
PUTPROP LIMITED
Incorporated in the Republic of South Africa
(Registration number 1998/001085/06)
Share code: PPR ISIN: ZAE0000072310
("Putprop" or "the Company")

DISPOSAL OF THE PUTCOTON PROPERTY

1. INTRODUCTION

Shareholders are advised that on 25 September 2024 ("**Signature Date**") Putprop concluded an agreement of sale ("**Agreement**" or "**Offer to Purchase**") with Broll Auctions and Sales Proprietary Limited (the "**Agent**") and Global Tank Worx Proprietary Limited (the "**Purchaser**") for the disposal of its industrial property, Putcoton (the "**Property**"), to the Purchaser for a cash consideration of R42 000 000 ("**Consideration**" or "**Purchase Price**") (the "**Disposal**").

The Purchaser is wholly owned by Sky-Way B.V., a company incorporated in the Netherlands. The Purchaser is not a related party to Putprop.

2. THE DISPOSAL

2.1 Details of the Property

The Property means Re of Erf 2 and Re of Erf 11 Putcoton, City of Johannesburg, Gauteng, in extent of approximately 9 833m² (Re of Erf 2) and 40 174m² (Re of Erf 11), together with all permanent improvements thereon, situated at 3 and 7 New Canada Road, Putcoton, Gauteng.

Putcoton lies in the heart of Soweto, providing a logistics hub for 300 to 400 Putco buses which provide transport to over 20 000 commuters daily.

The gross lettable area of the Property is approximately 9 833m² and the weighted average net monthly rental is R61.20 per square metre.

2.2 Rationale for the Disposal and Application of Disposal Proceeds

Further to its assessment of the property yield of Putcoton, the Property was identified by the board of directors of Putprop (the "**Board**") as a non-core property. The Disposal is consistent with the Company's strategy of disposing of assets reaching the end of their economic life.

The proceeds of the Disposal will be added to existing cash resources to be utilised by Putprop to acquire income-producing properties or to reduce debt.

2.3 Consideration and Effective Date

The Consideration is payable by the Purchaser to the Company in cash as follows:

- 2.3.1 a deposit of five percent of the Purchase Price, amounting to R2 100 000, is payable to the Agent immediately on acceptance of the Offer to Purchase by the Company ("**Acceptance**"), which amount the Agent will pay to Putprop's attorneys, being the conveyancers appointed by the Company to effect the transfer of the Property into the name of the Purchaser ("**Attorneys**"), to be invested on call at a commercial bank on behalf of and the interest for the benefit of the Purchaser; and
- 2.3.2 the balance of the Purchase Price, amounting to R39 900 000 ("**Balance**"), plus VAT is payable in cash and secured by a written unconditional and irrevocable guarantee from a registered financial institution acceptable to the Company, payable free of exchange, against registration of transfer of the Property into the Seller's name ("**Transfer**"). The Purchaser

may elect to secure the Balance by payment in cash to the Attorneys, who will hold same in trust, pending Transfer. The guarantee will be presented and/or the cash will be payable by the Purchaser to the Attorneys within 75 days of Acceptance.

2.3.3 Payment made by the Purchaser will be allocated first to the payment of the Agent's commission referred to in paragraph 2.5 below, then to the interest referred to in paragraph 2.6 below and thereafter to payment of any other amounts due in terms of the Agreement.

2.3.4 The effective date of the Disposal will be the date of Transfer, subject to payment by the Purchaser to the Company of the total Consideration.

2.4 **Conditions precedent**

There are no conditions precedent to the Disposal.

2.5 **Agent's commission**

In addition to the Consideration, the Purchaser will be liable for the payment of the Agent's commission of 10% of the Purchase Price, amounting to R4 200 000, plus VAT upon signature of the Agreement.

The Purchaser will be liable for Agent's commission in the event that the Agreement is cancelled by the Purchaser.

2.6 **Occupational interest**

Should the Purchaser take possession of the Property prior to the date of Transfer ("**Transfer Date**") (subject to any leases in place over the Property as at the Transfer Date), occupational interest, calculated at the rate of 10% per annum on the Balance outstanding and capitalised monthly from date of occupation to the Transfer Date, without deduction or set-off, will be payable on such date.

2.7 **Existing tenancies and other**

The Property is sold subject to all existing tenancies and the Agreement contains warranties and undertakings which are standard for transactions of this nature.

3. **VALUATION OF THE PROPERTY**

A valuation of the Company's total property portfolio was performed as at 30 June 2024 by Spectrum Valuations and Asset Solutions, who are independent and registered as professional valuers in terms of the Property Valuers Profession Act, 2000 (Act 47 of 2000) ("**Act**").

These independent valuations are supported by the Board. The members of the Board are not independent valuers and are not registered as professional valuers or as professional associate valuers in terms of the Act.

The Property was valued at an amount of R47.5 million.

4. **FINANCIAL INFORMATION**

Per the audited annual financial statements for the year ended 30 June 2024, the audited value of the net assets attributable to the Property is R47 509 563 and the audited profit after tax attributable to the net assets of the Property is R10 269 473.

The annual financial statements of the Company for the year ended 30 June 2024 were prepared in accordance with International Financial Reporting Standards and the Companies Act (Act 71 of 2008), as amended.

5. CATEGORISATION OF THE DISPOSAL

The Disposal is classified as a Category 2 transaction in terms of the Listings Requirements of the JSE Limited and accordingly, does not require shareholder approval.

Johannesburg
26 September 2024

Sponsor
Merchantec Capital