	-
<b>Movement for the year</b>				
Investment property held for development at 1 July	-	-	-	-
Transfer from investment property (note 3.1)	146,200	38,152	87,000	38,152
Change in fair value (note 5)	(8,100)	(10,040)	(3,000)	(10,040)
Disposals (excluding operating lease asset)	-	(28,112)	-	(28,112)
<b>Investment property at fair value (excluding straight-lining)</b>	<b>138,100</b>	-	<b>84,000</b>	-

### Movement for the year

In 2023, Mamelodi Square was held under development. Construction was completed on 3 November 2022 and the fair value of the property was subsequently transferred from investment property held under development to investment property. McCormick Development Company holds 50% undivided share of the property.

The title deed for Nancefield transferred on 30 June 2023 for the amount of R7,6 million received on the 3<sup>rd</sup> of July 2023. Soshanguve was sold on 16 September 2022 for R14 million. Both properties were sold at fair value.

The Board assessed the property yields of Bank City, Summit Place – G2, Lea Glen, Putcoton and Menlyn Villas and identified these properties as non-core properties. The group is committed to sell based on the resolutions passed during the year. The properties are actively marketed and is expected to sell within one year, therefore it has been re-classified as held for sale as at 30 June 2024.

### Fair value measurement

Refer to note 5 for fair value measurement.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 4. OPERATING LEASE ASSET

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Movement for the year</b>				
Balance at 1 July	36,743	32,151	3,859	3,210
Income/ (loss) recognised during the year	5,280	4,592	1,316	649
<b>Balance at 30 June</b>	<b>42,023</b>	<b>36,743</b>	<b>5,175</b>	<b>3,859</b>
<b>Reflected on the statement of financial position under:</b>				
Non-current assets	42,023	36,743	5,175	3,859
	<b>42,023</b>	<b>36,743</b>	<b>5,175</b>	<b>3,859</b>

Future minimum lease payments have been set out in Note 31.

## 5. FAIR VALUE INFORMATION

### Investment properties

All investment properties are valued externally once a year by Spectrum Valuations and Asset Solutions (Pty) Ltd, a sworn independent appraiser, registered with the South African Council for the Property Valuers Profession. Spectrum Valuations and Asset Solutions (Pty) Ltd is a member of SAPOA and SACSC with over 12 years of experience within the valuation of South African property market.

The valuations stated are in line with the director's valuations of the same properties.

Movement in unrealised gains and losses of fair value have been recognised in fair value adjustment in profit or loss.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fair value adjustment increase/(decrease)	20,476	(30,173)	(16,068)	(32,547)

The reconciliation of these properties is presented in note 3.

The fair values of land for development were determined using the comparable sales method – a level 3 fair value measurement in terms of the fair value hierarchy, which involves the use of recent comparable transactions as a basis for the valuation. The comparable sales method includes unobservable bulk rates for undeveloped land. The land has been identified as a Special Development Zone.

Bulk rates for land for development comparables varied from 0.99 to 2.42 (2023: 1.2 to 3.08). Based on the comparables, considering the property's size, and historic data, the valuers applied a market (or bulk) selling rate of R7,889 (2023: R4,100) per m<sup>2</sup> to the developable land.

The fair value of commercial, industrial, residential and retail properties is estimated using the net income capitalisation method of valuation – a level 3 fair value measurement in terms of the fair value hierarchy. This method determines the net normalised annual rental income of the property, assuming the property is fully let at market related rentals, and market escalations, with an allowance made for vacancies (where applicable). Market related property operating expenses are deducted, resulting in a net annual income which is then capitalised at a market related rate. The capitalisation rate is determined from the market (i.e. the rate at which similar assets have traded recently). The current occupation of the Group's portfolio is regarded as the "highest and best use" for the property and therefore valued as is.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 5. FAIR VALUE INFORMATION (CONTINUED)

Refer to page 80 to 81 for the average gross rental per m<sup>2</sup>. The estimated rental stream takes into account:

- Actual intended use of the property;
- Location and exposure of the property;
- Demand for industrial, commercial, retail and residential space;
- Market net rental and market net rental growth;
- Occupancy rates; and
- Vacancy period.

The capitalisation rate is generally influenced by:

- Rates of return of similar properties;
- Risk;
- Obsolescence;
- Inflation;
- Market rental growth rates;
- Location and exposure of the property;
- Rates of return on other investments; and
- Mortgage rates.

The market net rental per m<sup>2</sup> included in the valuations were as follows:

Market net rental per segment - Rand per m <sup>2</sup>	2024		2023	
	From	To	From	To
Industrial	21	51	26	75
Retail	83	152	74	117
Commercial	89	185	103	285
Residential	100	123	91	91

The capitalisation rates included in the valuations were as follows:

Capitalisation rates per segment	2024		2023	
	From	To	From	To
Industrial	9.50%	12.00%	9.75 %	10.90 %
Retail	9.00%	9.50%	9.00 %	9.50 %
Commercial	8.50%	10.75%	8.50 %	10.50 %
Residential	8.00%	8.00%	7.50 %	7.50 %

Vacancy rates per segment	2024	
	From	To
Industrial	3.00%	5.00%
Retail	2.00%	5.00%
Commercial	5.00%	7.00%
Residential	3.00%	3.00%

### Sensitivity analysis

The estimated fair value increases if the estimated rental increases, vacancy levels decline or if market yields and capitalisation rates decline. In contrary to this, the estimated fair value decreases if the estimated rental decreases, vacancy levels increase or if market yields and capitalisation rates increases.

The most significant inputs, which are unobservable, are the capitalisation rates based on equivalent yield rates, the market net rental growth and bulk rates for undeveloped land. The sensitivity analysis has therefore been based on a variance in these inputs. Management view is that a sensitivity variance of 0.25% is appropriate based on experience and current market conditions. The analysis has been prepared on the assumption that all other variables remain constant. The range of market rental rates applied to the portfolio are dependent on the risk profile of each portfolio asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 5. FAIR VALUE INFORMATION (CONTINUED)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Sensitivity measurement and effect of change in market net rental per m<sup>2</sup></b>				
Effect on fair value amount of a 0.25% increase in market net rental per m <sup>2</sup>	21,677	21,668	12,093	12,864
<i>Effect on fair value as a percentage of a 0.25% increase in market net rental per m<sup>2</sup></i>	1.95%	1.98%	3.18%	3.25%
Effect on fair value amount of a 0.25% decrease in market net rental per m <sup>2</sup>	(18,052)	(15,276)	(9,660)	(7,718)
<i>Effect on fair value as a percentage of a 0.25% decrease in market net rental per m<sup>2</sup></i>	(1.63%)	(1.39%)	(2.54%)	(1.95%)
<b>Sensitivity measurement and effect of change in capitalisation rates</b>				
Effect on fair value amount of a 0.25% increase in capitalisation rates	(50,320)	(51,579)	(9,812)	(9,356)
<i>Effect on fair value as a percentage of a 0.25% increase in capitalisation rates</i>	(4.72%)	(4.71%)	(2.58%)	(2.36%)
Effect on fair value amount of a 0.25% decrease in capitalisation rates	30,068	28,536	10,349	9,859
<i>Effect on fair value as a percentage of a 0.25% decrease in capitalisation rates</i>	2.82%	2.60%	2.72%	2.49%
<b>Sensitivity measurement and effect of change in vacancy rates</b>				
Effect on fair value amount of a 2.00% increase in vacancy rates	(14,315)	-	(10,409)	-
<i>Effect on fair value as a percentage of a 2.00% increase in vacancy rates</i>	(6.76%)	-	(7.04%)	-
Effect on fair value amount of a 2.00% decrease in vacancy rates	14,315	-	10,409	-
<i>Effect on fair value as a percentage of a 2.00% decrease in vacancy rates</i>	6.76%	-	7.04%	-
<b>Sensitivity measurement and effect of change in bulk rates on undeveloped land</b>				
Effect on fair value amount of a 0.25% increase in bulk rates	10,950	6,212	-	-
<i>Effect on fair value as a percentage of a 0.25% increase in bulk rates</i>	25%	25.00%	-	-
Effect on fair value amount of a 0.25% decrease in bulk rates	(10,950)	(6,212)	-	-
<i>Effect on fair value as a percentage of a 0.25% decrease in bulk rates</i>	(25.00%)	(25.00)%	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 6. PROPERTY, PLANT AND EQUIPMENT

GROUP	2024 R'000			2023 R'000		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated Depreciation	Carrying value
Furniture and fittings	876	(556)	320	866	(270)	596
Motor vehicles	147	(147)	-	147	(147)	-
Office equipment	594	(485)	109	594	(399)	195
Computer equipment	492	(300)	192	314	(286)	28
Solar equipment	652	(69)	583	652	(3)	649
<b>Total</b>	<b>2,761</b>	<b>(1,557)</b>	<b>1,204</b>	<b>2,573</b>	<b>(1,105)</b>	<b>1,468</b>

COMPANY	2024 R'000			2023 R'000		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated Depreciation	Carrying value
Furniture and fittings	876	(556)	320	530	(208)	322
Motor vehicles	147	(147)	-	147	(147)	-
Office equipment	594	(485)	109	594	(399)	195
Computer equipment	492	(300)	192	314	(286)	28
Solar equipment	652	(69)	583	652	(3)	649
<b>Total</b>	<b>2,761</b>	<b>(1,557)</b>	<b>1,204</b>	<b>2,237</b>	<b>(1,043)</b>	<b>1,194</b>

### Reconciliation of property, plant and equipment - Group - 2024

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	596	9	(285)	320
Office equipment	195	-	(86)	109
Computer equipment	28	178	(14)	192
Solar equipment	649	-	(66)	583
	<b>1,468</b>	<b>187</b>	<b>(451)</b>	<b>1,204</b>

### Reconciliation of property, plant and equipment - Group - 2023

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	610	53	(67)	596
Office equipment	251	28	(84)	195
Computer equipment	35	35	(42)	28
Solar equipment	-	652	(3)	649
	<b>896</b>	<b>768</b>	<b>(196)</b>	<b>1,468</b>

### Reconciliation of property, plant and equipment - Company - 2024

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	322	10	(12)	320
Office equipment	195	-	(86)	109
Computer equipment	28	178	(14)	192
Solar equipment	649	-	(66)	583
	<b>1,194</b>	<b>188</b>	<b>(178)</b>	<b>1,204</b>

### Reconciliation of property, plant and equipment - Company - 2023

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	336	53	(67)	322
Office equipment	251	28	(84)	195
Computer equipment	35	35	(42)	28
Solar equipment	-	652	(3)	649
	<b>622</b>	<b>768</b>	<b>(196)</b>	<b>1,194</b>

The carrying amounts of plant and equipment is equal to the fair value of the assets.

There were no plant and equipment pledged as security for the year under review.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 7. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Name of company	Nature of business	Issued share capital	% Holding and % Voting		Carrying amount in the company		Carrying amount of loan owing by subsidiary (Note 8)	
			2024	2023	2024	2023	2024	2023
<b>HELD BY PUTPROP LTD</b>								
Secunda Value Mart (Pty) Ltd	Retail centre	1,000	100.00	100.00	5,942	5,942	22,181	21,031
Pilot Peridot Investments 1 (Pty) Ltd	Mixed use commercial	100,000	85.27	73.24	18,172	18,172	158,875	149,664
Corridor Hill Properties (Pty) Ltd	Retail centre	500	100.00	100.00	4,317	4,317	14,650	12,150
Baraville (Pty) Ltd	Dormant	2,000	100.00	100.00	-	-	^	^
Edenvale Bus Service (Pty) Ltd	Dormant	1,000	100.00	100.00	-	-	^	^
Namasota (Pty) Ltd	Dormant	1,000	100.00	100.00	-	-	^	^
Putfield (Pty) Ltd	Dormant	1,000	100.00	100.00	-	-	^	^
					<b>28,431</b>	<b>28,431</b>	<b>195,706</b>	<b>182,845</b>
<b>HELD BY PILOT PERIDOT INVESTMENTS 1 (PTY) LTD</b>								
Menlyn Villas Properties (Pty) Ltd	Residential	100	100.00	100.00				

^ Less than R1 000

Putprop Limited acquired an additional 12.03% shareholding in Pilot Peridot Investments 1 (Pty) Ltd (Pilot) through the buyout of 12,030 shares and cession of loans from minority shareholders, T Switala, P Rude and G Irons for a total purchase price of R6,143,584. Pilot's sole asset is a 50% undivided share in Summit Place, a mixed-use retail and commercial development in the Menlyn, Pretoria with a gross lettable area ("GLA") of 30,423 square meters. Refer to note 17 for the non-controlling interest.

All subsidiaries are incorporated in South Africa and all operations are in South Africa.

Goodwill has been fully impaired.

No shares in subsidiaries have been pledged as security. There are no restrictions to the group in respect of the ability to access assets and liabilities of the subsidiaries.

The investments held in subsidiaries are tested for indicators of impairment annually. The fair value of investment property, net asset values, forecasted cashflows and profitability of each subsidiary is considered and for any indicators of impairment. Based on these evaluations, the group concluded that the carrying amount of its investment in subsidiary exceeds its recoverable amount. The net asset value approximates the fair value of the subsidiaries and therefore no impairment was raised.

Refer to Note 8 for details on the impairment in loans owing by subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 8. LOANS TO SUBSIDIARIES

Company - 2024	Secunda Value Mart (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd	Corridor Hill Properties (Pty) Ltd	Total
Loan 1	21,301	133,056	18,845	173,202
Loan 2	1,988	3,000	-	4,988
Loan 3	-	23,942	-	23,942
<b>Gross loan amount</b>	<b>23,289</b>	<b>159,998</b>	<b>18,845</b>	<b>202,132</b>
Expected credit loss	(1,108)	(1,123)	(4,195)	(6,426)
<b>Carrying value</b>	<b>22,181</b>	<b>158,875</b>	<b>14,650</b>	<b>195,706</b>

Company - 2023	Secunda Value Mart (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd	Corridor Hill Properties (Pty) Ltd	Total
Loan 1	21,301	126,912	12,150	160,363
Loan 2	838	3,000	-	3,838
Loan 3	-	20,875	-	20,875
<b>Gross loan amount</b>	<b>22,139</b>	<b>150,787</b>	<b>12,150</b>	<b>185,076</b>
Expected credit loss	(1,108)	(1,123)	-	(2,231)
<b>Carrying value</b>	<b>21,031</b>	<b>149,664</b>	<b>12,150</b>	<b>182,845</b>

Split between non-current and current portions	2024		2023	
Non-current assets	-	-	-	182,845
Current assets	-	-	195,706	-
	-	-	<b>195,706</b>	<b>182,845</b>

The total of loans to subsidiaries are financial assets at amortised cost. Investments in subsidiaries have been disclosed in note 7.

Prior year loans were reorganised for disclosure purposes.

Loan 3 in Pilot Peridot Investments 1 (Pty) Ltd are unsecured, bear interest at prime plus 2% per annum with no fixed terms of repayment. In 2023, a 12-month notice was required.

All other loans are unsecured, interest free with no fixed terms of repayment. In 2023, a 12-month notice was required.

Loans granted consist of loans made to related party entities. The credit risks around these related parties have been assessed by management based on the related party's ability to discharge its obligation of the settlement of the loan. The credit risk of these transactional loans is low considering, inter alia, that the subsidiaries property value and rental yield are expected to remain at or above current levels. The net asset value of each subsidiary is sufficient to cover the value of its loan and therefore management considers the loans recoverable.

An assessment was done based on stage 1: 12-month expected credit loss. All available forward-looking information, including estimates of economic growth, the expected value of the investment properties and forecast revenue, profitability liquidity and solvency, were considered to evaluate the risk of credit loss at reporting date, which indicated a low risk of default. Based on the assessment no additional expected credit losses were recognised in the current year.

### Reconciliation of expected credit loss

The following table shows the movement in the 12-month expected credit losses:

	COMPANY	
	2024 R'000	2023 R'000
Opening balance	(2,231)	(2,231)
Increase in 12-month expected credit loss	(4,195)	-
<b>Closing balance</b>	<b>(6,426)</b>	<b>(2,231)</b>

In the prior year, the loan to Corridor Hill reflected net of impairment. The group considered the impairment of the loan to Corridor Hill to be immaterial.

### Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts. The effect of discounting the carrying value of loans is not considered to be material to the company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 9. JOINT OPERATIONS

Company	Nature of business	% Ownership interest	% Ownership interest
		2024	2023
Corridor Hill	Retail centre	50	50
Mamelodi Square	Retail centre	50	50
Summit Place	Retail centre	50	50

All joint operations operate in South Africa.

The Corridor Hill property is classified as a joint operation. As per the co-ownership agreement between Corridor Hill Properties (Pty) Ltd, a subsidiary of Putprop Ltd, and Bidvest Properties (Pty) Ltd each party has a 50% contractual share in the underlying asset and liabilities, and it is therefore classified as a joint operation with effective date from May 2015.

Mamelodi Square is classified as a joint operation. As per the co-ownership agreement between Putprop Limited and McCormick Property Development (Pty) Ltd each party has a 50% contractual share in the underlying asset and liabilities, and it is, therefore, classified as a joint operation with effective date from April 2019.

Summit Place is classified as a joint operation in Pilot Peridot Investments 1 (Pty) Ltd, a subsidiary of Putprop Ltd. As per the co-ownership agreement between Pilot Peridot and Emira Property Fund Limited, each party has a 50% contractual share in the underlying asset and liabilities and it is, therefore classified as a joint operation effective from 20 July 2015.

## 10. INVESTMENT IN ASSOCIATE

Name of company	Nature of business	% Ownership interest		Group carrying amount		Company carrying amount	
		2024	2023	2024	2023	2024	2023
Belle Isle Investments (Pty) Ltd	Mixed use retail/commercial	18.175	18.175	27,140	14,715	47	47

The associate is incorporated in South Africa and all operations are in South Africa.

The IAS 28 requirements for significant influence were assessed and it was concluded that:

- Voting rights are attached to the ordinary shares in issue. Putprop has 18.175% voting rights.
- Putprop has board representation on the board. The CFO of Putprop is also the Chairman of Belle Isle's Board.
- Putprop will be participating in the financial and operating policy decisions, however, will not control them.

After taking the above into consideration, it was concluded that Putprop does exercise significant influence over Belle Isle Investments (Pty) Ltd.

The investment is equity accounted. Belle Isle Investments has a February year end. The financial information included in this consolidation is based on annual audited figures for the latest February year end, adjusted for the period which falls outside the Group's financial period, as well as the unaudited management accounts for the four months ended 30 June. The February year end is not aligned with that of the Group as Putprop is unable to control the shareholder or Board decisions to change the year end.

The investment in Belle Isle Investments (Pty) Ltd was tested for impairments at reporting date. The net asset value of the investment is assessed to determine whether there is any indication that it may have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss. No indicators of impairment were present and the value of the investment can be recovered through distributable profits of the associate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 10. INVESTMENT IN ASSOCIATE (CONTINUED)

### SUMMARISED FINANCIAL INFORMATION

#### SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024 R'000	2023 R'000
Revenue	47,622	39,156
Profit after tax from continuing operations	85,980	12,767
<b>Total comprehensive income</b>	<b>85,980</b>	<b>12,767</b>
Preference dividend declared	(17,618)	(12,002)
<b>Total comprehensive distributable to shareholders</b>	<b>68,362</b>	<b>765</b>

#### SUMMARISED STATEMENT OF FINANCIAL POSITION

	2024 R'000	2023 R'000
<b>ASSETS</b>		
Non-current	511,370	441,727
Current	25,610	26,883
<b>Total assets</b>	<b>536,980</b>	<b>468,610</b>
<b>LIABILITIES</b>		
Non-current	140,379	154,173
Current	18,011	4,209
<b>Total liabilities</b>	<b>158,390</b>	<b>158,382</b>
Net asset value	378,590	310,228
Less: Cumulative redeemable preference shares	(229,265)	(229,265)
<b>Total net assets</b>	<b>149,325</b>	<b>80,963</b>
<b>Putprop's share in Net asset Value</b>	<b>27,140</b>	<b>14,715</b>

#### Reconciliation of net assets to equity accounted investments in associates

	2024 R'000	2023 R'000
Interest in associate at percentage ownership	27,140	14,715
<b>Investment in associate at carrying amount</b>	<b>27,140</b>	<b>14,715</b>
Investment at beginning of period	14,715	14,576
Share of profits for the year	12,425	139
<b>Balance at the end of the year</b>	<b>27,140</b>	<b>14,715</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 11. CUMULATIVE, REDEEMABLE PREFERENCE SHARES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Preference shares - Belle Isle Investments (Pty) Ltd	55,487	55,084	55,487	55,084

The terms of the preference shares are cumulative at a 7.2% coupon rate, redeemable at the option of Belle Isle Investments (Pty) Ltd and with no fixed date of redemption. The preference dividend holders do not have any voting rights and does not in substance qualify as ordinary shares. In the current year, the group received an cash preference dividend payout of R3,563,696 (2023: R4,002,458).

Credit risk was assessed for any possible impairment. The Group determined that the net asset value of Belle Isle exceeds investment and is sufficient to cover the value of the preference shares. All available forward-looking information, including estimates of economic growth, the expected value of the investment property and the forecasted revenue, solvency and liquidity were considered and indicated no risk of default. Loss allowance is based on stage 1, a 12-month expected credit loss on exposures where the credit risk has not significantly increased since origination. The value is considered to be recoverable and no loss allowance was recognised based on the forecast performance of the associate and the net asset value of the associate exceeding the value of the preference.

### Fair value of cumulative, redeemable preference shares

The fair value of cumulative, redeemable preference shares approximates its carrying amount as the current coupon rate is still considered to be within market related range.

## 12. DEFERRED TAX

	GROUP		COMPANY	
	2024 R'000	2023* R'000	2024 R'000	2023 R'000
<b>DEFERRED TAX LIABILITY</b>				
Section 13quin allowances	(50,864)	(48,209)	4,317	-
Fair value adjustments	(33,613)	(28,444)	(13,437)	(16,869)
Operating lease rental income adjustment	(11,346)	(9,777)	(1,397)	(898)
Prepaid expenses		(23)	-	(23)
<b>Total deferred tax liability</b>	<b>(95,823)</b>	<b>(86,453)</b>	<b>10,517</b>	<b>(17,790)</b>
<b>DEFERRED TAX ASSET</b>				
Investment property	-	6,029	-	6,029
Credit loss allowances	720	975	608	620
Provisions	311	200	230	186
Tenant deposits	1,050	782	561	243
Other temporary differences	(85)	75	(85)	-
Deferred tax balance from temporary differences other than unused tax losses	1,996	8,061	1,314	7,078
Tax losses available for set off against future taxable income	48,894	43,171	-	-
<b>Total deferred tax asset</b>	<b>50,890</b>	<b>51,232</b>	<b>1,314</b>	<b>7,078</b>

\* - Restated

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 12. DEFERRED TAX (CONTINUED)

The deferred tax asset and deferred tax liability relate to income tax in the same jurisdiction and allows for net settlement. Therefore, at company level, they have been offset in the statement of financial position.

	GROUP		COMPANY	
	2024 R'000	2023* R'000	2024 R'000	2023 R'000
Deferred tax liability	(95,823)	(86,453)	(10,517)	(17,790)
Deferred tax asset	50,890	51,232	1,314	7,078
<b>Total net deferred tax (liability)/ asset</b>	<b>(44,933)</b>	<b>(35,221)</b>	<b>(9,204)</b>	<b>(10,713)</b>
<b>Reconciliation of deferred tax asset / (liability)</b>				
At beginning of year	(35,221)	(51,086)	(10,713)	(27,020)
Rate change	-	-	-	-
Increases /(decrease) in tax loss available for set off against future taxable income	5,720	4,029	-	-
Movement in originating and reversing temporary differences on:				
Section 13quin allowance	(8,683)	(6,067)	(1,712)	-
Fair value adjustments	(5,168)	16,511	3,432	15,812
Operating lease rental income adjustment	(1,377)	(1,096)	(307)	(31)
Investment property	-	-	-	-
Other temporary differences	(11)	(36)	288	(10)
Prior year (under)/over provision	(193)	2,524	(192)	536
	<b>(44,933)</b>	<b>(35,221)</b>	<b>(9,204)</b>	<b>(10,713)</b>

## 13. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>FINANCIAL INSTRUMENTS:</b>				
Rent receivables	5,183	6,859	628	1,389
Rent receivables - related party	3,778	11,273	3,778	11,273
Accrued income	1,703	2,071	18	60
Loss allowance	(731)	(2,361)	(34)	(107)
Rent receivables at amortised cost	9,933	17,842	4,390	12,615
Deposits	1,896	5,689	637	1,261
Loan receivables	-	2,460	-	-
Proceeds on sale of investment property	-	7,600	-	7,600
Other receivables	2,230	4,634	1,733	4,232
<b>NON-FINANCIAL INSTRUMENTS:</b>				
VAT	-	2,472	-	1,029
Prepayments	995	468	316	264
<b>Total trade and other receivables</b>	<b>15,054</b>	<b>41,165</b>	<b>7,076</b>	<b>27,001</b>

Financial instrument and non-financial instrument components of trade and other receivables

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At amortised cost	14,059	38,225	6,760	25,708
Non-financial instruments	995	2,940	316	1,293
	<b>15,054</b>	<b>41,165</b>	<b>7,076</b>	<b>27,001</b>

\* - Restated



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

### Exposure to credit risk

Management has established a credit policy in terms of which each new tenant is analysed individually for credit worthiness before the Group's standard payment terms and conditions are offered which include in most cases, the provision of a deposit of at least one month's rental. The Group monitors the financial position of its tenants on an ongoing basis. Details of the Group's credit risk management practices are included in accounting policy note 1.10.

Management assessed the credit risk for the rent receivables of a related party for which an acknowledgement of debt has been signed. The assessment included considering the economic conditions during the period over which the historical data of the past three years collected, current conditions and the Group's view of future economic conditions and its effect on tenant's forecasts return and their ability to pay their debt and taking into consideration the pressure facing smaller tenants and the possible increase in probability of default. After this assessment, management concluded the amount to be fully recoverable; and no loss allowance was raised in this regard.

Rent receivables comprise of a relatively small tenant base, the majority of whom are national tenants. One of the Group's tenants accounted for 12.08% (2023: 16.43%) of total rental receivables at year end, resulting in a concentration of credit risk. Of the amounts owing by this tenant, an acknowledgement of debt has been signed for R3,8 million (2023: R11,2 million). Aside from this tenant there are no other significant concentration of credit risk within the Group's tenant base.

The rent receivable from a related party relates to Larimar Properties (Pty) Ltd. An acknowledgement of debt has been signed. The Group considered this as well the regular receipt of payment after year-end, forecasted performance and new contracts entered into by the related party as part of the credit risk assessment. Based on these considerations the credit risk reduced and management considered that no increase in the credit loss allowance was required.

At 30 June 2024 the total rent receivables written off as bad debts were R1,87 million (2023: nil). Refer to note 22.

Accrued income is rates and electricity recoveries that has not yet been invoiced.

Deposits paid to suppliers are mainly deposits with municipalities. These have also been assessed for credit risk based on past events and forward-looking information such as forecasted returns. No impact has been identified and the potential that there would be credit losses in the foreseeable future is considered low.

In 2023, loan receivables of R2,460 million related to rent receivable amounts that have been agreed to be converted to a loan and be repaid over 12 months at an interest rate of prime plus 2%. Credit risk has been assessed on these loans considering the current and forecast financial position of the counterparty and the payment history of the loan. There Group concluded that the legal collection of process of the outstanding debts have been exhausted and that the amount is likely not recoverable and was included in the write-off amount of bad debt.

On 3 July 2023, R7,6 million which was receivable for the proceeds from the sale of investment properties was received. Refer to note 3 regarding the sale of the Nancefield property.

The credit risk on other receivables is not considered material based on the nature of the receivable and the value.

The Group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced in past 2 years and are reassessed at each reporting date. In considering past default events, consideration is made to the continuous rise of inflation rates, the probability of future rental, payment history and collateral held in the form of deposits and historical legal proceedings. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers, the sectors in which they operate, post year-end collections as well as potential changes in the trade receivable risk profiles. This will result in an adjusted provision matrix for each internal credit grade and then accumulated to calculate the impairment allowance. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables is written off to profit and loss when internal and initial legal collection processes have been exhausted and a judgment is made that the amount is likely not recoverable.

The loss allowance provision on rent receivables is determined as follows:

GROUP	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	R'000	R'000	R'000	R'000
<b>Expected credit loss rate:</b>				
Current: 1.00% (2023: 1.00%)	2,200	(14)	2,439	(24)
More than 30 days past due: 5.00% (2023: 4.00%)	1,258	(32)	1,294	(80)
More than 60 days past due: 10.00% (2023: 10.00%)	703	(9)	799	(80)
More than 90 days past due: 45.00% (2023: 45.00%)	369	(24)	271	(121)
More than 120 days past due: 100.00% (2023: 100.00%)	653	(652)	2,056	(2,056)
<b>Total</b>	<b>5,183</b>	<b>(731)</b>	<b>6,859</b>	<b>(2,361)</b>
<b>COMPANY</b>				
<b>Expected credit loss rate:</b>				
Current: 1.00% (2023: 0.00%)	566	(2)	757	(8)
More than 30 days past due: 5.00% (2023: 5.00%)	8	-	213	(3)
More than 60 days past due: 10.00% (2023: 15.00%)	24	(2)	256	(15)
More than 90 days past due: 45.00% (2023: 100.00%)	-	-	149	(67)
More than 120 days past due: 100.00% (2023: 100.00%)	30	(30)	14	(14)
<b>Total</b>	<b>628</b>	<b>(34)</b>	<b>1,389</b>	<b>(107)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for rent receivables:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Opening balance	(2,361)	(3,549)	(3,504)	(609)
Change in control (note 17)	-	-	-	-
Provisions reversed on settled trade receivables	104	3,549	3,470	609
Written off as bad debt	1,526	-	-	-
Provisions raised on new rent receivables	-	(2,361)	-	(3,504)
<b>Closing balance</b>	<b>(731)</b>	<b>(2,361)</b>	<b>(34)</b>	<b>(3,504)</b>

Loss allowance on trade and other receivables decreased during the current period under review, as a matter of prudence and due to the weak general economic conditions it was concluded that recovery of these amounts will not be possible and instead it was written off as bad debts.

ECLs and receivables written off as bad debt have been included in corporate and other expenses in profit and loss to the annual financial statements.

### Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature thereof.

## 14. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Cash and cash equivalents consist of:				
Cash on hand	17,640	18,558	6,890	9,416
Bank overdraft	-	(1,092)	-	(1,092)
	<b>17,640</b>	<b>17,466</b>	<b>6,890</b>	<b>8,324</b>
Current assets	17,640	18,558	6,890	9,416
Current liabilities	-	(1,092)	-	(1,092)
	<b>17,640</b>	<b>17,466</b>	<b>6,890</b>	<b>8,324</b>

### Cash held at banks earns interest at prevailing market rates.

Putprop Limited has an overdraft facility of R25 million. This facility is available to Putprop Limited on an unsecured basis. A significant portion of bank balances are with Absa Group Limited, which has a Moody's credit rating of Ba2 (2023: BB-). Credit risk was considered and no credit loss allowance was considered to be required due to the amounts being held at reputable banking institutions with high credit risk quality.

### Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximate their fair value due to the short-term nature thereof.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 15. SHARE CAPITAL

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>AUTHORISED</b>				
500 000 000 shares of no par value				
<b>Reconciliation of number of shares issued:</b>				
Reported as at 01 July and 30 June	42,405,133	42,409,181	42,405,133	42,409,181
<b>ISSUED</b>				
42 405 133 (2023: 42 409 181) shares of no par value	93,477	93,490	93,477	93,490

The ordinary shares have 1 vote in respect of each share at any meeting of the shareholders of the holding company, the right to receive a dividend if declared, and the right to participate in the capital surplus on the winding up of the holding company.

On 28 June 2024, 4,048 ordinary shares were withdrawn in terms of the repurchase as a result of the odd-lot offer at a 5% premium.

## 16. DIVIDENDS DECLARED

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>ORDINARY</b>				
Final Dividend 2023: 7 cents (2023:4.25 cents)	2,968	2,545	2,968	2,545
Interim dividend 2024: 6 cents (2023: 6 cents)	2,545	1,802	2,545	1,802
	<b>5,513</b>	<b>4,347</b>	<b>5,513</b>	<b>4,347</b>
<b>Total cents per share distributed</b>	<b>13</b>	<b>10.25</b>	<b>13</b>	<b>10.25</b>

A Final dividend of 8.5 cents per ordinary share were declared by the Board on 28 August 2024

## 17. NON-CONTROLLING INTEREST

The information is before intercompany eliminations with other companies in the Group.

	2024 R'000	2023* R'000
	Pilot Peridot One	Pilot Peridot One
Total non-controlling interest	20,587	14,200
The non-controlling interest of the group represents 85.27% (2023: 73.24%) of the net asset value of Pilot Peridot Investments 1 who has a 50% co-ownership agreement with Emira Property Fund in the property Summit Place situated in Menlyn at 30 June 2024.		
During the 2024 financial period, Putprop acquired an additional 12.03% in Pilot Peridot One which increased Putprop's shareholding to 85.27% (2023: 73.24%).		
Effect on equity attributable to Putprop due to the additional shareholding:		
Amount paid for the additional shareholding	6,144	-
Amount adjusted in non-controlling interest	638	-
Non-controlling interest after the additional shareholding (12.03%)	20,587	-
The Putprop Group has elected to measure the non-controlling interest at their proportionate share as stated in the accounting policies in note 1.4		
<b>Effective interest</b>	<b>85.27%</b>	<b>73.24%</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 17. NON-CONTROLLING INTEREST (CONTINUED)

Pilot Peridot Investments 1 (Pty) Ltd is incorporated in South Africa. It operates within South Africa and derives income from letting of commercial property.

The following table shows the summarised statement of financial position as at 30 June 2024 and the summarised statement of profit and loss and other comprehensive income for the period ending 30 June 2024:

<b>SUMMARISED STATEMENT OF FINANCIAL POSITION</b>	<b>2024 R'000</b>	<b>2023* R'000</b>
<b>Non-current assets</b>	<b>494,912</b>	<b>530 403</b>
Net investment property	468,793	490 510
Gross investment property	494,700	510 000
Operating lease asset	(25,907)	(19 490)
Other non-current assets	26,119	39 893
<b>Current assets</b>	<b>59,463</b>	<b>14 811</b>
Trade and other receivables	5,815	12 423
Cash and cash equivalents	9,848	2 388
Investment property held for sale	43,800	-
<b>Non-current liabilities</b>	<b>14,340</b>	<b>469 548</b>
Deferred taxation	14,340	-
Loan liabilities	-	469 548
<b>Current liabilities</b>	<b>480,383</b>	<b>8 782</b>
Trade and Other payables	7,787	2 632
Taxation payable	-	-
Loan liabilities	472,596	6 150
<b>Net assets</b>	<b>59,463</b>	<b>66 885</b>
<b>Net assets attributable to non-controlling interest</b>	<b>20,425</b>	<b>13,958</b>

<b>SUMMARISED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>2024 R'000</b>	<b>2023* R'000</b>
Property rental revenue	50,398	46,474
Property expenses	(19,238)	(20,188)
Corporate expenses	(5,659)	(2,126)
Expected credit losses	1,328	621
Investment and other income	1,198	1,399
Finance costs	(35,208)	(28,364)
Fair value adjustments	34,401	(9,141)
Taxation	(6,283)	1,890
Profit and total comprehensive income	20,937	(9,435)
Net profit attributable to non-controlling interest	6,258	(2,153)
<b>Net profit and total comprehensive income attributable to non-controlling interest</b>	<b>6,258</b>	<b>(2,153)</b>

Menlyn Villas Properties (Pty) Ltd is a wholly owned subsidiary of Pilot Peridot and is incorporated in South Africa. Menlyn Villas operates in South Africa and derives income through letting of residential property.

The following table shows the Summarised Statement of Financial Position as at 30 June 2024 and the Summarised Statement of Profit and Loss and Other Comprehensive Income for the period ending 30 June 2024:

The information is before intercompany eliminations with other companies in the Group.

\* - Restated

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 17. NON-CONTROLLING INTEREST (CONTINUED)

	2024 R'000 Menlyn Villas	2023 R'000 Menlyn Villas
Effective interest	85.27%	73.24%
<b>Non-current assets</b>	<b>800</b>	<b>10,934</b>
Net investment property	-	10,000
Gross investment property	-	10,000
Investment in subsidiary	-	1
Other non-current assets	800	934
<b>Current assets</b>	<b>10,774</b>	<b>124</b>
Trade and other receivables	259	85
Taxation receivable	-	18
Cash and cash equivalents	215	21
Investment property held for sale	10,300	-
<b>Non-current liabilities</b>	<b>10,120</b>	<b>10,040</b>
Deferred taxation	272	192
Loan liabilities	9,848	9 848
<b>Current liabilities</b>	<b>186</b>	<b>115</b>
Trade and other payables	186	85
Current tax payable	-	30
Loan liabilities	-	-
<b>Net assets</b>	<b>1,353</b>	<b>903</b>
<b>Net assets attributable to non-controlling interest</b>	<b>199</b>	<b>215</b>
	2024 R'000 Menlyn Villas	2023 R'000 Menlyn Villas
<b>SUMMARISED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Property rental revenue	758	810
Operating cost recoveries	84	134
Property expenses	(281)	(369)
Corporate expenses	(104)	(95)
Expected credit losses	(123)	(40)
Investment and other income	7	37
Finance costs	(11)	-
Fair value adjustments	300	1 280
Taxation	(221)	(368)
Profit and total comprehensive income	409	1 389
Net profit attributable to non-controlling interest	129	371
<b>Net profit and total comprehensive income attributable to non-controlling interest</b>	<b>129</b>	<b>371</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 18. LOAN LIABILITIES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>INTEREST-BEARING BORROWINGS AT AMORTISED COST</b>				
<b>Nedbank Limited - 1001738252</b>				
The loan is repayable in quaterly instalments of R3,431,000 (2023: R683,272 monthly). Interest rate charged is JIBAR plus 2,97% per annum. A balloon payment is due on 30 August 2024. The bond is secured by investment property as per note 3.	32,518	46,963	32,518	46,963
<b>Nedbank Limited - 30150755</b>				
The loan is repayable in monthly instalments of R522,518 (2023: R492,942). The interest rate is fixed at a rate of 10.93% per annum. A balloon payment of R13 million is due on 11 August 2025. The bond is secured by investment property as per note 3.	18,632	22,574	-	-
<b>Nedbank Limited - 30151232</b>				
The loan is repayable in monthly instalments of R57,426 (2023: R54,722). The interest rate is fixed at a rate of prime less 1% per annum. There is no balloon payment on this loan and expires on 30 October 2025. This loan is secured over investment property as per note 3.	852	1,417	-	-
<b>Nedbank Limited - 30151238</b>				
The loan is repayable in monthly instalments of R390,595 (2023: R387,917). The interest rate is fixed at a rate of prime less 1% per annum. There is no balloon payment on this loan and expires on 10 April 2026. This loan is secured by investment property as per note 3.	7,766	11,406	-	-
<b>Standard Bank Limited</b>				
The loan bears interest at prime rate less 1% and the monthly instalments consists of the interest accrued for the month and a capital settlement of R153,825 (2023: R195,244). A final balloon settlement is due on 30 April 2026. The loan is secured by investment property as per note 3.	6,722	13,064	-	-
<b>Absa Bank Limited - 7010182196</b>				
The loan is repayable in monthly instalments of R1 100 000 (2023: R2 613 355) The interest rate is charged at a rate of prime less 0.85% per annum. A balloon payment is due on 7 February 2025. The bond is secured by investment property as per note 3.	279,303	282,111	-	-
<b>ABSA Bank Limited - 7010199858</b>				
The loan is repayable in monthly instalments of R95,000. The loan bears interest at prime less 0.25% per annum. A balloon payment is due on 30 November 2027. The loan is secured by investment property as per note 3.	82,546	83,562	82,546	83,562
	<b>428,339</b>	<b>461,097</b>	<b>115,064</b>	<b>130,525</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 18. LOAN LIABILITIES (CONTINUED)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>LOANS FROM RELATED PARTIES AT AMORTISED COST</b>				
Corridor Hill Properties (Pty) Ltd				
This loan is interest free, unsecured and repayable with a 12-month notice period.	-	4,195	-	-
	-	4,195	-	-
<b>LOANS FROM SHAREHOLDERS AT AMORTISED COST</b>				
These loans bear interest at a rate ranging from 0% to prime interest rate plus 2%. These loans are unsecured with no fixed terms of repayment. The loans have been subordinated in favour of the loan granted by Absa Bank Limited - 7010182196				
	30,147	39,650	-	-
	<b>458,486</b>	<b>504,942</b>	<b>115,064</b>	<b>130,525</b>

### Reconciliation of interest-bearing borrowings:

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS</b>				
Non-current liabilities	104,641	443,747	81,271	122,326
Current liabilities	353,845	61,195	33,793	8,199
	<b>458,486</b>	<b>504,942</b>	<b>115,064</b>	<b>130,525</b>

Total finance charges have been disclosed in note 26.

### Fair value of loan liabilities

The carrying amounts of interest-bearing loans approximate their fair values as interest is charged at market-related interest rates. The carrying amount of the interest-free loans approximate the fair value as the effect of discounting is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 19. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>Financial instruments:</b>				
Accrued expenses and trade payables	7,455	9,932	1,403	7,468
Other payables	1,904	1,208	1,906	802
Tenant deposits	4,086	4,090	2,076	1,790
<b>Non-financial instruments:</b>				
Amounts received in advance	1,482	733	905	733
VAT	1,338	232	632	-
	<b>16,265</b>	<b>16,195</b>	<b>6,921</b>	<b>10,793</b>

### Financial instrument and non-financial instrument components of trade and other payables

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
At amortised cost	13,445	15,230	5,384	10,060
Non-financial instruments	2,820	965	1,538	733
	<b>16,265</b>	<b>16,195</b>	<b>6,921</b>	<b>10,793</b>

Other payables include leave pay accrual, dividends payable and other sundry payables.

### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to the short term nature thereof.

## 20. RENTAL INCOME AND OPERATING COST RECOVERIES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Lease rental income as per lease agreement	105,248	97,364	45,633	42,977
Operating lease rental straight-line adjustment	(7,554)	(6,493)	1,316	115
	<b>97,694</b>	<b>90,871</b>	<b>46,949</b>	<b>43,092</b>
<b>Revenue from contracts with customers</b>				
Operating cost Recoveries	42,640	37,568	21,039	16,458
	<b>140,334</b>	<b>128,439</b>	<b>67,988</b>	<b>59,550</b>

Performance obligations related to operating cost recoveries	
a. When the entity typically satisfies its performance obligations	Services are rendered during the month and revenue is recognised over time based on the actual service provided at the end of every month as a proportion of total service to be provided because the customer receives and uses the benefits simultaneously.
b. The significant payment terms	Payment from tenants is due on the 1st of each month.
c. Variability of the consideration payable	Recoveries are typically fixed for cleaning, security and marketing contributions based on contracted expenses for a period. Utility recoveries are charged as received from municipalities.
d. The nature of the goods or services that the entity has undertaken/ agreed to transfer	Services rendered include the provision of utilities, cleaning and security.

### Disaggregation and timing of revenue from contracts with customers

All revenue from contracts with customers is earned over time. The disaggregation is as per the segment report provided in Annexure A.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 21. PROPERTY OPERATING COSTS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Fuel and oils	2,044	4,233	-	120
Insurance	1,104	973	504	363
Property management and consultant fees	692	2,452	59	1,573
Rates and utilities	39,163	33,844	19,827	16,667
Repairs and maintenance	2,204	2,608	950	586
Security	2,241	2,016	1,264	1,032
Service contracts	1,612	1,258	844	532
	<b>49,060</b>	<b>47,384</b>	<b>23,448</b>	<b>20,873</b>

## 22. CORPORATE ADMINISTRATION COSTS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Administration and management fees	2,226	1,147	826	-
Advertising and marketing	375	-	375	-
Audit and secretarial fees	1,831	1,789	1,648	1,686
Bad debts written off	1,870	3	-	3
Commission and installations	1,475	1,222	411	182
Depreciation	451	196	451	196
Employee costs	9,837	8,467	9,687	8,313
Financial reports and IT	545	408	545	408
JSE Limited costs	738	460	738	460
Legal and professional fees	1,191	793	1,061	509
Other operating expenses	884	4,061	(780)	3,594
Short term leases	-	542	-	511
Social Responsibility projects	362	141	362	141
	<b>21,785</b>	<b>19,229</b>	<b>15,324</b>	<b>16,003</b>

## 23. INTEREST INCOME

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>INTEREST INCOME AT AMORTISED COST</b>				
<b>Investments in financial assets:</b>				
Bank and other cash (note 14)	1,046	3,289	622	3,144
Trade and other receivables (note 13)	(612)	929	(1,106)	332
Loans to subsidiaries (note 8)	-	-	3,067	2,403
Dividend received from associate (note 11)	3,966	7,003	3,966	7,003
<b>Total interest income</b>	<b>4,400</b>	<b>11,221</b>	<b>6,549</b>	<b>12,882</b>

Interest received from trade and other receivables includes interest charged to trade receivable accounts in arrears.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 24. OTHER INCOME

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Management fees received	450	452	7	-
Other income	990	1,854	964	1,381
Insurance claim received	108	-	-	-
Profit on disposal of investment property (note 3)	-	985	-	985
	<b>1,548</b>	<b>3,291</b>	<b>971</b>	<b>2,366</b>

## 25. EXPECTED CREDIT LOSSES

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Trade and other receivables (note 13)	(1,629)	(991)	(73)	(502)

## 26. FINANCE COSTS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>INTEREST INCOME AT AMORTISED COST</b>				
Bank overdraft (note 14)	24	2,892	24	2,892
Interest bearing borrowings (note 18)	49,437	40,115	13,217	9,377
Shareholder loans (note 18)	-	973	-	-
Other interest paid	654	241	14	224
	<b>50,115</b>	<b>44,221</b>	<b>13,255</b>	<b>12,493</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 27. TAXATION

	GROUP		COMPANY	
	2024 R'000	2023* R'000	2024 R'000	2023 R'000
<b>MAJOR COMPONENTS OF THE TAX INCOME</b>				
<b>Current</b>				
Local income tax - current period	4,828	10,379	2,954	8,977
Local income tax - prior period (over)/ under provision	(13)	(104)	(40)	(86)
	<b>4,815</b>	<b>10,275</b>	<b>2,914</b>	<b>8,891</b>
<b>Deferred</b>				
Originating and reversing temporary differences	9,520	(13,473)	(1,701)	(15,771)
Changes in tax rates		-		-
Arising from under/over provision of prior year	192	(2,524)	191	(536)
	<b>9,712</b>	<b>(15,997)</b>	<b>(1,510)</b>	<b>(16,307)</b>
	<b>14,527</b>	<b>(5,722)</b>	<b>1,404</b>	<b>(7,416)</b>
<b>RECONCILIATION OF THE TAX EXPENSE</b>				
Tax at 27%	27,00%	27,00%	27,00%	27,00%
Dividends	(1.79%)	(61,51)%	(14.30%)	28,57%
Non-taxable portion of FV adjustment	(0.71%)	(99,39)%	11.46%	54,42%
Non-deductible expenses	(0.83%)	17,47%	(3.47%)	(8,12)%
Non-taxable portion of disposal of investment property		(1,73)%	-	0,80%
Under provision for current tax in the prior year	(0.07%)	(3,37)%	(0.54%)	1,30%
Under provision in deferred tax in respect of prior year	0.32%	(82.11)%	2.57%	8,10%
Impact of difference in interest income and interest expense on consol pro forma	-	4,14%	-	-
<b>Effective tax rate</b>	<b>23.92%</b>	<b>(199.50)%</b>	<b>22.72%</b>	<b>112,07%</b>

\* - Restated

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 28. CASH GENERATED FROM (USED IN) OPERATIONS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
(Loss)/ profit before taxation	59,852	3,074	7,487	(6,616)
<b>Adjustments for non-cash items:</b>				
Depreciation (note 22)	451	196	451	196
Profit on sale of investment property (note 24)	-	(985)	-	(985)
Fair value adjustment of investment properties (note 3)	(20,477)	30,173	16,067	32,547
Straightlining adjustment of investment properties (note 20)	7,554	(4,592)	(1,316)	(649)
Share of profit of equity accounted investments (note 23)	(12,425)	(139)	-	-
Expected credit losses (note 25)	(1,629)	(992)	(73)	(502)
Non-cash items in other operating costs (note 22)	(1,990)		(1 990)	
<b>Adjust for items which are presented separately:</b>				
Interest received	(434)	4,218	(2,583)	(5,879)
Dividends received	(3,966)	(7,003)	(3,966)	(7,003)
Finance costs	50,115	44,221	13,255	12,493
<b>Changes in working capital:</b>				
(Increase)/ decrease in trade and other receivables	24,659	(8,575)	19,840	(11,857)
Increase /(decrease) in trade and other payables	(3,201)	(26,046)	(3,872)	(27,838)
	<b>98,509</b>	<b>33,550</b>	<b>43,300</b>	<b>(16,093)</b>

## 29. TAX PAID

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Balance at beginning of the year	(1,471)	461	(1,094)	139
Current tax recognised in profit or loss	(4,815)	(10,275)	(2,914)	(8,891)
Accrual for interest received on overpayment of tax	(89)	6	(58)	-
Balance at end of the year	(1,612)	1,471	(1,590)	1,094
	<b>(7,987)</b>	<b>(8,337)</b>	<b>(5,656)</b>	<b>(7,658)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities –

Group - 2024	Opening balance	Non-cash movements	Cash flows - repayments	Closing balance
Loan liabilities	504,942	(7,077)	(39,379)	458,486
<b>Total liabilities from financing activities</b>	<b>504,942</b>	<b>(7,077)</b>	<b>(39,379)</b>	<b>458,486</b>

2023	Opening balance	Non-cash movement	Cash advanced	Cash flows - repayments	Closing balance
Loan liabilities	448,556	4,642	79,421	(27,677)	504,942
<b>Total liabilities from financing activities</b>	<b>448,556</b>	<b>4,642</b>	<b>79,421</b>	<b>(27,677)</b>	<b>504,942</b>

Reconciliation of liabilities arising from financing activities –

Company - 2024	Opening balance	Non-cash flow: interest accrued not paid	Cash flows - repayments	Closing balance
Loan liabilities	130,525	-	(15,461)	115,064
<b>Total liabilities from financing activities</b>	<b>130,525</b>	<b>-</b>	<b>(15,461)</b>	<b>115,064</b>

2023	Opening balance	Non-cash movements	Cash advanced	Cash flows - repayments	Closing balance
Loan liabilities	53,428	4,141	79,421	(6,465)	130,525
<b>Total liabilities from financing activities</b>	<b>53,428</b>	<b>4,141</b>	<b>79,421</b>	<b>(6,465)</b>	<b>130,525</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 31. FUTURE MINIMUM LEASE INCOME RECEIVABLE

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>MINIMUM LEASE PAYMENTS RECEIVABLE</b>				
- First year	93,321	80,803	33,267	20,580
- Second year	86,005	70,316	35,503	13,575
- Third year	71,035	63,913	24,910	8,079
- Fourth year	53,950	56,777	18,952	8,459
- Fifth year	48,859	50,208	14,823	8,881
- Sixth year and onwards	69,944	130,601	9,335	8,513
<b>Total balance contractual lease rental</b>	<b>423,114</b>	<b>452,618</b>	<b>136,790</b>	<b>68,087</b>

## 32. COMMITMENTS

There were no commitments for capital expenditure on property, plant and equipment or investment property at 30 June 2024.

There were no commitments for service and maintenance contracts at 30 June 2024 as these are contracted by the various property managers.

## 33. CONTINGENCIES

The Putprop Group has provided the following guarantees of indebtedness:

- In favour of The Standard Bank of South Africa Limited in connection with Corridor Hill Properties (Pty) Ltd to the maximum liability of R9 million.
- In favour of Nedbank Limited in connection with Secunda Value Mart (Pty) Ltd to the maximum liability of R12 million.
- In favour of ABSA Bank Limited in connection with Pilot Peridot One (Pty) Ltd to the maximum liability of R35.7 million.

These guarantees would only become active if the relevant entity defaults on the underlying loan payment and if the investment property cannot be recalled by the finance house. None of these guarantees (or any other debt funding received by the Group) contain restrictive funding provisions. There is no indication at the date of this report that any of these guarantees are likely to be called upon.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 34. RELATED PARTIES

Transactions with related parties have been conducted on an arm's length basis.

### Relationships

Carleo Investments (Pty) Ltd	Ultimate holding company
Carleo Enterprises (Pty) Ltd	Holding company
Larimar Ltd	Fellow subsidiary of Carleo Enterprises (Pty) Ltd
Carleo Insurance Brokers (Pty) Ltd	Company owned by member of key management
GVM Inc.	Company owned by member of key management
Subsidiaries	Refer to note 7
Joint operations	Refer to note 9
Associates	Refer to note 10

### Members of key management

BC Carleo
JE Smith
D Torricelli
R Styber
HT Hartley
AL Carleo-Novello (Retired 30 November 2023)
GH Van Heerden

### Related party balances

#### Loan amounts with related parties

Refer to note 8 for loan amounts owing by subsidiaries and impairment of these loans. Refer to note 18 for loan amounts owing to related parties and shareholders.

#### Guarantees

Refer to note 33 for guarantees undertaken on behalf of related parties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 34. RELATED PARTIES (CONTINUED)

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>AMOUNTS INCLUDED IN TRADE RECEIVABLES OWING BY RELATED PARTIES</b>				
Larimar Ltd	3,778	11,891	3,778	11,891
Secunda Value Mart (Pty) Ltd	-	-	11	14
There was no credit loss allowance raised on the related party amounts included in trade receivables (refer note 13).				
<b>RELATED PARTY TRANSACTIONS</b>				
<b>Lease rentals received</b>				
Larimar Ltd	12,673	15,400	12,673	15,400
<b>Operating lease recoveries</b>				
Larimar Ltd	4,279	5,708	4,279	5,708
<b>Interest received</b>				
Pilot Peridot Investments 1 (Pty) Ltd	-	-	3,067	2,403
Larimar Ltd	721	314	721	314
Belle Isle Investments (Pty) Ltd	3,966	7,003	3,966	7,003
<b>Insurance expense</b>				
Carleo Insurance Brokers (Pty) Ltd	569	363	569	363
<b>Insurance recoveries</b>				
Secunda Value Mart (Pty) Ltd	-	-	110	162
<b>Professional fees</b>				
GVM Inc.	16	33	16	33
Pilot Peridot Investments 1 (Pty) Ltd	-	-	49	-
Secunda Value Mart (Pty) Ltd	-	-	21	-
Corridor Hill Properties (Pty) Ltd	-	-	12	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 35. DIRECTORS' EMOLUMENTS

### EXECUTIVE

#### DIRECTORS' EMOLUMENTS

Services as director or prescribed officer	2024 Total Remuneration	2023 Total Remuneration
BC Carleo	2,192	1,944
JE Smith	2,432	2,158
AL Carleo-Novello	950	1,267
	<b>5,574</b>	<b>5,369</b>

The total remuneration for executive directors comprises of basic salary, bonus, travel allowance and medical aid fringe benefits where applicable. No post-employment benefits, other long term benefits, termination benefits or share based payments were earned for the period under review.

AL Carleo-Novello retired on 30 November 2023

### NON-EXECUTIVE

#### DIRECTORS' EMOLUMENTS

Services as director or prescribed officer	Total Directors fees 2024	Total Directors fees 2023
DG Torricelli	211	175
HT Hartley	255	211
R Styber	205	171
GH Van Heerden	205	171
	<b>876</b>	<b>728</b>

Total non-executive directors fees comprises of board and committee fees.

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Categories of financial instruments

The carrying amounts of financial assets and liabilities in each category are determined as below. The carrying amounts approximate the fair value as stated per the individual notes.

	Note(s)	GROUP		COMPANY	
		2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>FINANCIAL ASSETS AT AMORTISED COST</b>					
<b>ASSETS PER STATEMENT OF FINANCIAL POSITION</b>					
Loans to subsidiaries	8	-	-	195,706	182,845
Cumulative redeemable preference shares in associate	11	55,487	55,084	55,487	55,084
Trade and other receivables	13	14,059	38,225	6,760	25,708
Cash and cash equivalents	14	17,640	18,558	6,890	9,416
		<b>87,186</b>	<b>111,867</b>	<b>264,842</b>	<b>273,053</b>
<b>FINANCIAL LIABILITIES AT AMORTISED COST</b>					
<b>Liabilities per statement of financial position</b>					
Loan liabilities	18	458,486	504,942	115,064	130,525
Trade and other payables	19	13,445	15,230	5,384	10,060
Bank overdraft	14	-	1,092	-	1,092
		<b>471,931</b>	<b>521,264</b>	<b>120,448</b>	<b>141,677</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Capital risk management

The Group's objective, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The mandated level of gearing is 43% (2023: 43%) and the actual level of gearing during the year amounted to 41.3% (2023: 30.2%). Company levels were 30.2% (2023: 33.6%). Gearing on both Group and Company levels have increased due to an increase in loan liabilities. Based on the gearing ratio achieved at year end management believes that this objective has been met as they are within mandated levels.

The capital structure of the Group consists of debt, which includes loan liabilities disclosed in note 18 and equity as disclosed in the Statement of Financial Position.

### Financial covenants

Putprop Group's financial covenant requirements with its various debt providers are the following:

Putprop Ltd's has the following financial covenants with Nedbank Limited

A Loan-To-Value (LTV) ratio not exceeding 45% and an Interest Cover Ratio (ICR) of at least 2.00 times at group level.

A Loan-To-Value (LTV) ratio not exceeding 55% and an Interest Cover Ratio (ICR) of at least 1.50 times at transaction level over Parktown and Secunda Value Centre

Corridor Hill Properties (Pty) Ltd's financial covenants with Standard Bank of South Africa is a LTV ratio of not exceeding 50%, an ICR of at least 1.2 times and a Debt Service Ratio (DSR) of at least 1.15 times.

Pilot Peridot Investments 1 (Pty) Ltd's financial covenants with ABSA Bank Limited is a LTV Ratio not exceeding 75%, an ICR of at least 1.2 times and a DSR of at least 1.1 times.

### 2024

Ratios for the current year	Putprop Limited Group level	Putprop Limited Transaction level	Corridor Hill Properties (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd
LTV	36.9%	28%	14.6 %	56.5 %
ICR	1.94 times	2.83 times	3.62 times	1.09 times
DSR	-	-	3.24 times	0.04 times

### 2023

Ratios for the prior year	Putprop Limited Group level	Putprop Limited Transaction level	Corridor Hill Properties (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd
LTV	41.6%	63%	25.5 %	55.3 %
ICR	1.75 times	2.38 times	2.91 times	1.03 times
DSR	-	-	3.16 times	1.05 times

The financial covenant levels within the Putprop Group were not within the approved limits at the reporting date. However new facility arrangements were entered into with ABSA Limited with more favourable covenant levels. Corridor Hill Properties is compliant. Pilot Peridot Investment's ICR is slightly below agreed covenant levels. In the current year, the company started making capital repayments towards the loan and will result in an interest reduction. The balloon payment due in Pilot Peridot will be re-financed, restoring the 0.04 DSR ratio to the necessary covenant level. The Group continues to meet all legal repayment requirements and is confident that once the interest cycle begins to decrease the Group will again be fully compliant.

### Financial risk management Overview

The group and company's financial instruments consist mainly of interest-bearing borrowing, deposits, trade and other receivables and trade and other payables which arise directly from its operations, as well as other investments. The group and company's policy throughout the year is that no trading in financial instruments shall be undertaken. The main risks arising from the group and company's financial instruments are interest rate risk, liquidity risk and credit risk.

The Board has overall responsibility for the establishment and control of the group and company's risk management. The Audit and Risk Committee develops and monitors the group and company's risk management policies and reports regularly to the Board on its activities and with any proposals for which action is needed.

The group and company's risk management policies in relation to financial instruments are established to identify and analyse all risks faced by the Group. Appropriate risk limits are determined, controls to monitor the adherence to such limits developed and adherence to limits monitored. Risk management policies, systems and procedures are reviewed regularly.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on trade and other receivables (note 13), loans to subsidiaries (note 8), cumulative redeemable preference shares (note 11) and cash and cash equivalents (note 14). Exposure to credit risk is outlined in the individual notes.

The maximum exposure to credit risk is presented in the table below:

GROUP	Notes	2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost	Gross carrying amount	Credit loss allowance	Amortised cost
Cumulative redeemable preference shares in associate	11	55,487	-	55,487	55,084	-	55,084
Trade and other receivables	13	15,785	(731)	15,054	43,526	(2,361)	41,165
Cash and cash equivalents	14	17,640	-	17,640	18,558	-	18,558
		<b>88,912</b>	<b>(731)</b>	<b>88,181</b>	<b>117,168</b>	<b>(2,361)</b>	<b>114,807</b>

COMPANY	Notes	2024			2023		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to subsidiaries	8	202,131	(6,425)	195,706	185,076	(2,231)	182,845
Cumulative redeemable preference shares in associate	11	55,487	-	55,487	55,084	-	55,084
Trade and other receivables	13	7,110	(34)	7,076	27,108	(107)	27,001
Cash and cash equivalents	14	6,890	-	6,890	9,416	-	9,416
		<b>271,618</b>	<b>(6,459)</b>	<b>265,159</b>	<b>276,684</b>	<b>(2,338)</b>	<b>274,346</b>

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets and projected cash flows from operations.

The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity. Putprop Limited has an overdraft facility of R25 million. This facility is available to Putprop Limited on an unsecured basis. As at year end, the facility was not used (2023: 1,092,000)

The maturity profile of contractual cash flows of financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Group - 2024

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>						
Loan liabilities	18	-	35,546	120,425	155,971	104,641
<b>Current liabilities</b>						
Trade and other payables	19	13,445	-	-	13,445	13,445
Loan liabilities	18	357,552	-	-	357,552	353,845
Bank overdraft	14	-	-	-	-	-
		<b>370,997</b>	<b>35,546</b>	<b>120,425</b>	<b>526,968</b>	<b>471,931</b>

### Group - 2023

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>						
Loan liabilities	18	-	103,938	426,001	529,939	443,747
<b>Current liabilities</b>						
Trade and other payables	19	15,230	-	-	15,230	15,230
Loan liabilities	18	31,165	-	-	31,165	61,195
Bank overdraft	14	1,092	-	-	1,092	1,092
		<b>47,487</b>	<b>103,938</b>	<b>426,001</b>	<b>577,426</b>	<b>521,264</b>

### Company - 2024

	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>						
Loan liabilities	18	-	11,458	90,278	101,736	81,271
<b>Current liabilities</b>						
Trade and other payables	19	5,384	-	-	5,384	5,384
Loan liabilities	18	44,316	-	-	44,316	33,793
Bank overdraft	14	-	-	-	-	-
		<b>49,700</b>	<b>11,458</b>	<b>90,278</b>	<b>151,436</b>	<b>120,448</b>

### Company - 2023

			Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>					
Trade and other payables	19		10,060	10,060	10,060
Loan liabilities	18		8,199	8,199	8,199
Bank overdraft	14		1,092	1,092	1,092
			<b>26,974</b>	<b>26,974</b>	<b>26,974</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Interest rate risk

Cash and cash equivalents, used for normal trading purposes, are held in current accounts at prevailing interest rates, depending on the financial institution. Excess cash and cash equivalents are kept in short-term deposit funds or call accounts at the prevailing market rates available.

The Group has loan liabilities of R458 million in the current financial year (2023: R505 million). The company has borrowings of R115 million (2023: R131 million).

Putprop Limited has an overdraft facility of R25 million. This facility is available to Putprop Limited on an unsecured basis.

The exposure to the risk of changes in interest rates relates primarily to cash and cash equivalents and the loan liabilities with banking institutions.

### Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

Group	Note	Average effective interest rate		Carrying amount	
		2024	2023	2024	2023
<b>VARIABLE RATE INSTRUMENTS:</b>					
<b>ASSETS</b>					
Cash and cash equivalents	14	5.93 %	12.00 %	17,640	18,558
<b>LIABILITIES</b>					
Loan liabilities	18	11.03%	8.00 %	(409,707)	(438,523)
Bank overdraft	14	1.18%	0.95 %	-	(1,092)
				<b>(409,707)</b>	<b>(439,615)</b>
<b>Net variable rate financial instruments</b>				<b>(392,067)</b>	<b>(421,057)</b>
<b>FIXED RATE INSTRUMENTS:</b>					
<b>ASSETS</b>					
Cumulative redeemable preference shares in associate	11	<b>7.20%</b>	7.20 %	<b>55,487</b>	55,084
<b>LIABILITIES</b>					
Loan liabilities	18	10.81%	10.81 %	(18,632)	(22,574)
<b>Net fixed rate financial instruments</b>				<b>36,855</b>	<b>32,510</b>

Company	Note	Average effective interest rate		Carrying amount	
		2024	2023	2024	2023
<b>VARIABLE RATE INSTRUMENTS:</b>					
<b>ASSETS</b>					
Loans to subsidiaries	8	12.81%	12.26 %	23,942	20,875
Cash and cash equivalents	14	9.03%	3.00 %	6,890	9,416
				<b>30,832</b>	<b>30,291</b>
<b>LIABILITIES</b>					
Loan liabilities	18	11.20%	10.00 %	(115,064)	(130,525)
Bank overdraft	14	1.18%	0.95%	-	(1,092)
<b>Net variable rate financial instruments</b>				<b>(84,232)</b>	<b>(101,326)</b>
<b>Fixed rate instruments:</b>					
<b>ASSETS</b>					
Cumulative redeemable preference shares in associate	11	7.20%	7.20 %	55,487	55,084

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 36. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Interest rate sensitivity analysis

The table below demonstrates the sensitivity to a reasonable, possible change in interest rates with all other variables held constant on the Group's profit before tax and equity. Due to the incremental changes in the prime lending rate a sensitivity of 125 basis points level has been used to determine the effect on profits.

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
<b>IMPACT ON PROFIT BEFORE TAX</b>				
Increase of 125 basis points (125 basis points)	(3,118)	(3,075)	(843)	(593)
Decrease of 125 basis points (2023: 125 basis points)	3,118	3,075	843	593
<b>IMPACT ON PROFIT BEFORE TAX AND EQUITY:</b>				
Increase of 125 basis points (125 basis points)	(2,467)	(2,214)	(615)	(427)
Decrease of 125 basis points (2023: 125 basis points)	2,467	2,214	615	427

## 37. GOING CONCERN

**IN THE PRIOR AND CURRENT YEAR, THE** current liabilities exceeded current assets on both Group and Company level at reporting date.

Our Nedbank loan matures in August 2024 and the loan with ABSA for Summit place in February 2025. Refer to note 18. Both of these loans have been successfully refinanced with ABSA Limited.

The Nedbank loan for the Parktown Property has a settlement of R29.8 million maturing on 30 August 2024. The loan has been refinanced through ABSA Limited and the final terms sheets was signed on 19 August 2024. In respect of the new ABSA facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to JIBAR +2.5 per annum.

The ABSA loan for Summit Place has a settlement of R271.7 million maturing on 7 February 2025. The loan has been refinanced by ABSA and the final term sheets will be signed prior to February 2025. In respect of the new facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to prime less 0.85% per annum.

In terms of IFRS reporting standards, these loans have been reflected as current liabilities. This is in order to comply with IFRS accounting standards as at year end, signature of both loan refinancing agreements with ABSA, had not occurred before 30 June 2024. Term sheets have been subsequently approved by the group on the 19<sup>th</sup> of August 2024. This reporting allocation represents purely an accounting requirement and both loans will be reflected as Non-Current liabilities in June 2025 financial statements.

Current assets will exceed current liabilities immediately on the signature of loan agreements.

This is normal practice in the property industry. No additional punitive conditions were imposed on this refinancing. Any future large "balloon type" settlement payments will be treated in a similar way.

The Group's assessment of going concern also took into consideration all debt covenants such as loan-to-value, interest cover ratios and debt-to-service ratios. These were in line with contractual requirements except for that detailed under Debt Covenant in note 36.

Cash balances available for use is by the group is R17,6 million and for the company is R6.8 million and can be utilized for any short-term commitments.

The Group has an overdraft facility of R25 million immediately available to Putprop Limited on an unsecured basis.

The directors have reviewed the Group's cash flow forecast for the period to 30 June 2025. The directors also took into consideration the fact that the group and company have been generating profits in the current and prior year. Based on the review and having regard 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 38. EVENTS AFTER THE REPORTING PERIOD

### Refinancing of long-term liabilities

The Nedbank loan for the Parktown Property has a settlement of R29.8 million maturing on 30 August 2024. The loan has been refinanced through ABSA Limited and the final terms sheets was signed on 19 August 2024. In respect of the new ABSA facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to JIBAR +2.5 per annum.

The Nedbank loans, 30150755, 30151232 and 30151238 secured over Secunda Value Centre has been refinanced through ABSA and the final term sheet was signed on 19 August 2024. In respect of the new ABSA facility, capital and interest is repayable monthly over sixty months after first drawdown, with interest linked to JIBAR +2.5% per annum.

The ABSA loan for Summit Place has a settlement of R271.7 million maturing on 7 February 2025. The loan has been refinanced by ABSA and the final term sheet will be signed prior to February 2025. In respect of the new facility, capital and interest is repayable monthly over 60 months after first drawdown, with an interest rate linked to prime less 0.85% per annum.

The above is estimated to reduce current loan liabilities by an estimation of 279,302 and to increase non-current loan liabilities by the same amount.

### Sale of Bank City

On 31 July 2024, an offer of purchase Bank City, an investment property held for sale, for R15.75 million was approved by the Board of Directors. The property's fair value at year end is R17 million and a loss on sale of investment property is estimated to be R1.2 million. The offer is subject to loan financing.

### Dividend declaration

Dividend 70 has been approved by the Board of Directors at 8.50 cents per share on 28 of August 2024.

There are no other significant events that have occurred in the period from 30 June 2023, and to date of the publication of this report.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 39. EARNINGS PER SHARE

Headline earnings and diluted headline earnings per share

GROUP	Gross 2024	Net 2024	Gross 2023	Net 2023*
<b>Reconciliation between profit attributable to equity holders of the parent and headline earnings</b>				
Profit for the year attributable to equity holders of the parent		38 938		10 787
Adjusted for:				
Change in fair value of investment property	(12,923)	(10,131)	36,666	28,747
Fair value adjustment on investment property of associate	(12,556)	(9,166)	-	-
Equity accounted earnings of associates and joint ventures	132	96		
<b>Headline earnings</b>		<b>19,737</b>		<b>39,534</b>
Basic and diluted earnings per share (c)		91.82		25.44
Headline earnings and diluted headline earnings per share (c)		46.54		93.22
Weighted average number of ordinary shares		42,408,882		42,409,181
<b>COMPANY</b>				
<b>Reconciliation between profit attributable to equity holders of the parent and headline earnings</b>				
Profit for the year attributable to equity holders of the parent		6,082		800
Adjusted for:				
Change in fair value of investment property	14,751	11,565	32,432	25,427
Fair value adjustment on investment property of associate			-	-
<b>Headline earnings</b>		<b>17,647</b>		<b>26,227</b>
Basic and diluted earnings per share (c)		14.34		1.89
Headline earnings and diluted headline earnings per share (c)		41.61		61.85
Weighted average number of ordinary shares		42,408,882		42,409,181

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 40. PRIOR PERIOD ERROR

The Group identified that the tax base of Pilot Peridot Investment 1 (Pty) Ltd's property was incorrect. The error resulted from the fact that a fair value adjustment was incorrectly included in the tax base of the property as a cost in respect of which future allowances would be available. This resulted in an understatement of the taxable temporary difference and an overstatement of the deferred tax asset. The error has been corrected by retrospectively restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Group's consolidated financial statements.

### Consolidated statement of financial position

At the beginning of 1 July 2022

R'000	Impact of correction of error		
	As previously reported	Adjustments	As restated
Deferred tax asset	41,224	(17,678)	23,546
<b>Total Non-current assets</b>	<b>1,176,993</b>	<b>(17,678)</b>	<b>1,159,315</b>
Deferred tax liability	75,236	-	75,236
<b>Total Non-current liabilities</b>	<b>404,197</b>	<b>-</b>	<b>404,197</b>
Retained earnings	566,471	(12,947)	553,524
Non-controlling interest	20,923	(4,731)	16,192
<b>Total equity</b>	<b>680,883</b>	<b>(17,678)</b>	<b>663,205</b>

### Consolidated statement of financial position

For the year ended 30 June 2023

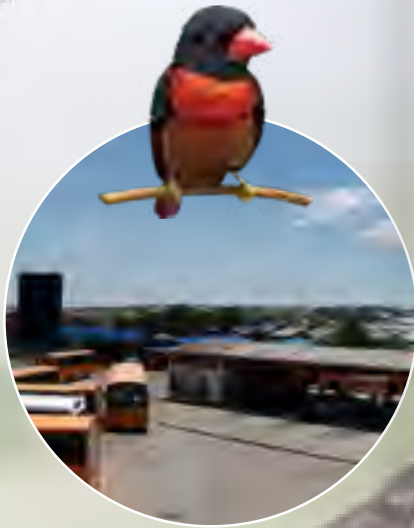
R'000	Impact of correction of error		
	As previously reported	Adjustments	As restated
Deferred tax asset	10 069	(10,069)	-
<b>Total Non-current assets</b>	<b>1 236 644</b>	<b>(10,069)</b>	<b>1,226,575</b>
Deferred tax liability	27,163	8,058	35,221
<b>Total Non-current liabilities</b>	<b>470,910</b>	<b>8,058</b>	<b>478,968</b>
Retained earnings	576,240	(13,276)	559,964
Non-controlling interest	19,051	(4,851)	14,200
<b>Total equity</b>	<b>685,781</b>	<b>(18,127)</b>	<b>667,654</b>

### Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

R'000			
Taxation	6,171	(449)	5,722
Profit	9,245	(449)	8,796
<b>Total comprehensive income</b>	<b>9,245</b>	<b>(449)</b>	<b>8,796</b>
Profit and total comprehensive income attributable to:			
Owners of the parent	11,116	(329)	10,787
Non-controlling interest	(1,871)	(120)	(1,991)
Headline earnings per share	93.98	(0.76)	93.22
Basic earnings per share	26.20	(0.76)	25.44

# ANNEXURE



# ANNEXURE A – SEGMENT ANALYSIS – BY SECTOR

## SEGMENT ANALYSIS

The Group identifies and presents operating segments based on information that is provided to the Group's management and internal reporting structure as determined by the Group's executive committee.

The group's management reviews the performance of its investment properties on an individual basis based on the results of each sector and geographical location. Reportable segments for the year ended 30 June 2024 are consistent with those reported as at 30 June 2023.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

	GLA	Rental income and recoveries	Property operating costs	Corporate administration costs	Investment and other income	Finance costs	Fair value adjustments (excl straight-lining)	Profit for the year
2024	m <sup>2</sup>	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Industrial	23 427	22,970	(5,812)	-	721	-	(5,261)	12,617
Retail	34 627	49,218	(15,882)	-	1,210	(14,334)	(10,359)	5,633
Commercial	38 675	67,304	(27,085)	-	(630)	(35,732)	28,243	25,068
Residential	872	842	(281)	-	7	(10)	300	410
Corporate	-	-	-	(21,785)	4,640	(39)	-	1,597
	<b>97 601</b>	<b>140,334</b>	<b>(49,060)</b>	<b>(21,785)</b>	<b>5,948</b>	<b>(50,115)</b>	<b>12,923</b>	<b>45,325</b>

	GLA	Rental income and recoveries	Property operating costs	Corporate administration costs	Investment and other income	Finance costs	Fair value adjustments (excl straight-lining)	Profit for the year*
2023	m <sup>2</sup>	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Industrial	23 427	25,865	(9,115)	-	-	-	(24,930)	(7,654)
Retail	34 627	38,936	(15,601)	-	-	(10,210)	6,211	19,335
Commercial	38 675	62,695	(22,299)	-	-	(32,892)	(19,227)	(11,763)
Residential	872	943	(369)	-	-	-	1,280	1,854
Corporate	-	-	-	(19,229)	14,512	(1,119)	-	7,024
	<b>97 601</b>	<b>128,439</b>	<b>(47,384)</b>	<b>(19,229)</b>	<b>14,512</b>	<b>(44,221)</b>	<b>(36,666)</b>	<b>8,796</b>

There were no transactions between Segments.

Revenue comprise of a relatively small tenant base, the majority of whom are national tenants. One of the Group's tenants accounted for 12.08% (2023:16.43%) of total rental receivables at year end. This falls within the industrial segment.

Other assets comprises of all other financial instruments including: Operating lease asset, property, plant and equipment, Investment in associates, deferred tax assets, trade and other receivables, current tax receivable and cash and cash equivalents.

	Investment property (excluding straight-lining)	Investment property held for sale	Other assets	Total assets	Total liabilities
2024	R'000	R'000	R'000	R'000	R'000
Commercial	588,800	60,800	-	649,600	(316,813)
Corporate	-	-	104,303	104,303	(14,240)
Industrial	37,500	67,000	-	104,500	-
Residential	-	10,300	1,108	11,408	(9,950)
Retail	344,600	-	12,750	357,350	(178,705)
	<b>970,900</b>	<b>138,100</b>	<b>118,161</b>	<b>1,227,161</b>	<b>(519,708)</b>

	Investment property (excluding straight-lining)	Other assets*	Total assets*	Total liabilities*
2023	R'000	R'000	R'000	R'000
Commercial	620,700	37,070	657,770	(408,605)
Corporate	-	74,996	74,996	(45,976)
Industrial	109,600	-	109,600	-
Residential	10,000	1,053	11,053	(458)
Retail	355,285	17,871	373,156	(103,882)
	<b>1,095,585</b>	<b>130,990</b>	<b>1,226,575</b>	<b>(558,921)</b>

## ANNEXURE A – SEGMENT ANALYSIS – BY REGION

	GLA m <sup>2</sup>	Investment property (excluding straight- lining) R	Investment property held for sale R	Rental income and recoveries R	Property operating expenses R	Fair value adjustments (excl straight- lining)	Profit for the year
<b>2024</b>							
Gauteng	79 858	791,500	119,200	117,082	(41,196)	12,980	39,797
North-West	2 494	-	18,900	2,147	(1,761)	(1,900)	(3,433)
Mpumalanga	15 249	179,400		21,105	(6,103)	1,843	8,961
	<b>97 601</b>	<b>970,900</b>	<b>138,100</b>	<b>140,334</b>	<b>(49,060)</b>	<b>12,923</b>	<b>45,325</b>

	GLA m <sup>2</sup>	Investment property (excluding straight- lining) R	Rental income and recoveries R	Property operating expenses R	Fair value adjustments (excl straight- lining) R	Profit for the year*
<b>2023</b>						
Gauteng	79 858	896,785	113,459	(40,726)	(42,001)	(9,914)
North-West	2 494	18,900	3,028	(1,537)	(4,900)	2,943
Mpumalanga	15 249	179,900	11,952	(5,121)	10,235	15,767
	<b>97 601</b>	<b>1,095 585</b>	<b>128,439</b>	<b>(47,384)</b>	<b>(36,666)</b>	<b>8,796</b>

\* - Restated



# SHAREHOLDERS INFORMATION



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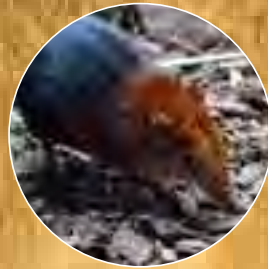
# The Elephant Shrew



**Distinctive Snout:** Elephant shrews, also known as sengis, have long, flexible snouts that resemble an elephant's trunk. These snouts are highly sensitive and used to probe for insects and other small prey.

**Species Diversity:** There are over 20 species of elephant shrews, ranging in size from small mouse-like species to larger ones nearly a foot long. They inhabit various regions of Africa, from forests to savannas.

**Diet:** Elephant shrews are primarily insectivorous, feeding on ants, termites, spiders, and other small invertebrates. They use their keen sense of smell and quick reflexes to catch their prey.





# DIVIDEND ANNOUNCEMENT

FOR THE YEAR ENDED 30 JUNE 2024

## DECLARATION OF FINAL DIVIDEND NO 70

The Board is pleased to announce the declaration of a dividend of 8.50 cents per ordinary share in respect of the year ended 30 June 2024 (2023: 7.0 cents), thus bringing the total dividend payable for the year to 14.50 cents (2023: 11.25 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 6.80 cents per share, while the gross amount is 8.50 cents per share to those shareholders who are exempt from DWT.

There are 42 405 133 (2023: 42 409 181) ordinary shares in issue; the total dividend amount payable is R 3 604 436 (2023: R2 968 643). 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, 30 August 2024
Last date to trade to participate	Tuesday, 22 October 2024
Trading commences ex dividend	Wednesday, 23 October 2024
Record date	Friday, 25 October 2024
Date of payment	Monday, 28 October 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 23 October 2024 and Friday, 25 October 2024, both days inclusive.

By order of the Board

.....  
**J E Smith**  
Financial Director  
Sandton  
28 August 2024



# SHAREHOLDERS ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2024

Date : 28 June 2024

Shares in Issue : 42 405 133

	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
<b>Size of holdings</b>				
1 - 1000	169	42.14%	58 727	0.14%
1001 - 10 000	150	37.41%	535 563	1.26%
10 001 - 100 000	55	13.72%	1 836 875	4.33%
100 001 - 1 000 000	23	5.74%	6 355 730	14.99%
>1 000 000	4	1.00%	33 618 238	79.28%
<b>Total</b>	<b>401</b>	<b>100.00%</b>	<b>42 405 133</b>	<b>100.00%</b>

<b>Shareholder Types</b>				
Private Companies	19	4.74%	29 483 652	69.53%
Trusts	11	2.74%	5 710 518	13.47%
Individuals	351	87.53%	3 452 568	8.14%
Close Corporations	9	2.24%	1 546 128	3.65%
Collective Investment Schemes	1	0.25%	1 088 048	2.57%
Hedge Funds	1	0.25%	581 219	1.37%
Investment Partnerships	4	1.00%	494 328	1.17%
Benefit Funds	2	0.50%	41 030	0.10%
Stockbrokers & Nominees	3	0.75%	7 642	0.02%
<b>Total</b>	<b>401</b>	<b>100.00%</b>	<b>42 405 133</b>	<b>100.00%</b>

<b>Key Shareholders</b>				
Non-Public Shareholders	3	0.75%	28 279 242	66.69%
Strategic Shareholders (>10%) - Carleo Enterprises (Pty) Ltd	1	0.25%	28 139 776	66.36%
Treasury Holdings	1	0.25%	85 333	0.20%
Directors and Associates	1	0.25%	54 133	0.13%
Public Shareholders	398	99.25%	14 125 891	33.31%
<b>Total</b>	<b>401</b>	<b>100.00%</b>	<b>42 405 133</b>	<b>100.00%</b>

<b>Beneficial Shareholders Holding &gt;3% of Issued Shares</b>	Number of shares	% of Issued Shares
Carleo Enterprises (Pty) Ltd	28 139 776	66.36%
Heynen Family Trust	3 000 000	7.07%
Cape Investments Property 317 CC	1 390 414	3.28%
<b>Total</b>	<b>32 530 190</b>	<b>76.71%</b>

<b>Fund Managers Holding &gt;2% of Issued Shares</b>	Number of shares	% of Issued Shares
Oasis	1 088 048	2.57%
Aloysius Trust	865 510	2.04%
Steyn Capital	581 219	1.37%

<b>Fund Managers Holding Issued Shares</b>	Number of shares	% of Issued Shares
Oasis Crescent Management Company	1 088 048	2.57%
Steyn Capital	581 219	1.37%
Clucas Gray Investment Management	105 500	0.25%
Sanlam Investment Management	53 000	0.12%
Momentum Metropolitan Life	16 000	0.04%
<b>Total</b>	<b>1 843 767</b>	<b>4.35%</b>



# SHAREHOLDERS ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2024

Non-Public Shareholder Type	Account	30 June 2024	%
<b>Strategic Shareholders (&gt;10%)</b>		<b>28 139 776</b>	<b>66.36%</b>
Carleo Enterprises (Pty) Ltd	CARLEO ENTERPRISES (PTY) LTD	28 139 776	66.36%
<b>Treasury Holdings</b>		<b>85 333</b>	<b>0.20%</b>
Carleo Investments Pty Ltd	CARLEO INVESTMENTS PTY LTD	85 333	0.20%
<b>Directors and Associates</b>		<b>54 133</b>	<b>0.13%</b>
BC Carleo (Director)	MR. BRUNO CLAUDIO CARLEO	54 133	0.13%
<b>Non-Public Shareholder Total</b>		<b>28 279 242</b>	<b>66.69%</b>

## Share Price Performance

Closing price 30 June 2023	R3.10
Closing price 31 July 2023	R3.48
Closing price 31 August 2023	R3.49
Closing price 29 September 2023	R3.48
Closing price 31 October 2023	R3.27
Closing price 30 November 2023	R3.20
Closing price 29 December 2023	R3.25
Closing price 31 January 2024	R3.19
Closing price 29 February 2024	R2.90
Closing price 28 March 2024	R3.24
Closing price 30 April 2024	R3.05
Closing price 31 May 2024	R3.19
Closing price 28 June 2024	R3.10
Closing High for period (18 June to 24 June 2024)	R3.60
Closing Low for period (29 February 2024)	R2.90
Number of shares in issue	42 405 133
Number of shareholder accounts	401
Volume traded during period	1 581 945
Number of trades effected during period	312
Ratio of volume traded to shares issued	3.73%
Rand value traded during the period	R5 099 082
Price/earnings ratio as at 28 June 2024	3.41
Dividend yield as at 28 June 2024	3.35
Earnings Yield as at 28 June 2024	29.30
Market capitalisation at 28 June 2024	R131 455 912



## **NOTICE OF ANNUAL GENERAL MEETING**

FOR THE YEAR ENDED 30 JUNE 2024

### **Putprop Limited**

Incorporated in the Republic of South Africa  
(Registration number 1988/001085/06)  
Share code: PPR ISIN: ZAE00072310  
("Putprop" or "the Company" or "the Group")

In terms of section 59(1) of the Companies Act, 71 of 2008, as amended, ("the Companies Act") notice is hereby given that the annual general meeting of shareholders of Putprop ("Annual General Meeting") will be held at 11:30 on Wednesday, 6 November 2024 at Boardroom 1, 22 Impala Road, Chislehurst, Sandton for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

### **Record date**

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), read together with section 59, of the Companies Act the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the Annual General Meeting is Friday, 1 November 2024. Accordingly, the last day to trade Putprop shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 29 October 2024.

### **Action required as follows**

Shareholders entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of Putprop. A form of Proxy which provides instructions for its completion is enclosed herewith. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the Annual General Meeting.

Proxy forms must be completed by certificated shareholders, or "own name" registered dematerialised shareholders who wishes to be represented at the Annual General Meeting.

Dematerialised shareholders (not with "own-name" registration) must notify their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting in order for such CSDP or broker to issue them with the necessary letter of representation to enable them to attend the Annual General Meeting, or, alternatively, should the dematerialised shareholder not wish to attend the Annual General Meeting, they should provide their CSDP or broker with their voting instructions.

Forms of proxy should be lodged with the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, located at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, or posted to the Company's transfer secretaries at Private Bag X9000, Saxonwold, 2132, South Africa to be received by them by no later than 11:30 on Monday, 4 November 2024 (or 48 (forty-eight) hours before any adjournments of the Annual General Meeting which date, if necessary, will be notified on SENS). Thereafter, forms of proxy may be handed to the chair of the Annual General Meeting prior to the commencement of the Annual General Meeting, at any time before the appointed proxy exercises any shareholder rights at the Annual General Meeting.

Annual General Meeting participants, which includes proxies, are required to provide identification to the reasonable satisfaction of the chair of the Annual General Meeting. An official identification document issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to the action they must take should consult their accountant, attorney, banker or other professional advisor immediately. On a poll, ordinary shareholders will have one vote in respect of each share held.



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## Electronic participation

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in the Annual General Meeting by way of a teleconference call if they wish to do so. In this event:

- Written notice to participate via electronic communication must be sent to the Group's company secretary, Acorim Proprietary Limited, at putprop@acorim.co.za, to be received by no later than 11:30 on Monday, 4 November 2024;
- A pin number and dial-in details for the conference call will be provided;
- Shareholders will be billed separately by their own telephone service providers for the teleconference call to participate in the Annual General Meeting;
- Valid identification will be required:
- If the shareholder is an individual, a certified copy of their identity document and/or passport;
- If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the Annual General Meeting by way of teleconference call; and
- A valid email address and/or facsimile number.

## Agenda

### Presentation of annual financial statements

The audited annual consolidated financial statements of the Company (as approved by the Board) for the year ended 30 June 2024 which accompany this notice of Annual General Meeting ("Notice") have been distributed to the shareholders, as required, and will be presented to shareholders at the Annual General Meeting together with the reports of the Directors and the Audit and Risk Committee. The letter to shareholders accompanying this Notice contains details of where copies of the integrated annual report and annual financial statements are available.

### Report from the Social and Ethics Committee

In accordance with Regulation 43(5)(c) of the Companies Act, the chair of the Social and Ethics Committee or, in his absence, any member of the Committee, will present the Committee's report to shareholders at the Annual General Meeting.

### Ordinary resolutions

To consider and, if deemed fit, to pass with or without modification all the ordinary resolutions relating to business set out below. More than 50% (fifty percent) of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions.

#### 1. Ordinary Resolution number 1: Re-election of Director

Ms R Styber retires in accordance with article 25.7 of Putprop's Memorandum of Incorporation ("MOI"), but being eligible to do so, offers herself for re-election.

"Resolved, as an ordinary resolution, that Ms R Styber be and is hereby re-elected as an independent non-executive director of Putprop."

Rationale: Putprop's MOI and, to the extent applicable, the Companies Act requires that one-third of Putprop's non-executive directors rotate at the Annual General Meeting and can be eligible for re-election.

Ms R Styber's abbreviated curriculum vitae appears on page 133 of the Integrated Annual Report to which this Notice is attached.

#### 2. Ordinary Resolution number 2: Re-election of Director

Mr G van Heerden retires in accordance with article 25.7 of Putprop's MOI, but being eligible to do so, offers himself for re-election.

"Resolved, as an ordinary resolution, that Mr G van Heerden be and is hereby re-elected as an independent non-executive director of Putprop."

Rationale: Putprop's MOI and, to the extent applicable, the Companies Act requires that one-third of Putprop's non-executive directors rotate at the Annual General Meeting and can be eligible for re-election.

Mr G van Heerden's abbreviated curriculum vitae appears on page 133 of the Integrated Annual Report to which this Notice is attached.



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 3. Ordinary Resolution number 3: Election of independent non-executive directors to the Audit Committee

To consider and, if deemed fit, elect the following independent non-executive directors as members of Putprop's Audit Committee, with effect from the end of this Annual General Meeting. Shareholders elect, by way of a separate vote, each of the following:

Ordinary resolution number 3.1

"Resolved, as an ordinary resolution 1, as an ordinary resolution Mr H Hartley be and is hereby elected as a member and chair of Putprop's Audit Committee."

Ordinary resolution number 3.2

"Resolved, as an ordinary resolution, that Ms R Styber be and is hereby elected as a member of Putprop's Audit Committee subject to the passing of ordinary resolution number 1."

Ordinary resolution number 3.3

"Resolved, as an ordinary resolution, that Mr G van Heerden be and is hereby elected as a member of Putprop's Audit Committee subject to the passing of ordinary resolution number 2."

Rationale: In terms of the Companies Act, Putprop as a public company must appoint an audit committee and the members of such audit committee must be appointed, or reappointed as the case may be, at each Annual General Meeting.

Abbreviated curricula vitae in respect of each member of the Audit Committee appears on page 133 of the Integrated Annual Report to which this Notice is attached.

## 4. Ordinary Resolution number 4: Appointment of the external auditor

"Resolved, as an ordinary resolution, that HLB CMA South Africa ("HLB") be appointed, on the recommendation of the current Committee, as Putprop's independent registered auditors with Jeandre du Toit being the individual registered auditor who will undertake the audit of the Group for the ensuing financial year and the directors be and are hereby authorised to determine the auditors' remuneration."

At Putprop's Audit Committee meeting held on 21 August 2024, the Committee considered the independence of HLB and has satisfied itself thereof.

Rationale: In terms of the Companies Act, Putprop, as a public company, must have its financial results audited and such an auditor must be appointed or reappointed each year at the Annual General Meeting.

## 5. Ordinary resolution number 5: Advisory endorsement of remuneration policy and implementation report

Ordinary resolution number 5.1

"Resolved that Putprop's remuneration policy, as set out on pages 159 to 162 of the Integrated Annual Report, be and is hereby endorsed, by way of a non-binding advisory vote."

Ordinary resolution number 5.2

"Resolved that the remuneration implementation report, as set out on pages 159 to 162 of the Integrated Annual Report, be and is hereby endorsed, by way of a non-binding advisory vote."

Note: Failure to pass these resolutions will not have any legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing Putprop's remuneration policy. However, should either of the resolutions be voted against by 25% or more of the voting rights exercised, the Board undertakes to engage with those opposed to them in order to ascertain the reasons therefore, and to appropriately address legitimate objections and concerns. The manner and timing of such engagement will be communicated in the voting results announcement.

*Rationale: King IV recommends and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") require companies to table their remuneration policy and implementation report each year to shareholders for separate non-binding advisory votes at the Annual General Meeting.*

## Ordinary resolution number 6: Control of authorised but unissued ordinary shares

"Resolved, as an ordinary resolution, that, subject to the provisions of sections 38 and 41 of the Companies Act, Putprop's MOI and the JSE Listings Requirements, the authorised but unissued ordinary shares in the capital of Putprop be and are hereby placed under the control and authority of the Board and that the Board be and is hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit."



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 6. Ordinary resolution number 7: Approval to issue ordinary shares, and to sell treasury shares, for cash

"Resolved, as an ordinary resolution, that the directors of Putprop, and/or any of its subsidiaries from time to time, be and are hereby authorised, by way of a general authority, to –

- Allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of Putprop; and/or
- Sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of Putprop purchased by any of its subsidiaries, for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the Companies Act, Putprop's MOI, the memoranda of incorporate of any of Putprop's subsidiaries, and the JSE Listings Requirements from time to time."
- This general authority will be valid until the earlier of Putprop's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- The securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue may only be made to "public shareholders" as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements and not, subject to the following, to related parties;
- Related parties may participate in a general issue for cash through a bookbuild process provided –
  - Related parties only participate with a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
  - Equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;
- The securities which are the subject of a general issue for cash may not exceed 15% (fifteen percent) of the number of listed securities, excluding treasury shares, as at the date of this Notice, being 42 405 133 securities. Any securities issued under this authorisation during the period of 15 (fifteen) months from the date that this authorisation will be deducted from the aforementioned 42 405 133 listed securities. In the event of a sub-division or a consolidation during the period contemplated above the authority will be adjusted to represent the same allocation ratio;
- In determining the price at which securities may be issued in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price of such securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the securities;
- An announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between Putprop and the parties subscribing for the securities and in respect of the issue of options and convertible securities the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation including supporting information (if any), of the intended use of the funds will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue; and
- Whenever Putprop wishes to use repurchased shares, held as treasury stock by any of its subsidiaries, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

Note: Under the JSE Listings Requirements, ordinary resolution number 7 must be passed by more than 75% (seventy-five percent) of the votes cast in favour of the resolution by all members present or represented by proxy at the Annual General Meeting.



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 7. Ordinary resolution number 8: Signature of documents

"Resolved that each director of the Company, or the Company Secretary, be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions set out in the Notice, at which this ordinary resolution is to be considered and approved."

### Special resolutions

To consider and, if deemed fit, to pass, with or without modification, all the special resolutions relating to business set out below. At least 75% (seventy-five percent) of the voting rights exercised on each individual resolution must be exercised in favour of those resolutions in order for them to be passed.

## 8. Special resolution number 1: Non-executive Directors' remuneration

"Resolved that, unless otherwise determined by shareholders in general meeting and to the extent applicable in Section 66(9) of the Companies Act, the annual remuneration payable to the non-executive directors of Putprop for the period 1 March 2024 to 30 June 2026 be and is hereby approved as follows:"

Type of fee (per meeting)	Approved fee per meeting for the period 1 March 2024 to 28 February 2025 R	Proposed fee per meeting for the period 1 March 2025 to 30 June 2026 R
<b>Board</b>		
Chair	28 000	32 000
Member	20 000	23 000
<b>Audit Committee</b>		
Chair	19 000	22 000
Member	10 000	12 000
<b>Risk Committee</b>		
Chair	–	22 000
Member	–	12 000
<b>Remuneration Committee</b>		
Chair	10 000	12 000
Member	7 000	8 000
<b>Nomination Committee</b>		
Chair	10 000	12 000
Member	7 000	8 000
<b>Social and Ethics Committee</b>		
Chair	Nil	Nil
Member	Nil	Nil
<b>Investment Committee</b>		
Chair	Nil	Nil
Member	Nil	Nil

*Rationale: In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.*



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## 9. Special resolution number 2: General approval to acquire shares

"Resolved that, subject to the Companies Act sections 46 and 48 of the, Putprop's MOI and the JSE Listings Requirements, the Company, and/or any of its subsidiaries from time to time, be and are hereby authorised to acquire ordinary shares in Putprop."

The JSE Listings Requirements currently provide, *inter alia*, that:

- The acquisition of the ordinary shares must be affected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Putprop and the counter party (reported trades are prohibited);
- This general authority shall only be valid until the earlier of Putprop's next Annual General Meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;
- In determining the price at which Putprop's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is affected.
- At any point in time, Putprop may only appoint one agent to affect any acquisition/s on its behalf;
- The acquisitions of ordinary shares, in aggregate, in any one financial year may not exceed 20% (twenty percent) of Putprop's issued ordinary share capital;
- Putprop may only affect the repurchase once a resolution has been passed by the Board confirming that the Board has authorised the repurchase, that Putprop has passed the solvency and liquidity test ("test") and that since the test was done there have been no material changes to the financial position of the Group;
- Putprop or its subsidiaries may not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless:
  - The Company had a repurchase programme in place and the programme has been submitted to the JSE prior to the prohibited period commencing;
  - Only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing;
  - The repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme, the commencement and termination date of the repurchase programme and the fixed number of securities to be traded during the period;
  - An announcement will be published once Putprop has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted ("initial number"), and for each 3% (three percent) in aggregate of the initial number acquired thereafter.

*Rationale: The purpose and effect of this special resolution number 2 is to grant the directors of Putprop and/or its subsidiaries a general authority in terms of its MOI and the JSE Listings Requirements for the acquisition by Putprop and/or its subsidiary companies of shares issued by it on the basis reflected in the special resolution.*

It is the intention of Putprop's directors to use such authority should prevailing circumstances (including tax dispensations and market conditions), in their opinion, warrant it.

### Other disclosure in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure, which are contained in the Integrated Annual Report to which this Notice is attached:

- Major shareholders of the Company – page 238 and 239
- Share capital of the Company – page 211.

### Material change

There have been no material changes in the affairs or financial position of Putprop and its subsidiaries since Putprop's financial year end and the date of this Notice.



# NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

## Directors' responsibility statement

The directors, whose names are given on pages 132 to 133 of the Integrated Annual Report to which this Notice is attached, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 2 and certify that, to the best of their knowledge and belief, there are no facts in relation to this special resolution that have been omitted which would make any statement in relation to this special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2, together with this Notice contains all information required by law and the JSE Listings Requirements in relation to it.

## Adequacy of working capital

At the time that the contemplated repurchase is to take place, Putprop's directors will ensure that, after considering the effect of the maximum repurchase and for a period of 12 (twelve) months thereafter:

- Putprop and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- The consolidated assets of Putprop and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- The issued share capital and reserves of Putprop and its subsidiaries will be adequate for the purpose of Putprop's ordinary business and that of its subsidiaries; and
- The working capital available to Putprop and its subsidiaries will be sufficient for the Group's requirements.

## 10. Special resolution number 3: Loans or other financial assistance to subsidiaries

"Resolved that the shareholders of the Company hereby approve, in terms of Section 45 of the Companies Act, of the provision by Putprop, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution number 3, of any direct or indirect financial assistance by way of a loan, guarantee or other obligation, to a subsidiary or joint venture of Putprop, provided that –

- The Board, from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; and (iii) the terms and conditions under which such financial assistance is provided, and
- The Board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.

*Rationale: The purpose of this special resolution number 3 is to grant the Board the authority to authorise Putprop to provide financial assistance, as contemplated in section 45 of the Companies Act, to a subsidiary or joint venture of Putprop.*

## Other business

To transact such other business as may be transacted at an Annual General Meeting or raised by shareholders with or without advance notice to Putprop.

By order of the Board

.....  
**Acorim Proprietary Limited**  
**Company Secretary**

30 August 2024  
Illovo



# FORM OF PROXY

## Putprop Limited

Incorporated in the Republic of South Africa  
(Registration number 1988/001085/06)  
Share code: PPR ISIN: ZAE000072310  
("Putprop" or "the Company")



### For use only by ordinary shareholders who:

- hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
- have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own-name" registration, at the Annual General Meeting of shareholders of the Company to be held at Boardroom 1, 22 Impala Road, Chislehurst, Sandton at 11:30 on Wednesday, 6 November 2024 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the Annual General Meeting must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the Annual General Meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy and vote. If they do not wish to attend the Annual General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder \_\_\_\_\_

Name of registered shareholder \_\_\_\_\_

Address \_\_\_\_\_

Telephone work (    )                      Telephone home (    )                      Cell: \_\_\_\_\_

being the holder/custodian of \_\_\_\_\_ ordinary shares in the Company, hereby appoint (see note):

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ or failing him/her

3. the Chair of the meeting \_\_\_\_\_

as my/our proxy to attend and act for me/us on my/our behalf at the Annual General Meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:



# FORM OF PROXY

(CONTINUED)

	Number of Ordinary Shares		
	For	Against	Abstain
<b>Ordinary resolution number 1</b> Re-election of Director 1. To re-elect Ms R Styber who, in terms of Article 25.7 of the Company's MOI, retires by rotation.			
<b>Ordinary resolution number 2</b> Re-election of Director 2. To re-elect Mr G van Heerden who, in terms of Article 25.7 of the Company's MOI, retires by rotation.			
<b>Ordinary resolution number 3</b> 3. Election of independent non-executive directors to the Audit Committee			
3.1. To appoint Mr H Hartley as a member and chair of the Putprop Audit Committee.			
3.2. To appoint Ms R Styber as a member of the Putprop Audit Committee, subject to the passing of ordinary resolution 1.			
3.3. To appoint Mr G van Heerden as a member of the Putprop Audit Committee, subject to the passing of ordinary resolution 2.			
<b>Ordinary resolution number 4</b> 4. Appointment of external auditor			
<b>Ordinary resolution number 5</b> 5. Advisory endorsement of remuneration policy and implementation report			
5.1. Endorsement of remuneration policy			
5.2. Endorsement of implementation report			
<b>Ordinary resolution number 6</b> 6. Control of authorised but unissued ordinary shares.			
<b>Ordinary resolution number 7</b> 7. Approval to issue ordinary shares, and to sell treasury shares, for cash.			
<b>Ordinary resolution number 8</b> 8. Signature of documents.			
<b>Special resolution number 1</b> 9. Approval of the non-executive director's remuneration.			
<b>Special resolution number 2</b> 10. General approval to acquire shares.			
<b>Special resolution number 3</b> 11. Loans or other financial assistance to subsidiaries			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the Company.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2024

Signature \_\_\_\_\_

Assisted by (if applicable) \_\_\_\_\_



# NOTES TO THE PROXY

1. Summary of rights contained in section 58 of the Companies Act, 2008 (Act 71 of 2008), as amended ("Companies Act")

In terms of section 58 of the Companies Act:

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
  - a proxy may delegate his or her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
  - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
  - irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
  - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company; and
  - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant Company's MOI, or the instrument appointing the proxy, provides otherwise (see point 7).
2. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
3. Shareholders who have dematerialised their shares through a CSDP or broker without "own name" registration and wish to attend the Annual General Meeting must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the Annual General Meeting in person or by proxy. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Should the CSDP or broker not have provided the Company with the details of the beneficial shareholding at the specific request by the Company, such shares may be disallowed to vote at the Annual General Meeting.
4. A shareholder entitled to attend and vote at the Annual General Meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the Company) of the shareholder's choice in the space provided, with or without deleting "the Chair of the meeting". The person whose name stands first on this form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chair of the meeting.
5. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the Annual General Meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than 48 (forty eight) hours before the commencement of the Annual General Meeting, or 48 (forty eight) hours before any adjournment thereof.



# NOTES TO THE PROXY

(CONTINUED)

7. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the Annual General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
  8. The Chair of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
  9. A shareholder's authorisation to the proxy including the Chair of the Annual General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the Annual General Meeting.
  10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
  11. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the Chair of the Annual General Meeting.
  12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
  13. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy;
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
  14. Forms of proxy should be lodged with or mailed to Computershare Investor Services (Proprietary) Limited:

<b>Hand deliveries to:</b> Computershare Investor Services (Proprietary) Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196	<b>Postal deliveries to:</b> Computershare Investor Services (Proprietary) Limited Private Bag x9000 Saxonwold 2132
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- to be received by no later than 11:30 on Monday, 4 November 2024, (or 48 (forty-eight) hours before any adjournment of the Annual General Meeting which date, if necessary, will be notified on SENS) provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the Chair of the Annual General Meeting prior to commencement of the Annual General Meeting, at any time before the appointed proxy exercises their shareholder rights at the Annual General Meeting.
15. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
  16. The completion of a form of proxy does not preclude any shareholder from attending the Annual General Meeting.



# ELECTRONIC PARTICIPATION APPLICATION FORM AT THE ANNUAL GENERAL MEETING



**Putprop Limited**  
Incorporated in the Republic of South Africa  
(Registration number: 1988/001085/06)  
Share code: PPR ISIN: ZAE000072310  
("Putprop" or "the Company" or "the Group")

## Electronic participation

In terms of section 61(10) of the Companies Act, every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by shareholders. Therefore, shareholders or their proxies may participate in the annual general meeting by way of electronic communication if they wish to do so.

Shareholders or their duly appointed proxies who wish to participate in the annual general meeting must complete this application form and email it (together with the relevant supporting documents referred to below) to the Group's Company Secretary, Acorim Proprietary Limited, at [putprop@acorim.co.za](mailto:putprop@acorim.co.za), to be received no later than 16:00 on Monday, 4 November 2024.

Upon receiving a completed Electronic Participation Application Form, the Group's Company Secretary will provide each verified shareholder or their duly appointed proxy (each, "**a Participant**") a Microsoft Teams meeting invitation with a link before the annual general meeting being held on Wednesday, 6 November 2024 at 11:30 to enable Participants to participate electronically in the annual general meeting. This link will be sent to the email address nominated by the Participant in the form below.

## Please note:

The electronic platform to be utilised at the annual general meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the annual general meeting, by completing the Form of Proxy and lodging the completed proxy form together with this Electronic Participation Form with the Group's Company Secretary.

Participants will be liable for their own network charges in relation to electronic participation in the annual general meeting. Any such charges will not be for the account of the Group's Company Secretary or Putprop, who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in the annual general meeting.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunications lines to participate in the annual general meeting or any interruption in the ability of the Participant to participate in the annual general meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.



# ELECTRONIC PARTICIPATION APPLICATION FORM AT THE ANNUAL GENERAL MEETING



Full name of shareholder - \_\_\_\_\_

Identity or registration number of shareholder - \_\_\_\_\_

Full name of authorized representative (if applicable) - \_\_\_\_\_

Identity number of authorized representative (if applicable) - \_\_\_\_\_

Email address - \_\_\_\_\_

*\*Note: This email address will be used by the company secretary to share the Microsoft Teams meeting link required to access the annual general meeting electronically.*

Cell phone number - \_\_\_\_\_

Telephone/office number (including dialing codes) - \_\_\_\_\_

*\*Note: The electronic platform to be utilised for the annual general meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the annual general meeting, by completing the proxy form found on page 223.*

Indicate (by marking with an "X") whether:

Votes will be submitted by proxy (*in which case, please enclose the duly completed proxy form together with this form*).

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in Putprop's annual general meeting.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2024.

Signed \_\_\_\_\_

## Documents required to be attached to this application form

1. In order to exercise their voting rights at the annual general meeting, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the annual general meeting, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the annual general meeting.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the annual general meeting, must be attached to this application form.
3. If the shareholder is an individual, a certified copy of their identity document and/or passport must be attached to the application.
4. If the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, specifying the name of the individual that is authorised to represent the relevant entity at the annual general meeting by way of electronic participation.

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.



## SHAREHOLDERS' DIARY

Financial year end	30 June 2024
Release of audited results on SENS	30 August 2024
Despatch of annual report on or about	10 September 2024
Annual general meeting	6 November 2024
Release of unaudited interim results 31 December 2024 on or about	10 March 2025
Dividend 70 payment	31 October 2024

Dividend 2024	Declared	Paid	Amount (cents per share)
Interim – Dividend no 69	4 March 2023	6 April 2023	6.00
Final – Dividend no 70	15 September 2024	31 October 2024	8.50



# CORPORATE INFORMATION

## Putprop Limited

("the Group" or "the Company")

Company Registration Number: 1988/001085/06

Share Code PPR ISIN: ZAE000072310

## DIRECTORS

**Daniele Torricelli** (c,e,f,g,h,i)

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

**Bruno Carleo** (a,g,i)

**James Smith** (a,g,i)

**René Styber** (c,d,e,g,j)

**Gerrit van Heerden** (c,d,e,g,j)

Chair

Chief Executive Officer

Chief Financial Officer

- a. Executive
- b. Chair Audit and Risk Committees
- c. Independent non-executive
- d. Member of Audit and Risk Committees
- e. Member of the Remuneration and Nominations 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

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## COMPANY SECRETARY

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

## TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited  
15 Biermann Avenue  
Rosebank  
Johannesburg  
2196

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## AUDITORS

HLB CMA South Africa  
No.1 2nd Road,  
Halfway House Estate,  
Midrand,  
1685

## LEGAL ADVISORS

Delberg Attorneys INC  
Summit Place Office Park,  
Building 2,  
221 Garsfontein Road,  
Menlyn, Pretoria  
2196

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## PRINCIPAL BANKERS

Absa Bank Limited  
160 Main Street  
Johannesburg  
2000

## INVESTOR RELATIONS AND REGISTERED OFFICE

James Smith  
22 Impala Road  
Chislehurst  
Sandton  
2196  
  
+27 11 883 8650  
james@putprop.co.za

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## SPONSOR

Merchantec Capital  
13th Floor, Illovo Point  
68 Melville Road  
Illovo  
Sandton  
2196

## LISTING INFORMATION

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



## GLOSSARY

<b>"All Share"</b>	The JSE All Share Index
<b>"Annual Financial Statements"</b>	Group and Company Annual Financial Statements
<b>"AR" and "AC"</b>	Audit and Risk Committee, now Audit Committee and Risk Committee
<b>"B-BBEE"</b>	Broad-based black economic empowerment
<b>"Companies Act"</b>	Companies Act, No. 71 of 2008, as amended
<b>"CAB"</b>	Companies Amendment Bill 2023
<b>"EXCO"</b>	Executive Committee
<b>"GLA"</b>	Gross lettable area
<b>"IASB"</b>	International Accounting Standards Board
<b>"IFRS"</b>	International Financial Reporting Standards
<b>"IT"</b>	Information Technology
<b>"JSE"</b>	JSE Limited
<b>"JSE Listings Requirements"</b>	Listings Requirements of the JSE Limited
<b>"King IV"</b>	King Report on Corporate Governance for South Africa 2016™, Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.
<b>"KPI"</b>	Key performance indicator
<b>"the Board"</b>	The Board of Directors of Putprop Limited
<b>"SAPOA"</b>	South African Property Owners Association
<b>"SAICA"</b>	South African Institute of Chartered Accountants
<b>"ESET"</b>	Environmental, Social, Ethics and Transformation Committee
<b>"RC"</b>	Risk Committee
<b>"Rode"</b>	Rode's Report on the South African Property Market
<b>"RNHR"</b>	Remuneration Nomination and Human Resources Committee
<b>"ZAR"</b>	South African Rand
<b>"IBC"</b>	Inside Back Cover



PUTPROP HOUSE  
22 Impala Road, Chislehurst,  
Sandton, Johannesburg,  
2196