PUTPROP

The Integrated Annual Report

for the year ended 30 June 2023

Mamelodi square

BOARD MEETING: 10 MAY 2023

AUDIT AND RISK MEETING: 5 APRIL 2023

Secunda Value Mart

INTERIM DIVIDEND: 3 APRIL 2023

BOARD MEETING: 8 MARCH 2023

Parktown Towers

STRATEGY MEETING: 15 FEBRUARY 2023

AUDIT AND RISK MEETING: 22 FEBRUARY 2023

Putprop House

ANNUAL GENERAL MEETING: 08 NOVEMBER 2023

Summit Place

13 PROPERTIES

Located in three provinces

GAUTENG

MPUMALANGA

NORTH WEST

Bank City

Putprop

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WELCOME TO OUR 2023 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

Report Sections

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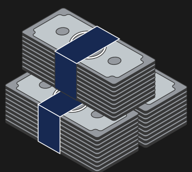
ANNUAL FINANCIAL STATEMENTS

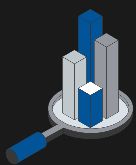
SHAREHOLDERS INFORMATION

Capital inputs

The following icons are used to illustrate our capital inputs:



Financial capital

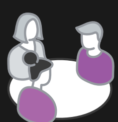


Manufactured capital

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:

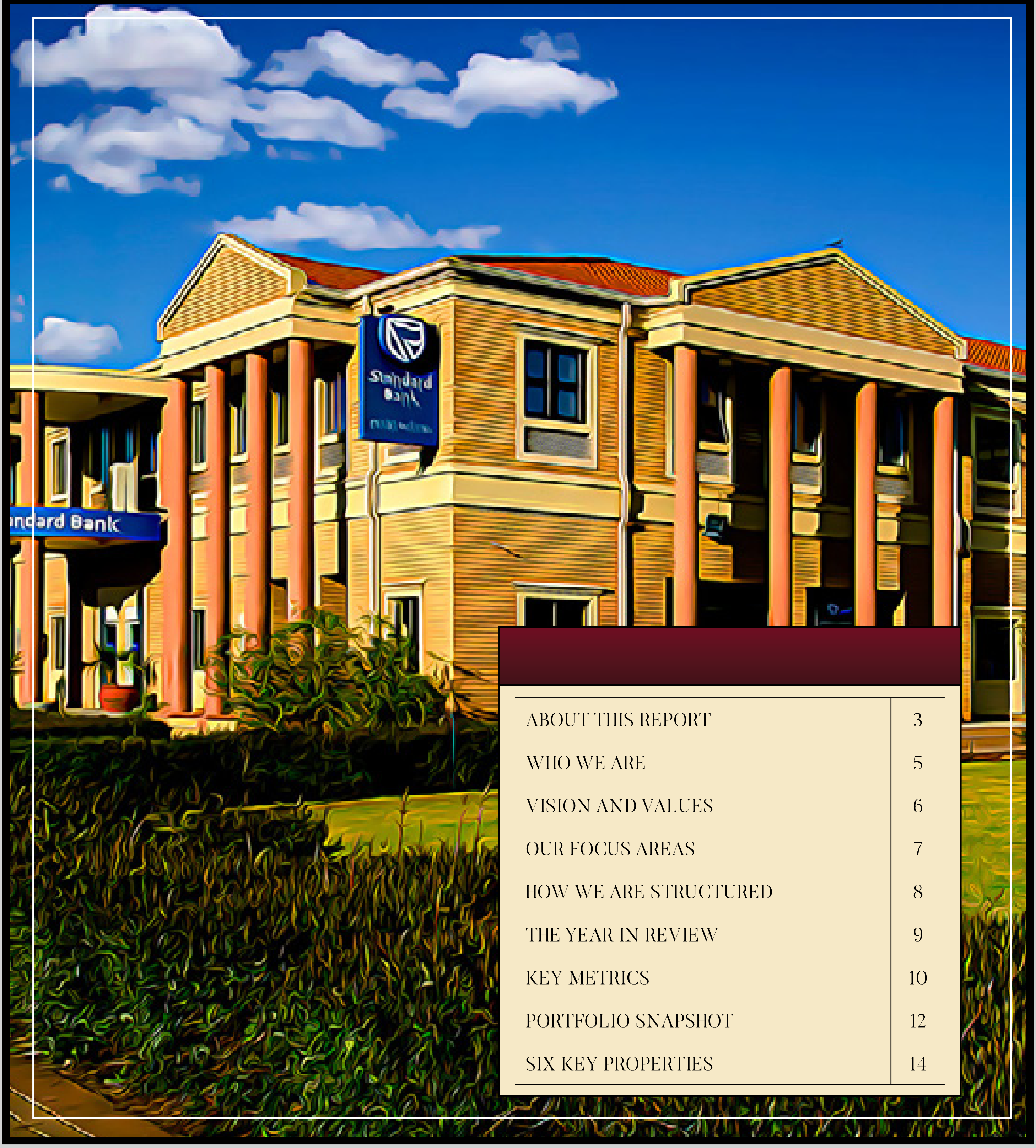
Commercial

Retail

Industrial

Residential

GROUP OVERVIEW



ABOUT THIS REPORT

SCOPE AND BOUNDARY

Our integrated report aims to give all our stakeholder's 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 2023.

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 2022 to 30 June 2023, 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.

The Board and management are of the view that the material matters published on pages 26 to 29 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.

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 147 to 150.

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.

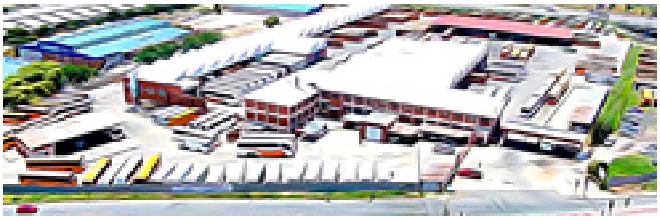
This report was prepared under the supervision of an executive and was submitted to the Audit and Risk Committee, which after a detailed review was recommended to the Board for approval.

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.



B C Carleo
14 September 2023

J E Smith
14 September 2023

A C Carleo-Novello
14 September 2023

D Torricelli
14 September 2023

H Hartley
14 September 2023

R Styber
14 September 2023

G van Heerden
14 September 2023

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

WHO WE ARE

WHO WE ARE AND OUR INVESTMENT CASE

Putprop is a property investment company who listed on the main board of the JSE Limited in July 1988, under the real estate sector. We offer stakeholders the opportunity to invest and own quality properties in all segments of the property umbrella.

Putprop came into existence after the delisting of the then parent company, Putco Limited. For many years the portfolio consisted only of properties offering facilities to the bus operator.

In order to grow and diversify the Company and dilute risk of a single large tenant, the active strategy of acquisition of other properties in all segments and geographic areas commenced in the mid-nineties. This strategy continues today.

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.

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.

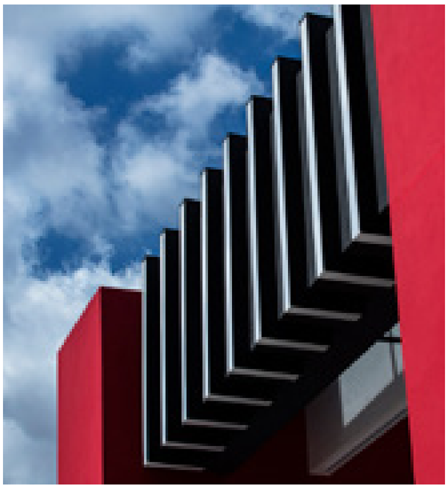
2007
First grass roots development with a joint venture into two retail centres in the Centurion area.

2012
Ranked 74th in Financial Mail's Top 200 Listed companies.

2015
Investment in Summit Place, a 1 billion rand, 30 000m² premium commercial precinct in the East of Pretoria

2017
Acquisition of 100% holding in Secunda Value Centre and Corridor Hill, our first investments in Mpumalanga

2022
Successful opening of Mamelodi Square, a R230 million joint operation retail development in Mamelodi, Pretoria



OUR MISSION AND VALUES

In the pursuit of the Group's strategy and objectives, our core values determine our every action.

OUR MISSION

We are **Stakeholder focused with all our stakeholders** seen as equal and **valued assets.**

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

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.

HONESTY

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

EXCELLENCE

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

GENEROSITY

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

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 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.

Retail

Commercial

Industrial

Residential

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 45 to 55.

WHAT DIFFERENTIATES US

Micromanagement of portfolio

Skilled property management team

A focus on property fundamentals

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 114.

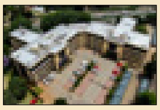
The team has a deep understanding and affinity for the property market with particular emphasis on the industrial and retail segments.

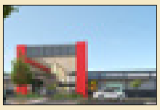
With over 417 combined years of experience in the operational and finance fields we bring stability and focus to the strategic goals determined by our Board.

HOW WE ARE STRUCTURED

Putprop

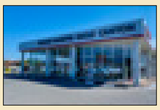
DIRECTLY OWNED PROPERTIES

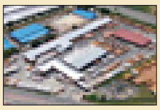

Parktown Towers
100 %

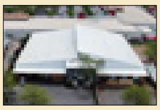

Mamelodi Square
50 %
JOINT OPERATION


Bank City
100 %


Putprop House
100 %


Eagle Canyon
100 %


Putcoton
100 %

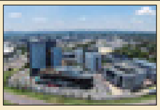

Montana Park
100 %


Lea Glen 1
100 %


Dobsonville
100 %

SUBSIDIARY COMPANIES

Pilot Peridot (Pty) Ltd
73.24 %

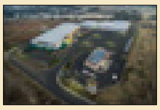

Summit Place
50 %
JOINT OPERATION


Menlyn Villas
100 %

Corridor Hill (Pty) Ltd
100 %

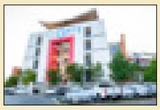

Corridor Hill
50 %
JOINT OPERATION

Secunda Value Mart (Pty) Ltd
100 %

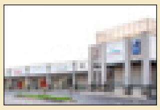

Secunda Value Mart
100 %

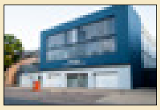
INVESTMENT ASSOCIATE

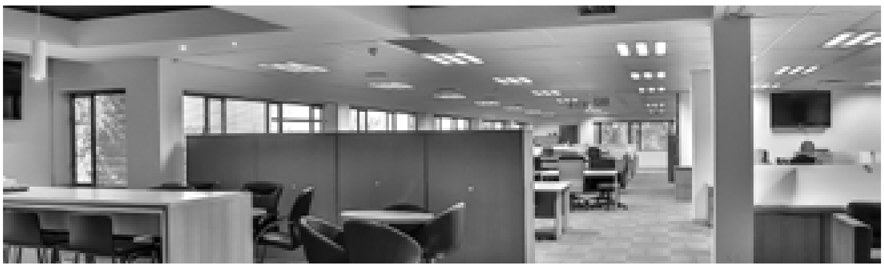
BELLE ISLE INVESTMENTS
18.175 %


The Gate, Mixed use, Centurion


Glen Manor Office Precinct


Highlands Retail Centre


Brooklyn Office



THE YEAR IN REVIEW

Financial Capital

Rentals and recoveries
R128.439m
2022: R111.325m

Operating Profit
R77.468m
2022: R67.283m

HEPS
93.98 cents
2022: 87.96 cents

Operating profit margin
60.3%
2022: 60.4%

Cost-to-income ratio
36.9%
2022: 34.2%

Net asset value of
1 612 cents
per share
(2022: 1 601 cents)

Total Debt
R504.942m
(2022: R448.556m)

Manufactured Capital

Total GLA
97 601m²
2022: 84 112 m²

Leverage Ratio
0.46 times
2022: 0.79 times

DPS
11.25 cents
2022: 10.25 cents

52% A Grade Tenants
2022: 37.0%

Retention of
47.3%
of tenants whose lease expired during the review period.
(2022: 100%)

Social and relationship Capital

Enhanced public finances by
R10.276m
in tax

Social upliftment programs to offer assistance to
over 300
disadvantaged adults and children

Employees deemed
Historically
disadvantaged
28.6%
(2022: 14.2%)

Finalisation of Community
Health Clinic adjacent to Mamelodi Square

Human Capital

Average tenure of employees
11 years

29% Female
representation at senior management

R8.5m
employee costs
(2022 R7.8m)

Employee
average age
54 years

Natural Capital

Borehole
installations project commenced

Solar partnerships investigated for target properties

Waste recycling
increased to 49 tons
2022: 42 tons

Water consumption
2.3 kl per m²
(2022: 1.8 kl per m²)
Borehole project expected to decrease in 2024

Energy consumption
49.3 kwh per m2
(2022: 46.0kwh per m2)
Solar project investigated

KEY METRICS

Distributable income per share
11.25 Cents
(2022: 10.25 Cents)

Direct property value
R1.095 Billion
(2022: R1 106 Billion)

Loan-to-value
41.6%
(2022: 37.0%)

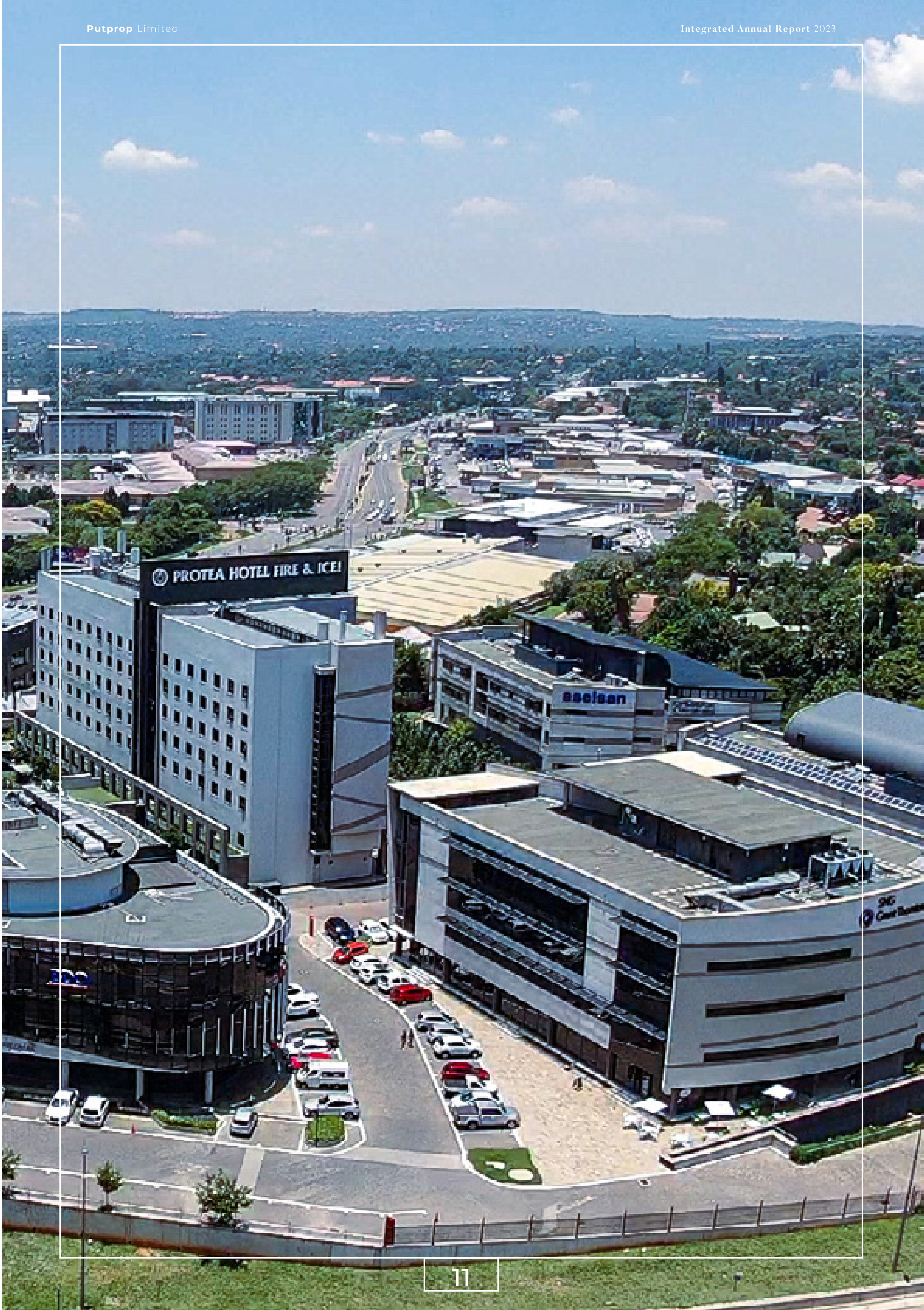
Listed market price per share
310 Cents
(2022: 365 Cents)

Vacancy rate
10.0%
(2022: 2.2%)
reduced to 3.1% - (July 2023 - 3.1%)

Market capitalisation
R136.8 million
(2022: 154.8 Million)

Net asset value per share
1 612 Cents
(2022: 1 601 Cents)

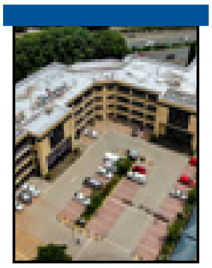
Number of direct properties
13
(2022: 15)

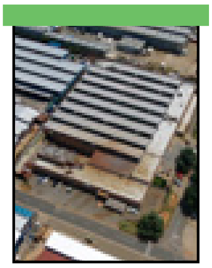

PROTEA HOTEL FIRE & ICE!
aselsan

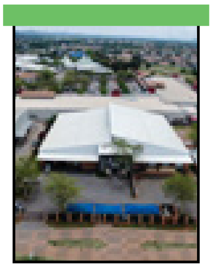
PORTFOLIO SNAPSHOT

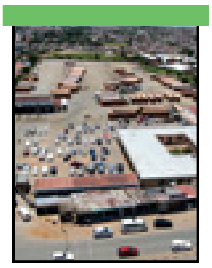
GAUTENG

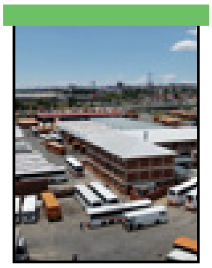

Summit Place

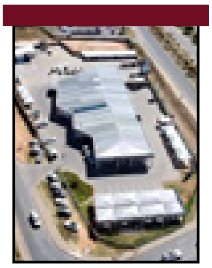

Parktown Towers

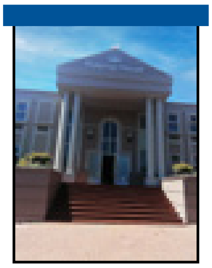

Lea Glen 1

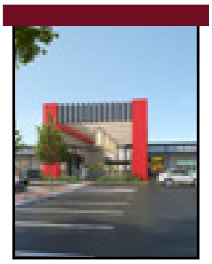

Montana Park

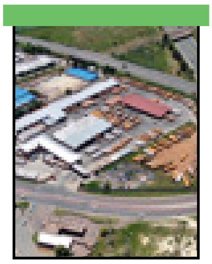

Dobsonville

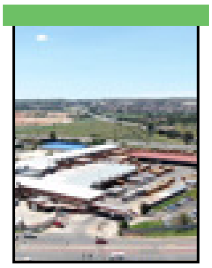

Soshanguve

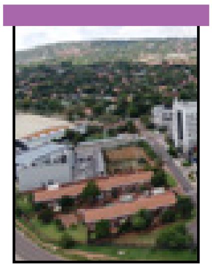

Eagle Canyon


Putprop House

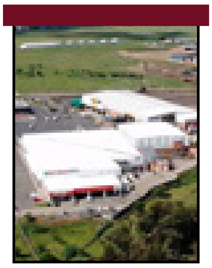

Mamelodi Square


Putcoton


Nancefield


Menlyn Villas

MPUMALANGA

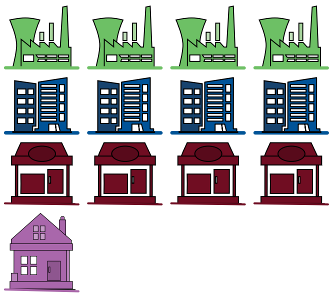

Secunda Value Mart


Corridor Hill

NORTH WEST

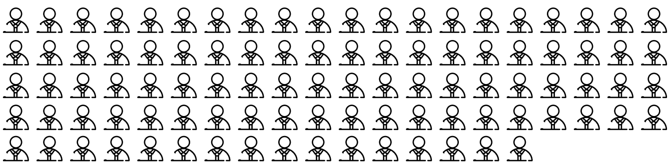

Bank City

Properties



13

Tenants



97

Total GLA

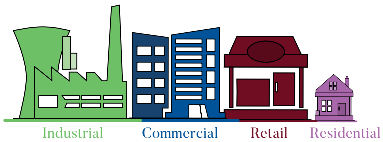
97 601m²

Total Asset Value

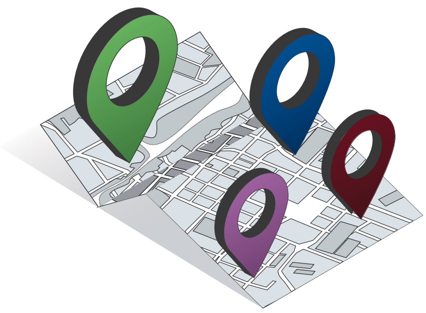
R1 095 Billion

PORTFOLIO SNAPSHOT
(CONTINUED)

Properties per Sector



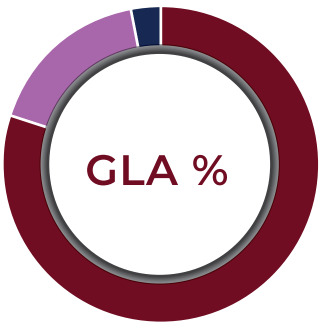
Properties per Region



Gauteng

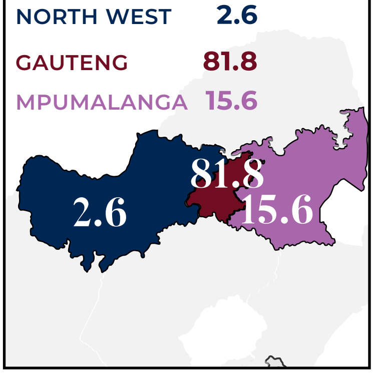
9 Properties
- 4 Industrial
- 3 Commercial
- 2 Retail
- 1 Residential

7 Cities
- Johannesburg
- Pretoria
- Centurion
- Roodepoort
- Sandton
- Soshanguve
- Soweto



GEOGRAPHICAL PROFILE BY GLA %

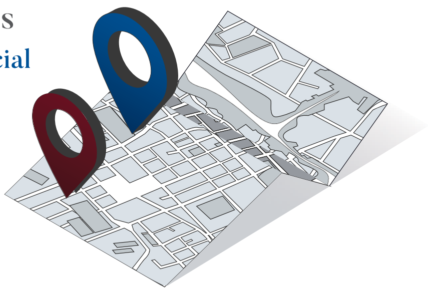
NORTH WEST	2.6
GAUTENG	81.8
MPUMALANGA	15.6

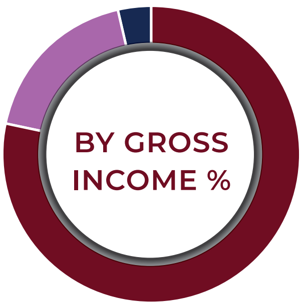


Mpumalanga

2 Properties
- 1 Commercial
- 1 Retail

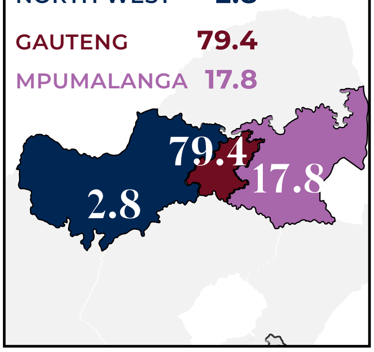
2 Cities
- Secunda
- Witbank

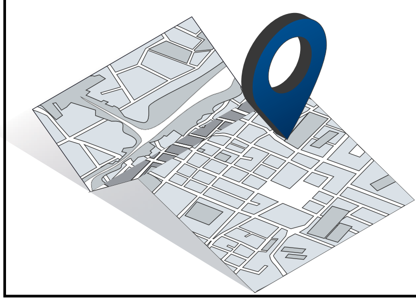




GEOGRAPHICAL PROFILE BY GROSS INCOME %

NORTH WEST	2.8
GAUTENG	79.4
MPUMALANGA	17.8





North West

1 Properties
- 1 Commercial

1 City
- Potchefstroom

Summit Place

Sector
Mixed Use

Location
Centurion

Property Synopsis

Value:
R520.0 million

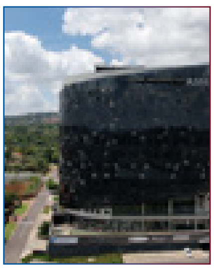
Anchor tenants:
Assupol - 7 946 m²
Kempster Ford - 4 968m²
Sizwe - 4 805m²
Planet Fitness - 2 726m²

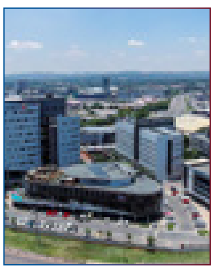
Activities:
Retail and Commercial

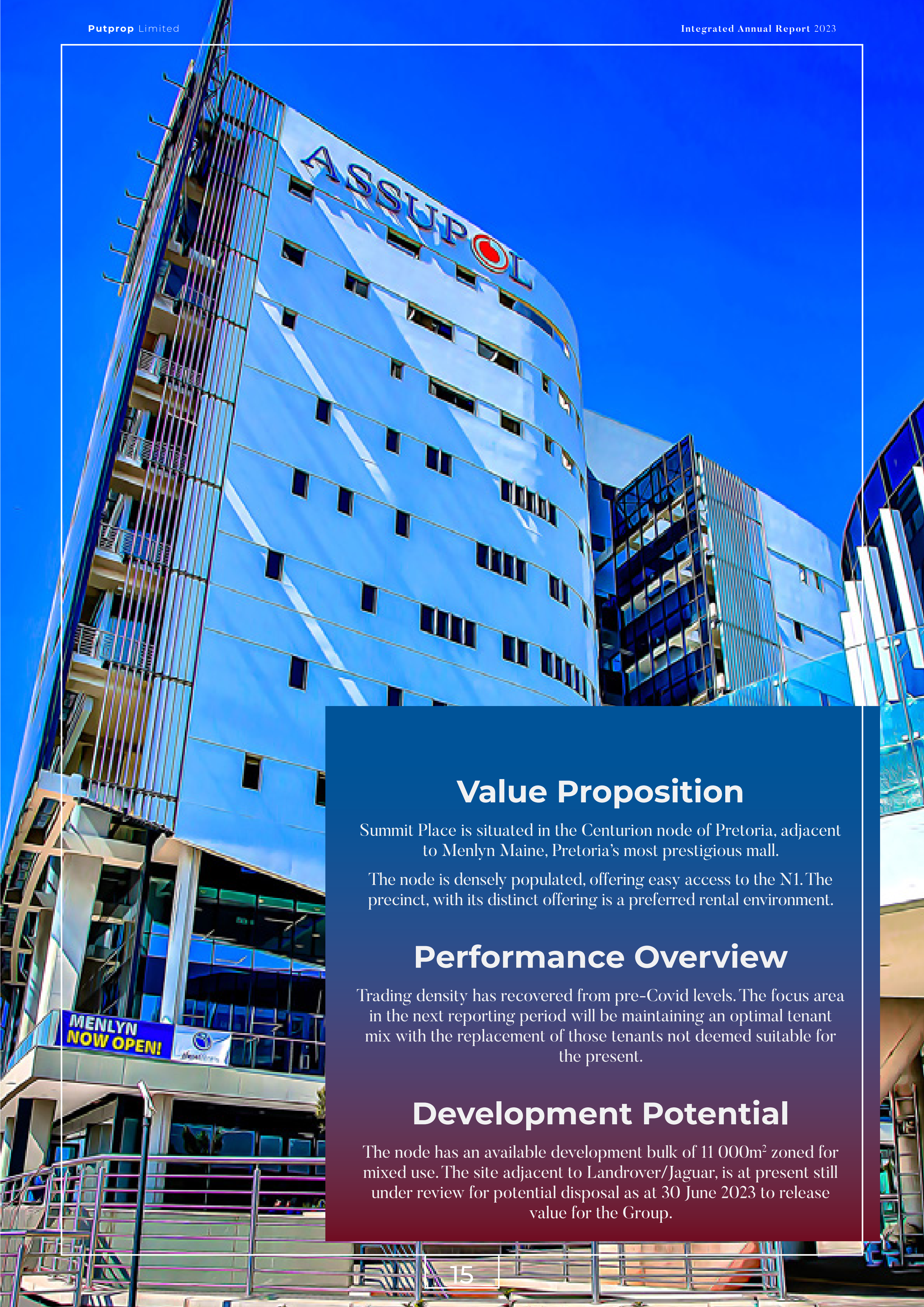
Occupancy:
100%

Ownership:
50%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
30 423	16 764	36 293	0	198.8



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 has recovered from pre-Covid levels. The focus area in the next reporting period will be maintaining an optimal tenant mix with the replacement of those tenants not deemed suitable for the present.

Development Potential

The node has an available development bulk of 11 000m² zoned for mixed use. The site adjacent to Landrover/Jaguar, is at present still under review for potential disposal as at 30 June 2023 to release value for the Group.

Mamelodi Square

Sector
Retail

Location
Pretoria

Property Synopsis

Value:
R126.7 million

Anchor tenants:

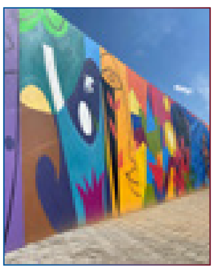
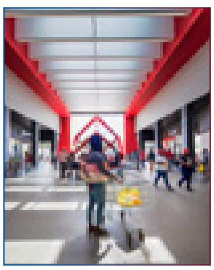
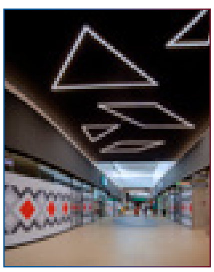
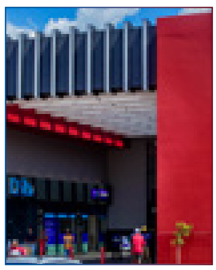
Shoprite	- 4 300 m²
Roots Butchery	- 900 m²
Ackermans	- 450 m²
Mr Price	- 360 m²
Clicks	- 280 m²

Activities:
Retail

Occupancy:
88.5%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
16 995	126.7	8 274*	1 949	81.4

*50%

Value Proposition

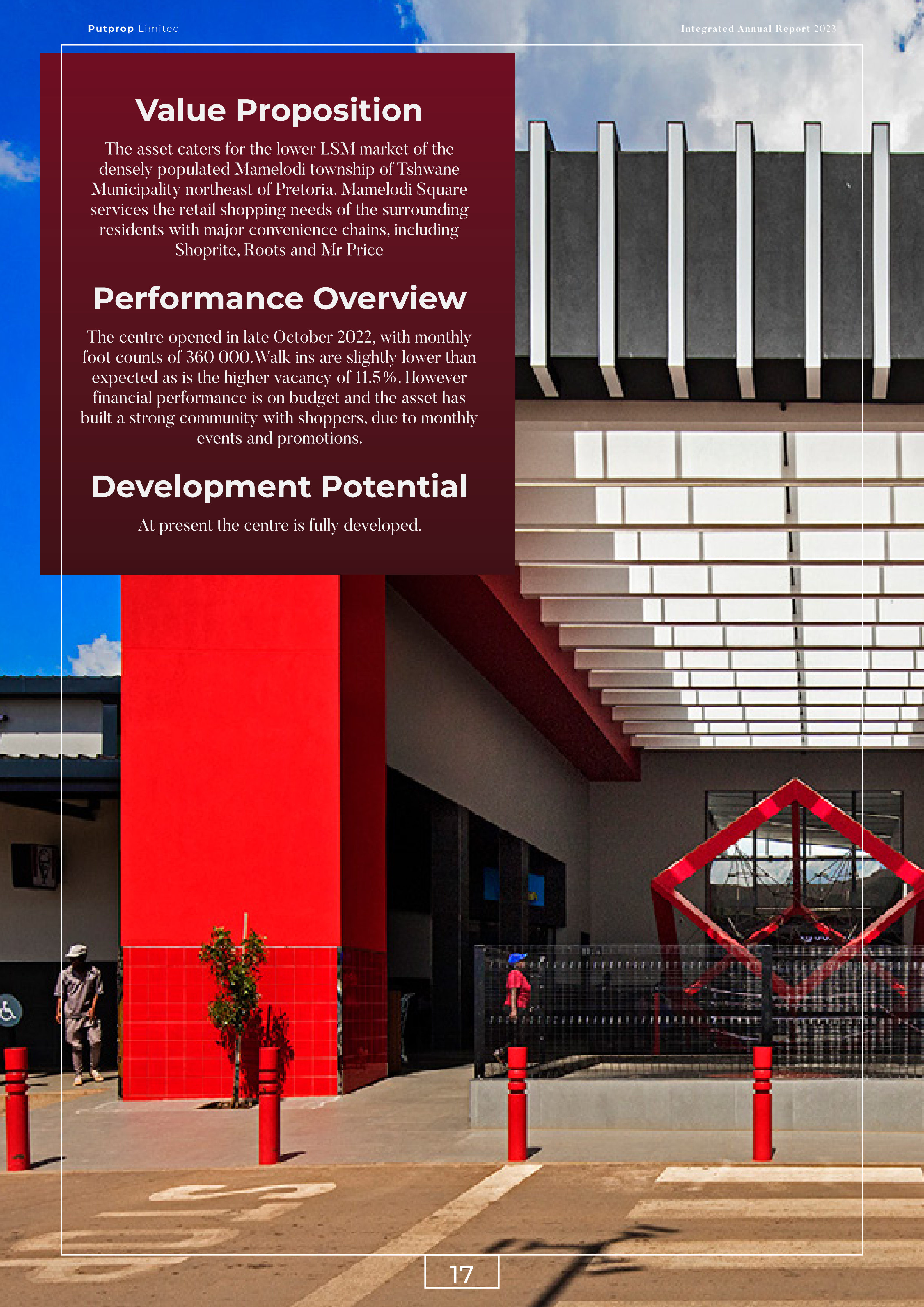
The asset caters for the lower LSM market of the densely populated Mamelodi township of Tshwane Municipality northeast of Pretoria. Mamelodi Square services the retail shopping needs of the surrounding residents with major convenience chains, including Shoprite, Roots and Mr Price

Performance Overview

The centre opened in late October 2022, with monthly foot counts of 360 000.Walk ins are slightly lower than expected as is the higher vacancy of 11.5%. However financial performance is on budget and the asset has built a strong community with shoppers, due to monthly events and promotions.

Development Potential

At present the centre is fully developed.



Secunda Value Mart

Sector
Retail

Location
Mpumalanga

Property Synopsis

Value:
R128.7 million

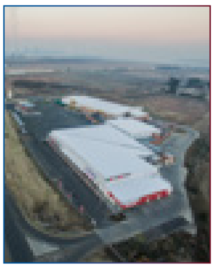
Anchor tenants:

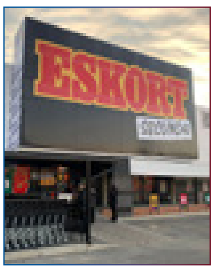
Builders Warehouse	- 5 397m²
Westpack Lifestyle	- 2 286m²
Eskort	- 685m²
Sea Harvest	- 300m²

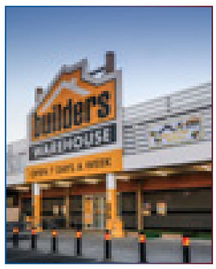
Activities:
Retail

Occupancy:
97.9%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
9 414	13 671	12 812	200	113.2







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 is at record levels for this asset. The introduction of Eskort and Sea Harvest together with established tenant, Builders Warehouse, has provided a continuous high foot traffic. No vacancies were present at the date of this review.

Development Potential

No current potential exists at the site.

Parktown Towers

Sector
Commercial

Location
Johannesburg

Property Synopsis

Value:
R75 million

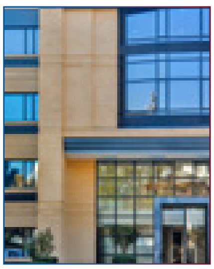
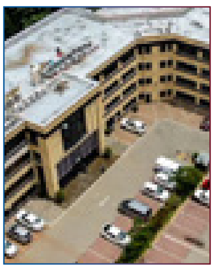
Anchor tenants:

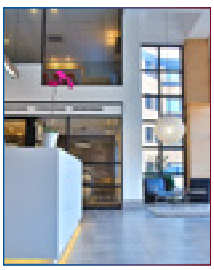
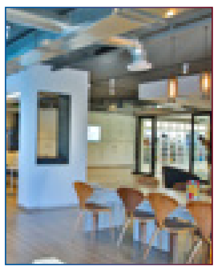
Cavi Holdings	- 2 453m²
Frontier Company	- 1 162m²
Boost Management	- 393m²
Inoxico	- 384m²

Activities:
Distributor of high-end cosmetics, sporting and travel accessories

Occupancy:
94.2%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
4 666	16 074	7 523	274	134.4

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 274m² 777m² of lettable space was tenanted in the current year. Rates continue to be substantially below pre Covid rates.

Development Potential

An additional 800 – 900m2 is available in the form of an additional floor to the existing 3 floors. This is not being considered at present.

Putcoton

Sector
Industrial

Location
West Rand

Property Synopsis

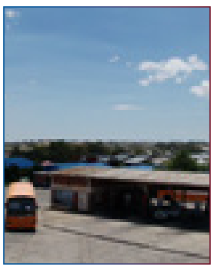
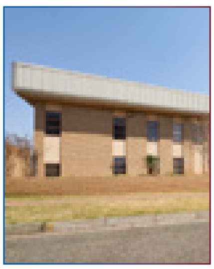
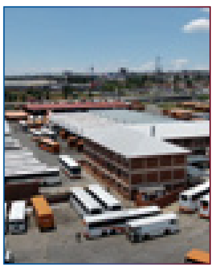
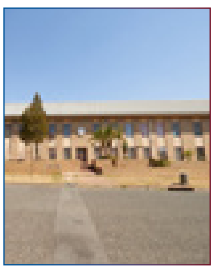
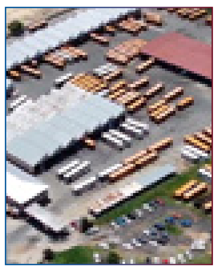
Value:
R47.5 million

Anchor tenant:
Larimar Group - 9 559 m²
Triple Net Tenant

Activities:
Mass transport facility
and workshop operation

Occupancy:
100%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
9 559	4 969	8 844	0	77.1

Value Proposition

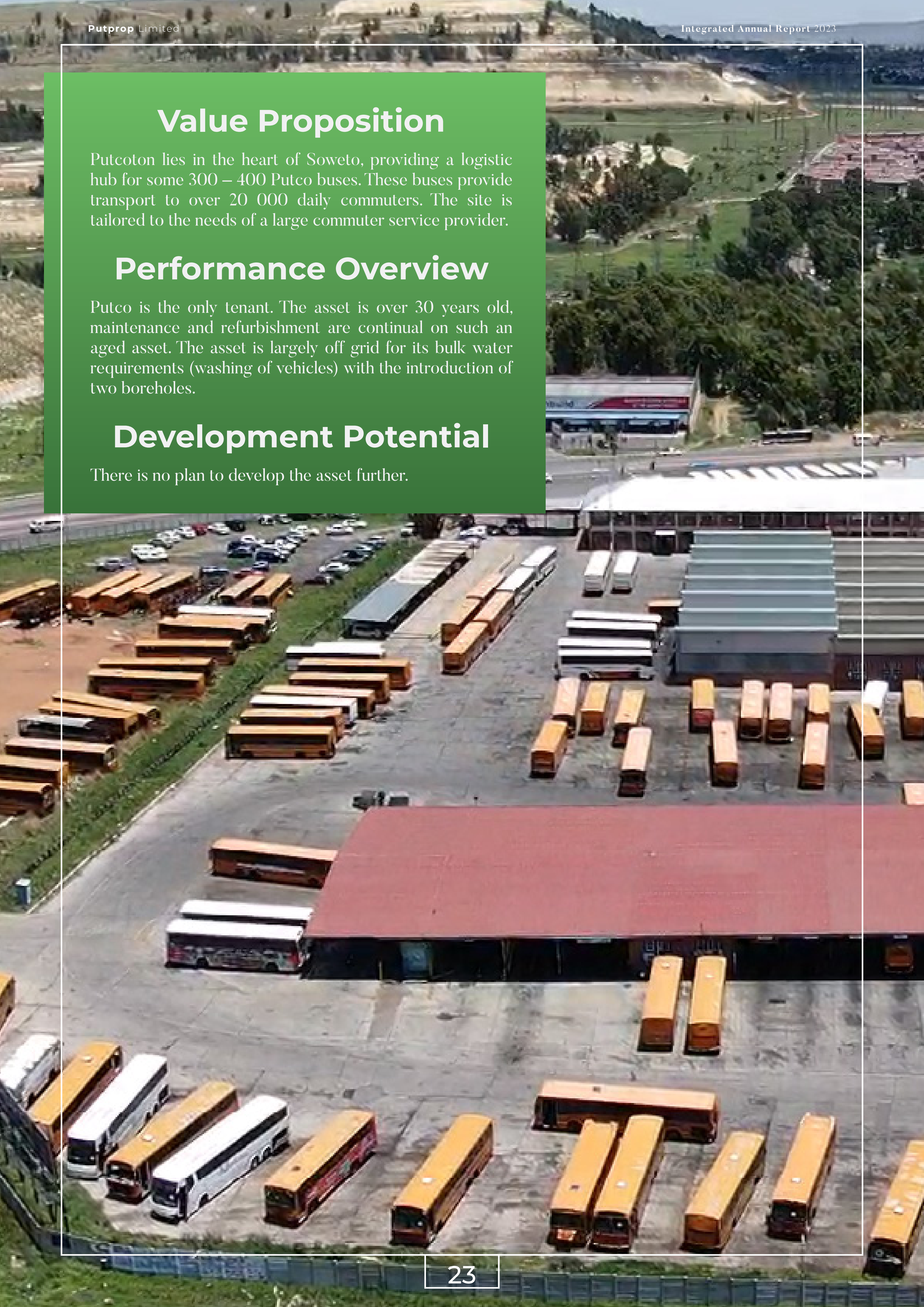
Putcoton lies in the heart of Soweto, providing a logistic hub for some 300 – 400 Putco buses. These buses provide transport to over 20 000 daily commuters. The site is tailored to the needs of a large commuter service provider.

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.

Development Potential

There is no plan to develop the asset further.



Corridor Hill

Sector
Retail

Location
Mpumalanga

Property Synopsis

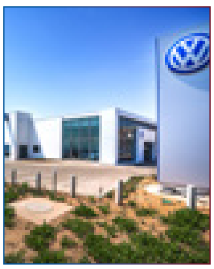
Value:
R51.2 million

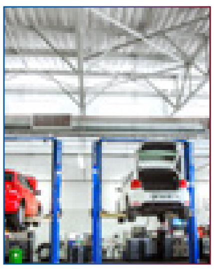
Anchor tenant:
Bidvest
Volkswagen - 4 666 m²

Activities:
Retail car dealership

Occupancy:
90.5%

Rentable area m²	Valuation R/m²	Rental 30 June 2023 (R'000)	Vacancy m²	Average gross rentals R/m²
5 835	8 775	4 455	555	127.7





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.

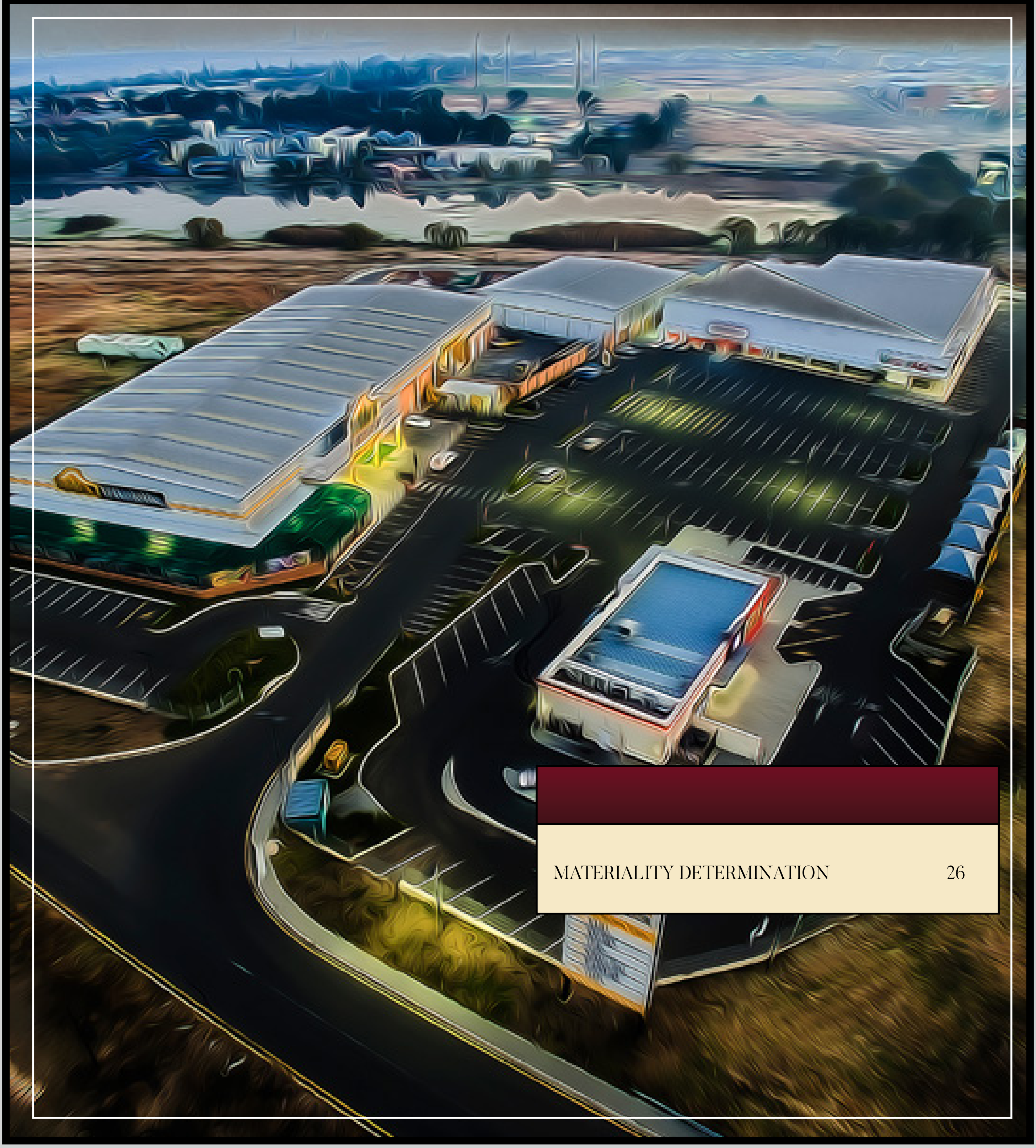
Performance Overview

The asset has recovered well after Covid with levels exceeding pre Covid for the major tenant, Volkswagen. The related motor industry line shops continue to experience low volumes.

Development Potential

The asset does not allow for further development.

MATERIALITY



MATERIALITY DETERMINATION

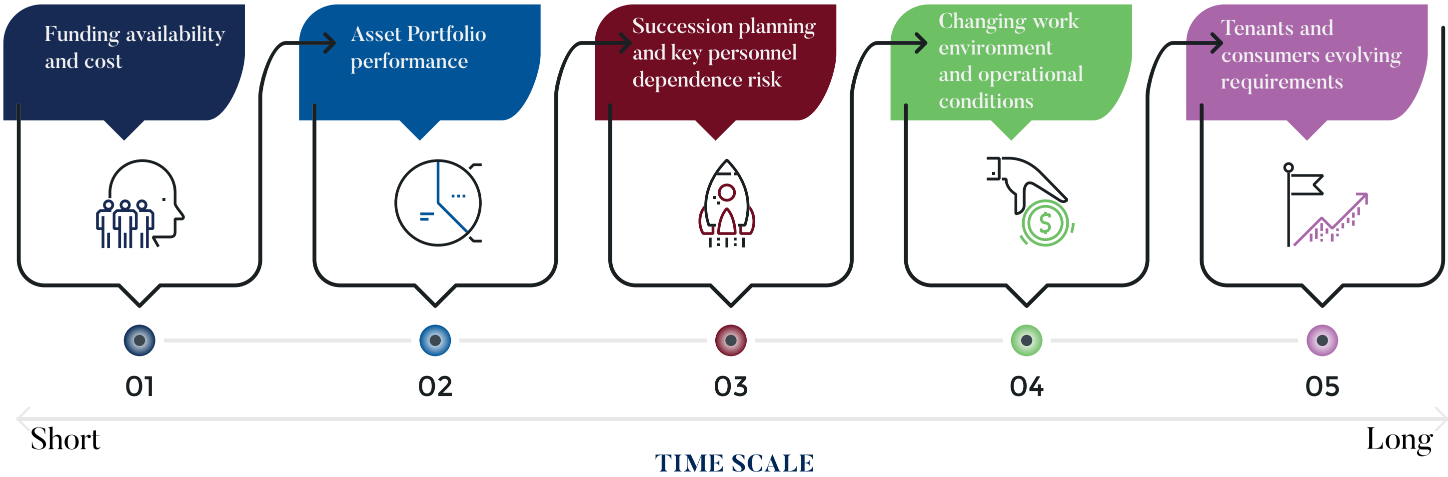
OVERVIEW

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 materially review process, noted above, is detailed below. These focus areas determined our strategy to minimise risk and maximise opportunities.



MATERIALITY DETERMINATION
(CONTINUED)

FUNDING AVAILABILITY AND COST

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.

Our financial position was strengthened after negotiating improved debt terms and longer-term loans with our financiers in 2023.

These developments strengthened our ability to be more resilient to ongoing difficult economic conditions, and consider opportunities when presented in line with our growth strategy.

Level of control	Change in level of impact from 2022
Medium	Decrease

ASSET PORTFOLIO PERFORMANCE

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 resigning the portfolio remains ongoing.

Level of control	Change in level of impact from 2022
High	Unchanged

SUCCESSION PLANNING AND KEY PERSONNEL DEPENDENCY RISK

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.

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.

Level of control	Change in level of impact from 2022
Medium	Increase

Level of control: Low, Medium, High

Change in level of impact: Increase, Decrease, Unchanged

MATERIALITY DETERMINATION
(CONTINUED)

CHANGING WORK ENVIRONMENT AND OPERATIONAL CONDITIONS

Although the impact of COVID-19 has now all but disappeared, the country continues to experience ongoing challenging operational conditions, as it recovers from the economic impact of COVID-19 as well as significant cost increases in fuel, food and municipal costs. This impacts our tenants and consumers, who are under pressure to manage costs and cash flow.

Level of control	Change in level of impact from 2022

TENANTS' AND CONSUMERS' EVOLVING REQUIREMENTS

Lower consumer spending, changing shopping patterns and the evolving of the "work from home trend" affect our tenants' performance.

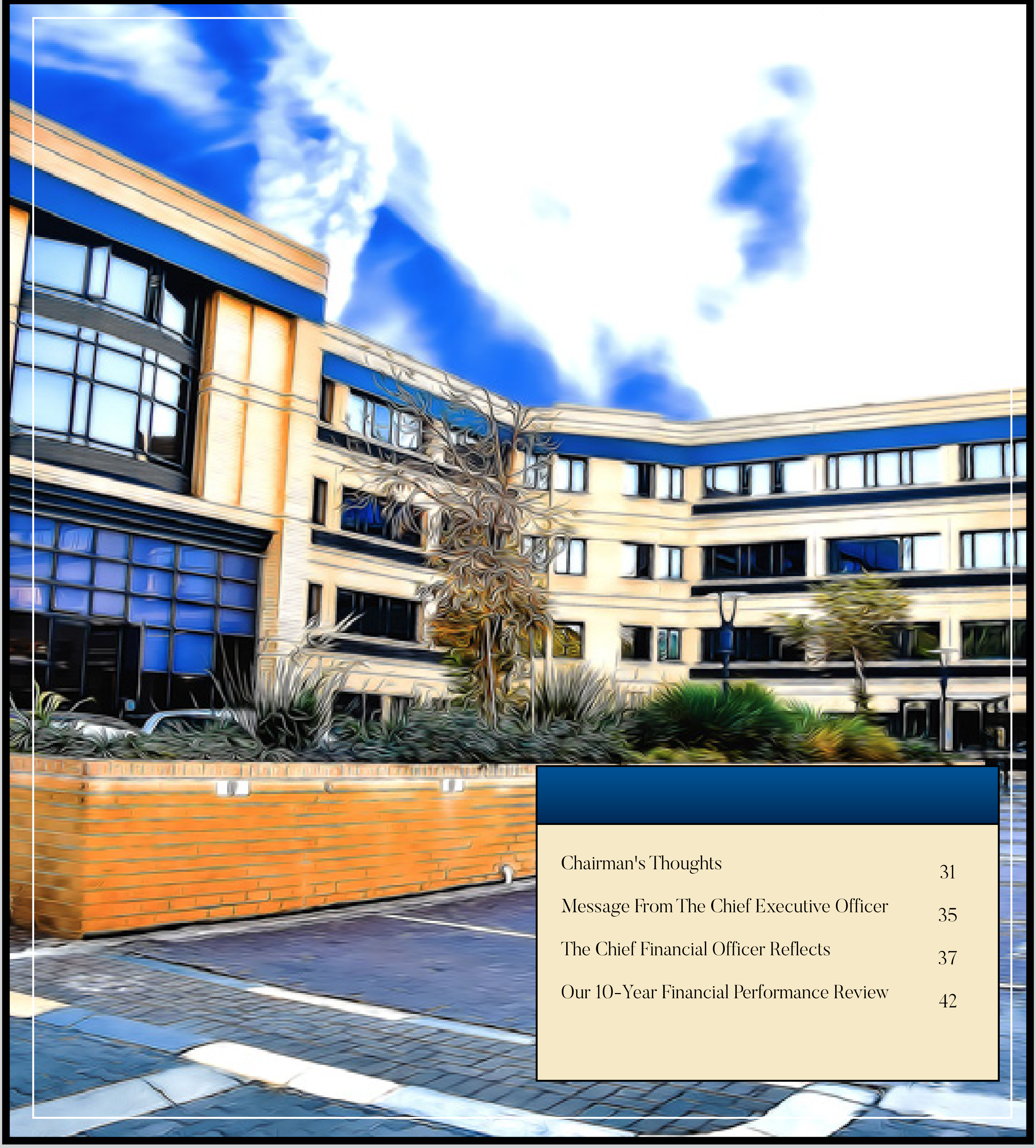
We build close relationships with our tenants by understanding their requirements, financial health and plans. Our portfolio managers work closely with their tenants to anticipate trends.

Understanding tenants' requirements together with consumer trends, inform our investment approach and how we optimise our asset portfolio's performance.

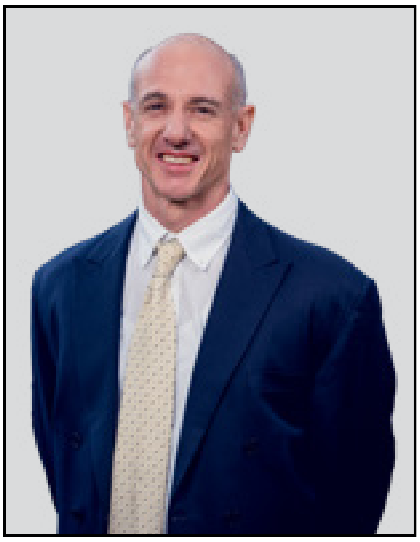
Level of control	Change in level of impact from 2022

Low | Medium | High | Key | Increase | Decrease | Unchanged

LEADERSHIP REFLECTIONS ON 2023



CHAIRMAN'S THOUGHTS



KEY MESSAGES

- Challenging economic and political environments continue with new challenges emerging post Covid
- Reserve bank increases interest rates 9 periods in a row
- Load shedding increased in intensely and duration

THE YEAR UNDER REVIEW

Once again, South Africa has experienced a year of flux and multiple challenges. As Covid becomes a memory in the news cycle but with lasting economic effects, other risks and challenges emerged.

Tough economic conditions continued during the year with severe load shedding, a daily occurrence, being a major contributor to this environment. The inflation rate was aggravated by this trend, rising month on month for most of this reporting period. The South African Reserve Bank continued its higher interest rate cycle culminating in a 50 basis point increase in March 2023. This tightening of monetary policy starting in 2021, reflect nine increases in a row. Stats South Africa reported an official growth rate of the economy of 0.3% between pre Covid in 2019 to 2022/2023. For a developing country such as ours, where population growth outstrips economic growth, future challenges will arise.

Load shedding saw over 380 continuous days implemented during 2022 and 2023 calendar years with particular intensity in the last quarter of 2022 and the first quarter of 2023. This is a major obstacle for sustained growth in South Africa.

As a result of these interest rate increases and power outages, retail sales fell, manufacturing slowed and disposable income was significantly reduced. There was increased pressure on all consumers, with household spend reduced to essential purchases only.

A small positive note is that the US economy appears healthy and performing well. This filters through to all developed and developing nations which should impact positively on us in the medium term.

The war in Ukraine, which was unthinkable to most people, became the single biggest conflict in Europe since the Second World War. As a result, food, oil, gas and other component prices saw massive price increases and shortages world-wide, with renewed tensions between Russia, NATO and the USA.

The conflict has become a war of attrition with neither party at present, being able to gain a clear advantage. The increase of NATO support for Ukraine presents potential for a miscalculation between NATO and Russia.

Finally, in the local context, South Africa's continued high unemployment rate is a source of concern with current rates estimated at well over 39%.

For Putprop and other property groups trading under these conditions these events continued to present unique challenges. The past 12 months have been without any dispute, 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 effects of 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 it still has not fully recovered to pre-Covid levels.

Apart from the higher interest rates and the effect on property companies bottom line, the electricity crisis is top of mind of both property owners and tenants. The cost to keep properties running during load shedding is onerous. As not all costs are recoverable, returns and dividend distributions are negatively impacted. In addition tenants costs of occupancy also increases reducing their ability to absorb rental increases. Higher vacancies, rising operational costs and a breakdown in most municipal services present additional challenges.

The surge in the oil price has also added to the mix. A positive for Putprop is that we have managed both our vacancy and tenant retention exceptionally well in the past year.

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 a number of formats from basic deferment of rentals through to 100% rental discounts, in some cases up to six months, in order to retain the sustainability of their tenant base or attract new tenants to available space. We have been able to limit to a large extent any concessions granted.

APPROACH TO GOVERNANCE

Our Board continues to be committed to good corporate governance, working hard to ensure it aligns itself with current practices and changes.

Good corporate citizenship is demonstrated in all our actions with particular emphasis being placed on transparency and ethical conduct.

The Board's strategy is to work together with its subcommittees to ensure there is alignment with the executive team in the implementation of correct ethical standards and the full implementation of the approved governance charters.

This ensures value creation and preservation for all stakeholders.

CHAIRMAN'S THOUGHTS
(CONTINUED)

BOARDS PERFORMANCE AGAINST STRATEGY

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 2023 were:

Vacancy rates maintained below 4%	This reporting period, the rate was at 10% *
To actively increase our shareholding in Pilot Peridot	We continue to explore opportunities with minority shareholders
Finalisation of the Mamelodi Square retail centre project	This was completed on budget. Opening date October 2022
Continued reduction of overdependence of rentals from a single tenant	Process successfully concluded with the sale of two assets
Disposal of non-core properties and the reutilisation of funds	Funds released from the sale of non core properties were utilised against debt
	(July 2023, rate reduced to 3.1%)

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

BRIEF FINANCIAL OVERVIEW

Financial results presented are understandable when read in conjunction with the challenges facing our economy and the property sector, but unfortunately well below our forecast.

Rental income was up, with the inclusion of Mamelodi Square making a significant contribution, but operating costs for the group deteriorated. Interest cost burden also had a significant impact on our profitability as well and the Board's decision to adjust the valuations of our ageing properties, resulted in a small loss for the year after tax.

Our dividend distribution, our 35th consecutive pay-out was increased slightly, despite our lower than expected after tax result's of a profit of R9.245 million (2022: R73.641 million profit). This provides some 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 years.

BOARD EVALUATION/ CHANGES AND EXPERIENCE

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 2023 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.

There were no additions or resignations to the Board during this review period and the composition, skill set, and experience is considered adequate for the Group. On 31st August 2023, Anna Carleo retired from the Board of Directors, with effect from 30th November 2023. A new appointment will be considered by the Board in due course. On behalf of the Board, I wish to note my appreciation and thanks to Anna, for her many years of service and dedication to the company and wish her well in her future plans.

In terms of property and operational management experience, the Board can rely on an accumulative experience pool of over 168 years.

Refer to page 114 for a detailed breakdown.

CHAIRMAN'S THOUGHTS
(CONTINUED)

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.

Engagements include formal communications such as lease renewals and negotiations, with our tenant base, as well as informal visits to determine whether current needs are satisfied and to measure the continued health and sustainability of their businesses. In addition, regular interactions with large equity holders of the group occur, allowing them to provide value input to our executive.

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

We believe in transparency with all of our interactions with stakeholders, thus building a value trust and subsequently buy in to our 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 "C" grade properties being disposed of over time and replaced with properties of a higher investment grade with higher contractual rentals from higher calibre tenants.

There will be a concerted focus on the Group's loan to value, with a view of lowering this from the present 41.6% to below 38% by June 2024. This will involve the disposal of G2 in Pilot Peridot.

Looking ahead we expect little change in current trading conditions until the Reserve Bank commences to reduce the prime lending rate. In addition, the national elections in early 2024 need to be factored into the future economic climate next year.

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.

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 continue to please, under challenging conditions.

....

Daniele Torricelli
Chairman

Johannesburg

14 September 2023

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

KEY MESSAGES

- Resizing of portfolio seen as critical strategically to build quality, sustainable asset base

SOCIO-ECONOMIC ENVIRONMENT CONDITIONS

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

Load shedding frequency in this period has impacted greatly on our operational environment. High cost of diesel, impacts directly on our bottom line with recovery from our tenants proving difficult in the first half of the year. We have managed to improve this variable in the first half of 2023 by means of lease addendums and better a collection methodology.

Expenses such as interest were however not so easily accounted for. Our interest cost rose with every increase of the interest rate, to a level we have not experienced before. Two properties were sold in this period in both an attempt, to resize the portfolio as well as provide funds for some debt relief. We will continue as a critical strategy, to dispose of non core, poorly located assets to further reduce our debt burden.

FINANCIAL AND OPERATIONAL PERFORMANCE

Rental income, profit from property operations and our operating profits were all up substantially with 15%, 11% and 9% respective increases.

Corporate expenses were in line with our forecast.

Property expenses and high interest charges were substantially up, which resulted in a drop of 13.1% of our profit before fair value adjustments. The increase in interest rates over the past 18 months is well documented and not in our control. However, the high diesel cost and excessive municipal fixed costs experienced this year were not forecast and unexpected. The reported profit after tax of R9.245 million although disappointing, is hopefully an abreaction due to one off events.

Headline earnings as a result of the above increased from 89.32 cents to 93.98 cents.

Our cash holdings remain positive.

An interim dividend was declared in March 2023 of 4.25 cents per share (2022: 4.25 cents per share). The Board has approved a final dividend of 7.0 cents per share (2022: 6.0 cents). This brings the total distribution for the year to 11.25 cents (2022: 10.25 cents).

Operationally, our commercial sector with the inclusion of Pilot continues to be our best performing sector contributing 50.5% of our rentals.

Summit Place, even though office space is under severe pressure in the property market, produced a stellar 100% occupancy from a GLA of 30 423m^2.

Retail and Industrial sectors at 31.0% and 17.6% rental contributions reflect how the Group's profile has successfully changed over the past 2-3 years, when our industrial sector dominated returns.

This strategy of moving away from ageing industrial assets into a concentration of commercial and retail assets has resulted in a more balanced and higher-class asset portfolio.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER
(CONTINUED)

RIGHTSIZING THE PORTFOLIO

Our short-term strategy of moving away from a high-risk dependence on a single rental dominated tenant continues and has shown good results.

Combined with this strategy is the resizing of our portfolio with two other properties no longer meeting our long-term vision. These are currently held for resale with good interest shown.

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.

PORTFOLIO MOVEMENTS

The geographical spread and sectoral profile of the Group's investment portfolio is reported on pages 60 to 83. The lease expiry profile on pages 74 to 76 of this report reflects that of the Group's leases expiring during the coming year (by GLA) including monthly rentals.

The Group's property portfolio as at 30 June 2023 consisted of 13 properties (2023: 15 properties) with a gross lettable area of 97 601m^2 (2023: 84 112m^2). Full details of the portfolio appear on pages 80 to 81 of this report. The entire portfolio was independently valued at 30 June 2023.

With the completion of Mamelodi Square in late 2022 and the successful disposal of two non core properties the Group successfully completed its strategy of development and resizing its portfolio. In addition progress has been made to acquire an additional 12% in our subsidiary, Pilot Peridot, from minority shareholders, to achieve our target of 100% ownership.

The Group made the difficult decision to write down in conjunction with inputs from Spectrum Valuations and Asset Solutions, our external valuers, certain ageing properties in the portfolio to more realistic realisable market values. The entailed a financial reduction of portfolio by R36.6 million (2022: R24.3 million upward valuation).

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

TENANT PERFORMANCE

Our Mamelodi Square development was successfully completed on time and budget, and opened for trade on 27 October 2022 with Shoprite, Roots and Clicks as anchor tenants. Monthly trading densities were as forecast with good growth on the groceries sector. These results include 8 months of trading. A slight concern is the failure to lease out 100% of the centre, prior to launch – a sign of the economic environment. The centres model of providing a higher weighting of essential goods and services keeps the tenant mix fairly stable in current unstable markets. Our current recorded footfall is acceptable.

STRATEGY OUTLOOK

Looking ahead, we believe that the next 12 months will continue to present challenges for the property sector.

Although the downward pressure on rentals, lease terms, and escalation rates will lessen a trend has developed that will take time to reverse in the mind set of tenants. Vacancies, increased in the year to 10% but with tenant lets achieved after 30 June 2023, reduced to 3.1% in July 2023.

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 continue to place pressure on interest cost for the Group.

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
14 September 2023

THE CHIEF FINANCIAL OFFICER REFLECTS

PERFORMANCE

2023	KEY INDICATORS	2022
128 439	Rental and recoveries income (R'000)	111 325
81 055	Property operations profit (R'000)	73 213
(44 221)	Finance costs (R'000)	(29 071)
(36 366)	Fair value adjustment on investment properties (R'000)	16 772
3 074	Profit before taxation (R'000)	62 493
1 095 585	Property portfolio asset (R'000)	1 106 365
3.2	Weighted average lease expiry - years	3.7
6.5	Lease escalations %	6.7
9 726	Vacancy – GLA in m^2	1 827
47	Lease retentions	100
1 612	Net asset value share (R'000)	1 601
1.75	Interest cover ratio %	3.16
41.6	Loans to value %	37.0
11.25	Dividend distribution cents per share	10.25

OVERVIEW

During Covid-19, the Group focused aggressively on the sustainability and stability of its tenant base. Both 2020 and 2022 saw this strategy implemented with various tools at our disposal. – lease negotiations, reversions, extensions of contracts and rental deferments.

2023, has enjoyed the benefits of these difficult actions taken and challenges met with a stable tenant base, with one or two exceptions, and a constant rental stream.

STRATEGY 2024

Our new strategy and amended business plan will focus on:

- Reducing our concentration risk, both in terms of our portfolio and geography
- Building internal investment capital reserves where possible instead of only 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 together with current investment areas
- Increasing the funding and asset risk appetite for new and diversified investment profiles
- Gradually increasing our asset management team

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 2023	All-in rate 30 June 2023
ABSA	Summit Place	Term Loan	7 Feb 2025	282	Prime less 0.85	11.25%	10.90%
ABSA	Mamelodi Square	Term Loan	12 months after first drawdown	84	Prime less 0.75	11.25%	10.50%
Nedbank	Parktown	Term Loan	5 July 2024	47	JIBAR +2.97	8.37%	11.34%
Nedbank	Secunda	Term Loan	11 Aug 2025	24	10.93	10.93%	10.93%
Standard	Secunda	Term Loan	July 2026	11	Prime less 1.0	11.25%	10.25%
ABSA	Corridor Hill	Term Loan	20 April 2027	13	Prime	11.25%	11.75%
Other loans	Various	Unsecured	No fixed repayment	44	Interest free, Prime +2	11.25%	11.25%
Total borrowings				505			
Utilised facilities at 30 June 2023				1			
Unutilised facilities	Various	Overdraft facility		24			

Our net finance costs have increased by 52% as the world of low interest rates came to an abrupt end over the past 18 months with the Reserve Bank's policy of multiple repo rate increases. This culminated in record interest costs for the Group for the year ended June 2023. The knock on effect of the servicing of our debt at these record highs (as seen over the past 10 years), has resulted in a significant decrease of our before tax profit. Together with diesel costs, increased municipal costs and our decision to be fairly aggressive with our current portfolio valuations, results were down on our previous reporting period.

Cash available for distribution to shareholders although improving over June 2022, still allows for improvement.

LOANS-TO-VALUE RATIO

The inclusion of the borrowings raised to finance Mamelodi Square has increased our LTV ratio for 2023. At this stage we continue to be below the 42% mandate directed by the Board.

The executive will continue to focus on reducing the LTV ratio to a level below this 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 38%.

	2023	2022	2021
	R'000	**R'000**	R'000
Financial liabilities			
Financial liabilities non current and current	**504 942**	**448 556**	495 882
Cash and cash equivalents	**(18 558)**	**(19 096)**	(29 765)
Short term overdrafts	**1 092**	**19 647**	5 587
Net debt	**487 476**	**449 107**	471 709
Total assets per statement of financial position	**1 229 708**	**1 266 563**	1 214 576
Cash and cash equivalents	**(18 558)**	**(19 096)**	(39 840)
Trade and other receivables	**(41 165)**	**(31 861)**	(29 057)
Carrying amount of property related assets	**1 169 985**	**1 215 606**	1 155 754
Loan to value ratio	**41.6**	**37.0**	40.8

THE CHIEF FINANCIAL OFFICER REFLECTS
(CONTINUED)

COST-TO-INCOME RATIONS

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

	2023	2022	2021
	R'000	**R'000**	R'000
Property operating costs	**47 384**	**38 112**	26 184
Corporate administrative costs	**19 229***	**18 818**	12 144
Total operating costs	**66 613**	**56 930**	38 328
Rental income and recoveries	**134 932**	**118 834**	73 075
Operating lease rentals income/(loss)	**(6 493)**	**(7 509)**	(12 894)
Total Rental income and recoveries	**128 439**	**111 325**	73 075
Combined cost to income ratio	**51.8**	**51.1**	52,4
Total property cost to income ratio	**36.9**	**34.2**	35,8
Administrative cost to income ratio	**14.9**	**16.9**	16,6

* Includes a once off charge for a legal issue.

Management will again focus aggressively in 2024 to reduce both the property and administrative ratios above.

VACANCY

The vacancy rate at June 2023 was 10.0%, being 9 726 of GLA. This is higher than we would like and is a consequence of continued elevated vacancies at Mamelodi Square, as well as one of our larger industrial properties, Lea Glen, failing to renew. However in July 2023 the vacancy rate for the portfolio, dropped to 3.1% with the successful let of Lea Glen.

WALE

By revenue, the weighted average lease expiry is 3.2 years and by GLA, 3 years.

NET PROPERTY OPERATING COSTS

Property operating costs increased by 24.4%. This is worrying, but results largely from increased fixed rate tariffs imposed by local municipalities. Increased diesel costs must also be factored in as a result of the frequency of load shedding.

ESCALATIONS AND TENANT RETENTIONS ON RENEWAL

A total of 12 722m² of GLA expired during the period. Of this 47% has been renewed,

An average escalation of 6.5% was achieved by our in-house leasing team on leases renewed during the year.

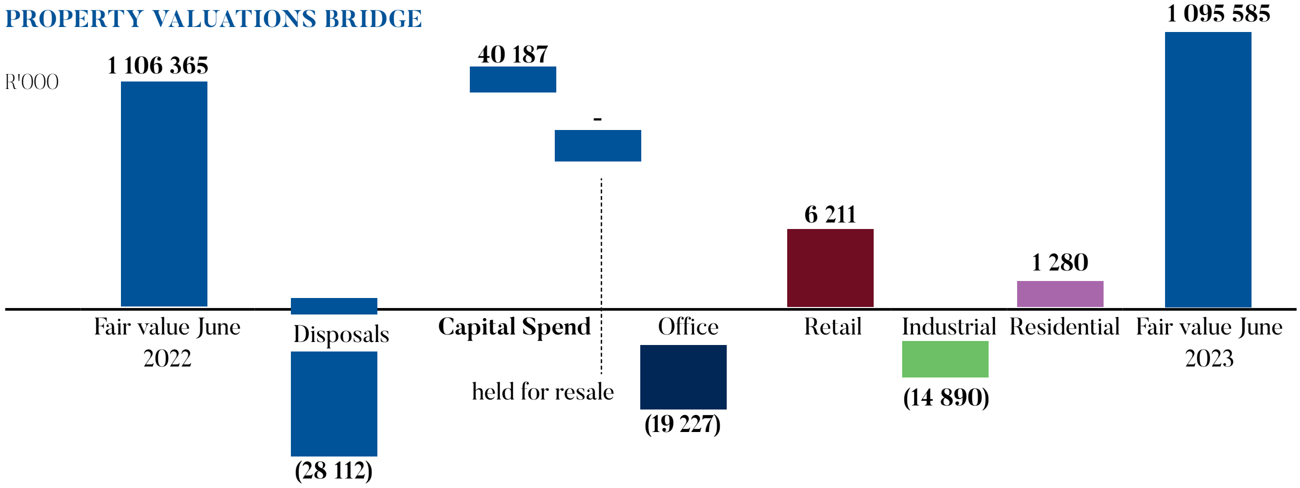
THE CHIEF FINANCIAL OFFICER REFLECTS
(CONTINUED)

FAIR VALUE OF INVESTMENT PORTFOLIO

Our property portfolio was revalued in 2023 by Spectrum Valuations and Asset Solutions, independent valuation consultants.

A write down valuation of R36.6 million (2022: R24.2 million up) was proposed and accepted by the Board. The downward move reflects our decision to adjust down certain of our ageing poorly located and not fit for re-purpose assets. In addition the depressed state of the current residential market values, has been accommodated. Although this adjustment downwards of our asset base is significant, we believe necessary to accurately reflect our properties realisable value in the current poor property market.

PROPERTY VALUATIONS BRIDGE



DISTRIBUTION

Cents per share	FY2023	FY2022	FY2021	FY2020	FY2019
Interim	4.25	4.25	4.25	8.25	**7.25**
Final	7.0	6.0	10.75	5.75	**5.75**
Total	**11.25**	**10.25**	**15.0**	**14.0**	**13.0**

An interim dividend of 4.25 cents per share was distributed in April 2023. A final dividend of 7.00 cents per share for the year ended June 2023 has been declared.

RENTAL AND RECOVERY INCOME
has increased by
15.4%

BASIC RENTAL THROUGH-RATE
improved by
9.3%

THE VACANCY FACTOR
in June 2023 was
10%
reduced to
3.1%
July 2023

NET PROPERTY OPERATING COSTS
have
INCREASED BY
22.6%

THE CHIEF FINANCIAL OFFICER REFLECTS
(CONTINUED)

CLOSING

Despite the current local property sector continued to languish and the global economic downturn, our investment property portfolio is in good shape. The disposal of non core assets as well as the more realistic valuation of certain assets in our portfolio allows us to establish a stronger, more high value, asset base.

Focus going forward is to build on this base, the opening of Mamelodi Square in October 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

14 September 2023

OUR 10-YEAR FINANCIAL PERFORMANCE REVIEW

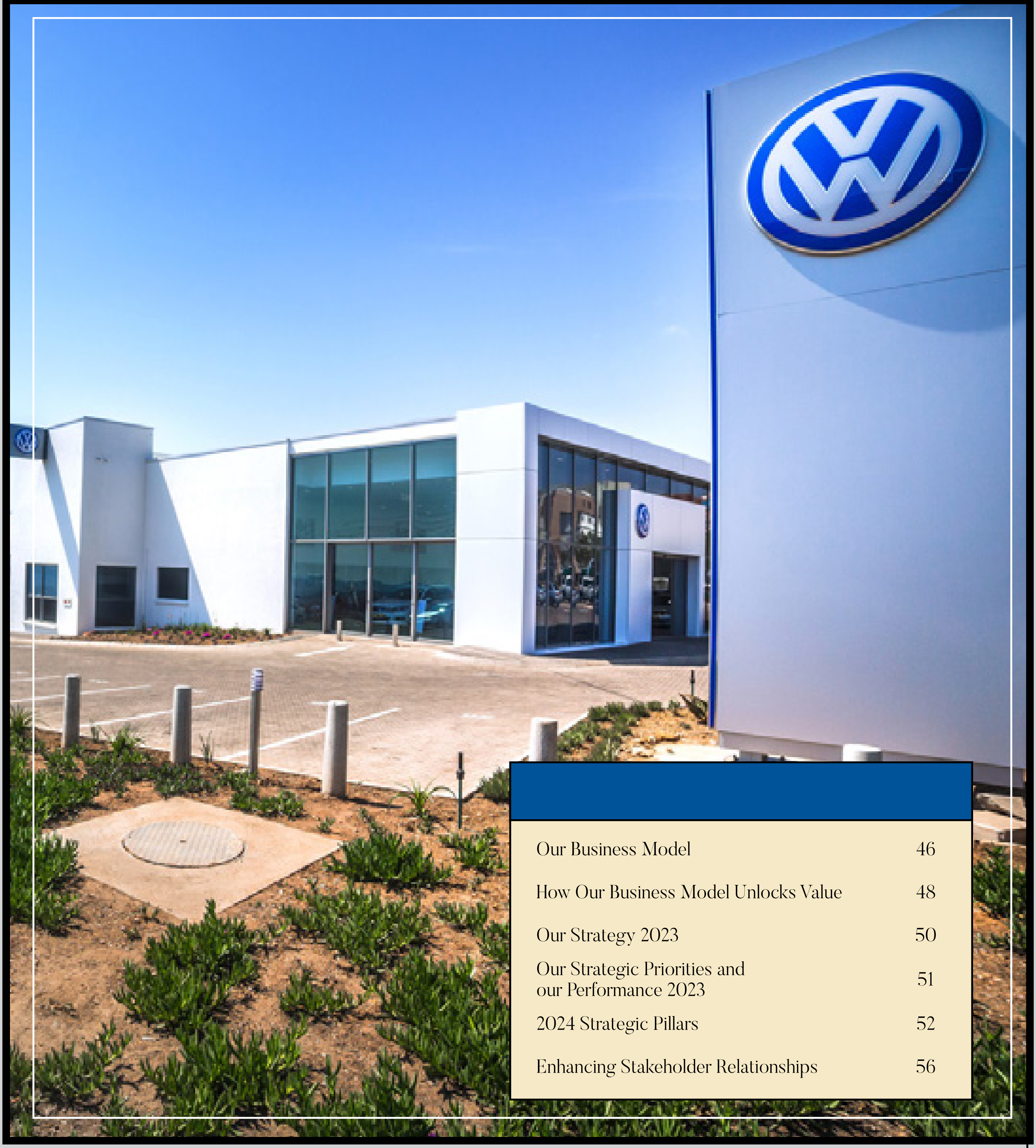
	2023 R'000	2022 R'000	2021 Restated* R'000	2020 Restated* R'000	2019 R'000
SUMMARISED INCOME STATEMENT					
Property revenue and recoveries	**128 439**	**111 325**	73 075	73 890	76 091
Property expenses	**(47 384)**	**(38 112)**	(26 185)	(19 856)	(19 636)
Net profit from property operations	**81 055**	**73 213**	46 890	54 035	56 455
Corporate expenses	**(19 229)**	**(18 818)**	(12 144)	(11 566)	(11 328)
Investment and other income	**(14 512)**	**5 112**	11 365	2 016	5 356
Associates' share of profits/(losses)	**139**	**7 175**	11 173	(12 521)	18 217
Gain on Bargain purchase	**-**	**-**	-	-	-
Expected credit losses	**991**	**601**	396	298	(1 900)
Operating profit before Finance costs	**77 468**	**67 283**	57 680	32 262	66 800
Finance costs	**(44 221)**	**(29 071)**	(11 303)	(12 623)	(15 105)
Profit before capital items	**33 247**	**38 212**	46 377	19 639	51 695
Fair value adjustments	**(30 173)**	**24 281**	(23 795)	(14 688)	(14 587)
Profit/(loss) on sale of capital assets and impairment transactions	**-**	**-**	–	–	–
Net profit before tax	**3 074**	**62 493**	22 582	4 951	37 108
Dividend distribution per share (cents)	**11.25**	**10.25**	15.0	14.0	13.0
Headline earnings per share (cents)	**93.98**	**87.96**	70.3	48.23	71.64
SUMMARISED STATEMENT OF FINANCIAL POSITION					
Investment property	**1 058 842**	**953 332**	970 113	512 626	495 640
Net investment property held for sale	**-**	**38 152**	30 156	20 310	41 267
Net investment property held under development	**-**	**82 730**	16 780	-	-
Investment in associates	**69 799**	**66 660**	59 486	200 351	209 131
Other non-current assets	**48 283**	**74 428**	78 807	22 364	23 480
Current assets	**59 723**	**51 261**	59 234	17 416	15 626
Total assets	**1 236 644**	**1 266 563**	1 214 576	773 067	785 144
EQUITY AND LIABILITIES					
Shareholders' equity	**664 910**	**658 141**	594 193	581 499	587 188
Non-controlling interest	**19 051**	**20 922**	18 590	–	–
Non-current liabilities	**470 911**	**404 197**	560 140	170 706	182 079
Current liabilities	**81 773**	**183 303**	41 653	20 862	15 877
Total equity and liabilities	**1 236 644**	**1 266 563**	1 214 576	773 067	785 144

*Restated - refer to note 31

OUR 10-YEAR FINANCIAL PERFORMANCE REVIEW
(CONTINUED)

2018 R'000	2017 R'000	2016 R'000	2015 R'000	2014 R'000	
					SUMMARISED INCOME STATEMENT
72 971	73 865	65 755	54 136	51 668	Property revenue and recoveries
(19 966)	(20 074)	(17 617)	(14 958)	(13 280)	Property expenses
53 005	53 791	48 138	39 178	38 388	**Net profit from property operations**
(8 852)	(7 187)	(10 185)	(5 848)	(5 300)	Corporate expenses
4 312	3 788	8 754	2 629	2 063	Investment and other income
(18 657)	3 049	(5 942)	13 167	19 371	Associates' share of profits/(losses)
-	–	–	10 918	–	Gain on Bargain purchase
–	–	–	–	–	Expected credit losses
29 808	53 441	40 765	60 044	54 522	**Operating profit before Finance costs**
(15 135)	(9 448)	(6 820)	(889)	–	Finance costs
14 673	43 993	33 945	59 155	54 522	**Profit before capital items**
1 319	9 104	11 284	17 391	32 697	Fair value adjustments
–	–	(4 850)	800	282	Profit/(loss) on sale of capital assets and impairment transactions
15 992	53 097	40 379	77 346	87 501	**Net profit before tax**
13.0	13.0	17.0*	26.0	36.0	Dividend distribution per share (cents)
59.5	55.9	69.4	85.1	86.3	Headline earnings per share (cents)
					SUMMARISED STATEMENT OF FINANCIAL POSITION
573 865	571 941	454 071	434 634	309 564	Investment property
–	–	–	–	–	Net investment property held for sale
-	-	-	-	-	
162 428	151 643	102 076	114 473	66 068	Investment in associates
18 398	9 435	4 588	2 990	4 307	Other non-current assets
11 545	33 900	176 884	111 881	55 225	Current assets
766 236	766 919	737 619	663 978	435 164	Total assets
					EQUITY AND LIABILITIES
563 168	562 020	528 520	545 043	392 519	Shareholders' equity
–	–	–	26 780	–	Non-controlling interest
190 627	189 145	124 495	73 682	34 279	Non-current liabilities
12 441	15 754	84 604	18 473	8 366	Current liabilities
766 236	766 919	737 619	663 978	435 164	Total equity and liabilities

HOW OUR BUSINESS MODEL UNLOCKS VALUE



OUR BUSINESS MODEL

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.

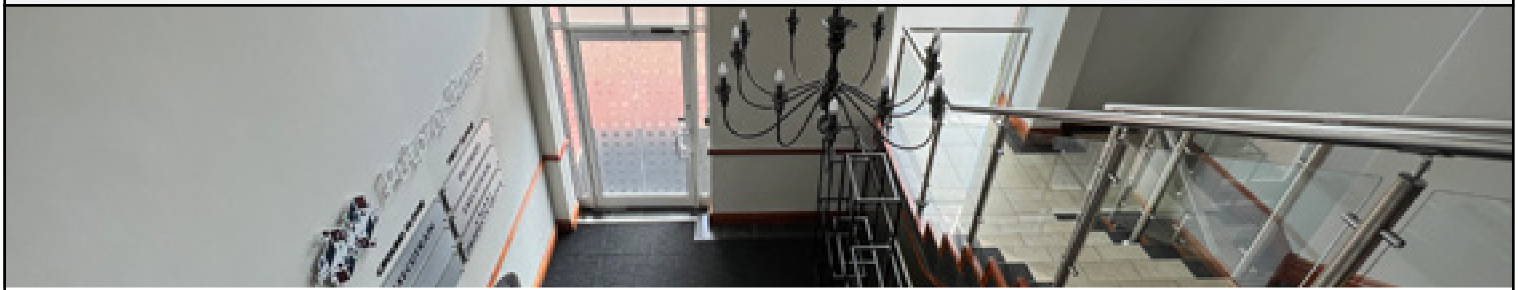
CAPITAL IN	INPUTS
FINANCIAL	Available funds and finance facilities to produce services
MANUFACTURED	Building properties that contribute to services we provide
INTELLECTUAL	Knowledge skills and experience
HUMAN	Knowledge skills and experience
SOCIAL AND RELATIONSHIP	Relationships with communities, stakeholders and tenants
NATURAL	Environmental resources supporting prosperity of group

INPUTS

BUSINESS ACTIVITIES

- GOVERNANCE
- RISKS AND OPPORTUNITIES
- PERFORMANCE
- STRATEGY AND RESOURCE ALLOCATION
- OUTLOOK
- MATERIALITY

OUR BUSINESS MODEL
(CONTINUED)



ACTIVITIES	CAPITAL OUT	TIME BASED OUTPUTS
Ageing asset refurbishment	FINANCIAL	Asset creation and refurbishment of assets add to life expectancy
Tenant facilities, rental opportunities	MANUFACTURED	Value creation
Management of asset portfolio, tenants	INTELLECTUAL	
	HUMAN	Contracted, sustainable rental flows value growth and preservation of asset base
Community projects, and support in sustainable activities	SOCIAL AND RELATIONSHIP	Contribution to social upliftment and economic prosperity at micro and macro levels
Solar energy, and water preservation value proposition	NATURAL	Services more costs efficient, sustainable and reliable

PRESERVATION OVER TIME

HOW OUR BUSINESS MODEL UNLOCKS VALUE

OUR APPROACH

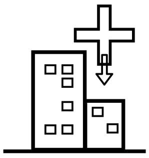
To create and preserve value in our business we review and determine the possible present and future influence of all material matters on the creation and preservation of value for our stakeholders. This necessitates short, medium and long-term views on all risks and opportunities both in our business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

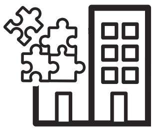
We seek ways to maximise value preservation and creation for our stakeholders by investing through the property life cycle.

Buy



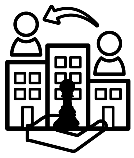
We acquire high-quality assets with strong property fundamentals.

Develop



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

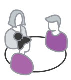
Let and manage

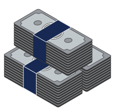


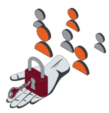
We provide safe, well-maintained buildings.

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.







HOW OUR BUSINESS MODEL UNLOCKS VALUE

The Group's business model draws on various capital inputs. Our activities impact these capitals and our ability to create and preserve value over time. Our business model outlines how we create value and the trade-offs we must make.

	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.
Outcomes in 2023	Outcomes are the material positive and negative impacts our business activities, products and services have on the various capitals.	
	We earned R128.4million in revenue (2022: R111.3 million), and net rental income increased by 9.4% (2022: 33.6%). We distributed R4.3 million to shareholders (2022: R6.3 million). In 2022, Putprop gearing level was 41.6% (2022: 37.0%). Average debtors' collection decreased to 70% (2022: 75%). We financed R130.0 million of debt during the year (2022: R47.3 million).	We invested R43.9 million (2022: R82.7 million) into developing new and maintaining and upgrading our existing properties.
	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 the last three years, we have occasionally sacrificed short term financial gain to assist our tenants in certain instances with rent reductions and reversions to ensure their sustainability and retain our tenant base. This also ensures our sustainability.	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 UNLOCKS VALUE
(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.

Human and intellectual capital	Social and relationship capital	Natural capital
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.

Human and intellectual capital	Social and relationship capital	Natural capital
We enhanced our human and intellectual capital by: • Conducting a detailed employee climate survey and implementing changes to address any concerns • Finalising a 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 an additional borehole and installing JoJo tanks to selective sites. One of the our sites is now totally independent of municipal water supply. Generators are to be slowly phased out where possible and solar solutions installed.

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

Human and intellectual capital	Social and relationship capital	Natural capital
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 2023

Strategic Pillars and Priorities

Pillar 1
Loan-to-value reduction

OBJECTIVES

To reduce the Group's LTV ratio to below 38% in the medium term and thus strengthen our balance sheet, reduce risk to interest variances and increase profitability

PROGRESS

During this period the Group finalised its investment in Mamelodi Square, a Joint Arrangement. Consequently the LTV ratio has not reduced to below 38%.

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 deteriorated to 10.0% as at the date of this report. This was subsequently reduced to 3.1% in July 2023.

Pillar 3
Realignment of Portfolio

OBJECTIVES

To continue to dispose of non core properties as well as those ageing, non performing or not fit for purpose assets.

PROGRESS

Two industrial properties, Nancefield and Soshanguve were disposed of during this reporting period. Realignment will continue in 2024.

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.

PROGRESS

Discussion are underway with interested parties, where various models and options are being considered to achieve this strategy.

OUR STRATEGIC PRIORITIES AND OUR PERFORMANCE 2023

FINANCIAL

METRIC	WHY IS THIS IMPORTANT?	HOW DID WE PERFORM IN THE YEAR?
Total distribution cents per share	Measures our financial health and ability to share our profits with unitholders.	11.25 cents unit (2022: 10.25 cents)
Net asset value (NAV)	Measures the total value of our assets.	1 612 cents (2022: 1 601 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).	10.84% (2022: 7.48%)
Market capitalisation	Measures our worth on the open market and the market's perception of our business and prospects.	R136.8 million (2022: R154.8 million)
Contract rental income growth %	Measures how well we have grown our net income or bottom line.	9.4% (2022: R33.6%)
Interest cover ratio times	Measures how easily we can pay interest on our outstanding debt.	1.75 times (2022: 3.15 times)
Property portfolio value (including investment property held for sale) R	Measures how the value of our portfolio has grown.	R1.09 billion (2022: R1.10 billion)
Loan to value ratio %	Measures our financial health and how well we can service our debt.	41.6% (2022: 37.0%)
Vacancy Rate %	Measures how well our properties are occupied, which is a key driver of our income.	10.0% (2022 2.2%) reduced to 3.1% July 2023

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?
Environmental		
Electricity saved	Measures the efficiency of our operations and how environmentally responsible we are.	Refer to page 84
Water savings		Refer to page 87
Renewable energy generated		Refer to page 84
Social		
% Employee turnover	Measures the stability of our workforce	28% (2022: 0%)
% Female employees	Measures our empowerment of women.	57% (2022: 43%)
% Previously disadvantaged employees	Measures our transformation.	28% (2022: 14%)
Community investment	Measures our impact on our communities.	Corporate social investment spend of R140 000 (2022: R371 005)
Governance		
% Average Age Board	Measures the impact on tour skill base and succession needs	61 years (7/7). (2022: 60 years) (7/7)
% Previously disadvantaged Board members	Measures our transformation.	0% (0/7). (2022: 0%) (0/7)
% Female Board members	Measures our empowerment of women.	28 % (2/4). (2022: 28%) (2/7)

2024 STRATEGIC PILLARS
(CONTINUED)

	Strategy pillar 1 : **NONCORE** Balance sheet and liquidity management	Strategy pillar 2 : **VACANCY PUSH** Organically optimising the portfolio's long-term cash generation
Objectives	• Dispose of non-core or saleable assets to maintain an acceptable loan-to-value (LTV) ratio of 38% • Dispose of assets not contributing significantly to distributable income or reaching the end of their economic life cycle • Continue the current intensive debt collection process • Communicate with shareholders regarding the need to build large capital reserves during the current period of uncertainty in the property market. • Utilise innovative ways to generate income, including short tenancies in vacant properties	• Reduce vacancies in offices, and retail sectors through intense marketing campaigns • Improve productivity and internal operational efficiencies and create a dedicated leasing team • Maintain portfolio vacancy profile at under 6%
Actions required	• Consider selling assets it proceeds unlock other areas of strategy • Target debt collection process to an minimum of 85% in 2024 (2023: 70%) • Investigate short-term tenancies within the retail portfolio to drive additional income and reduce costs	• 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. • Focus on retail vacancies in Mamelodi Square, with community awareness schemes of short term, small m^2 area rentals available subject to cost setup. • To focus on our expenses and maintain an expense ratio below 35% versus the benchmark which is 40%

2024 STRATEGIC PILLARS
(CONTINUED)

	Strategy pillar 3 : EXPANSION Entrepreneurial and joint venture partnerships intended to increase income or develop nodes around major assets	Strategy pillar 4 : GREENING Investing in green initiatives to optimise energy and water expenditure and reduce our carbon footprint
Objectives	• Entrepreneurial focus on increasing revenue • Explore joint ventures and partnerships to strengthen the node around major assets • Grow in segments included in the Western Cape	• Continue with our strategy to invest in green initiatives, specifically the installation of off grid solar systems on some of our larger assets • Continue to invest in water saving initiatives in some of our assets.
Action required	• Investigate partnerships in the listed and unlisted space for JVs currently being considered • Investigate commencement of the Dobsonville retail centre in Soweto • Expansion of the Eagle Canyon property to accommodate non motor related industries	• Target Parktown Towers and Secunda Value Centre for Solar installation • Install additional water tanks and investigate the installation of boreholes on selected properties

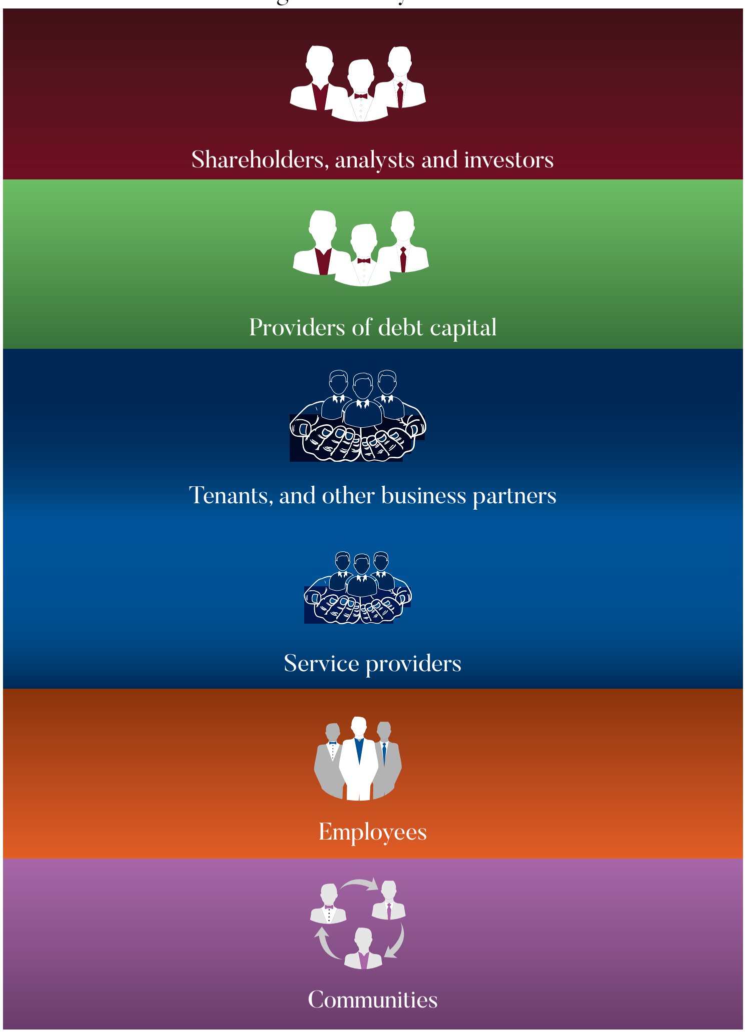
ENHANCING STAKEHOLDER RELATIONSHIPS

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

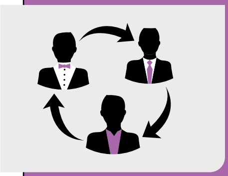
Our Group is accountable to all its stakeholders. This report aims to provide the various categories of stakeholders with essential, practical and user-friendly information. The following are our key stakeholders:



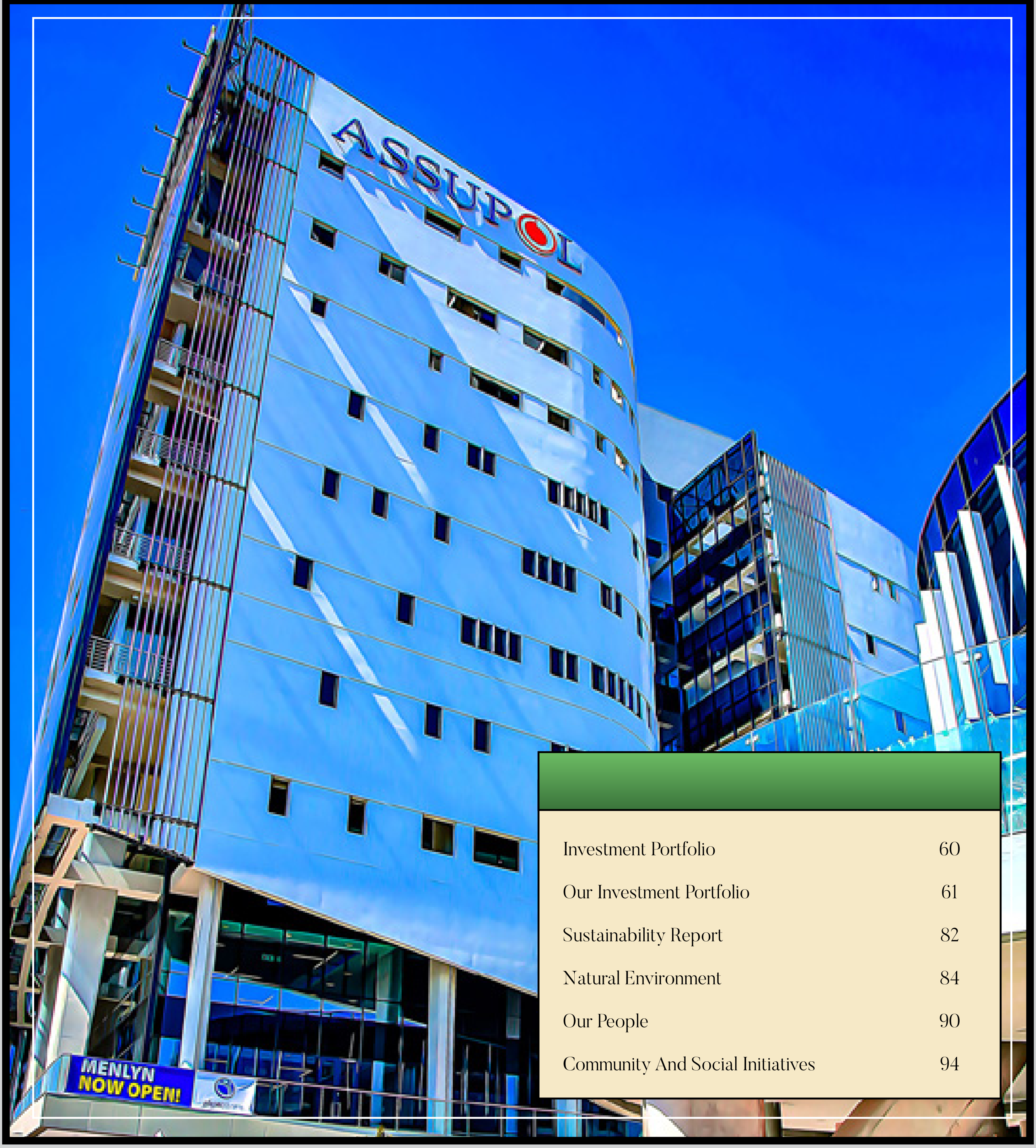
ENHANCING STAKEHOLDER RELATIONSHIPS
(continued)

Stakeholder	Our Engagement	Value created for stakeholder and Group	Stakeholder expectation
Shareholders analysts and investors	Shareholder expect consistently quality distributions and an overall return on their investment. Executive directors have one on one meeting with major shareholders. Our operations and financial director is directly available to all shareholders and potential investors. **Our top shareholders:** Carleo Enterprises (Pty) Ltd Heynen Family Trust Oasis Cresent Management Steyn Capital	Relationship building, reliability of growth of Group, transparency and opportunity to provide relevant inputs and feedback.	Growing distributions on an annual basis with the objective of delivering sustainable, quality earnings. Secure investment underpinned by high quality property assets. Their capital is underpinned by a strong balance sheet and credit metrics that are well within covenants.
Providers of debt capital	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.	A assurance that through our transparency and regular interface, covenants can be relied upon to meet with their requirements.	Covenants will be maintained and if not, early indications given that there may be a potential issue Strategies provided to resolve any issues. Regular instalments from a financially stable organisation. Strict financial controls risk avoidance and sound operating systems.
Tenants, and other business partners	We arrange for visits to tenants operations in order to observe and understand their operations and challenges faced. 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. Other non-direct means of communication include social media, print communications and operational notices.	Ethical Business partners Relationship building Reliable source of income.	High level of service to enable them to thrive, grow and sustain their businesses. Transparent and honest interactions. Property Maintenance Flexible lease terms

ENHANCING STAKEHOLDER RELATIONSHIPS
(continued)

Stakeholder	Our Engagement	Value created for stakeholder and Group	Stakeholder expectation
Service Providers 	Our service providers are managed directly through our property managers, whose function is to liaise and develop relationships with quality, reliable, cost efficient suppliers	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	Suppliers who meet our stringent requirement of cost effectivness time efficient and quality services or products, are rewarded with long-term monopolist relationships.
Employees 	• Electronic communication • Site visits for a better understanding of the Group's operations • Presentations • Induction, training and development days • Lifestyle functions • Performance reviews based on preset KPI's	Employees, the foundation of our business and provide performances required to grow the business. The Group ethos is maintained through communication, Training and development	Appropriate salary and remuneration schemes. Flexible working environment. Job Security Recognition of talent and exceptional performance, environment, secure and pleasant working
Communities 	• Corporate Social Investment initiatives • Corporate Social Investment initiatives at our properties • Environmental initiatives • Community engagement to determine needs • Enhance employment opportunities for youth	Sponsorship and funding of projects Job creation. Stability to disadvantaged populations	Sponsorship and donations. Communities initiatives and projects. Environmental upgrades of properties. Infrastructure upgrades/projects in adjacent areas to our properties

INVESTMENT PORTFOLIO



PORTFOLIO PERFORMANCE

South African Property Market

The Russia – Ukraine war resulted in higher inflation and interest rates both locally and globally. This trend has materialised in all markets of major global players, and South Africa has followed. The property sector is being negatively impacted by concerns about local and global economic growth, as well as uncertainties caused by radical climate changes during the 2022/2023 year. Although the sector performed better in the last two quarters of 2023, property fundamentals such as vacancy rates, rental levels, lease contract terms and tenant reversions still place pressure on property groups. Stage 6 load shedding in the last quarter of 2022 and the first quarter of 2023 caused major operational losses for the property market.

The market still has not recovered to those levels last seen pre Covid, and the property sector continues to be the worst performing sector on the JSE in this period.

KEY PERFORMANCE INDICATIONS

	2023 R'000	2022 R'000	% Increase/ (Decrease)
Rental income and recoveries	134 932	118 834	13.5
Property portfolio	1 095 585	1 067 853	2.6
Fair value adjustment - investment property	36 666	24 281	
Properties held for resale	-	38 152	-
Vacancy profile	9 726	1 827	*
Lease renewals %	47	100	(52.9)
Escalation rate combined %	6.5	6.7	-
Net asset value cents.	1 612	1 601	-

* reduced to 3.1% in July 2023

Leases tenanted in July 2023

PORTFOLIO SUMMARY

The Putprop property portfolio at 30 June 2023 consisted of 13 properties (2022: 15) and one property held for possible resale with a total market value of R1.095 billion (2022: R1.106 billion) and a gross lettable area of 97 601m² (2022: 84 112m²). The portfolio is valued annually by an independent external valuer. Refer to note 5.

A valuation decrease of R36.6 million in the current year (2022: up R24.2 million) was recorded. Ageing properties like Putcoton and Lea Glen were written down, aggressively as was Summit Place due to the depressed office segment.

Portfolio sector key:

- Retail portfolio
- Commercial portfolio
- Industrial portfolio
- Residential portfolio

TENANT PROFILE BY GRADE AND CONTRACTUAL INCOME

'A' GRADE

Large national tenants, listed tenants, governments and major franchises. Standard Bank, Liberty Group, Super Group, Assupol and Massmart.

52.0%

'B' GRADE

Medium sized national tenants, franchises and medium to large professional firms. These include BDO, Burger King, Westpack, Eskort, Sea Harvest and Planet Fitness.

29.6%

'C' GRADE

All other tenants that do not fall into the above two categories. These include Stainless Precision Engineering, Package it, Cavi Brands and the Larimar Group.

18.4%

PORTFOLIO PERFORMANCE OVERVIEW

KEY STATISTICS AND KPIS	Unit	2023	2022	2021	2020
Properties	Number	13	15	16	14
Value of portfolio (including investment property held for sale)	R bn	1 096	1 106	1 057	562
Property portfolio growth	%	(0.9)	4.6	879	0.13
Average base rent	R/m²	87.8	88.2	846	61.8
Vacancy rate	%	10.0	2.2	2.3	11.2
Tenant retention ratio	%	47.1	100	96	92
National tenancy	%	52.0	37.0	26.7	20.3
Disposals	%	2.9	1.4	0	-
Acquisition and Revamps	Rm	40.1	99.5	16.7	-
Property expense ratio	%	36.9	34.2	30.6	26.8
Electricity recovery ratio	%	92	95	90	88

OUR KPIs

Our most important property KPIs are:

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

DISPOSALS

We disposed of two non-core properties in 2023 and have listed one asset for possible future sale:

- Erf 927 and 973, Lea Glen Township - Possible future disposal
- Erf 2 Soshanguve, Pretoria - Sold
- Erf 78 Nancefield, Soweto - Sold

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 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.

The portfolio was valued at R1.096 billion (2022: R1.106 billion) with a negative fair value adjustment of R36.6 million (2022: positive R24.2 million). The retail segment was the only segment with an upward valuation (R12.1 million) with commercial and industrial substantially down at R23.6 million and R24.9 million respectively. The residential segment was up slightly by R500 000.

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 increased to 10% (2022: 2.2%). Two major contributors were higher than expected, vacancies in Mamelodi Square, and the failure of our tenant at Lea Glen to renew. Fortunately, the Le Glen property was tenanted in July 2023 reducing the vacancy to an acceptable 3.1%

OUR WALE

(WEIGHTED AVERAGE LEASE EXPIRY)

Our WALE is 3.5 years (2022: 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)	2023	2022	2021
Industrial	1 year	2 year	2 years
Office	4 years	4 years	3 years
Retail	4 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.

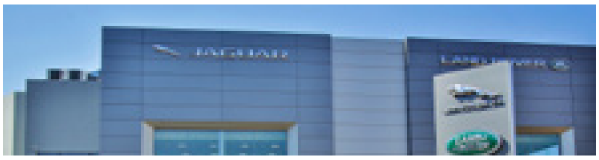
PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

FINANCIAL PERFORMANCE SUMMARY FOR THE TOTAL PORTFOLIO
2023 - R'000

Gross property revenue	128 439
Property expenses	47 384
Net property income	81 055
Property expense ratios	36.9%
Weighted average rental m² (combined)	11.5

GLA SUMMARY
GLA m²

Balance at 1 July 2022	84 112
Disposals	(4 549)
Acquisitions, adjustments and extensions	18 038
Balance at 30 June 2023	97 601

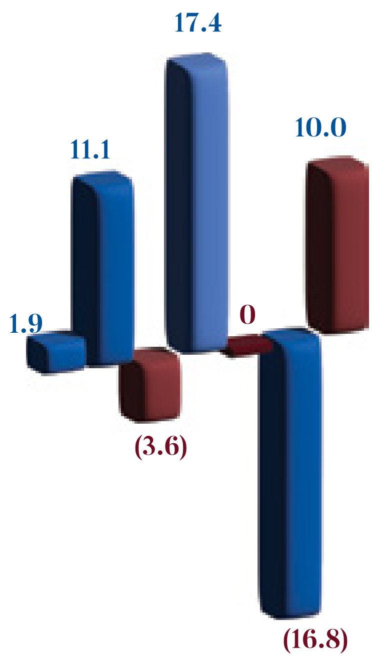


VACANCY SUMMARY

	Area m²	%
Balance at 1 July 2022	1 827	1.9
Leases expired or terminated early	12 136	11.1
Renewal of expired leases	(4 833)	(3.6)
Property purchased during the year	16 955	17.4

VACANCY SUMMARY

	Area m²	%
Property sold during the year	0	0
New letting of vacant space	(16 459)	(16.8)
Balance at 30 June 2023	9 726	10.0



COMMERCIAL

OFFICE

The office market is still significantly depressed. The national vacancy rate for A and B grades has further increased by 4.4 points. Rode equates this to a rate of 14.7% still way above the long-term average of 8.8% (back to 2000). 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%.

PORTFOLIO

Number of Properties	4
Value Rm	620 700
Average gross rental per m² Rands	196.3
Value per m² Rands	16 049
Gross lettable area m²	38 675
Vacancy m²	294
Escalation	6.3%

OUR TENANT EXPOSURE BY GROSS RENTAL (%)

ASSUPOL	17.5
CAVI HOLDINGS	6.8
STANDARD BANK	2.8
SIZWE	5.8
BDO	4.6

RETAIL

RETAIL

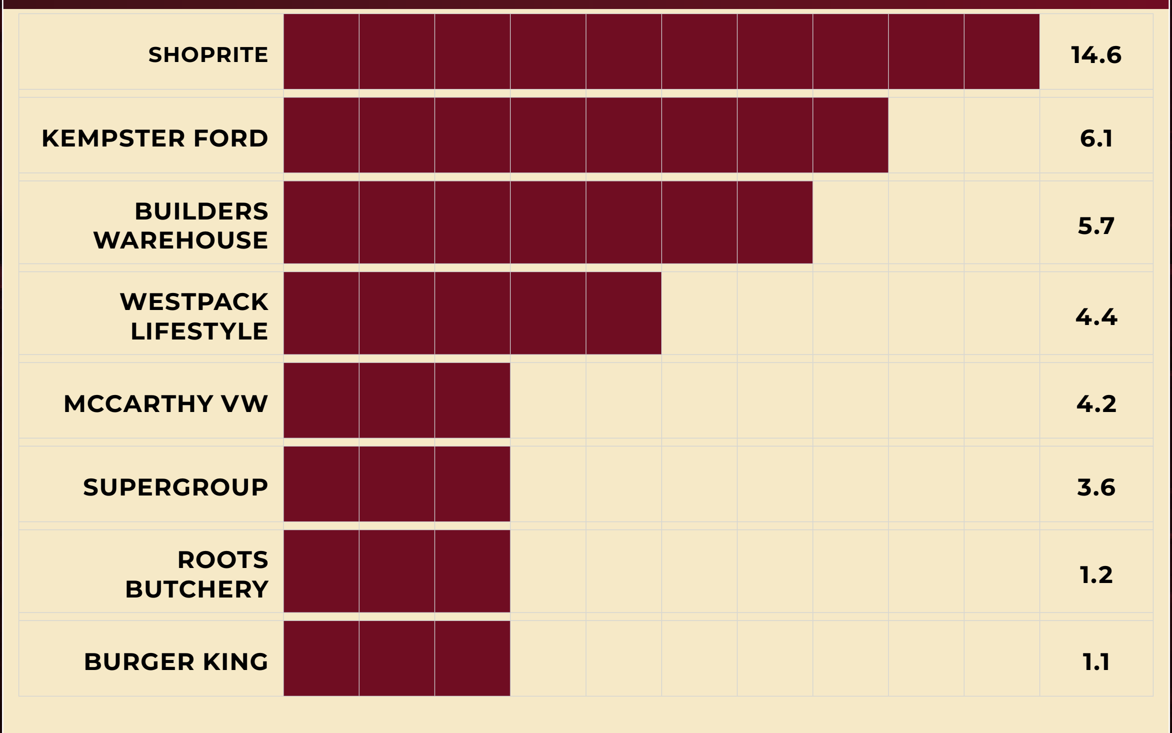
The retail market made a strong recovery in the last quarter of 2022, which continued into 2023. This arose largely from "pent up" demand following the easing of the pandemic and with the boom in online retail sales. This trend, however, began to fade in the second quarter of 2023, with the advent of more unfavourable local economic drivers – high interest rates, high unemployment, and high inflation.

As consumers come under increasing pressure, necessities will dominate, and any spend seen as a luxury or dispensable decrease.

Retail portfolio

Number of Properties	4
Value Rm	355 286
Average gross rental per m² Rands	110.9
Value per m² Rands	9 750
Gross lettable area m²	34 627
Vacancy m²	199.1
Escalation	7.0%

OUR TENANT EXPOSURE BY GROSS RENTAL (%)



RETAIL TRADING STATISTICS

Trading density	Foot count	Spend per head	Social Media Reach (month)
R1 924 pm²	**408 768** **YTD 363 911**	**R90.00**	**29 742**

Note: No meaningful comparisons possible due to Mamelodi Square opening in October 2022

INDUSTRIAL

INDUSTRIAL

The sector continues to be well placed with rental growth of around 3-4% (Rode). The recovery in the manufacturing and retail markets contributed to this sector outperforming all other sectors. Logistics continues to do well with should support the sector going forward, as the online sales expansion shows no sign of easing. The pandemic accelerated this trend.

Industrial portfolio

Number of Properties	4
Value Rm	109 600
Average gross rental per m² Rands	58.7
Value per m² Rands	4 678
Gross lettable area m²	23 427
Vacancy m²	6.9%
Escalation	6.5%

OUR TENANT EXPOSURE BY GROSS RENTAL (%)

LARIMAR - PUTCOTON	9.1
LARIMAR - DOBSONVILLE	3.6
PACKAGE IT	2.2

DISPOSALS

	NANCEFIELD	SOSHANGUVE
GLA	1 585	2 964
% Portfolio GLA	1.9	3.5
Revenue R'000	1 965	1 085
% Portfolio	2.1	2.0
Proceeds R(m)	7.6	14.0
Carrying Value	7.6	13.9
Est yield %	14.5	9.4

	GLA	%Portfolio GLA	Revenue R'000	% Portfolio	Proceeds R(m)	Carrying Value	Est yield %
TOTAL	4 549	5.6	3 050	4.1	21.6	21.5	11.2

RESIDENTIAL

RESIDENTIAL

Vacancy rates were high, with a national average between 9 - 10.5%. House prices in real terms fell by 2-3% already in 2023 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.

Residential Portfolio

Number of Properties	1
Value Rm	10 000
Average gross rental per m² Rands	77.4
Value per m² Rands	11.5
Gross lettable area m²	872
Vacancy m²	–
Escalation	7,0%

OUR TENANT EXPOSURE BY GROSS RENTAL (%)

MENLYN VILLAS	100

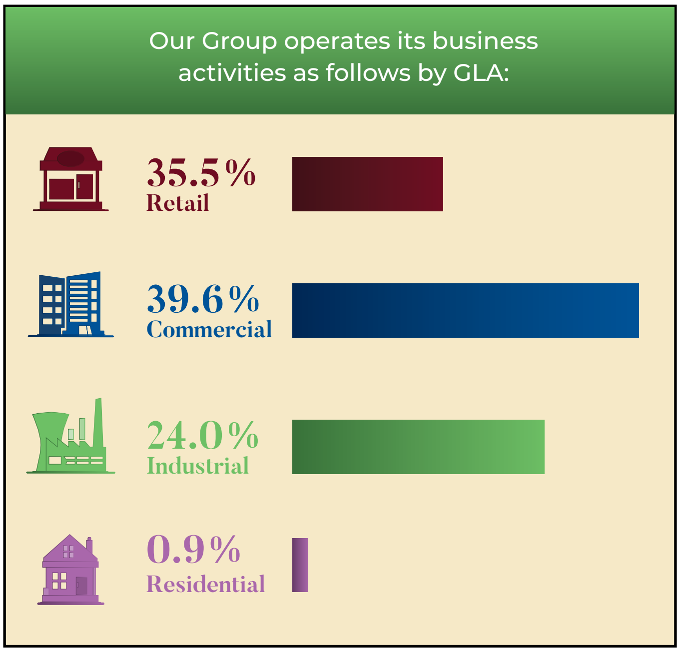
PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

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 make up the vehicle to achieve this objective.



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 52.0% of the portfolio tenant profile by rental income (Standard Bank, Liberty, Massmart and Super Group). The average property value was R84 275 million (2022: R73 316 million). Geographical and sectoral distribution is reflected in the graphs on pages 71 to 78. The portfolio by value reflects a more concentrated weighting, in the commercial sector due to the inclusion of Summit Place. Industrial and retail weightings by rentals are reflected at 17.5% and 30.8% respectively with commercial at 50.8%. Residential is insignificant

See graph on page 75. 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

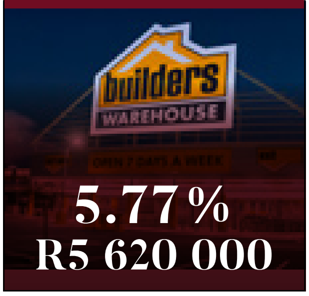
Assupol

Cavi Holdings

Shoprite

Sizwe Audit

Builders Warehouse

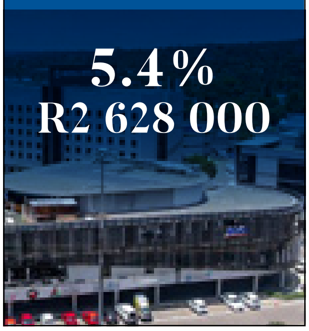


Kempster Ford

Bidvest

Planet Fitness

BDO Audit



PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

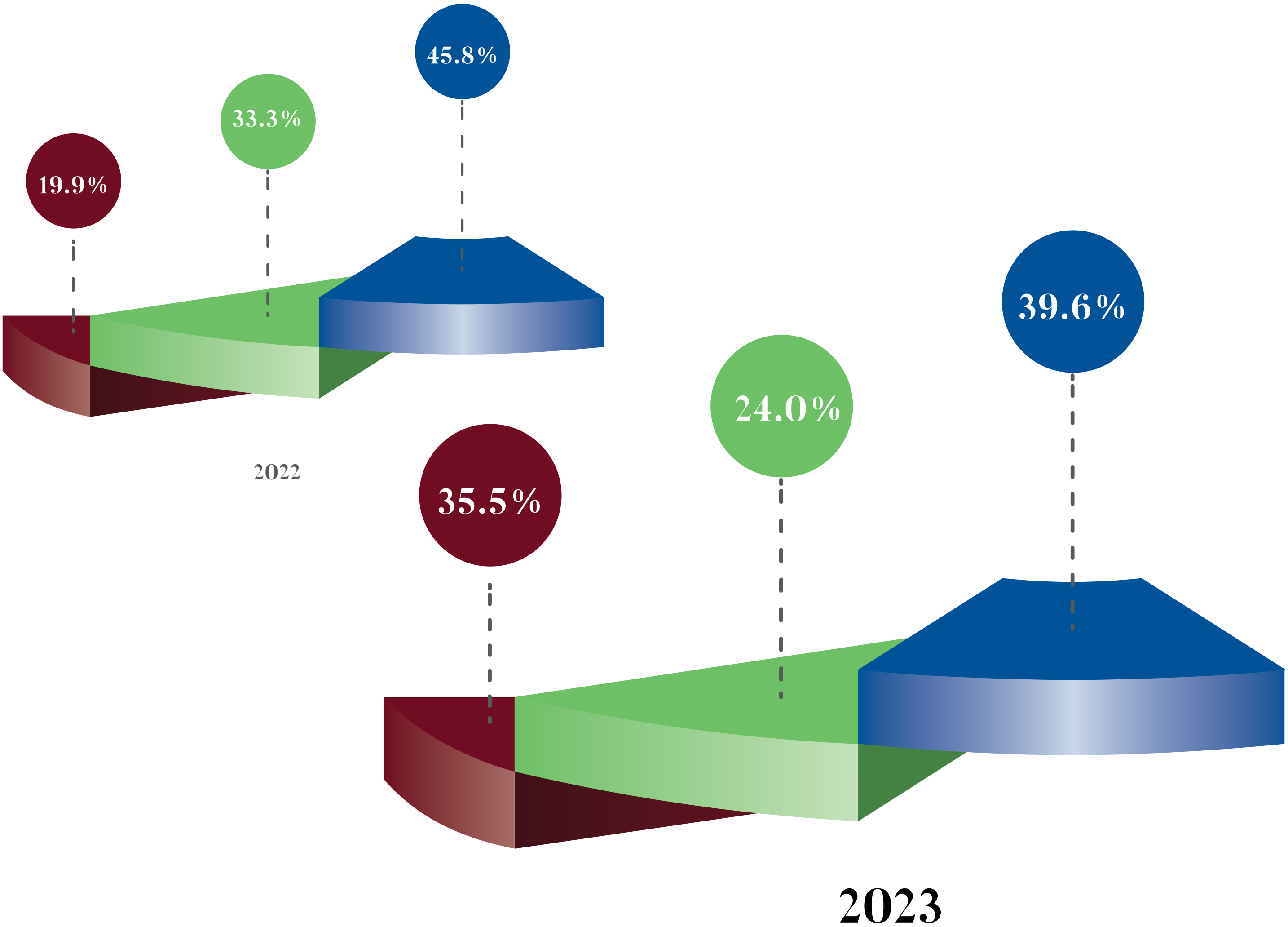
SECTORS MIX

	Number of properties	Gross lettable area m²	Vacancy m²	Vacancy %	Value Rm	Value per m² Rands	Average gross rental per m² Rands*
Commercial portfolio							
Office	4	38 675	294	0.75	620 700	16 049	125.8
Total commercial	4	38 675	294	0.75	620 700	16 049	125.8
Retail portfolio							
Retail/motor related	2	8 258	200	6.27	99 900	12 097	121.2
Retail Shopping Centre	2	26 369	1 949	8.15	255 385	9 685	81.3
Total retail	4	34 627	2 149	6.2	355 285	63 140	110.9
Industrial portfolio							
Retail warehousing	1	3 640	–	–	20 000	5 494	48.4
Remanufacturing	1	6 728	6 728	100	20 600	3 061	25.3
High grade industrial	2	13 059	–	–	69 000	5 283	80.3
Total industrial	4	23 427	6 728	28.72	109 600	13 840	58.7
Residential Portfolio							
Total Residential	1	872	–	–	10 000	11 468	77.4
Total Putprop	13	97 601	9 171	9.97	1 095 585	63 140	111.5

* Gross rental per square metre is the weighted average actual gross rental.

PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

TENANT PROFILE BY GROSS LETTABLE AREA

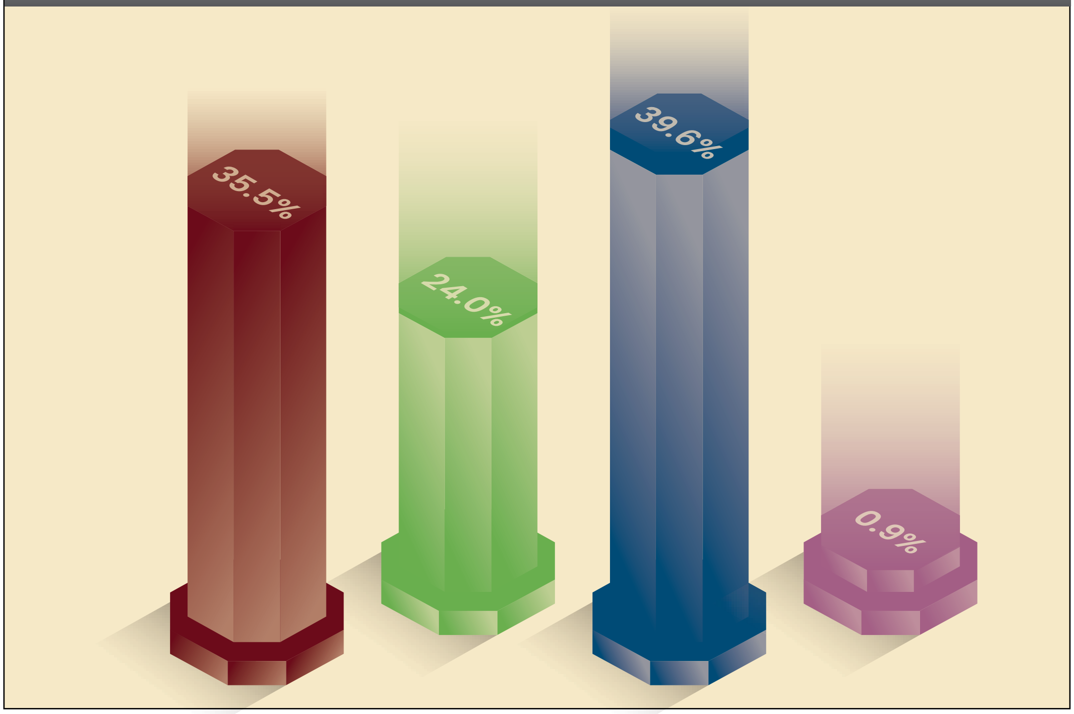


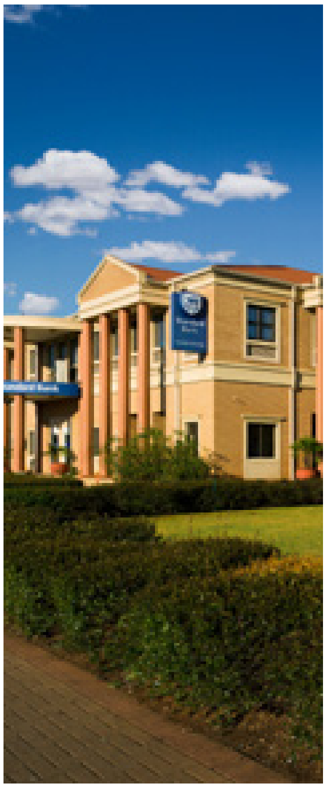
TENANT MIX BY CATEGORY

By GLA %		By Income %
9.7	- Banking and Financial -	15.3
18.2	- Motor related-	15.2
5.5	- Hardware	5.8
3.0	- Clothing -	2.8
13.4	- Public Transport -	12.4
29.4	- Retail other -	6.5
4.6	- Retail Groceries -	15.8
5.8	- Education and Beauty -	8.4
2.8	- Gyms-	5.5
0.9	- Residential -	0.8
6.7	- Auditing -	11.5
100	- Total -	100

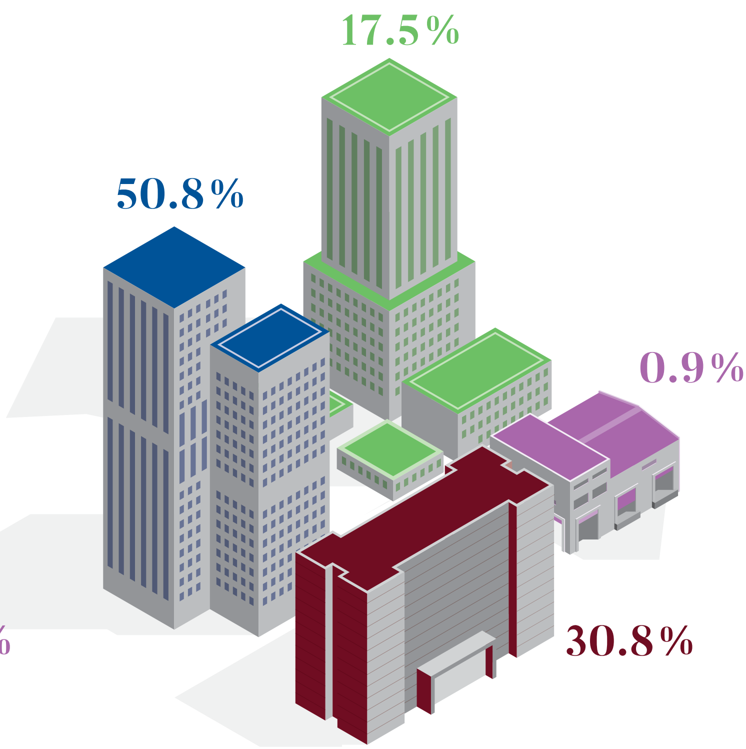
PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

SECTORAL PROFILE (GROSS LETTABLE AREA) %

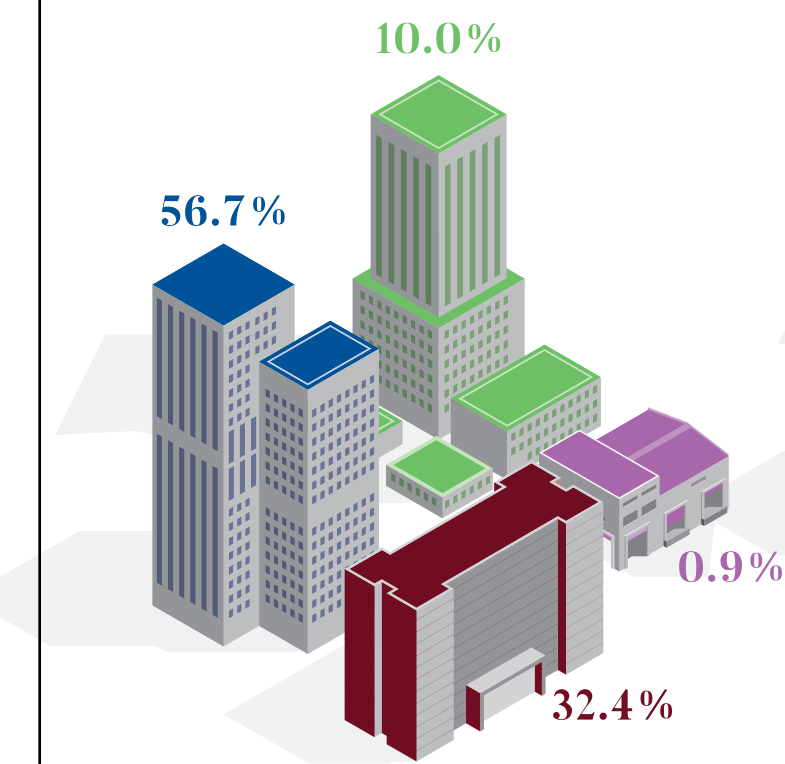




SECTORAL PROFIT BY CONTRACTUAL RENT %



PORTFOLIO VALUE BY SECTOR (%)

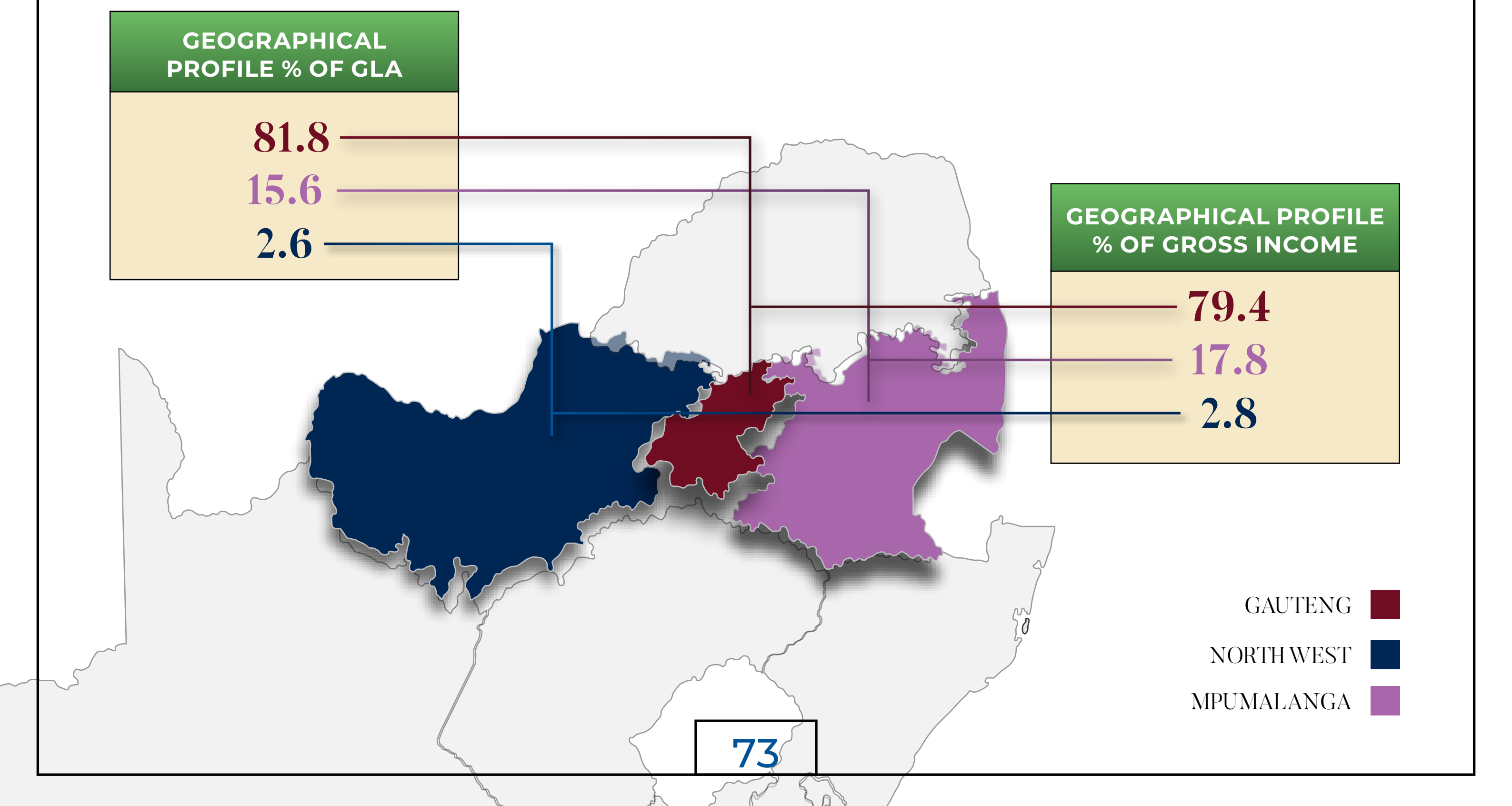


PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

GEOGRAPHICAL PROFILE

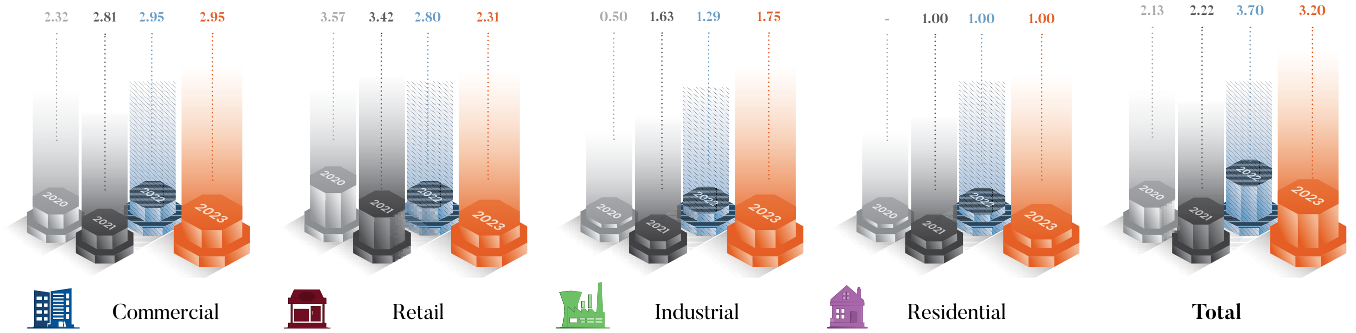
The majority of the Group's properties are situated in Gauteng province, with one property located in the North West and one in the Mpumalanga province. The geographical distribution is detailed below:

Location	Gross lettable area m²	Total portfolio %	Rent received R'000
Gauteng			
Johannesburg West	18 710	19.2	14 414
Pretoria	51 890	53.2	48 577
Sandton	1 092	1.1	1 340
Johannesburg South	-	-	1 965
Johannesburg Central	4 666	4.8	7 523
Soweto	3 500	3.6	3 506
Gauteng Total	**79 858**	**81.8**	**77 324**
North West			
Potchefstroom	2 494	2.6	2 756
North West Total	**2 494**	**2.6**	**2 756**
Mpumalanga			
Witbank	5 835	6.0	4 472
Secunda	9 414	9.6	12 812
Mpumalanga Total	**15 249**	**15.6**	**17 284**
Total	**97 601**	**100**	**97 364**



PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

WEIGHTED AVERAGE LEASE EXPIRY ("WALE") IN YEARS



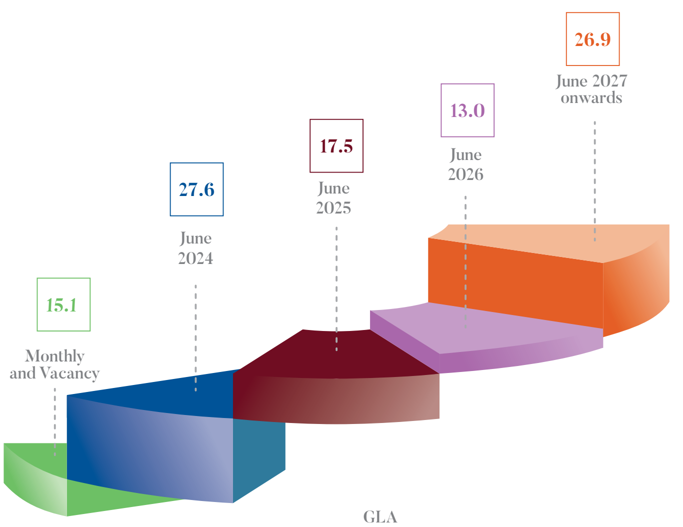
5 MAJOR LEASE EXPIRIES BY GROSS RENTAL: 2023

Property	Sector	Tenant	Lease end	GLA (m^2)	Status
Bank City	Commercial	Standard Bank	Nov 2022	1 504	Renewed
Lea Glen	Industrial	Stainless	Feb 2023	6 728	Not Renewed
Dobsonville	Industrial	Larimar	Dec 2022	3 500	Monthly
Bank City	Commercial	Liberty	Oct 2022	168	Monthly

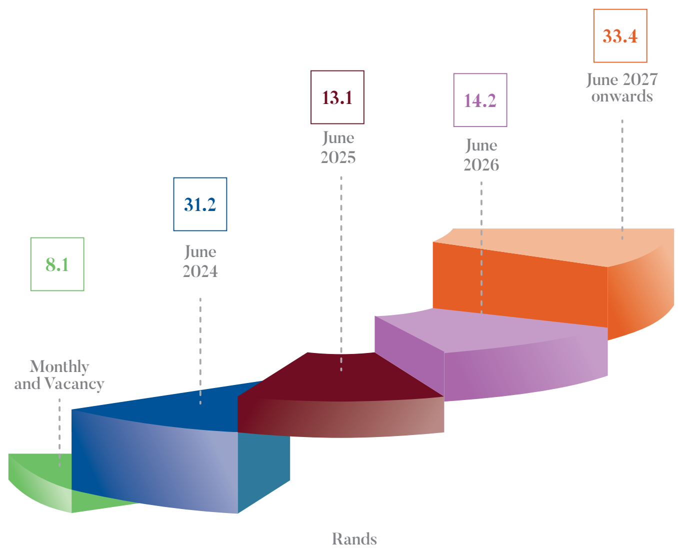
Retained
47.0

Total m^2 expire
11 900

TOTAL LEASE EXPIRY BY GLA %



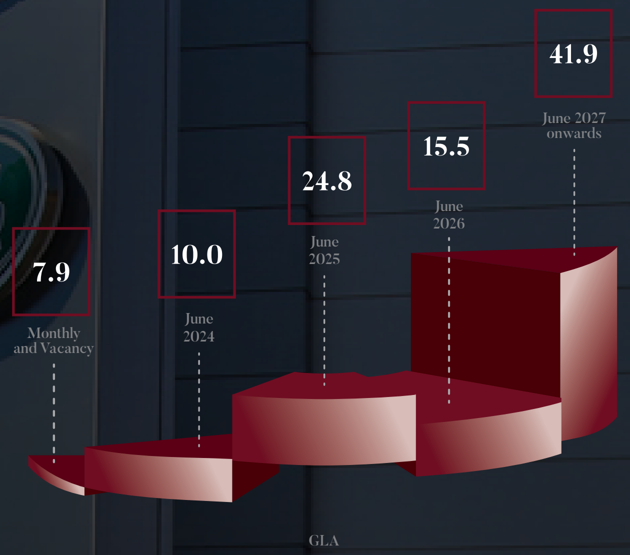
TOTAL LEASE EXPIRY BY REVENUE %



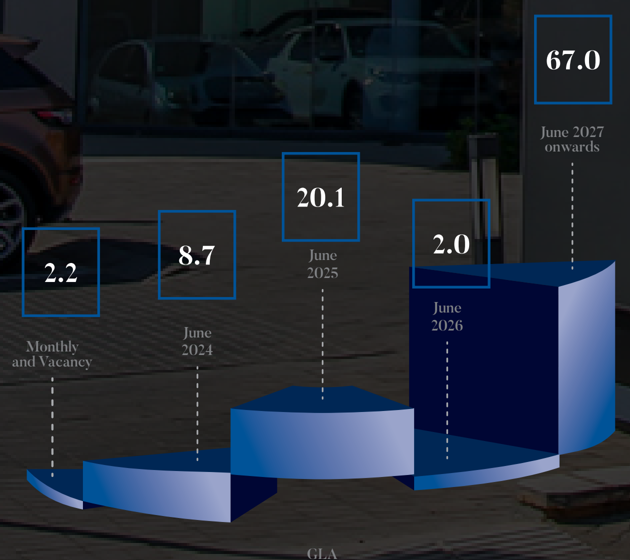
GROUP LEASE EXPIRING BY SECTOR

INDUSTRIAL

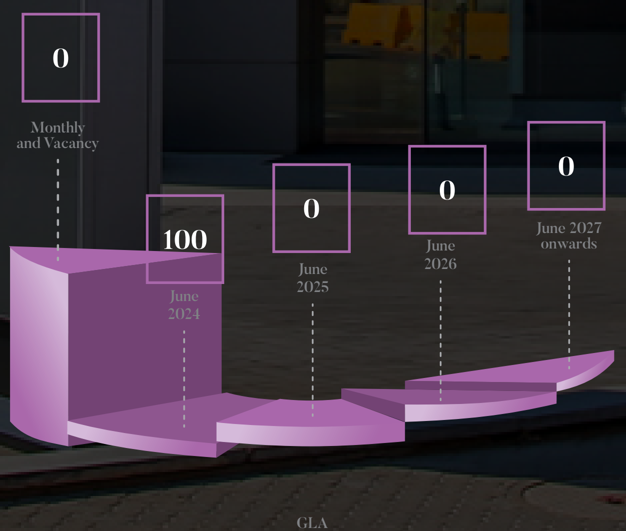
RETAIL



COMMERCIAL



RESIDENTIAL



PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

LEASE EXPIRY PROFILE

Leases expiring for the year ended June 2023 including current monthly rentals comprise 13.7% 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

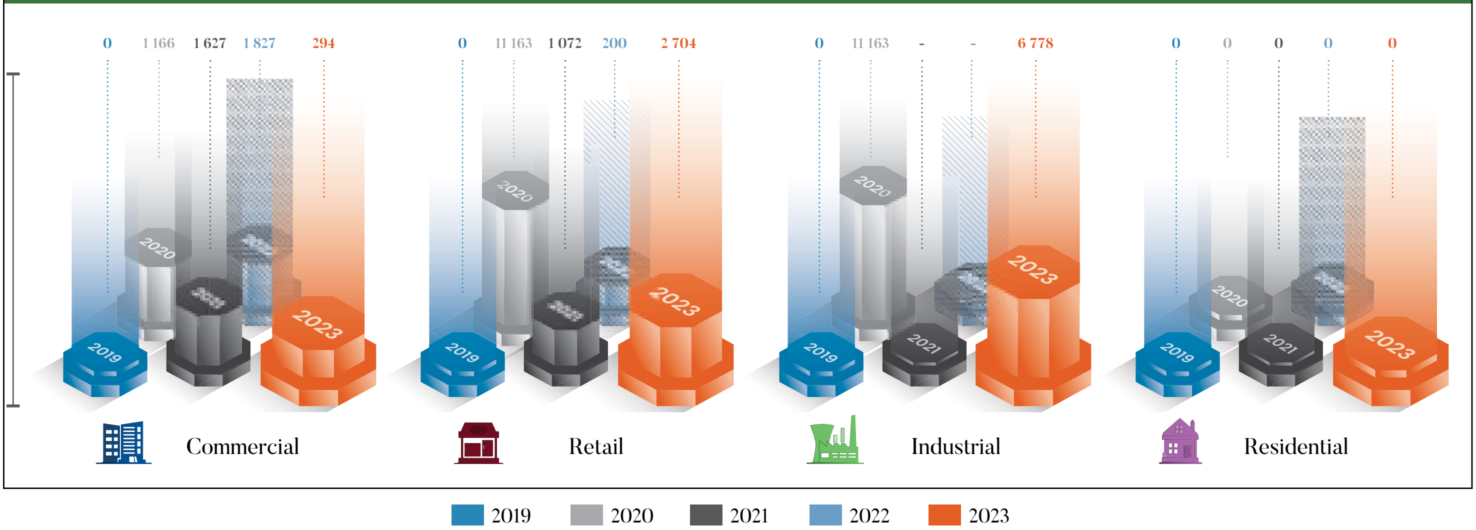
Year	%	Cumulative	Lettable area (m²)
Monthly Rentals	5.1	5.1	4 965
Vacancies - June 2023	10	15.1	9 726
2024	27.6	42.6	26 894
2025	17.5	60.1	17 085
2026	13.0	73.1	12 721
2027 onwards	26.9	100	26 210
Total	**100**	**100**	**97 601**

VACANCIES

At 30 June 2023, the vacancy in the portfolio was 10.0% (2022: 2.3%).

The deterioration in the Group's vacancy rate is attributable to one property, Lea Glen. The tenant failed to renew in February 2023 resulting in 6 728m² added to our vacancy profile. The property was successfully tenanted in July 2023 reducing the vacancy profile to 3.1%

VACANCY PROFILE
HISTORICAL VACANCY PROFILE - GLA M²



COMMERCIAL VACANCIES

	No. of buildings Jun 2023	GLA Jun 2023 (m²)	Vacancy Jun 2023 (m²)	Vacancy Jun 2023 (%)	No. of buildings Jun 2022	GLA Jun 2022 (m²)	Vacancy Jun 2022 (m²)	Vacancy Jun 2022 (%)
Office	4	38 675	294	0.8	4	38 520	1 627	4.2
Retail	4	34 627	2 704	7.8	4	16 744	200	1.2
Industrial	4	23 927	6 728	28.7	6	27 976	-	-
Total	**12**	**96 729**	**9 726**	**10.0**	**14**	**83 240**	**1 827**	**2.2**

RESIDENTIAL VACANCIES

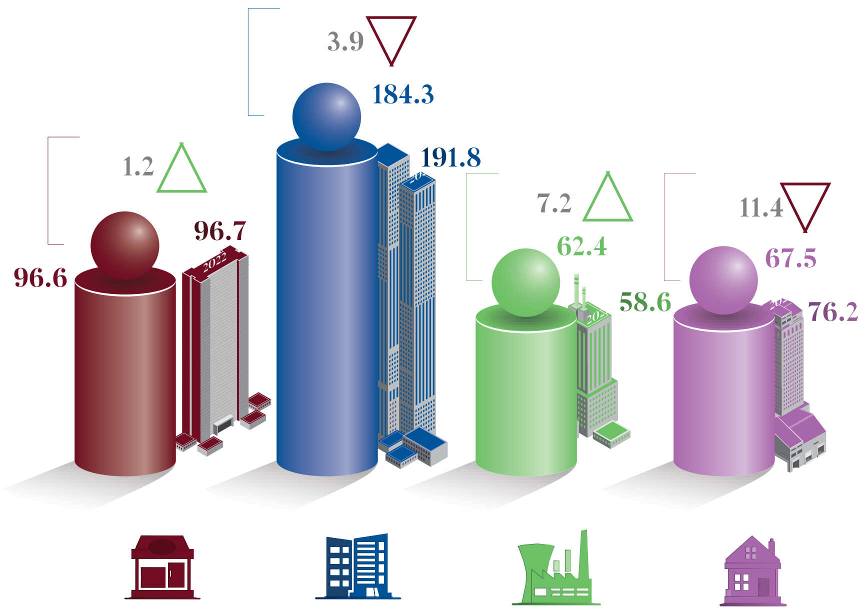
	No. of buildings Jun 2023	No. of units Jun 2023	Vacancy Jun 2023	Vacancy Jun 2023 (%)	No. of buildings Jun 2022	No. of units Jun 2022	Vacancy Jun 2022	Vacancy Jun 2022 (%)
Total	1	9	0	0	1	9	1	11.1

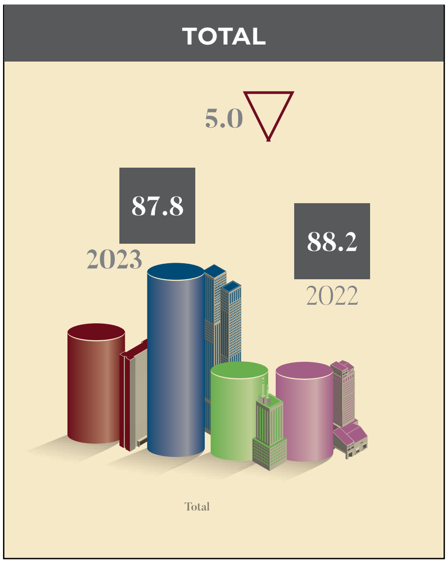
PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

BASE RENTALS

The weighted average monthly base rental rates per sector, between 30 June 2022 and 30 June 2023, are set out in the graph below. All sectors reflected decreases in weighted average rentals achieved.

WEIGHTED AVERAGE BASE RENTALS R/M



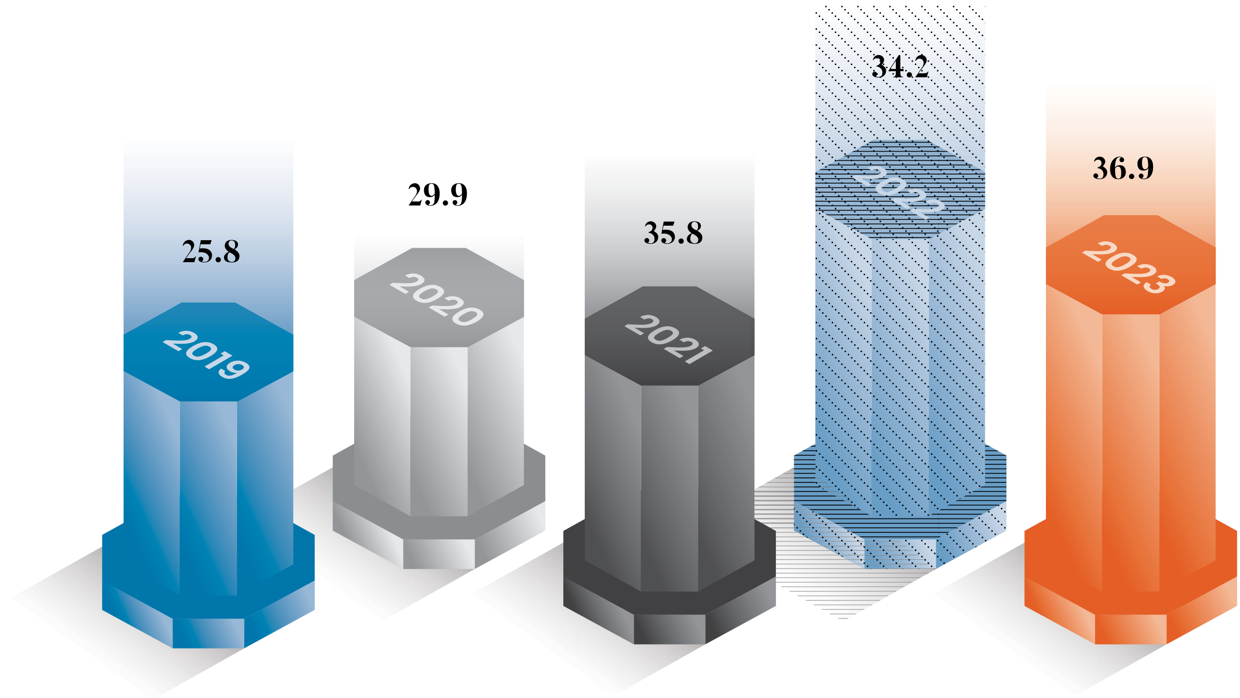


PORTFOLIO PERFORMANCE OVERVIEW
(CONTINUED)

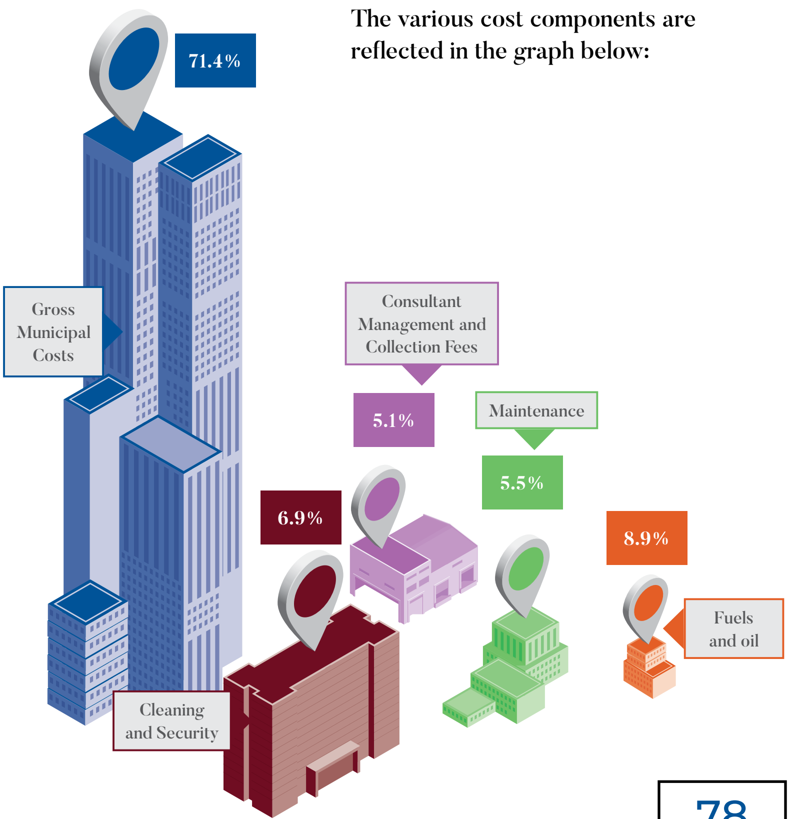
EXPENCE CATEGORIES AND RATIOS

The Group continuously evaluates methods of containing costs in the portfolio. The recurring costs to property revenue ratios including electricity, rates and taxes increased from June 2022 to June 2023. Operating costs over all property sectors as reported by SAPOA in 2022, varied between 35% to 37% of gross income. The Group's reported figure of 31.2% reflected a decrease of 4.7%.

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	2023 Less < 7 days %	2023 Greater > 7 days %	2022 Less < 7 days %	2022 Greater > 7 days %
Retail	94.4△	5.6▽	66.7	33.3
Industrial	33.3▽	66.7△	45.1	54.9
Commercial	79.7 △	21.3▽	61.2	38.8
Residential	90.0	10.0	90.0	10.0

OUR PORTFOLIO
(CONTINUED)

Properties owned by the Group as at 30 June 2023

	Region	Town	Effective date of acquisition	Purchase price R'000	Gross lettable area m²-	GLA % of portfolio
Commercial						
Summit Place*	Gauteng	Centurion	1-Jun-21	519 300	30 423	31.2
Parktown Towers	Gauteng	Johannesburg	April- 17	93 528	4 666	4.8
Bank City	North West	Potchefstroom	Jul-15	21 500	2 494	2.6
Putprop House	Gauteng	Sandton	Oct 21	16 000	1 092	1.1
Total				**650 328**	**38 675**	**39.6**
Retail						
Mamelodi Square	Gauteng	Mamelodi	Oct-22	126 686	16 955	17.4
Eagle Canyon	Gauteng	Roodepoort	Aug-08	23 085	2 423	2.5
Corridor Hill	Mpumalanga	Witbank	Jun-16	41 141	5 835	6.1
Secunda Value Mart	Mpumalanga	Secunda	Oct-15	90 998	9 414	8.8
Total				**281 910**	**34 627**	**35.5**
Industrial						
Putcoton	Gauteng	Roodepoort	Mar-93	8 913	9 559	11.4
Montana Park	Gauteng	Pretoria	Dec-09	12 700	3 640	4.3
Lea Glen 1	Gauteng	Roodepoort	Dec-93	3 651	6 728	8.0
Putco Dobsonville	Gauteng	Soweto	Jan- 94	3 595	3 500	4.2
Total				**33 355**	**23 427**	**24.3**
Residential						
Menlyn Villas	Gauteng	Centurion	1 July 21	8 500	872	1.0
Total				**8 500**	**872**	**1.0**
Properties Sold						
Nancefield	Gauteng	JHB South	Feb 96	-	-	-
Soshanguve	Gauteng	Pretoria	Nov 92	-	-	-
Total				**-**	**-**	**-**
Grand total				**974 093**	**97 601**	**100**

* 50% Economic interest
1. Tenanted 6 728m2 1 July 2023
2. Vacancy reducted to 2 602m2 or 3.1% 1 July 2023

OUR PORTFOLIO
(CONTINUED)

Vacancy %	Vacancy m² R'000	Property revenue R'000	**% rental portfolio R'000**	**Weighted average rental m² Rands**	**Property expenditure R'000**	**Valuation June 2023 R'000**	**Valuation June 2022 R'000**	
								Commercial
-	-	36 293	38.5	198.8	15 457	510 000	521 565	Summit Place*
0.3	274	7 523	8.0	134.4	4 642	75 000	74 900	Parktown Towers
–	–	2 716	2.9	92.1	1 280	18 900	23 800	Bank City
-	20	652	1.6	77.9	919	16 800	16 810	Putprop House
0.3	**294**	**47 911**	**50.8**	**125.80**	**22 299**	**620 700**	**637 075**	**Total**
								Retail
2.0	1 949	8 274	8.8	81.8	4 226	126 686	89 350	Mamelodi Square
–	–	3 524	3.7	121.2	399	48 700	44 100	Eagle Canyon
0.6	555	4 472	4.7	127.7	511	51 200	48 490	Corridor Hill
0.2	200	12 812	13.6	113.4	10 465	128 700	122 500	Secunda Value Mart
2.8	**2 704**	**29 082**	**30.8**	**110.9**	**15 601**	**355 285**	**304 440**	**Total**
								Industrial
–	–	8 844	9.4	77.1	4619	47 500	58 550	Putcoton
–	–	2 115	2.2	49.4	721	20 000	18 460	Montana Park
6.9	6 728	2 047	2.2	25.3	1 579	20 600	28 400	Lea Glen 1
–	–	3 506	3.7	83.5	842	21 500	19 080	Putco Dobsonville
6.9	**6 728**	**16 511**	**17.5**	**58.6**	**7 762**	**109 600**	**124 490**	**Total**
								Residential
-	-	810	0.9	77.4	369	10 000	8 720	Menlyn Villas
–	**-**	**810**	**0.9**	**77.4**	**369**	**10 000**	**8 720**	**Total**
								Properties Sold
-	-	1 965	-	103.3	1 242	-	12 000	Nancefield
-	-	1 085	-	91.5	112	-	19 640	Soshanguve
-	**-**	**3 050**	**-**	**97.4**	**1 352**	**-**	**31 640**	**Total**
10.0	**9 726**	**97 364**	**100**	**87.8**	**47 384**	**1 095 586**	**1 106 365**	**Grand total**

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

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.

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

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

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

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

Partnerships for the goals

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

NATURAL CAPITAL

NATURAL CAPITAL

OUR APPROACH TO ENERGY AND WATER USE

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.

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 is 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. Discussions are underway with several parties to convert this roof space into a renewable energy generation source.

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

Our associate company has successfully already implemented a solar installation in a large retail centre

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

Discussions are underway with suitable parties to invest in rooftop solar farm installations. Putprop House was the initial project chosen. This was successfully completed at our head office in May 2023. The aim is to become net zero.

Further suitable rooftop assets have been identified and are currently under review for feasibility and meaningful outputs.

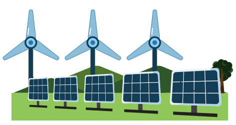
AVERAGE ENERGY CONSUMPTION:

We consumed

49.3 kWh per m²

in FY2023

(2022*: 46.0 kWh per m²).



RENEWABLE ENERGY PRODUCED:

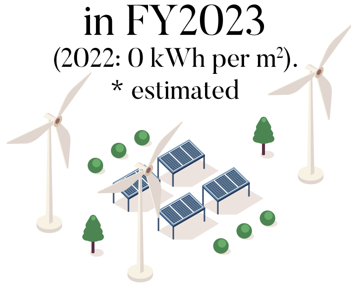
We produced

1.8* kWh per m²

in FY2023

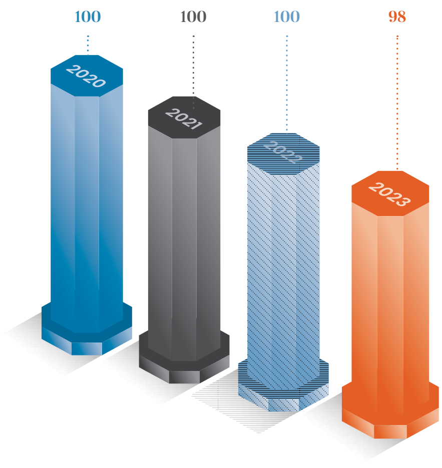
(2022: 0 kWh per m²).

* estimated

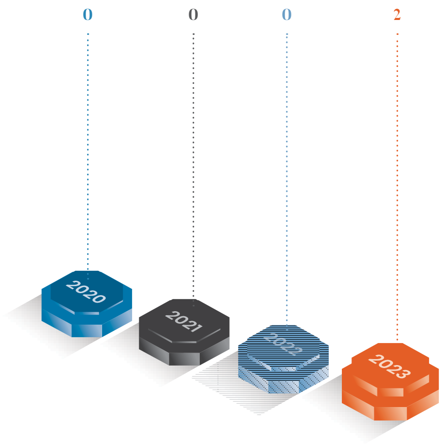


NATURAL CAPITAL
(CONTINUED)

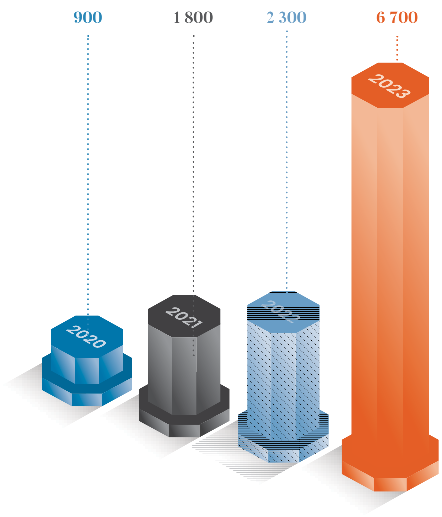
Energy status of our asset base



Grid electricity %kw



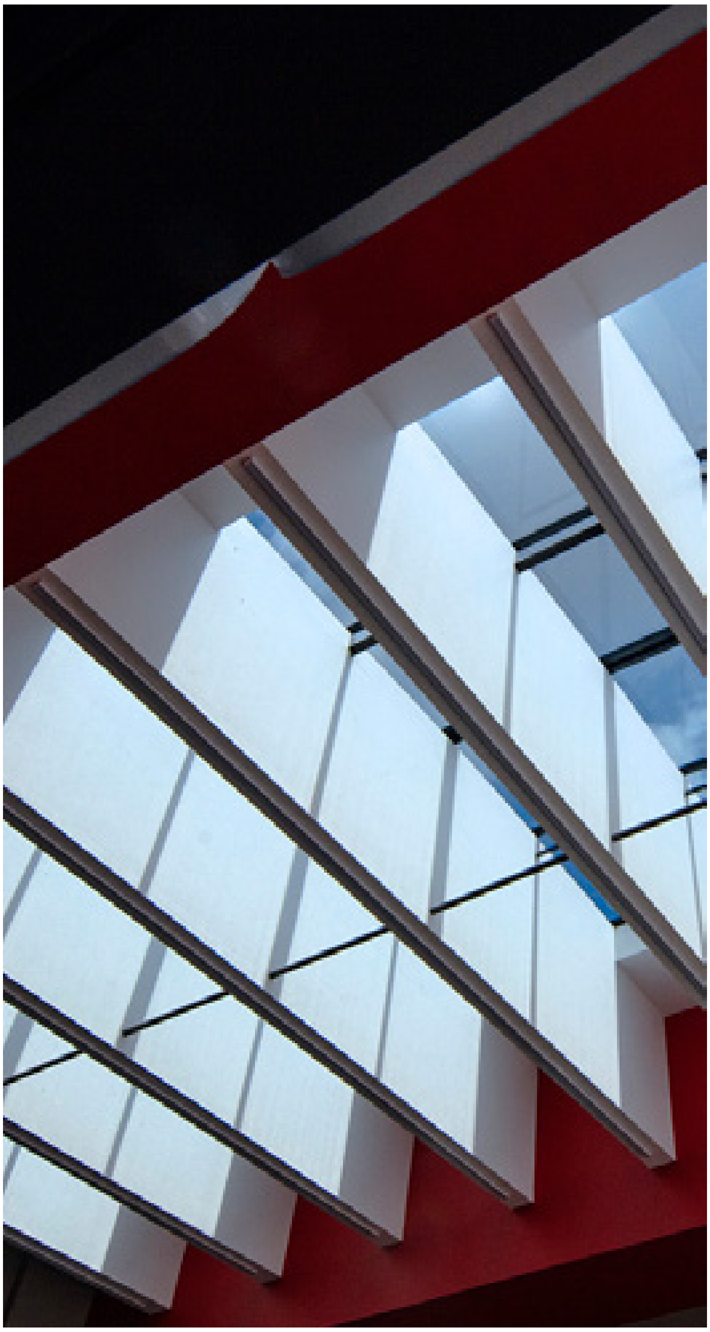
Renewable electricty Kwm^2



Diesel R'000

COMMENTS

Putprop is currently largely dependant on the Eskom grid at present, with backup facilities being limited mainly to generator power. With the high cost of diesel and the longer more frequent high stages of load shedding, we have consciously moved to a solar energy strategy for our future implementation at select assets



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;

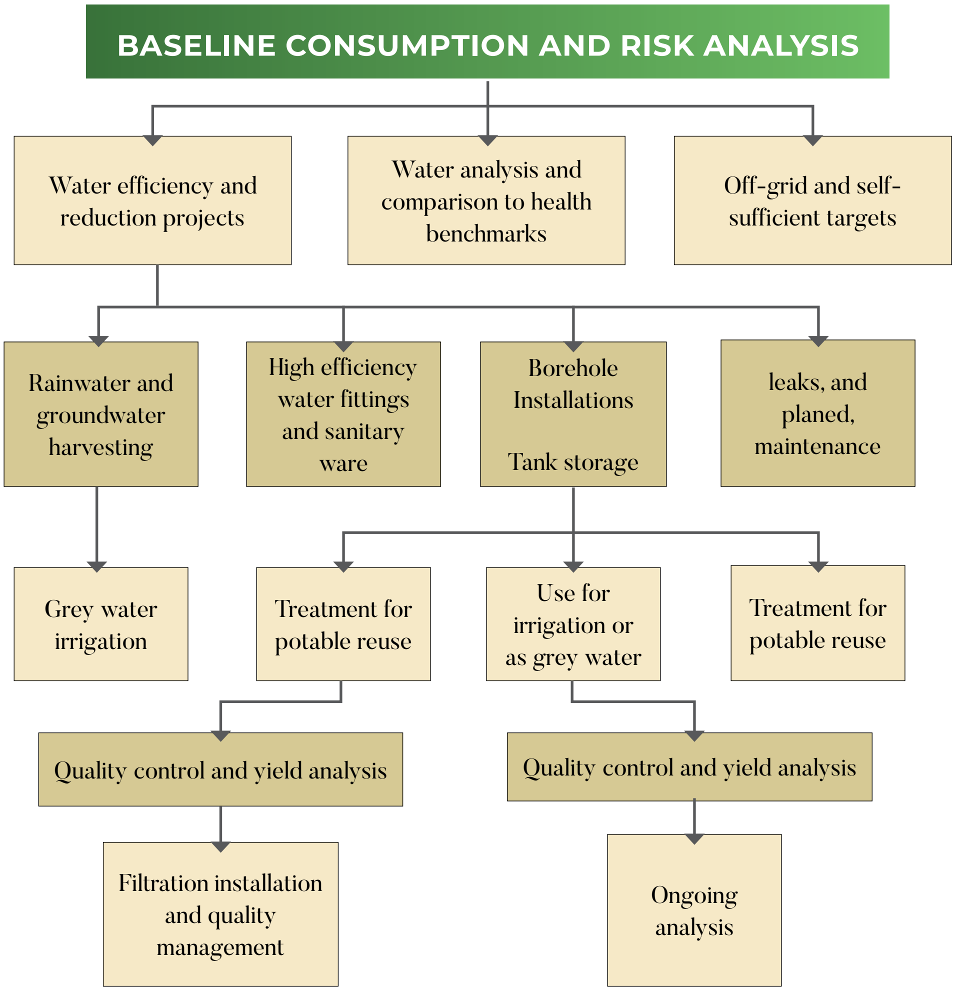
Investigation into waterless systems for men's urinal facilities;

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

Integrated water and wastewater management;

Boreholes installed at selected high usage tenant locations. Water used for high volume activities such as fleet washing. We have added water purification mechanisms to make water safe for human consumption;

Installation of JoJo tanks for grey water usage initiated and will roll out across suitable properties in 2024/2025 - Putcoton initiated in current year;



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, due to an ageing infrastructure.

—

The deterioration of existing dam structures continues unabated, which is exacerbated by delays in the construction of new dams in key areas.

Year-on-year total on grid water consumption comparison

Year	Usage (KL)
FY2022	2.1
FY2023	2.3
Variance	**9.5%**

Overall, the Group's total water usage increased by 9.5% during the year under review.

NATURAL CAPITAL
(CONTINUED)

WASTE MANAGEMENT PROGRAM

Our policy is to separate waste and recycle items, where feasible at source

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

Large recycling bins installed at certain retail centres

The introduction of organic/composting waste recycling will be investigated in 2024 at a test property to determine the feasibility and environmental savings.

CLIMATE CHANGE

- In pursuing our financial activities and objectives, we believe we have a responsibility to make a contribution to reducing our carbon footprint and thus slow down climate change.

WATER CONSUMPTION:

We consumed

2.3 kℓ per m^2

in FY2023

(2022: 2.1 kℓ per m^2)

TOTAL VOLUME OF WASTE SENT FOR RECYCLING:

We recycled

49 tons in FY2023

(2022: 42 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 2024 period, with the view of informing the Board of a suitable strategy.

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.
- Waste is defined as plastics, metals and oil consumables from selected properties.

EMPOWERING OUR PEOPLE

OUR PEOPLE

CULTURE

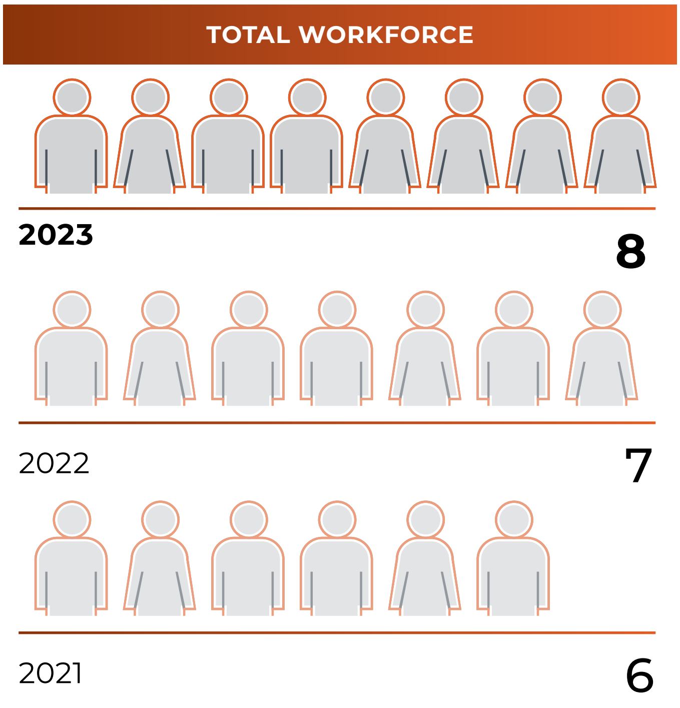
Our employees are key to our success. We believe that long-term success is directly linked to the quality of our people, our ability to retain exceptional people, our working environment, and our culture. We strive to build an environment which encourages a high performance culture where the values of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

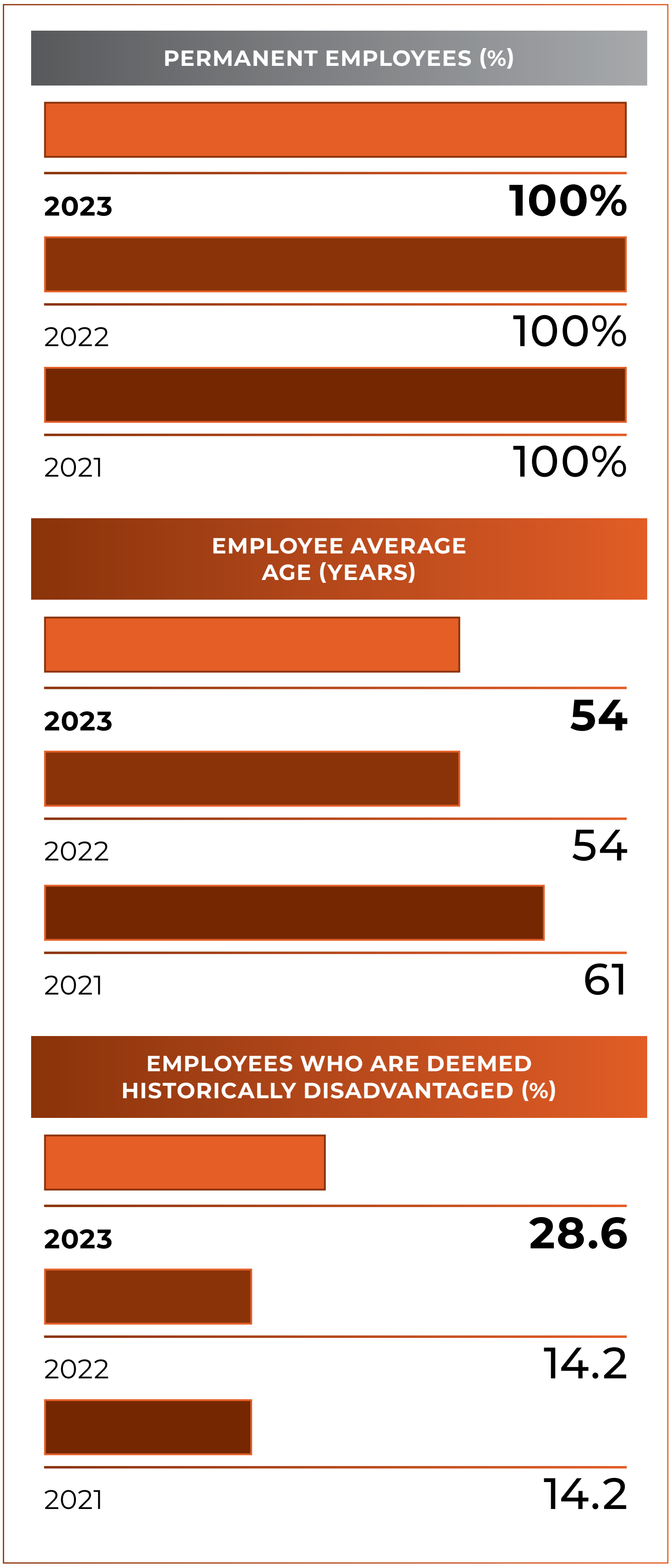
ETHICS

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 also implemented a whistle-blowing electronic platform (read more on page 112). 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 8 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.





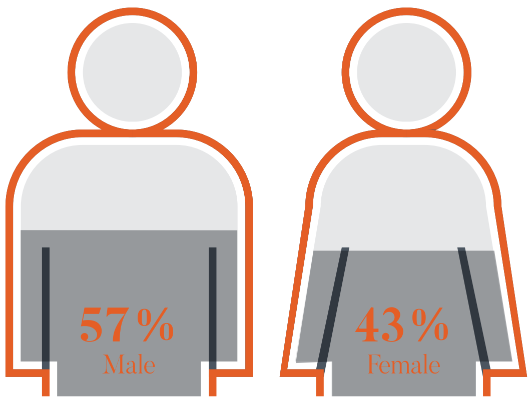
OUR PEOPLE
(continued)

RACIAL DIVERSITY

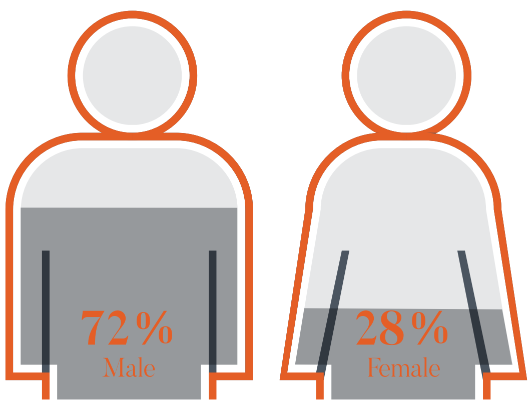
White **72%**

African, Coloured, Indian **28%**

GENDER DIVERSITY OF GROUP



GENDER DIVERSITY OF BOARD



AVERAGE TENURE (YEARS)

2023 **11**

2022 16

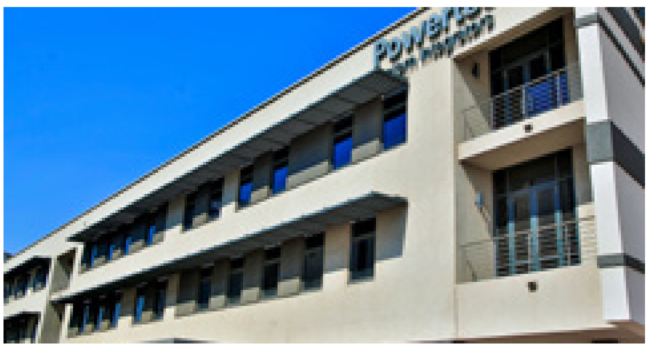
2021 18

RETENTION RATE %

2023 **72**

2022 100

2021 100



OUR PEOPLE
(continued)

EMPLOYEE TURNOVER (%)

2023	**28%**
2022	0%
2021	0%

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 appointed.

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.

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 2024 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.

SUCCESSION PLANNING

The Putprop Board has developed in 2023 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 INITIATIVES

COMMUNITY AND SOCIAL INITIATIVES

CORPORATE SOCIAL INVESTMENT

After the successful completion of our past projects, the Board again gave approval for a budget of R400 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.

Approval was given for the following funding:

Mandeville Disability Swimming

Mandeville Disability Swimming is home to the largest and strongest squad of disability swimmers in South Africa headed up by Paralympian, Tadhg Slattery. Tadhg competed as part of the South African Paralympic swimming team at six Paralympic games. His first games in 1992 gave him his first Paralympic gold medal in the 100m breaststroke in a world record time.

The school offers courses and instruction from Learn to Swim to Elite Swimming. These options are tailored specifically to previously disadvantaged learners from schools for the physically disabled. Putprop contributed funds to provide tracksuits for current participants.

https://www.facebook.com/mandevilledisabilityswimmers/

COMMUNITY AND SOCIAL INITIATIVES
(continued)

Give Love and Serve Care Centre

This organization is dedicated to feed and clothe abandoned children primarily but serves and feeds all those people overlooked by society.

It operates mainly in the East Rand in areas such as Benoni and Kempton Park.

We donated funds towards their feeding scheme for babies which was utilised for food and other baby products as well as other clients of the centre. This benefitted 67 participants.

https://www.facebook.com/p/Give-Love-and-Serve-Care-Centre-100080177294232/

Contribution:

R50 000.00

COMMUNITY AND SOCIAL INITIATIVES
(continued)

United Cerebral Palsy Association of South Africa

United Cerebral Palsy Association of South Africa (UCPA)

The primary goals of UCPA is to provide their clients with quality nursing care and stimulation in the form of creative occupational therapy, Aqua Hydro Therapy, Speech Therapy, Physio Therapy and visits to events and places of interest. Each day is based on planned activities and events, based on "themes".

Current strategies are those of self feeding, floor play and stimulation of fine and gross motor skills. We assisted in the purchase of a new washing machine and tumble dryer.

https://ucpa.za.org/

Contribution:

R54 000.00

COMMUNITY AND SOCIAL INITIATIVES
(continued)

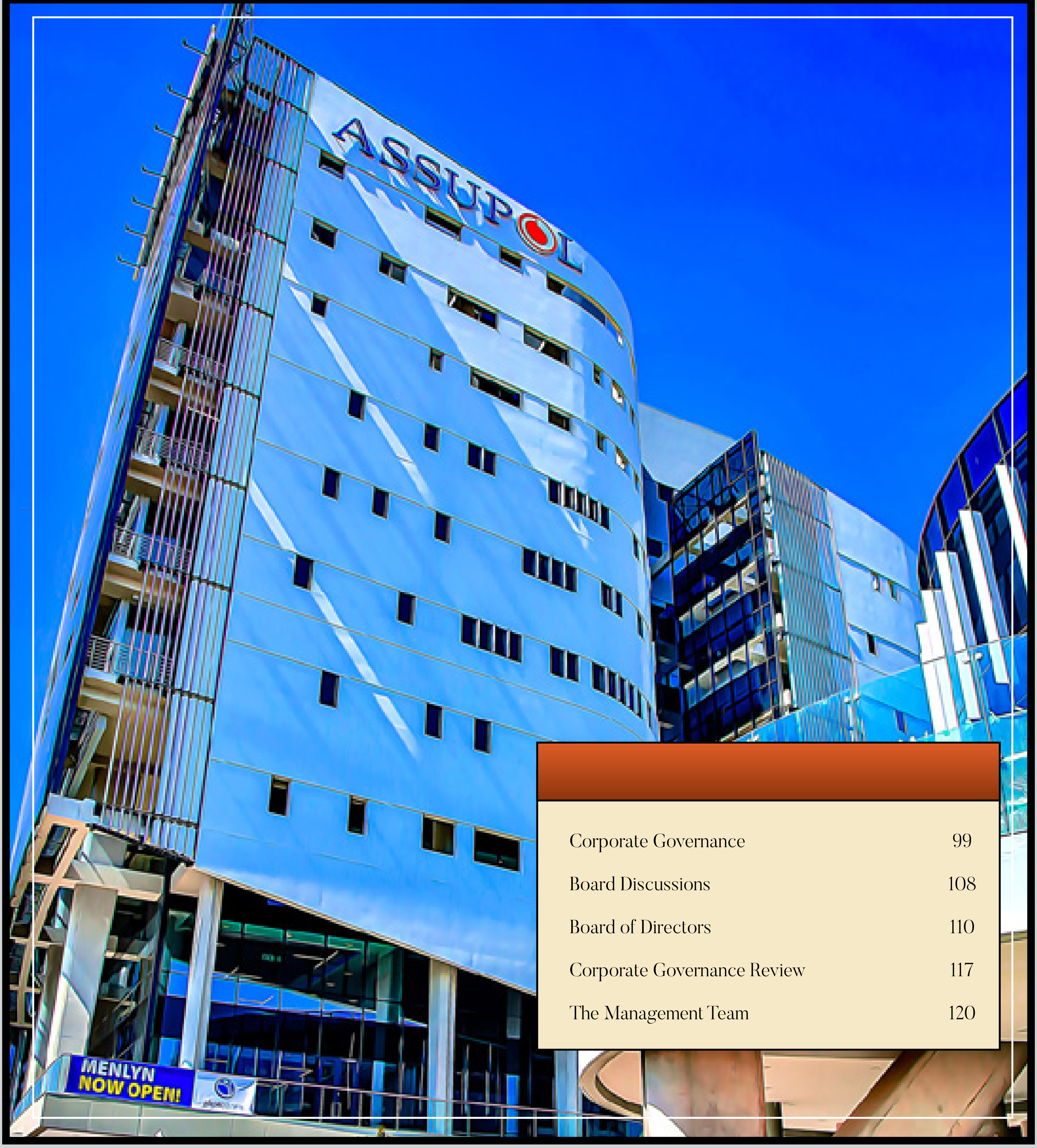
Thokani Teslie

We sponsored a young boy, the son of one of our staff members, who needed a life enhancing operation in a rural area of Zimbabwe. Transport to and from the hospital, as well as the services of a medical specialist in a private facility were covered.

Contribution:

R16 000.00

CORPORATE GOVERNANCE



GOVERNANCE OVERVIEW AND STRUCTURE

PHILOSOPHY

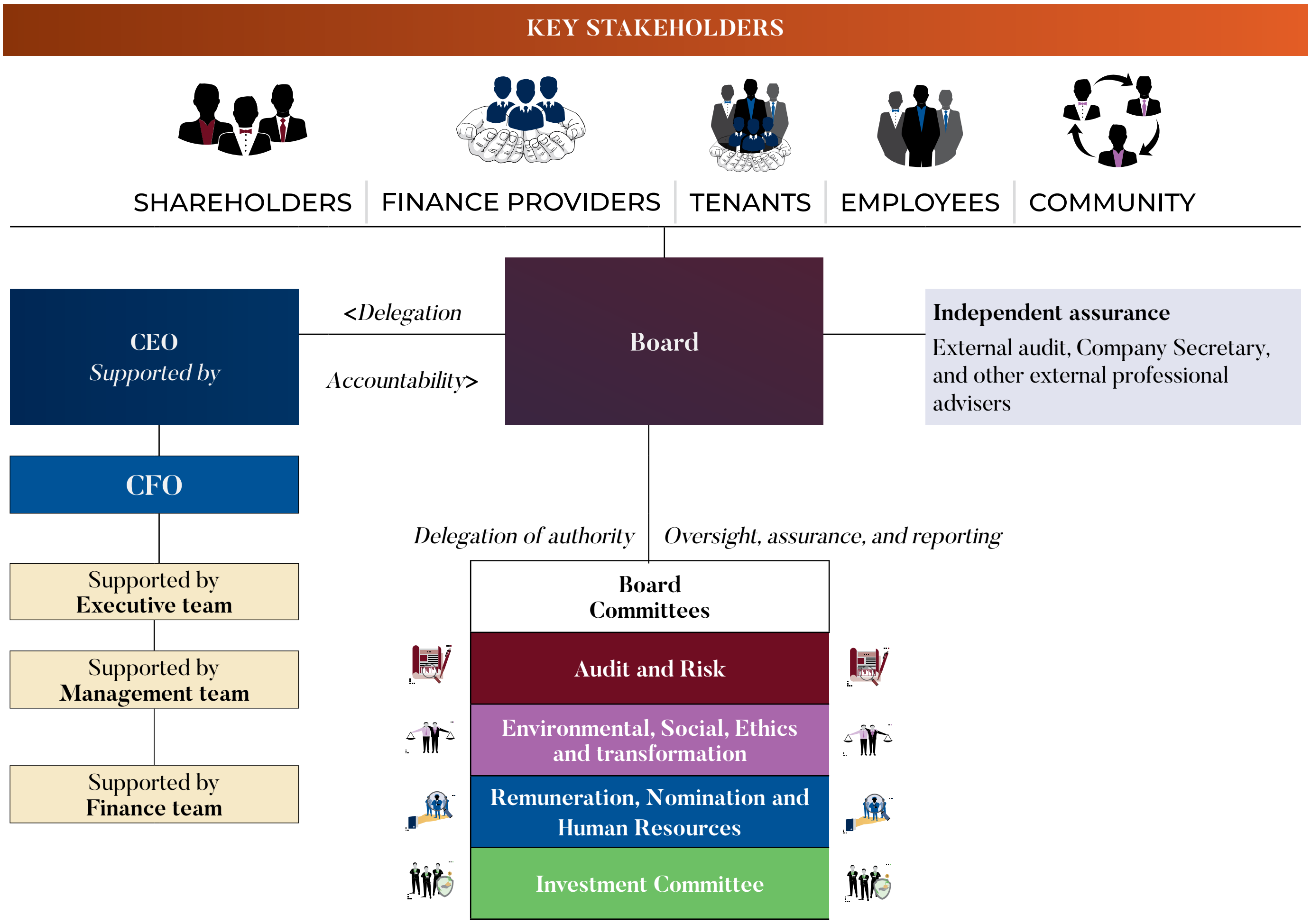
Corporate governance incorporates the adoption and monitoring of sound and effective systems of internal control, the assessment and management of business risks and the definition and implementation of appropriate business procedures. Responsibilities are fixed, directed and controlled for the purpose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

The Board, through its executives and the Audit and Risk (AR) 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 AR Committee, monitors the Group's risk management policy.

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.

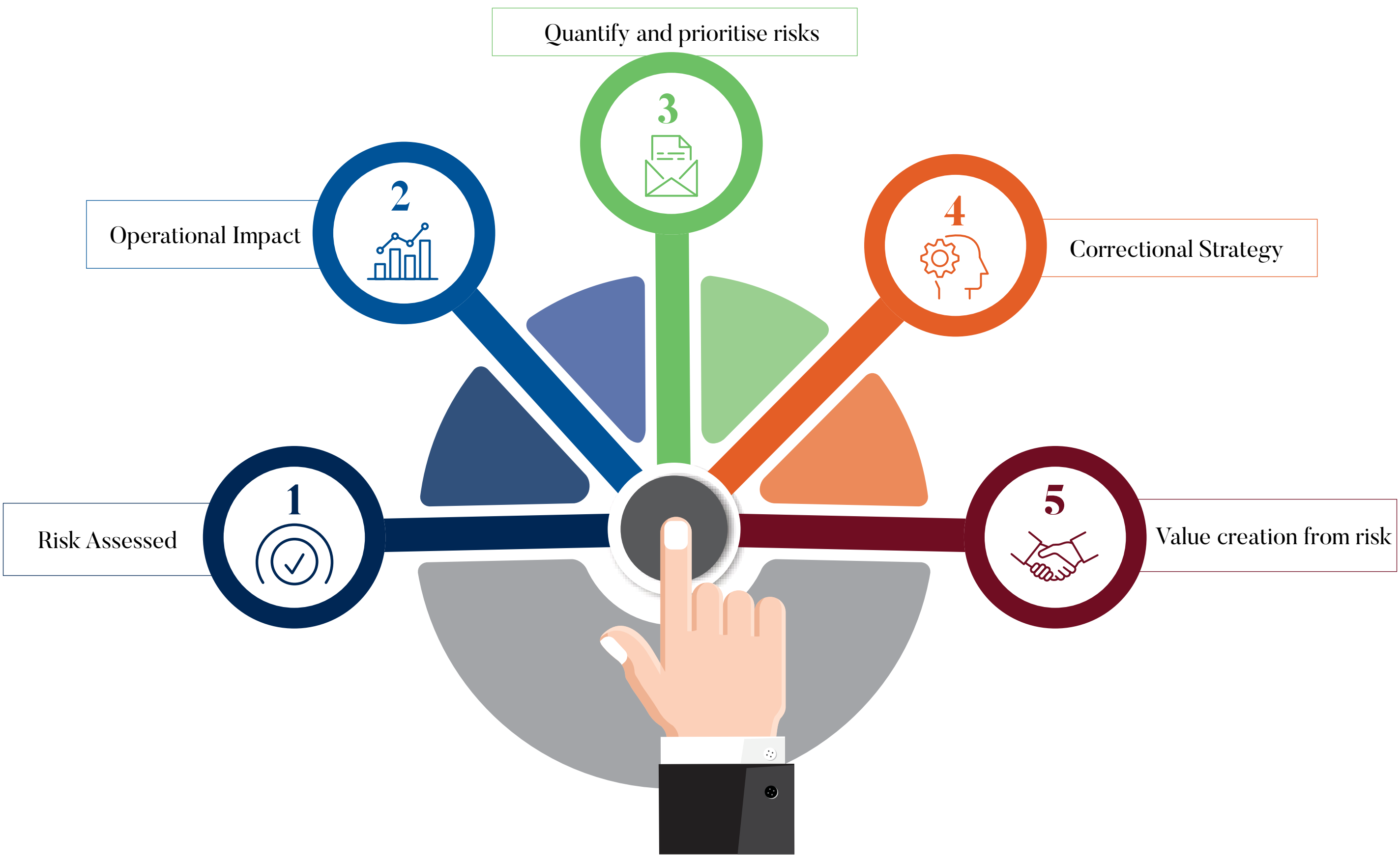
Management formulates strategic plans to mitigate these risks. These plans are then reviewed and recommended by the AR Committee to the Board for approval. This process determines the residual risks to be assessed and thereby, determines our risk appetite.

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 MATRIX

The risk management framework for this reporting period which has been presented to the AR Committee and monitored during the year ended 30th June 2023 is detailed below.



RISK MANAGEMENT
(CONTINUED)

Key: Low – Medium – High

Investment property portfolio

Risk: Inability to source suitable properties for acquisition

IMPACT OF RISK	MITIGATION STRATEGY
Restricts ability to grow the portfolio	• Regular interaction with key people in the industry

Risk: Damage to investment property

IMPACT OF RISK	MITIGATION STRATEGY
Financial loss to the company and reduced asset value	• Comprehensive insurance policy based on the replacement cost of investment properties • Regular review of the insurance policy and insured values

Risk: Inadequate and/or irregular maintenance of investment property

IMPACT OF RISK	MITIGATION STRATEGY
Devaluation and/or depreciation of properties due to lack of maintenance	• Implementation of a programme for ongoing maintenance • Budget to allow for adequate and regular maintenance of investment property • Regular building inspections by portfolio managers, property managers, asset managers and executive management

Risk: Investment property valuations volatility in current market conditions

IMPACT OF RISK	MITIGATION STRATEGY
Danger to balance sheet loan covenants	• Tenant mix and local trading conditions monitored and assessed on a regular basis • Disposal of poor quality assets

Risk: Physical deterioration of properties

IMPACT OF RISK	MITIGATION STRATEGY
Difficulty to grow quality portfolio Risk of erosion of property value	• Property managers perform regular property asset rolling maintenance program • Disposal of non core assets

Operational performance

Risk: Vacancies and rental default

IMPACT OF RISK	MITIGATION STRATEGY
Rental growth, capital appreciation and return to shareholders may be adversely impacted by increased vacancies and tenant defaults High vacancy levels impacting on rental income	• Strong focus on tenant relationships to ensure retention • Targeted leasing strategy • Early renewal negotiations • Effective credit control procedures for defaulting tenants • Ensure asking rentals are market related, with flexibility on rental levels if necessary. Strong relationship with brokers, leasing incentives

RISK MANAGEMENT
(CONTINUED)

Operational performance

Risk: Prevailing Economic conditions

IMPACT OF RISK	MITIGATION STRATEGY
Current economic growth of 1-2% impacts consumer spending patterns	• National tenant ratio to be high to negate risk • Focus on essential product tenants

Risk: Significant increases in rates and taxes, other municipal costs and poor service delivery

IMPACT OF RISK	MITIGATION STRATEGY
The increased cost of occupancy for tenants A decrease in net operating income for the Group A decrease in valuation of assets Increase in defaults, non- recoveries of all operating costs, lower yields	• Putprop thoroughly reviews municipal valuations and lodges objections when appropriate • Investment in solar and boreholes to reduce reliance on municipal power and services • Monthly monitoring of existing tenant's utilities costs by independent contractor. This ensures early warning of irregularities

Risk: Political riots and unrest

IMPACT OF RISK	MITIGATION STRATEGY
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	• Putprop has dedicated managers at all our retail properties who liaise with the on-site security function on a regular basis to assess risks • Appropriate insurance cover is in place • Emergency evacuation plans for tenants and employees

Risk: Inconsistent supply of critical services and a deterioration in local authorities' service delivery

IMPACT OF RISK	MITIGATION STRATEGY
Tenant loss of income and retention. Risk of defaults on contractual rentals	• Installation of generators and boreholes for large tenants • Solar energy under consideration

Risk: Rental reversions of existing tenant base

IMPACT OF RISK	MITIGATION STRATEGY
Substantial loss of contract rental income	• Formal Risk management document with procedures to manage such events and specific authority levels set for relief to tenant base

Risk: Over-dependence on a single tenant– loss or failure to renew

IMPACT OF RISK	MITIGATION STRATEGY
Substantial operational losses in the Group's industrial sector with significant loss of income	• Continuation of diversification into properties with diverse tenants

Risk: Significant volume of leases expiring in a specific period with failure to renew

IMPACT OF RISK	MITIGATION STRATEGY
Impact on growth and distribution	• Lease expiries monitored with negotiations with tenants held in advance of expiry and early re-lets encouraged. • Longer let periods. Staggering of lease expiry profile

RISK MANAGEMENT
(CONTINUED)

Financing

Risk	Interest rate risk
IMPACT OF RISK	**MITIGATION STRATEGY**
Increased cost of borrowings will reduce the return to shareholders	• Continual review of policy regarding fixed interest rates and hedging • Negotiations with banks to reduce cost of borrowings

Risk	Availability of finance for property acquisitions and redevelopment
IMPACT OF RISK	**MITIGATION STRATEGY**
Inability to grow the portfolio	• Regular interaction with bankers to ensure the availability of debt for funding • Facilitate access to equity in the future through engagement with analysts and fund managers to create awareness.

Risk	Refinance risk
IMPACT OF RISK	**MITIGATION STRATEGY**
Risk of refinancing when existing debt facilities near expiry	• Maintain gearing at below 42% loan-to-value • Stagger debt expiry profile • Policy of being multi-banked

Risk	Liquidity due to poor rental collections
IMPACT OF RISK	**MITIGATION STRATEGY**
Insufficient liquidity at operational levels	• Regular cash forecasts and loan maturity managed

RISK MANAGEMENT
(CONTINUED)

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	• Active monitoring by the designated advisor, Company Secretary • Audit and Risk Committee • Management encouraged to consult with specialists to ensure compliance with all laws

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	• Close monitoring of existing tenant's operations with assistance given to tenants who are considered beneficial to the Group

Risk	Inability to maintain dividend distribution growth

IMPACT OF RISK	MITIGATION STRATEGY
Loss of confidence in the market	• Active management of portfolio and operation efficiencies

RISK MANAGEMENT
(CONTINUED)

Skills and systems

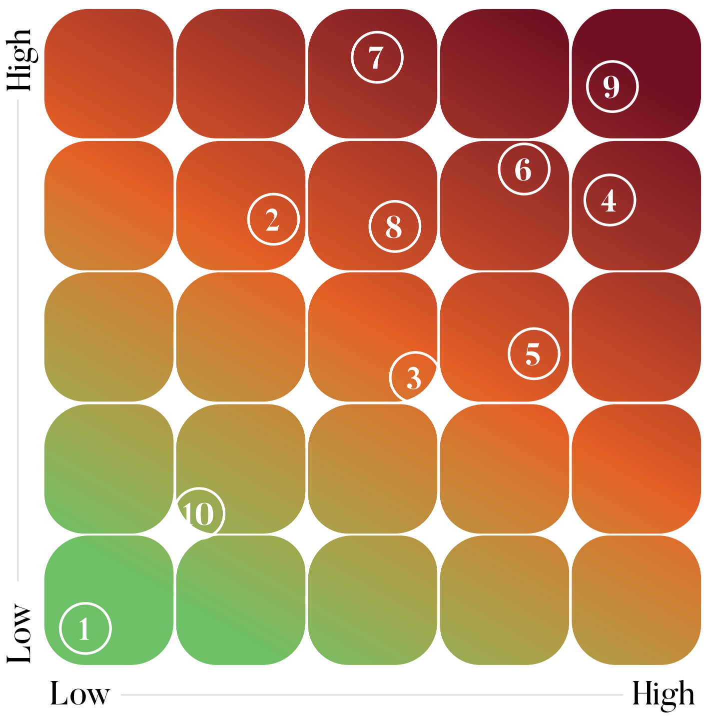
Risk	Retention of key staff and adequate human resourcing
IMPACT OF RISK	**MITIGATION STRATEGY**
Loss of key staff or being under- resourced will impact the ability to achieve the Group's objective effectively	• Executive management constantly assesses the capacity of staff and closely monitors staffing requirements as the business grows • All staff members are awarded short-term incentive bonuses • A long-term incentive scheme that aligns the interests of staff members with the performance of the company is being investigated

Risk	**Information technology ("IT") failure**
IMPACT OF RISK	**MITIGATION STRATEGY**
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	• Support of appropriately skilled IT resources and contractors

Risk	**Fraud and errors**
IMPACT OF RISK	**MITIGATION STRATEGY**
Financial loss as a result of employee fraud going undetected	• Regular review of internal controls

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

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

RISK MANAGEMENT
(CONTINUED)

IT MANAGEMENT

New and enhanced information management capabilities and connectivity facilitates 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.

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 seven directors, of whom four are independent non-executive and three 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.

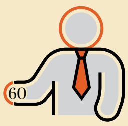
All non-executive directors are considered to be independent. This level of independence for all non-executive directors is reviewed every two years by an independent external party. This review was performed during the current review – refer to the Board Evaluation on page 113.

BOARD DEMOGRAPHICS

Number of board members	Board members who are non-executive and independent	Board members who are deemed Historically Disadvantaged South Africans (HDSA)	Board members who are women
7	4	0	2
100 %	57 %	0 %	29 %

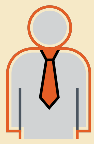
BOARD OVERVIEW AND DIRECTORS
(CONTINUED)

DIVERSITY OF AGE AND TENURE



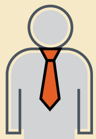
Average age of directors

61 Years



Tenure Executive

22 Years



Tenure non-Executive

7 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 114 to 115 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 2023, the average age of the Company's directors is 61 years. See page 110 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 her review period, with effect from 30th November 2023.

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.

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 Daniele Torricelli & Mr Hayden Hartley 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, with majority Board approval both executive and non-executive directors require Board approval for their nomination to be submitted at the Annual General Meeting for final 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, Daniele Torricelli and Hayden Hartley 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 period with majority board approval

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 8 permanent staff members, including three executive directors. To ensure seamless operations, the Company has a succession plan in place to address any shortfalls should the need arise.

If required, the Board Chairman, as well as the Chief Financial Officer are able to fulfil the role and assume the responsibilities of the Chief Executive Officer. The Chief Financial Officers role can be covered temporarily by the Group Financial Manager whilst the Chief Operating Officer's position (presently fulfilled by the Chief Financial Offer) by the Chairman while the recruitment process for the needed position is underway. 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 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;
- Whether individual members are effective in holding their views and resisting pressure from others;
- Quality and value of 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 2023

During the year under review, 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 completed a thorough questionnaire covering:

- Board and committee-related matters;
- Board composition and performance;
- The roles, duties and responsibilities of directors; and
- Independence, conflicts of interest and capacity of directors.

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 has investigated implementing a formal whistleblowing structure to accommodate reporting of any regulator 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 executives of the group.

The Whistleblowing hot-line contact is whistleblowing@putprop.co.za, where any messages of 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 developed a formal policy that dictates the ethical conduct of all employees. At a recent meeting of the Board it was decided to expand the code of ethics to include a policy on gifting.

Gifts given or received by any executive or staff is defined as any number of physical items, services or any other item of value received or given. (Casual gifts, below a mandated level of R2 000.00, such as bottles of wine are excluded). All gifts above this level, must be declared and permission granted by senior management for acceptance. A register is kept of such gift's, where approval is granted by either the CEO or CFO (Chairman in the case of the CEO and CFO).

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 Ashley Taylor.

COMPANY SECRETARY — PRIMARY ROLES AND RESPONSIBILITIES

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.

acorim
Secretarial & Governance Services

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 2023. 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 Social and Ethics (SE) 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 ESET Committee on an annual basis.

The Board is not aware of any transgressions of the codes of ethics or conduct for the 2023 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

BRUNO CARLEO

CHIEF EXECUTIVE OFFICER

Committees:

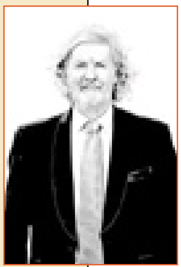
Date of appointment:
11 March 1997

Years of Experience
30+ Years

JAMES SMITH

CHIEF FINANCIAL OFFICER

Committees:



Date of appointment:
17 June 2009

Years of Experience
30+ Years

ANNA CARLEO-NOVELLO

EXECUTIVE DIRECTOR

Committees:

Date of appointment:
1 July 2018

Years of Experience
25+ Years

HAYDEN THOMPSON HARTLEY

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Committees:

Date of appointment:
17 February 2016

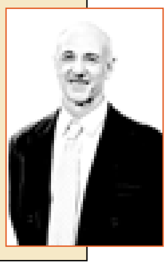
Years of Experience
15+ Years

DANIELE TORRICELLI

CHAIRMAN, INDEPENDENT, NON-EXECUTIVE DIRECTOR

Committees:

Date of appointment:
3 December 2015



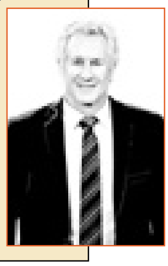
Years of Experience
25+ Years

GERRIT VAN HEERDEN

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Committees:

Date of appointment:
1 July 2018



Years of Experience
40+ Years

RENÉ STYBER

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Committees:

Date of appointment:
1 July 2018

Years of Experience
30+ Years

KEY

Audit and Risk

Remuneration Nomination and Human Resources

Investment

Social, Ethics and transformation

BOARD OF DIRECTORS (CONTINUED)

BRUNO CARLEO (67)

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 (70)

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 30 years operational and management experience in the retail and property sectors. He also holds directorships in several unlisted companies.

ANNA CARLEO-NOVELLO (62)

EXECUTIVE DIRECTOR

Date of appointment: 1 July 2018

Anna has executive managerial experience in both property, administration and development, as well as over 25 years' experience in retail markets. She has held numerous board positions in both listed and non-listed companies.

DANIELE TORRICELLI (59)

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 (50)

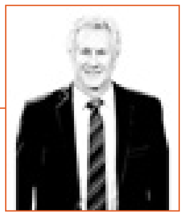
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment: 17 February 2016

Hayden holds a Bachelor of Commerce Honours degree in Finance and Economics, with 15 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 (69)

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 (52)

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.

BOARD OF DIRECTORS

SKILL SET MATRIX

Member	BC	JS	AC-N	HH	DT	GvH	RS
Property development	■	■	■	■		■	■
Property asset management	■	■		■			
SA retailer knowledge	■	■		■	■		■
SA corporate knowledge	■	■	■		■	■	■
Tax		■					
Financial markets		■		■	■		
Financial accounting		■		■			
Risk management	■	■	■	■	■	■	■
Funding		■		■			■
Investment management	■	■	■	■	■	■	■
Sales and marketing		■		■	■	■	■
Legal and regulatory		■		■	■	■	■
Environmental, social and governance	■	■	■	■	■	■	■
Human resources	■	■	■	■	■		

Key	Member Name
BC	Bruno Carleo
JS	James Smith
AC-N	Anna Carleo-Novello
HH	Hayden Hartley
DT	Daniele Torricelli
GvH	Gerrit Van Heerden
RS	René Styber

Key	
Independent Non-executive Chairman	■ (maroon)
Independent Non-executive Director	■ (green)
Executive Director	■ (navy)

KEY BOARD MILESTONES 2023

Review and approval of the audited annual financial statements, interim unaudited financial statements, annual report commentary, Group portfolio property valuations, as at 31 December 2022 and 30 June 2023. The interim and final shareholder distributions for the year ended 30 June 2023 approved

Review of the Group's approach to financial gearing, with approval given to the executive directors, to maintain the loan-to-value ratio at 42% but linked with a policy to reduce to 38%

The 2023 Group Risk Management Policy document updated

2023 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 2023 reviewed

The Group as a going concern status for the 12 months ended June 2023

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

Approval to continue negotiations for the acquisition of additional equity in Pilot Peridot.

Update of the dividend cover policy document, allowing for a maximum dividend cover of 5.5

Approval of the budget for the social upliftment and responsibility programmes for the year ended 30 June 2023.

BOARD OF DIRECTORS
(CONTINUED)

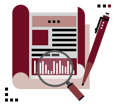
MEETINGS HELD AND ATTENDANCES

BOARD — 7 MEETINGS HELD

Executive Directors			Non-Executive Directors			
B C Carleo	*J E Smith*	*A Carleo-Novello*	*D Torricelli*	*H Hartley*	*R Styber*	*G Van Heerden*
7/7	7/7	7/7	7/7	7/7	7/7	7/7

BOARD OF DIRECTORS
(CONTINUED)

AUDIT AND RISK



5 MEETINGS HELD

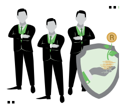
Executive Directors			Non-Executive Directors			
B C Carleo#	*J E Smith#*	*A Carleo-Novello#*	*D Torricelli#*	*H Hartley*	*R Styber*	*G Van Heerden*
4/5	5/5	4/5	3/5	5/5	5/5	5/5

REMUNERATION NOMINATION AND HUMAN RESOURCES

2 MEETINGS HELD

Executive Directors			Non-Executive Directors			
B C Carleo#	*J E Smith#*	*A Carleo-Novello#*	*D Torricelli*	*H Hartley*	*R Styber*	*G Van Heerden*
1/2	2/2	2/2	2/2	2/2	2/2	2/2

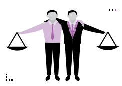
INVESTMENT COMMITTEE



2 MEETINGS HELD

Executive Directors			Non-Executive Directors			
B C Carleo	*J E Smith*	*A Carleo-Novello*	*D Torricelli*	*H Hartley*	*R Styber*	*G Van Heerden*
2/2	2/2	2/2	2/2	2/2	2/2	2/2

SOCIAL, ETHICS AND TRANSFORMATION



2 MEETINGS HELD

Executive Directors			Non-Executive Directors			
B C Carleo	*J E Smith*	*A Carleo-Novello*	*D Torricelli*	*H Hartley*	*R Styber*	*G Van Heerden*
2/2	2/2	2/2	1/2	2/2	2/2	2/2

* absent with prior apology # by invitation

THE MANAGEMENT TEAM

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 9 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.

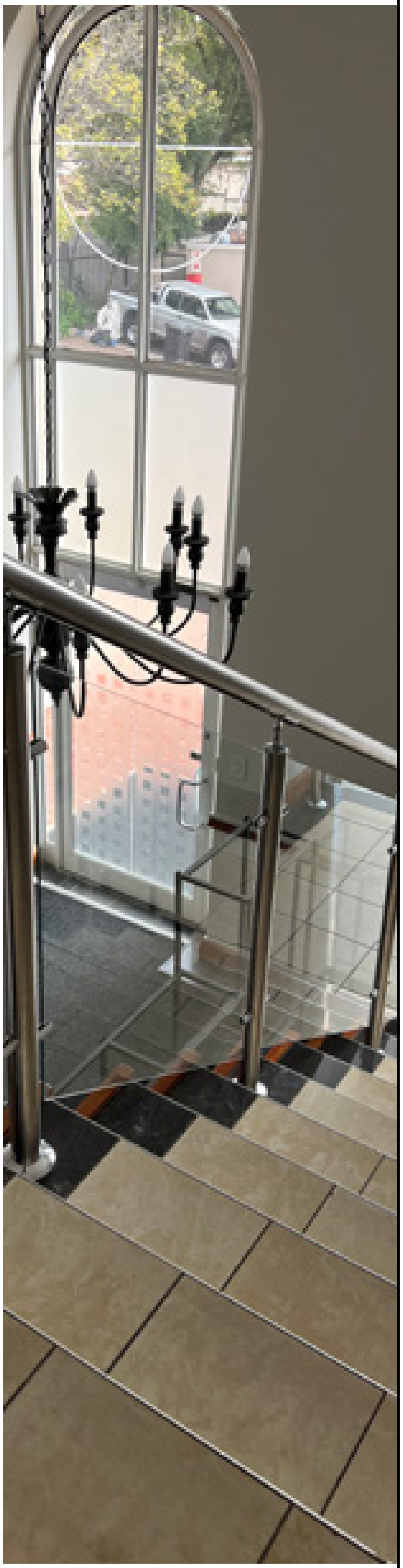
She has built up considerable experience in this area, specifically by managing the accounts for various shopping malls in Pretoria.

RONICA SINGH (RONNIE)

FINANCE ADMINISTRATION

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

With over 12 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.



THE MANAGEMENT TEAM
(CONTINUED)

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 43 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"

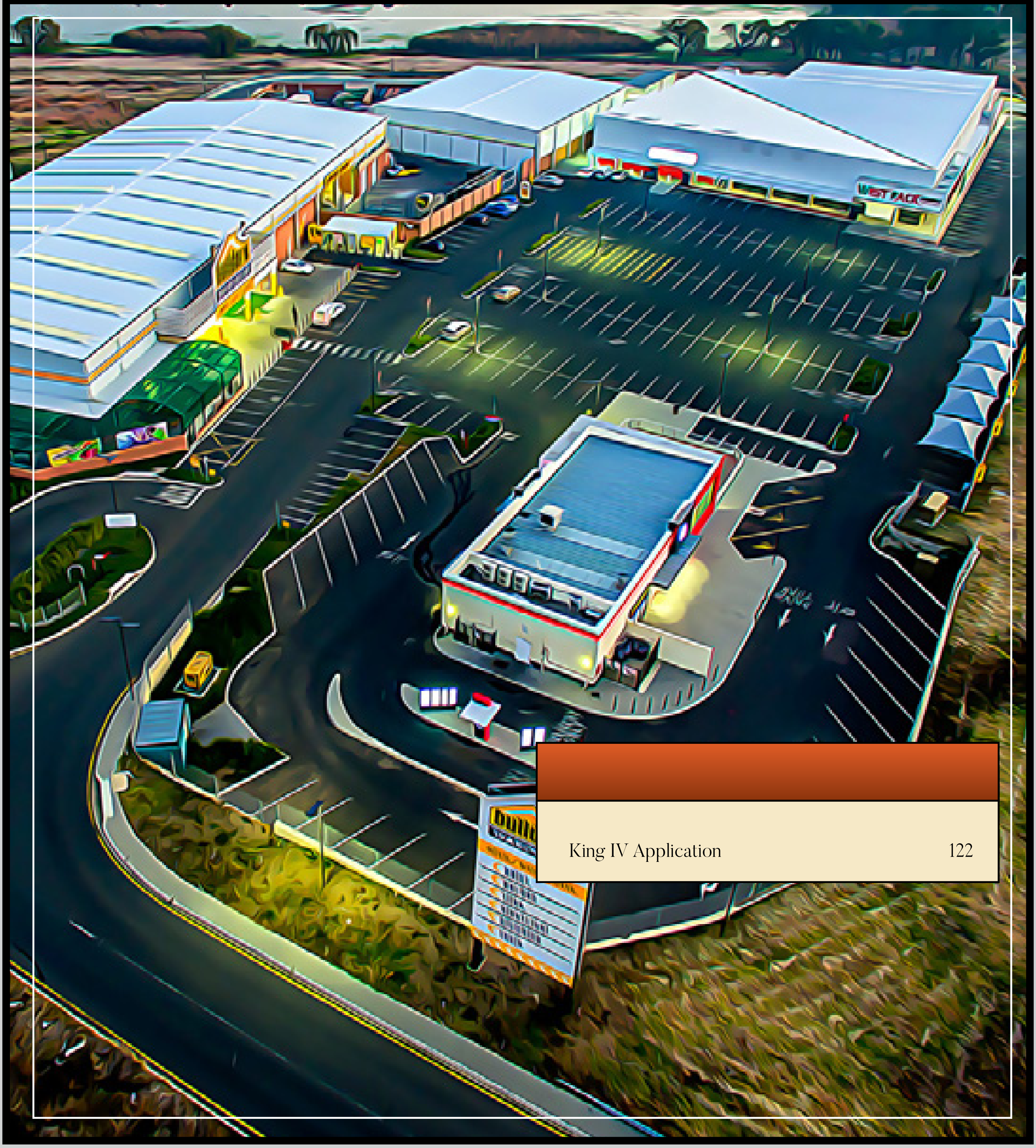
Comfort has worked for Putprop for twelve years and is responsible for the day-to-day administrative duties of the head office.

ASHLEY TAYLOR (ASH)
COMPANY SECRETARY

"You don't have to see the whole staircase, just take the first step." -Martin Luther King, Jr

Ashley holds a LLB degree and has experience in general and commercial litigation, corporate law, and corporate governance. Ashley joined Putprop, on behalf of Acorim (Pty) Ltd, as the company secretary in April 2022.

KING IV APPLICATION



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	PRINCIPLE 2	PRINCIPLE 3
Leadership The governing body should lead ethically and effectively.	**Organisational Ethics** The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	**Responsible corporate citizenship** The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
HOW WE COMPLY	**HOW WE COMPLY**	**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.	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.	The SE 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.

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 53 to 55 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

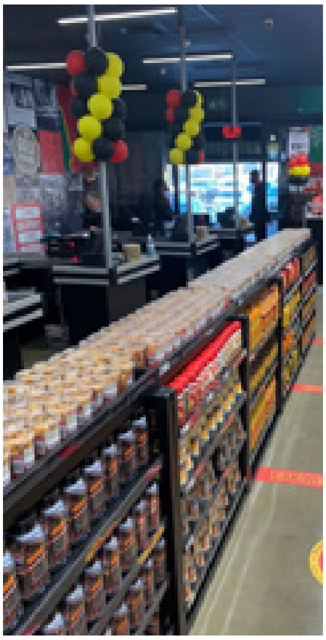
The governing body should serve as the focal point and custodian of corporate governance in the organisation.

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 100 of this report.



KING IV APPLICATION
(CONTINUED)

PRINCIPLE 7	PRINCIPLE 8	PRINCIPLE 9
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.**	**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.**	**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	**HOW WE COMPLY**	**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.	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.	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.

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 AR 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 AR 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 AR Committee report contained on pages 131 to 132 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 AR 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.

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.


DEBONAIRS PIZZA

BOARD COMMITTEES

DELEGATION OF AUTHORITY

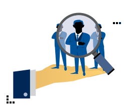
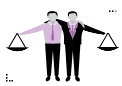
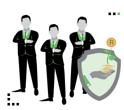
To assist the Board in discharging its collective responsibilities, certain Board functions have been delegated to the AR Committee, Remuneration, Nomination and Human Resources Committee Environmental, Social Ethics and Transformation Committee, (ESET) and the Investment Committee (IC). The granting 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 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 Chairmans have confirmed that the terms of reference have been materially complied with.

The Board is provided with regular reports by the Committee on Putprop's financial results, accounting policies, internal controls, financial reporting practices and identification of exposure to any significant risk.

The activities of all the Committees are reviewed by the members via an annual self-assessment exercise. This review is carried out by the Company Secretary.

Board	Audit and Risk	Remuneration Nomination and Human Resources	Social, Ethics, Environmental and Transformation	Investment
				
CHAIRPERSON **D Torricelli**	CHAIRPERSON **H Hartley**	CHAIRPERSON **H Hartley** *(Remuneration and Human Resources)* **D Torricelli** *(Nomination)*	CHAIRPERSON **D Torricelli**	CHAIRPERSON **H Hartley**
NUMBER OF MEETINGS HELD **7**	NUMBER OF MEETINGS HELD **5**	NUMBER OF MEETINGS HELD **2**	NUMBER OF MEETINGS HELD **2**	NUMBER OF MEETINGS HELD **2**

AUDIT AND RISK COMMITTEE

HAYDEN HARTLEY

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
17 February 2016

Years of Experience
15+ Years

Meeting attendance
5/5

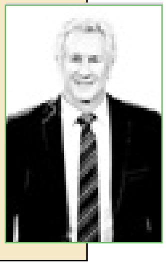
GERRIT VAN HEERDEN

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
40+ Years

Meeting attendance
5/5



RENÉ STYBER

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
30+ Years

Meeting attendance
5/5

Regular invitees

JAMES SMITH	**BRUNO CARLEO**	**ANNA CARLEO-NOVELLO**	**DANIELE TORRICELLI**	**HLB**
Chief Financial Officer	*Chief Executive Officer*	*Executive Director*	*Chairman, Independent, non-executive director*	*External Auditor*

FOCUS AREAS IN 2023

01 External audit plan and effectiveness of external audit function

02 Financial reporting of interim and annual 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 of the combined assurance approach

06 Intensive monitoring of high risk tenants

07 Monitoring of tax compliance across the Group

PLAN FOR 2024

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(k)

— 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 AR Committee comprised of three independent non-executive directors. The Committee met five 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 119 of this report references attendance. The AR Committee performs its review function over all of Putprop's and subsidiary operations and its report in this regard is set out on pages 154 to 157

OUR APPROACH

The AR Committee charter provides clear terms of reference to the AR Committee. The AR 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 AR Committee reviews accounting policies and financial information issued to the public and provides for effective communication between directors and external auditors.

The AR 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 AR Committee's Chairman.

ROLES AND RESPONSIBILITIES

The objective of the AR 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

AUDIT AND RISK COMMITTEE
(CONTINUED)

external auditors;

- Reviewing current and planned developments in accounting and auditing standards;
- 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;
- 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;
- Setting appropriate risk limits and controls and monitoring such risks and adherence to limits;
- 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 22.15 (h) 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.

AR 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 AR 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 AR Committee has the cooperation of all directors, management and staff.

IT MANAGEMENT

As at 30 June 2023 the Group does not have its own dedicated IT infrastructure. However, the AR 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.

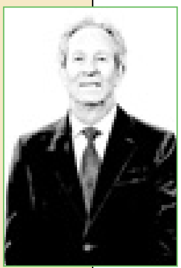
GOING CONCERN

The AR 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 AR Committee.

The AR report is set out on pages 154 to 157.

INVESTMENT COMMITTEE

BRUNO
CARLEO
CHIEF EXECUTIVE OFFICER

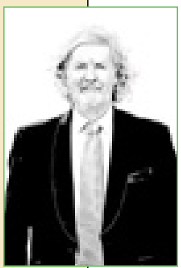


Date of appointment:
11 March 1997

Years of Experience
30+ Years

Meeting attendance
2/2

JAMES
SMITH
CHIEF FINANCIAL OFFICER



Date of appointment:
17 June 2009

Years of Experience
30+ Years

Meeting attendance
2/2

ANNA
CARLEO-NOVELLO
EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
15+ Years

Meeting attendance
2/2

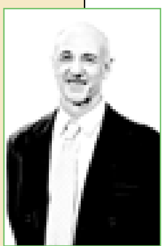
HAYDEN
HARTLEY
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
17 February 2016

Years of Experience
25+ Years

Meeting attendance
2/2

DANIELE
TORRICELLI
CHAIRMAN, INDEPENDENT, NON-EXECUTIVE DIRECTOR

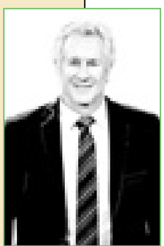


Date of appointment:
3 December 2015

Years of Experience
25+ Years

Meeting attendance
2/2

GERRIT
VAN HEERDEN
INDEPENDENT, NON-EXECUTIVE DIRECTOR



Date of appointment:
1 July 2018

Years of Experience
30+ Years

Meeting attendance
2/2

RENÉ
STYBER
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
25+ Years

Meeting attendance
2/2

The duties and responsibilities of the IC 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 IC is appointed by the Board and ensures that the Board's mandate in respect of property investments is reviewed and adhered to.

The IC is comprised of three executive directors and four non-executive directors.

All property acquisitions, disposals and capital expenditure proposed by the Group's executive are considered by the IC. The IC 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 IC's duties and responsibilities are governed by a charter, which is reviewed annually by the Board.

INVESTMENT COMMITTEE

RESPONSIBILITIES OF THE COMMITTEE INCLUDE:

- 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
- Reviewing and approving the composition of the property portfolio from time to time
- Reviewing the annual property valuations
- Considering and making recommendations to the Board on 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;
- Authorising transactions and recommending development proposals to the Board for ratification; and
- Reviewing and approving the sales mandate of properties to be sold, if any.

A full due diligence is undertaken and reviewed by the IC before any property is considered for acquisition.

FOCUS AREAS IN 2023

01 Assessing the appropriateness of the Company's property valuations.

02 Overseeing the Company's property disposals made during the year including planned future disposals

03 Assessment of finalising strategy for the disposal of Belle Isle Investments in Groups associate company

04 Assessing the Fund's new investments.

05 Monitoring the Company's capital expenditure

06 Assessing the opportunity to acquire all remaining shares in Pilot Peridot.

PLAN FOR 2024

The committee plans to dedicate significant time to the following key areas during the year ahead:

— Continued assessment of opportunities to recycle non-core assets

— Assessment of further investment opportunities with reference to the possible commencement of the Dobsonville development, funding permitting

— Continued assessment of property values

— Assessment of further investment in Pilot Peridot with the aim of a 100% holding

— Investigation as to the final feasibility of disposal of our Belle Isle investments.

REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE

HAYDEN HARTLEY

INDEPENDENT, NON-EXECUTIVE DIRECTOR

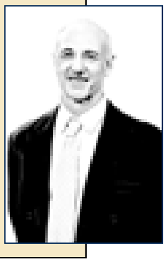
Date of appointment:
17 February 2016

Years of Experience
10+ Years

Meeting attendance
2/2

DANIELE TORRICELLI

CHAIRMAN, INDEPENDENT, NON-EXECUTIVE DIRECTOR



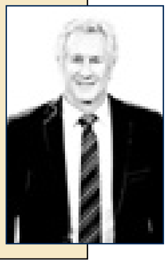
Date of appointment:
3 December 2015

Years of Experience
15+ Years

Meeting attendance
2/2

GERRIT VAN HEERDEN

INDEPENDENT, NON-EXECUTIVE DIRECTOR



Date of appointment:
1 July 2018

Years of Experience
10+ Years

Meeting attendance
2/2

RENÉ STYBER

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
10+ Years

Meeting attendance
2/2

Regular invitees

JAMES SMITH
Chief Financial Officer

BRUNO CARLEO
Chief Executive Officer

ANNA CARLEO-NOVELLO
Executive Director

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 139 to 140

The curricula vitae of the members are set out on pages 114 to 116. The Committee held two meetings during the period. All meetings were scheduled in advance. Meeting attendance is set out on pages 118 to 119.

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 2023

01 Review and approval of the FY2023 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

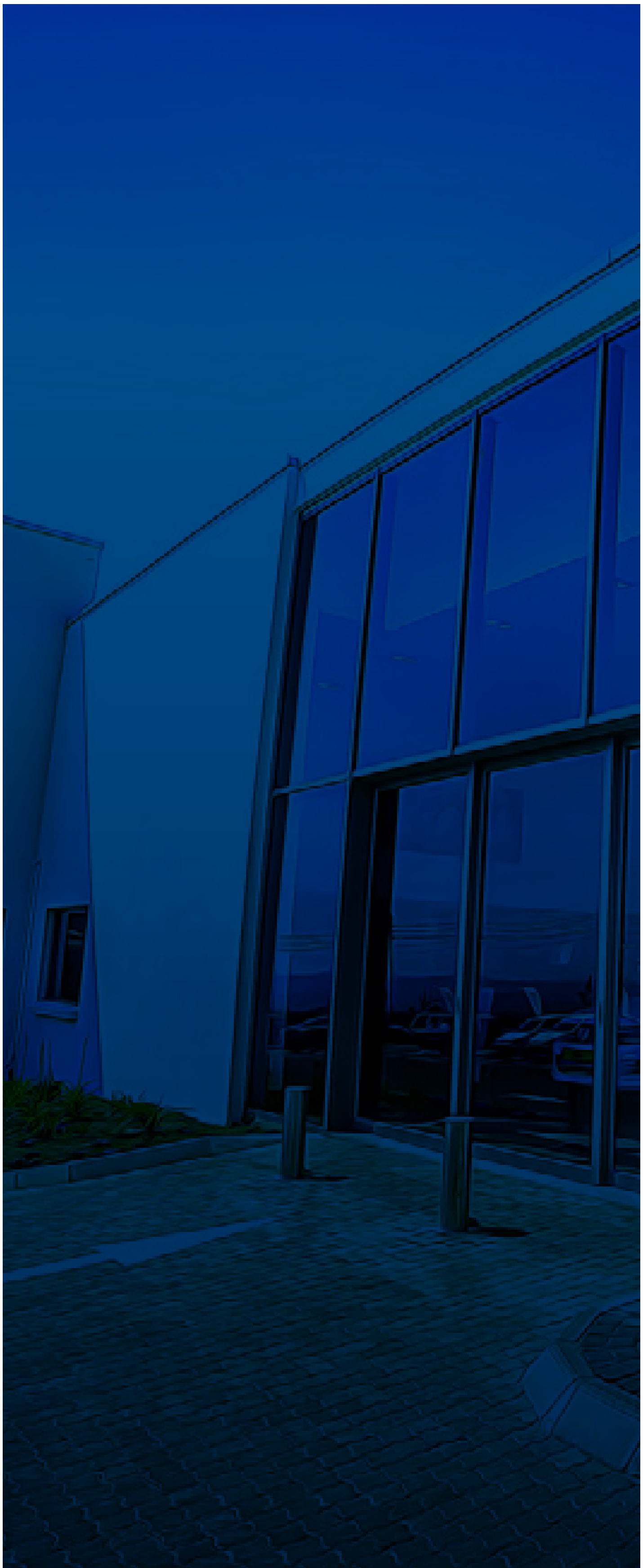
PLAN FOR 2024

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.

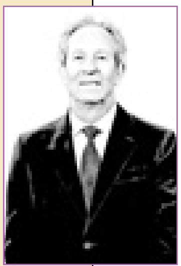
02 Review of and direction of, succession planning template and procedures currently in existence.

03 Review of current KPIs to ensure relevant and in line with Group's benchmarks



ENVIRONMENTAL, SOCIAL, ETHICS, AND TRANSFORMATION COMMITTEE

BRUNO
CARLEO
CHIEF EXECUTIVE OFFICER

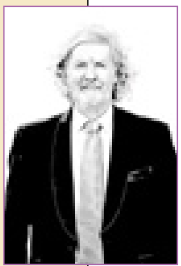


Date of appointment:
11 March 1997

Years of Experience
15+ Years

Meeting attendance
2/2

JAMES
SMITH
CHIEF FINANCIAL OFFICER



Date of appointment:
17 June 2009

Years of Experience
15+ Years

Meeting attendance
2/2

ANNA
CARLEO-NOVELLO
EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
15+ Years

Meeting attendance
2/2

HAYDEN
HARTLEY
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
17 February 2016

Years of Experience
8+ Years

Meeting attendance
2/2

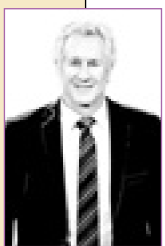
DANIELE
TORRICELLI
CHAIRMAN, INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
3 December 2015

Years of Experience
15+ Years

Meeting attendance
1/2

GERRIT
VAN HEERDEN
INDEPENDENT, NON-EXECUTIVE DIRECTOR



Date of appointment:
1 July 2018

Years of Experience
8+ Years

Meeting attendance
2/2

RENÉ
STYBER
INDEPENDENT, NON-EXECUTIVE DIRECTOR

Date of appointment:
1 July 2018

Years of Experience
8+ Years

Meeting attendance
2/2

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 and 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 pages 141 to 143

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 three 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 Putprops environmental and social reporting for the year under review, refer to the sections commencing on page 141 of this integrated report.

FOCUS AREAS IN 2023

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

PLAN FOR 2024

01 To investigate 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

03 Finalising where appropriate the Group's charter for its ESG strategy

04 Review and renew the Social and Ethics Charter adding changes where appropriate

05 Approval of social initiatives, investments and budget for 2024

06 Focus on sustainability linked areas of the Group where we can influence changes in waste disposal, water conservation and energy efficiency

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 2023 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

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 and complaint 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 2023 REMUNERATION POLICY AND IMPLEMENTATION REPORT

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.

Putprop's remuneration structure generally includes a guaranteed base salary and employment benefits. The remuneration of Putprop's executives is structured as follows:

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.

The Group does not allow for any short-and long-term incentive schemes at present.

The executives are bound by fixed-term 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 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.

REMUNERATION, NOMINATION AND HUMAN RESOURCES COMMITTEE REPORT
(CONTINUED)

Remuneration paid to executive directors for financial year 2023

FEES PAID TO NON-EXECUTIVE DIRECTORS FOR FINANCIAL YEAR 2023

		Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
Fee per meeting March 2023 to 28 Feb 2024	**Chairman**	24 152	16 574	8 293	-	-
Proposed fee per meeting March 2024 to 28 Feb 2025		28 000	19 000	10 000	-	-
Fee per meeting March 2023 to 28 Feb 2024	**Member**	17 120	8 935	6 088	-	-
Proposed fee per meeting March 2024 to 28 Feb 2025		20 000	10 000	7 000	-	-

PROPOSED FEES FOR FINANCIAL YEAR 2023

Refer to table above

SHAREHOLDER ENGAGEMENT

GENERAL

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 2023 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.

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.

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

At the November 2022 Annual General Meeting, we received votes approving the tabled remuneration policy and implementation report of 100% (2020: 100%) and 100% (2020: 100%) respectively.

The stable shareholder approval vote is pleasing as to its consistency reflecting shareholder confidence in the remuneration policies adopted.

The Company does however continue to invite legitimate comments and concerns from dissenting shareholders to engage with the RNHR Committee on these issues.

NOMINATION COMMITTEE

The nomination committee did not meet during the current review period.

CONCLUSION

The RNHR Committee is of the opinion that the current Board 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.

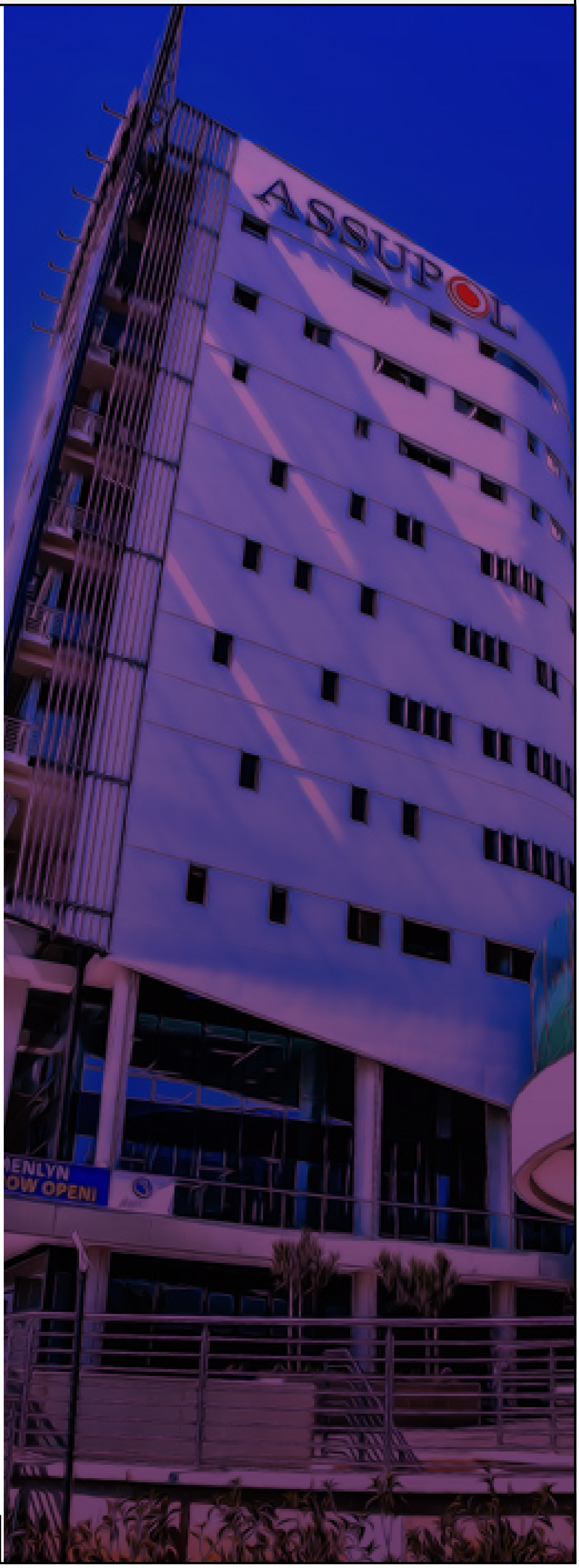
The RNHR Committee would like to extend its appreciation to the management and staff for their assistance during the year under review.

....
H Hartley
Chairman
Remuneration

....
D Torricelli
Chairman
Nomination

Sandton
23 August 2023

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 ESETs 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.

ACTIVITIES AND FOCUS AREAS 2023

MONITOR OF PUTPROP'S ETHICAL CULTURE

The Groups ethical values are detailed on page 6 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 eight 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, a number of employees resigned. Replacements were sourced and trained in the Group values and structure, undertaken.

SOCIAL INVESTMENT

A register of sponsorship and humanitarian investments is maintained by the ESET Committee. As at 30 June 2023 the total value of the social sponsorship and donations was R2 457 031 (2022: R2 086 026). For details of humanitarian investments made for this review period refer to pages 94 to 98 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 appointed to give direction to the Group in achieving a improvement in the B-BBEE status.

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 was obtained (in 2022) 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.

These recommendations have been submitted for the Board's attention.

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 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.

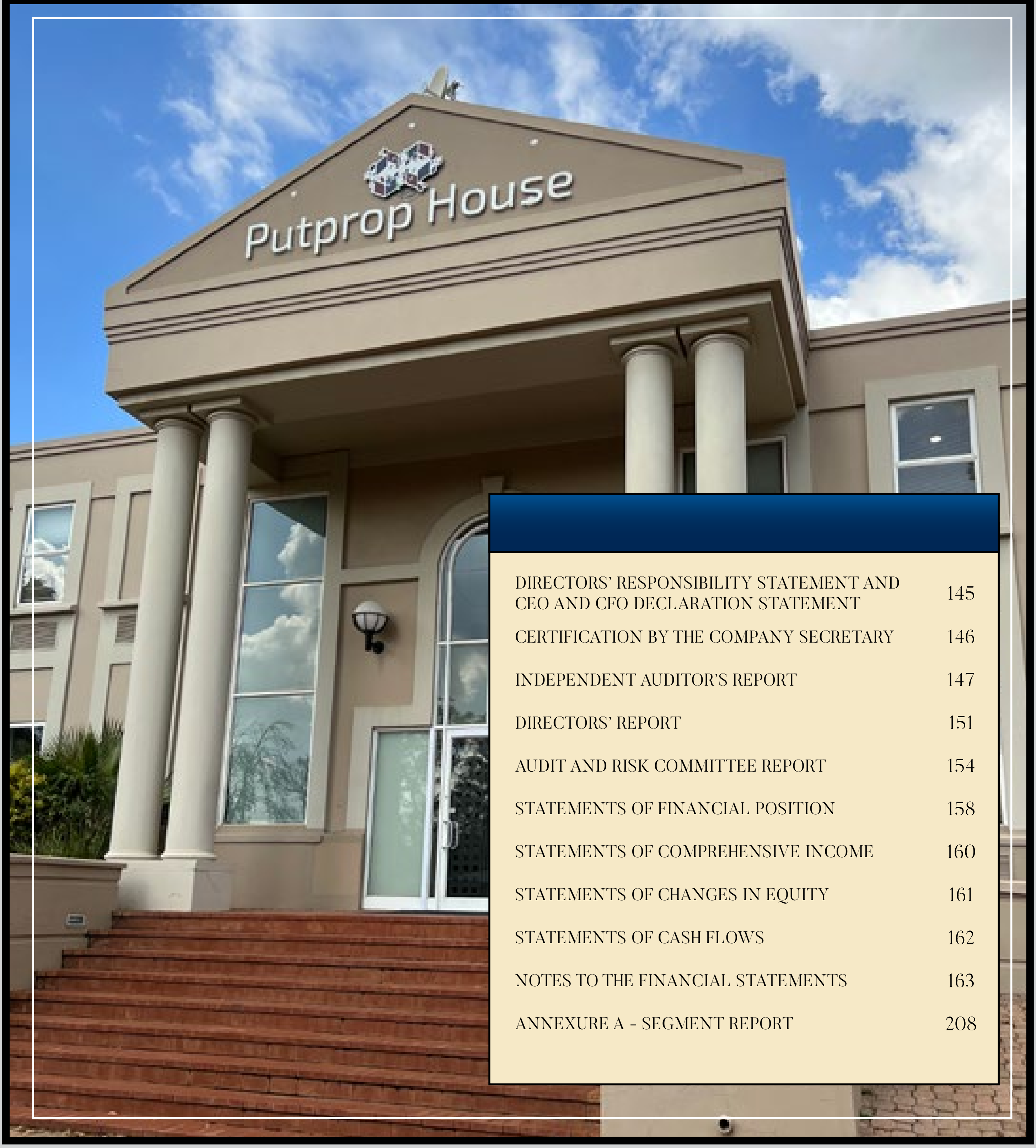
IN CONCLUSION

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
23 August 2023

ANNUAL FINANCIAL STATEMENTS



DIRECTORS' RESPONSIBILITY STATEMENT AND CEO AND CFO DECLARATION STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

Overview

The audited annual consolidated financial statements set out on pages 158 to 210 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.

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 2024. 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 AR 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 Groups going concern status refer to the Directors Report on page 151 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 158 to 210, 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 AR Committee and the auditors of 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 147 to150 .

Approval

The financial statements were approved by the Board on 14 September 2023 and signed on their behalf by:

....	....
J E Smith	**BC Carleo**
Chief Financial Officer	*Chief Executive Officer*
Johannesburg	Johannesburg
14 September 2023	14 September 2023

CERTIFICATION BY THE COMPANY SECRETARY

FOR THE YEAR ENDED 30 JUNE 2023

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 Proprietary Limited represented by
A. Taylor

Johannesburg
14 September 2023

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023

HLB SOUTH AFRICA INC.
Member of HLB International
10th largest auditing and accounting network in the world
CMA

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Tel International: +27 11 315 0215
Tel Local: 010 786 0153
E-Mail: info@hlbcma.co.za
www.hlbisouthafrica.co.za

Formed in 1969, HLB International services clients through its member firms in 156 countries, their 40,831 staff including partners in 1,128 offices worldwide

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HLB CMA South Africa Inc., Reg. 1997/013001/21, is a member of HLB International, the global advisory, auditing and accounting network

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 set out on pages 158 to 207, which comprise the consolidated and separate statements of financial position as at 30 June 2023, 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 2023, 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 (IFRS) 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.

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.

Corporate GLOBAL AWARDS WINNER 2023

CorporateINTL Audit & Assurance Services Firm of the Year 2019 and 2023

IRBA Practice no.: 912476
SAICA Practice no.:30701993

Offices in: Midrand (HQ), Vaal Triangle, West Rand, East Rand, Tshwane, Cape Town

Directors:
Our list of directors is available on request from mbasecretarial@mbainc.co.za

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
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". 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 the most significant one that we had to address from an audit perspective.	Our audit procedures, included the following, amongst other: o Assessment of the control environment surrounding investment property by considering its design and implementation. o The qualifications and independence of the external valuers were inspected and verified to assess their capabilities and competence. o The formal valuation reports were obtained from the valuers and the following procedures performed thereon: 1. The forecasted financial information was evaluated for reasonableness which included comparing forecast figures for 2024 with actuals for 2023. 2. The capitalisation and discount rates used were evaluated for reasonableness. 3. The valuations were recalculated to test the mathematical accuracy thereof. 4. A senior audit team member, with experience in valuations, 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. 5. Audit evidence was obtained to conclude that the investment property disclosures were made in terms of the IFRS.

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Putprop Limited Annual Financial Statements for the year ended 30 June 2023", 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.

HLB CMA

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

- 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 1 year.

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity within the subsidiary company Pilot Peridot Investments One Proprietary Limited in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. Pilot Peridot Investments One Proprietary Limited, repaid a small portion of certain minority shareholders' unsecured loans. This was in breach of a subordination clause with the provider of finance on this loan.

J du Toit C A(SA)
Director
Registered Auditor

14 September 2023

CMA Office and Conference Park
No.1 2nd Road
Halfway House Estate
Midrand, 1685

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

NATURE OF THE BUSINESS

The directors have pleasure in submitting the 35^{th} directors' report which forms part of the annual financial statements for the year ended 30 June 2023.

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 2023 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 was up 15.4% to R128.4 million (2022: R111.3 million).

Operating profit before finance costs was up 10.2% to R81.0 million (2022: R73.5 million). A 52% increase in finance costs during this period was recorded up from R29.1 million in 2022 to R44.2 million. This large increase arose from the finance facility utilised to develop Mamelodi Square of R83 million coming fully on line in this period as was well as Reserve Bank increases to the repo rate.

Profit before fair value adjustments of R33.2 million (2022: R38.2 million)was reported.

The Group had large fair value write downs on its portfolio for the reporting period of R36.1 million (2022: R24.3 million upwards). This was necessary due to the current market conditions in the property sector, an ageing property base and recognition of not fit for purpose assets. As a result of these substantial fair value adjustments and interest costs a reduced profit of 9,245 million was recorded, compared to a profit of R73,6 million in 2022. Headline earnings per share were 93,98 cents per share (2022: 89.3cents)

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 7.00 cents per share for the period ended 30 June 2023 (2022: 6.00 cents). The total dividend distributed for the year ended 30 June 2023 was 11.25 cents per share (2022: 10.25 cents).

DIRECTORATE

Details of the current directors providing full names, ages, qualifications and abridged curricula vitae are set out on pages 114 to 115 of the annual report.

Anna Carleo retired from the Board of Directors after her review period, with effect from 30th November 2023.

In terms of the MOI of the Company, one third of all non-executive directors have to retire annually by rotation. Mr Hayden Hartley and Mr Daniele Torricelli, retire in terms of this requirement. Both offer themselves for re-election by shareholders at the Group's Annual General Meeting. Any new directors that have been appointed during the year also have to have such appointment ratified at the next Annual General Meeting. All retiring directors are eligible for re-election.

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 2023 the issued shares of no-par value amounted to 42 409 181 shares (2022: 42 409 181).

Unissued shares of 457 590 819 (2022: 457 590 819) are held under the control of the directors, subject to the JSE Listings Requirements until the next Annual General Meeting.

ULTIMATE HOLDING AND HOLDING COMPANY

Putprop's holding company is Carleo Enterprises Proprietary Limited and its ultimate holding company is Carleo Investments Proprietary Limited.

GOING CONCERN

Current liabilities exceed current assets on both Group and Company level. The liquidity position at Company and Group level is expected to again improve during the 2024 review period. The Group's assessment of going concern also took into consideration all debt covenants such as loan-to-value and interest cover ratios.

The Nedbank loan for the Parktown Property has a balloon payment of R46.9 million maturing in May 2023. Arrangement has been reached with Nedbank to convert this balloon payment of the loan into long-term debt.

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

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 2024. We conclude that except for that detailed below the Group will fulfill all its covenants in the next 12 months.

During 2023 the Group through its subsidiary, Pilot Peridot Investments 1 (Pty) Ltd, repaid a small portion of certain minority shareholders unsecured loans. This was in breach of a subordination clause with the provider of finance on this loan. The financier has been informed and systems have been implemented to ensure no further occurrences occur. Further disclosure has been made as o the subordination covenant in note 18 of the Annual Financial Statements.

SPECIAL RESOLUTIONS

The following special resolutions were passed at the Annual General Meeting held on 4 November 2022:

- Approval of the non-executive directors' remuneration for the financial years ending 30 June 2023;
- 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 Groups' property portfolio;

Broll Property Group (Pty) Ltd, Emira Property Management, McCormick Property Development (Pty) Ltd ,Vision Property Management, Trafalgar Property Management (Pty) Ltd and Bidvest Property Management (Pty) Ltd.

DIRECTORS' SHAREHOLDINGS

On 30 June 2023, the directors held a total of 4 094 143 (2022: 4 094 143) shares in the Group. There has been no change in these interests between 30 June 2023 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	
2023 %	2022 %		2023 %	2022 %
		Non-executive directors		
–	–	No shares are held by any of the Group's Non-executive directors	–	–
		Executive directors		
0.05	0.05	A L Carleo-Novello	3.94	3.94
0.13	0.13	B C Carleo	5.07	5.07

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

BOARD AND COMMITTEE COMPLIANCE

The attendance registers of directors for each Board and Committee meeting for the year ended 30 June 2023 is detailed on pages 118 and 119 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 36.

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 2023 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 A. Taylor 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

Proceeds from the sale of our Nancefield Property previously announced on SENS of 19 September 2022 received on 3 July 2023.

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

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.

Dividend 68 has been declared at 7.00 cents per share.

Johannesburg
14 September 2023

B C Carleo	J E Smith	A C Carleo-Novello	D Torricelli
H Hartley	R Styber	G van Heerden	

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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 2023.

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 2023 (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 pages 118 and 119 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.

There were no changes to the AR Committee for the review period.

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.

CHANGE OF EXTERNAL AUDITOR

- The change in external auditor follows a formal review by the Committee of Putprop's external audit requirements, based on inter alia, costs, capacity and fit.
- After discussions with major shareholders of the Group, the AR Committee recommend to the Board that a change be implemented. The Board approved this recommendation and instructed the AR Committee to finalise the process. The AR Committee gave consideration to various Audit Firms with the necessary capacity and listed companies expertise to perform the Group audit, as well as inputs from the executives. After consideration by the committee, HLB CMA South Africa (Incorporated) was recommended and approved by the Board.
- HLB is the external auditor of Putprop. They were appointed on 12 January 2023.

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 2023 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 2023.
- In addition, following the AR Committee's review of the Independent Regulatory Board of Auditors' latest findings report and the latest inspection reports and summary of internal review findings in terms of paragraph 22.15 (h) of the Listings Requirements provided by the auditors the committee satisfied itself that both HLB and Jeandre du Toit are accredited in terms of the Listings Requirements and are independent from the Company.
- 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 2023 (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 expect 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 2023. 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 2022 and June 2023;
- The valuation performed by an independent external valuer, as at 30 June 2023;
- The full year integrated report to 30 June 2023; and
- The interim results to December 2022.

All of the reports as listed above were recommended for approval to the Board.

The AR Committee[1] 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 2023.

JSE CORRESPONDENCE 2023

During 2023 correspondence was received by the AR Chair from the JSE in respect of the restatement of the Groups June 2022 published results. The JSE was of the opinion that details provided in the notes to the Financial Statements for the year ended June 2022 was not sufficient to indicate whether prior period errors occurred due to the incorrect application of International Financial Reporting Standards (IFRS).

The JSE expressed the view that due to the alleged absence of compelling factors demonstrating that the company and or the Financial Director had exercised the highest standard of care in the preparation of the financial information for the year ended June 2020 which was subsequently restated in June 2022 due to disclosure errors, the Company and or the Financial Director may therefore be in breach of certain provisions of the Listing Requirements

The Group as a result of this query sought independent accounting advice as well as a legal opinion in this matter. In its reply to the JSE the Group demonstrated that the Financial Director had acted diligently, obtained advice from the external auditor which he believed was in their Professional competence, had actively applied his mind, and as a result this was a bona fide calculation error.

In addition, the Company indicated to the JSE that going forward, Putprop had appointed a additional external review agent to ensure compliance and correct interpretation of all IFRS and JSE requirements of future annual financial statements, further strengthening it's controls. The JSE in its final correspondence, dated 14 June 2023, considered the matter resolved.

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 23 August 2023, the AR Committee considered and recommended the June 2023 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 2023 (CONTINUED)

OVERSIGHT OF RISK MANAGEMENT

The Committee plays a vital role in the process of risk management and the Chief Financial Officer reports directly to the Committee. All risk identification, measurement and management is addressed through these channels.

A risk management plan, risk register and risk policy were review and approved by the Committee during the reporting period.

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 2022.

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 154 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 2023 the Group does not have its own dedicated IT infrastructure. However, the AR 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
23 August 2023

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

GROUP 2023 R'000	GROUP 2022 R'000		Note(s)	COMPANY 2023 R'000	COMPANY 2022 R'000
		ASSETS			
		Non-Current Assets			
1,058,842	953,332	Investment property (including straight-lining)	3	391,826	280,998
1,095,585	985,375	Investment property (excluding straight-lining)		395,685	284,100
(36,743)	(32,043)	Straight-lining lease income accrual	4	(3,859)	(3,102)
-	82,730	Gross investment property held under development	3	-	82,730
		Other Non-current Assets			
36,743	32,151	Operating lease asset	4	3,859	3,210
1,468	896	Property, plant and equipment	6	1,194	622
-	-	Investment in subsidiaries	7	28,431	28,431
-	-	Loans to subsidiaries	8	182,845	179,103
14,715	14,576	Investment in associates	10	47	47
55,084	52,084	Cumulative redeemable preference shares in associate	11	55,084	52,084
10,069	41,224	Deferred tax	12	-	-
1,176,921	**1,176,993**	**Total Non-current Assets**		**663,286**	**627,225**
		CURRENT ASSETS			
-	-	Loans to group companies	8	-	838
41,165	31,861	Trade and other receivables	13	27,001	14,384
-	461	Current tax receivable		-	139
18,558	19,096	Cash and cash equivalents	14	9,416	7,021
59,723	**51,418**	**Total Current Assets**		**36,417**	**22,382**
-	38,152	Net investment property held for sale		-	38,152
-	38,260	Gross investment property	3	-	38,260
-	(108)	Operating lease asset	4	-	(108)
1,236,644	**1,266,563**	**Total Assets**		**699,703**	**687,759**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

GROUP				COMPANY	
2023 R'000	2022 R'000		Note(s)	**2023 R'000**	2022 R'000
		EQUITY AND LIABILITIES			
		EQUITY			
		Equity Attributable to Equity Holders of Parent			
93,490	93,490	Stated capital	15	93,490	93,490
571,420	564,651	Retained income		451,996	455,543
664,910	658,141			545,486	549,033
19,051	20,922	Non-controlling interest	17	-	-
683,961	**679,063**	**Total Equity**		**545,486**	**549,033**
		LIABILITIES			
		Non-Current Liabilities			
443,747	328,961	Loan liabilities	18	122,326	-
27,163	75,236	Deferred tax	12	10,713	27,020
470,910	**404,197**	**Total Non-current Liabilities**		**133,039**	**27,020**
		CURRENT LIABILITIES			
18,015	44,061	Trade and other payables	19	10,793	38,631
61,195	119,595	Loan liabilities	18	8,199	53,428
1,471	-	Current tax payable		1,094	-
1,092	19,647	Bank overdraft	14	1,092	19,647
81,773	**183,303**	**Total Current Liabilities**		**21,178**	**111,706**
552,684	**587,500**	**Total Liabilities**		**154,217**	**138,726**
1,236,644	**1,266,563**	**Total Equity and Liabilities**		**699,703**	**687,759**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

Group 2023 R'000	Group 2022 R'000		Note(s)	Company 2023 R'000	Company 2022 R'000
128,439	111,325	Rental income and recoveries	20	59,550	48,892
(47,384)	(38,112)	Property operating costs	21	(20,873)	(16,431)
81,055	**73,213**	**Gross profit from property operations**		**38,677**	**32,461**
(19,229)	(18,819)	Corporate administration costs	22	(16,003)	(12,896)
11,221	3,360	Interest income	23	12,882	4,400
3,291	1,752	Other income	24	2,366	712
991	601	Expected credit losses	25	502	(26)
139	7,175	Share of associates' profits	10	-	-
77,468	**67,282**	**Operating profit before finance costs**	22	**38,424**	**24,651**
(44,221)	(29,071)	Finance costs	26	(12,493)	(2,605)
33,247	**38,211**	**Profit before fair value adjustments**		**25,931**	**22,046**
(30,173)	24,281	Fair value adjustments		(32,547)	15,411
3,074	**62,492**	**Profit (loss) before taxation**		**(6,616)**	**37,457**
6,171	11,149	Taxation	27	7,416	(7,322)
9,245	**73,641**	**(Loss) profit for the year**		**800**	**30,135**
-	-	Other comprehensive income		-	-
9,245	**73,641**	**Total comprehensive (loss) income for the year**		**800**	**30,135**
		Profit and total comprehensive income (loss) attributable to:			
11,116	64,025	Owners of the parent		800	30,135
(1,871)	9,616	Non-controlling interest		-	-
9,245	**73,641**			**800**	**30,135**
		Earnings per share			
		Per share information			
26.20	150.97	Basic and diluted earnings per share (c)	40	1.89	150.97

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

GROUP	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
Balance at 01 July 2021	**93,490**	**500,703**	**594,193**	**18,590**	**612,783**
Profit and total comprehensive income for the year	-	64,025	64,025	9,616	73,641
Dividends	-	(6,361)	(6,361)	-	(6,361)
Acquisition of additional shares (Note 17)	-	6,284	6,284	(7,284)	(1,000)
Balance at 01 July 2022	**93,490**	**564,651**	**658,141**	**20,922**	**679,063**
Profit and total comprehensive income for the year	-	11,116	11,116	(1,871)	9,245
Dividends	-	(4,347)	(4,347)	-	(4,347)
Balance at 30 June 2023	**93,490**	**571,420**	**664,910**	**19,051**	**683,961**
Note(s)	15				

COMPANY	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
Balance at 01 July 2021	**93,490**	**431,769**	**525,259**	**-**	**525,259**
Profit and total comprehensive income for the year	-	30,135	30,135	-	30,135
Dividends	-	(6,361)	(6,361)	-	(6,361)
Balance at 01 July 2022	**93,490**	**455,543**	**549,033**	**-**	**549,033**
Profit and total comprehensive income for the year	-	800	800	-	800
Dividends	-	(4,347)	(4,347)	-	(4,347)
Balance at 30 June 2023	**93,490**	**451,996**	**545,486**	**-**	**545,486**
Note(s)	15				

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

Group 2023 R'000	Group 2022 R'000		Note(s)	Company 2023 R'000	Company 2022 R'000
		CASH FLOWS FROM OPERATING ACTIVITIES			
33,550	94,958	Cash generated from/(used in) operations	28	(16,093)	52,692
6,985	3,360	Interest income	23	4,582	4,409
(35,342)	(29,071)	Finance costs	26	(4,605)	(2,605)
-	-	Dividends paid	30	-	-
(8,337)	(6,046)	Tax paid	29	(7,658)	(4,627)
(3,144)	**63,201**	**Net cash from operating activities**		**(23,774)**	**49,869**
		CASH FLOWS FROM INVESTING ACTIVITIES			
(768)	(353)	Purchase of property, plant and equipment	6	(768)	(353)
(47,061)	(65,749)	Purchases of investment property	3	(44,209)	(65,204)
21,592	32,864	Proceeds from sales of investment property	3	21,592	32,864
-	-	Advances on loans to group companies	8	-	(21,881)
-	-	Loan repayment received from group companies	8	(500)	12
-	-	Other loans advanced		-	(500)
(26 237)	**(33,238)**	**Net cash from investing activities**		**(23,885)**	**(55,062)**
		CASH FLOWS FROM FINANCING ACTIVITIES			
-	(1,000)	Cash paid due to change in holding		-	(1,000)
-	-	Proceeds from group loans		-	1,493
(27,677)	(47,331)	Repayment of loan liabilities	31	(6,465)	(4,341)
79,421	-	Advances received on loan liabilities	18	79,421	-
(4,347)	(6,361)	Dividends paid	30	(4,347)	(6,361)
47,397	**(54,692)**	**Net cash from financing activities**		**68,609**	**(10,209)**
18,016	**(24,729)**	**Total cash movement for the year**		**20,950**	**(15,402)**
(551)	24,178	Cash and cash equivalents at the beginning of the year		(12,626)	2,776
17,465	**(551)**	**Cash and cash equivalents at the end of the year**	14	**8,324**	**(12,626)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") 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. They are presented in Rands, which is the Group and company's functional currency.

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:

- 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

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated and separate annual financial statements from the effective date of acquisition to the effective date of disposal.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interest is recognised on a proportionate basis.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.4. Joint arrangements

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 20% 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.

The accounting policy of the associate on measurement of investment properties has been changed to fair value measurement to ensure consistency with the policies adopted by the Group.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.6. Investment property (continued)

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 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 the year of retirement or disposal.

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 properties held-for-sale are excluded from the measurement scope of IFRS 5 Non-Current Assets Held-for-Sale and Discontinued Operations and continues to be measured according to the fair value model with gains/losses recognised in the statement of comprehensive income.management is committed to a plan to sell,

1.8. Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

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.

Property, plant and equipment is initially measured at cost and subsequently carried at cost less accumulated depreciation and any impairment losses. 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 a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group.

The useful lives of items of property, 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 property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

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.

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 forecast 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.10 Financial instruments (continued)

Trade receivables

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 current and prior year 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. Details of the provision matrix as at 2023 is presented below:

Days Outstanding	Description	Internal credit grade	Basis for recognising expected credit loss	Provision Matrix 2023	Provision Matrix 2022
120+ Days	120 days past due or there is evidence that the asset is credit impaired	In default. Credit impaired and debtor is handed over.	Lifetime ECL (Stage 3)	100%	100%
90 Days	90 days past due or there is evidence that the asset is credit impaired	In default. Credit impaired and debtor is handed over.	Lifetime ECL (Stage 3)	45%	100%
60 Days	60 days past due or there has been a significant increase in credit risk since initial recognition	Doubtful. Debtor has exceeded their credit term. Increase in credit risk	Lifetime ECL (Stage 2)	10%	15%
30 Days	30 days past due or there has been a significant increase in credit risk since initial recognition	Doubtful. Debtor has exceeded their credit term. Increase in credit risk	Lifetime ECL (Stage 2)	4%	5%
Current	Low risk of default and no amounts are past due	Performing	Lifetime ECL (Stage 1)	1%	0%

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.10 Financial instruments (continued)

Other financial assets

The Group measures the loss allowance on all other financial assets by following the general approach. The loss allowance is measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial asset has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date.

In determining the amount of expected credit losses, the company takes into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the property industry in which the counterparties operate.

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 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 past 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.

Internal 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 on a demand depends on whether the counterparty has sufficient cash or other liquid assets to repay it's 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 considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay it's debt on demand. 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 2023 (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 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 receivables 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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.10 Financial instruments (continued)

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.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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).

Financial liabilities expose the Group to liquidity risk and interest rate risk. Refer to note 37 for details of risk exposure and management thereof.

Bank overdrafts

Bank overdrafts are repayable on demand 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.11. Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included 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 lessee

The Group has only entered into short-term leases of 12 months or less. The Group recognises these lease payments as an operating expense on a straight-line basis.

Group as lessor

The Group currently only has operating leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards related to ownership.

Contractual rental income is recognised as revenue in profit and loss on a straight-line basis over the term of the lease.

Leased investment property is straightlined over the duration of the contract, considering the annual escalation percentage and recognising and operating lease asset.

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.

1.14. 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 interests 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.

1.15. 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

1.16. Revenue

Revenue comprises 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 (municipal) recoveries	Municipal 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.

Recoveries

Recoveries income 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.

Performance obligations related to recovery income		
a.	When the entity typically satisfies its performance obligations	Services are rendered during the month and revenue is recognised over time (the end of each month).
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.

Revenue received in advance is recognized as other payables in trade and other payables.

1.17. 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.

1.18. Property operating costs

Operating expenses, as well as service costs for service contracts identified with a specific property are expensed as incurred.

1.19. 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 2023 (CONTINUED)

1.20. 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.

1.21. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

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:** **Years beginning on or after**	**Impact on the financial statements**
Initial application of IFRS 17 and IFRS 9 - Comparative information	In December 2021, the International Accounting Standards Board (IASB) issued Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendment to IFRS 17). The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.	01 January 2023	The amendment is not expected to have a material impact on the Group.
IAS 12 – Deferred Tax: Deferred tax related to assets and liabilities arising from a single transaction	The IASB issued 'Deferred Tax related to Assets and Liabilities arising from a single transaction' that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.	01 January 2023	The amendment is not expected to have a material impact on the Group.
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.	01 January 2023	The amendment is not expected to have a material impact on the Group.
Definition of accounting estimates: Amendments to IAS 8	In February 2021, the IASB issued the definition of accounting estimates, which amended IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities to distinguish between accounting policies and accounting estimates.	01 January 2023	The amendment is not expected to have a material impact on the Group.
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.	01 January 2024	The amendment is not expected to have a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

3. INVESTMENT PROPERTY

3.1. Net investment property

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
895,013	765,222	Property acquisitions, capital expenditure and tenant installations	313,728	158,035
200,572	220,153	Cumulative gain from gross fair value adjustment	81,957	126,065
1,095,585	**985,375**	**Carrying value**	**395,685**	**284,100**
(36,743)	(32,043)	Operating lease assets (Note 4)	(3,859)	(3,102)
1,058,842	**953,332**	**Net investment property at 30 June**	**391,826**	**280,998**
		Reconciliation of carrying value		
985,375	1,009,630	Investment property at 1 July	284,100	309,020
-	(31,640)	Transfer to investment property held for sale	-	(31,640)
-	(56,636)	Transfer to investment property held under development	-	(56,636)
3,106	65,749	Acquisition and development cost of investment property	254	65,204
-	(14,900)	Disposals	-	(14,900)
126,685	-	Transfer from held under development	126,685	-
(19,581)	13,172	Change in gross fair value	(15,354)	13,052
1,095,585	**985,375**	**Carrying value at 30 June**	**395,685**	**284,100**

3.2. Net investment property - held under development

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		Stated at fair value		
-	73,416	Property acquisitions, capital expenditure and tenant installations	-	73,416
-	9,314	Cumulative gain from fair value adjustment	-	9,314
-	**82,730**	**Net investment property at 30 June**	**-**	**82,730**
		Movement for the year		
82,730	16,780	Investment property held for development at 1 July	82,730	16,780
-	56,636	Transfer from investment property	-	56,636
37,472	-	Capital expenditure and tenant installations	37,472	-
6,483	-	Borrowing cost capitalized	6,483	-
(126,685)	-	Transfer to investment property	(126,685)	-
-	9,314	Changes in gross fair value adjustment	-	9,314
-	**82,730**	**Net investment property at 30 June**	**-**	**82,730**

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

3.3. Net investment property - held for sale

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
		Stated at fair value		
-	27,057	Property acquisitions, capital expenditure and tenant installations	-	27,057
-	11,094	Cumulative gain from fair value adjustment	-	11,094
-	**38,151**	**Net investment property at 30 June**	**-**	**38,151**
		Movement for the year		
38,152	30,156	Investment property held for development at 1 July	38,152	30,156
-	31,640	Transfer from investment property	-	31,640
(10,040)	(5,681)	Changes in gross fair value adjustment	(10,040)	(5,681)
(28,112)	(17,964)	Disposals (net of operating lease asset)	(28,112)	(17,964)
-	**38,151**	**Net investment property at 30 June**	**-**	**38,151**

Movement for the year

An agreement was entered into in 2019 whereby the company sold a 50% undivided share of the Mamelodi property to McCormick Development Company. The selling price of the 50% share in the properties was estimated at R6.6 million for Mamelodi. Final consideration of R 7.6 million was determined by occupational certificate reflecting a final GLA of 16 955m2 for the retail centre built at a price rate of R12,915 per m2. The property was transferred on the 3rd of November 2022.

The Board assessed the property yields on the Nancefield and Soshanguve properties and decided that both the properties will be held for sale as at 30 June 2022. Nancefield field's title transferred on 30 June 2023 for the amount of R7,6 million received on the 3rd of July 2023. Soshanguve was sold on 16 September 2022 for R14 million. Both properties were sold at fair value and no profit/loss on sale of asset accrued.

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 R51 200 000 (2022: R48 490 000);
- Erf 8 839, Secunda, Ext 60, Mpumalanga to the value of R128 700 000 (2022: R122 500 000); and
- Section 1 of 55 Oakhurst, Portion 1 and 2 of Erf 915 Parktown to the value of R74 745 523 (2022: R74 900 000).
- 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 R510 000 000 (2022: R521 565 000).
- 50% undivided share in Portion 111 of the Farm Mamelodi 608 (Known as Mamelodi Square), Registration Division J.R. Gauteng to the value of R 83 562 000

Fair value measurement

Refer to note 5 for fair value measurement.

Property disclosures

Refer to page 60 to 81 for the property disclosures in terms of JSE Listing Requirements paragraph 13.18 and 13.19.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

4. OPERATING LEASE ASSET

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
		Movement for the year		
32,151	39,659	Balance at 1 July	3,210	1,971
4,592	(7,508)	Income (loss) recognised during the year	649	1,239
36,743	**32,151**	**Balance at 30 June**	**3,859**	**3,210**
		Reflected on the statement of financial position under:		
36,743	32,043	Non-current assets	3,859	3,102
-	108	Non-current assets held for sale	-	108
36,743	**32,151**		**3,859**	**3,210**

Future minimum lease payments have been set out in Note 32.

5. FAIR VALUE INFORMATION

Investment properties

The external valuations were performed by a sworn independent appraiser, Spectrum Valuations and Asset Solutions (Pty) Ltd, represented by Johan Schoeman, registered with the South African Council for the Property Valuers Profession, and carried out on 100% of the Group's property portfolio in June 2023. 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. In the prior year, the external valuations by a sworn independent appraiser and member of the Royal Institute of Chartered Surveyors, JLL Inc. represented by Joshua Askew (IFRICS), was carried out on 100% of the Group's property portfolio in June 2022.

The fair value measurement for investment properties, properties under development and properties held for sale has been categorised as Stage 3 under the fair value hierarchy based on the inputs to the valuation's technique being unobservable.

Movement in unrealized gains and losses of fair value have been recognised in fair value adjustment in profit or loss.

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
(30,173)	24,281	Fair value adjustments	(32,547)	15,411

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting, other than for the lease liabilities and operating lease assets that are recognised separately in the statement of financial position.

The reconciliation of these properties is presented in note 3.

The valuations stated are in line with the director's valuations of the same properties.

The fair values of land for development were determined using the comparable sales method, 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 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 R4 100 per m^2 to the developable land.

The fair value of commercial, industrial, residential and retail properties are estimated using net income capitalisation method of valuation. 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 2023 (CONTINUED)

5. FAIR VALUE INFORMATION (CONTINUED)

Refer to page 80 to 81 for the average gross rental per m². 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^2 included in the valuations were as follows:

Market net rental per segment - Rand per m^2	2023 From	2023 To
Industrial	26	75
Retail	74	117
Commercial	103	285
Residential	91	91

The capitalisation rates included in the valuations were as follows:

2023 From	2023 To	Capitalisation rates per segment	2022 From	2022 To
9.75 %	10.90 %	Industrial	9.04 %	20.04 %
9.00 %	9.50 %	Retail	8.76 %	15.45 %
8.50 %	10.50 %	Commercial	5.43 %	10.55 %
7.50 %	7.50 %	Residential	7.87 %	7.87 %

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

5. FAIR VALUE INFORMATION (CONTINUED)

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 and the Market net rental and market net rental growth. 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.

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		Sensitivity measurement and effect of change in market net rental per m²		
21,668	-	Effect on fair value amount of a 0.25% increase in market net rental per m²	12,864	-
1.98 %	*- %*	*Effect on fair value as a percentage of a 0.25% increase in market net rental per m²*	*3.25 %*	*- %*
(15,276)	-	*Effect on fair value amount of a 0.25% decrease in market net rental per m²*	(7,718)	-
(1.39) %	*- %*	*Effect on fair value as a percentage of a 0.25% decrease in market net rental per m²*	*(1.95) %*	*- %*
		Sensitivity measurement and effect of change in capitalisation rates		
(51,579)	(48,218)	Effect on fair value amount of a 0.25% increase in capitalisation rates	(9,356)	(9,499)
(4.71) %	*(4.36) %*	*Effect on fair value as a percentage of a 0.25% increase in capitalisation rates*	*(2.36) %*	*(2.34) %*
28,536	51,388	Effect on fair value amount of a 0.25% decrease in capitalisation rates	9,859	9,975
2.60 %	*4.64 %*	*Effect on fair value as a percentage of a 0.25% decrease in capitalisation rates*	*2.49 %*	*2.46 %*
		Sensitivity measurement and effect of change in bulk rates on undeveloped land		
6,212	-	Effect on fair value amount of a 0.25% increase in bulk rates	-	-
25.00%	-	*Effect on fair value as a percentage of a 0.25% increase in bulk rates*	-	-
(6,212)	-	Effect on fair value amount of a 0.25% decrease in bulk rates	-	-
(25.00) %	-	*Effect on fair value as a percentage of a 0.25% decrease in bulk rates*	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

6. PROPERTY, PLANT AND EQUIPMENT

2023 R'000 Cost	Accumulated depreciation	Carrying value	GROUP	2022 R'000 Cost	Accumulated depreciation	Carrying value
866	(270)	596	Furniture and fittings	814	(204)	610
147	(147)	-	Motor vehicles	147	(147)	-
594	(399)	195	Office equipment	566	(315)	251
314	(286)	28	Computer equipment	279	(244)	35
652	(3)	649	Solar equipment	-	-	-
2,573	**(1,105)**	**1,468**	**Total**	**1,806**	**(910)**	**896**

2023 R'000 Cost	Accumulated depreciation	Carrying value	COMPANY	2022 R'000 Cost	Accumulated depreciation	Carrying value
530	(208)	322	Furniture and fittings	477	(141)	336
147	(147)	-	Motor vehicles	147	(147)	-
594	(399)	195	Office equipment	566	(315)	251
314	(286)	28	Computer equipment	279	(244)	35
652	(3)	649	Solar equipment	-	-	-
2,237	**(1,043)**	**1,194**	**Total**	**1,469**	**(847)**	**622**

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
	896	**768**	**(196)**	**1,468**

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	304	353	(47)	610
Motor vehicles	45	-	(45)	-
Office equipment	329	-	(78)	251
Computer equipment	86	-	(51)	35
	764	**353**	**(221)**	**896**

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
	622	**768**	**(196)**	**1,194**

Reconciliation of property, plant and equipment - Company - 2022

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Furniture and fittings	30	353	(47)	336
Motor vehicles	45	-	(45)	-
Equipment	329	-	(78)	251
Computer equipment	86	-	(51)	35
	490	**353**	**(221)**	**622**

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 2023 (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)	
			2023	2022	2023	2022	2023	2022
HELD BY PUTPROP LTD							-	-
Secunda Value Centre (Pty) Ltd	Retail centre	1,000	100.00	100.00	5,942	5,942	21,031	21,031
Pilot Peridot Investments 1 (Pty) Ltd	Mixed use commercial	100,000	73.24	73.24	18,172	18,172	149,664	144,260
Corridor Hill (Pty) Ltd	Retail centre	400	100.00	100.00	4,317	4,317	12,150	14,650
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	-	-	^	^
					28,431	28,431	**182,845**	179,941
HELD BY PILOT PERIDOT INVESTMENTS 1 (PTY) LTD								
Menlyn Villas (Pty) Ltd	Residential	100	100.00	100.00				

^ Less than R1 000

All subsidiaries are incorporated in South Africa and all operations are in South Africa.

Goodwill has been fully impaired.

No subsidiaries have been pledged as security. There are no restrictions to the company 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. Net asset values, forecasted cashflows as well as profitability was considered for the investments and no indicators were present for impairments.

Refer to Note 8 for details on the impairment is loans owing by subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

8. LOANS TO SUBSIDIARIES

Company - 2023	Secunda Value Centre (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	1,368	-	2,206
Loan 3	-	17,103	-	17,103
Loan 4	-	5,404	-	5,404
Gross loan amount	**22,139**	**150,787**	**12,150**	**185,076**
Expected credit loss	(1,108)	(1,123)	-	(2,231)
Carrying value	**21,031**	**149,664**	**12,150**	**182,845**

Company - 2022	Secunda Value Centre (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd	Corridor Hill Properties (Pty) Ltd	Total
Loan 1	21,301	126,912	14,650	162,863
Loan 2	838	1,368	-	2,206
Loan 3	-	17,103	-	17,103
Loan 4	-	2,904	-	2,904
Gross loan amount	**22,139**	**148,287**	**14,650**	**185,076**
Expected credit loss	(1,108)	(1,123)	-	(2,231)
Carrying value	**21,031**	**147,164**	**14,650**	**182,845**
Split between non-current and current portions				
Non-current assets	-	-	182,845	179,103
Current assets	-	-	-	838
	-	**-**	**182,845**	**179,941**

Loan 2 and Loan 3 of Pilot Peridot Investments 1 (Pty) Ltd are unsecured, bear interest at prime plus 2% per annum and have are repayable on demand with a 12 month-notice period. All other loans are unsecured, interest free and are repayable

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 done based on stage 3: lifetime expected credit losses will be recognised on exposures that meet the definition of default. 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, which indicated no risk of default and consequently the loans were not impaired. Based on the assessment no additional expected credit losses were recognised in the current year.

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 non-current, interest-free loans is not considered to be material to the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

9. JOINT ARRANGEMENTS JOINT OPERATIONS

Company	Nature of business	% Ownership interest 2023	% Ownership interest 2022
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.

Corridor Hill property is classified as a joint operation. As per the co-ownership agreement between Corridor Hill Properties (Pty) 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	
		2023	2022	2023	2022	2023	2022
Belle Isle Investments (Pty) Ltd	Mixed use retail/ commercial	18.175	18.175	14,715	14,576	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 Group 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 policy-making process, however, will not control them.

After taking the above into consideration, it was concluded that Putprop does exercise significant influence over Belle Isle Investments.

The investment is equity accounted. Belle Isle has a 28 February year end. The financial information included in the consolidation based on annual audited figures for the 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 vale 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 were present for impairment that cannot be recovered through distributable profits of the relevant associate.

SUMMARISED FINANCIAL INFORMATION

SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 R'000	2022 R'000
Revenue	39,156	40,161
Fair value adjustment on investment property	-	35,100
Profit after tax from continuing operations	12,767	39,478
Profit after tax from discontinued operations	-	-
Other comprehensive income	-	-
Total comprehensive income	12,767	39,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

10. INVESTMENT IN ASSOCIATE (CONTINUED)

SUMMARISED STATEMENT OF FINANCIAL POSITION

	2023 R'000	2022 R'000
ASSETS		
Non-current	**441,727**	429,605
Current	**26,883**	26,132
Total assets	**468,610**	455,737
LIABILITIES		
Non-current	**154,173**	141,407
Current	**4,209**	4,867
Total liabilities	**158,382**	146,274
Net asset value	**310,228**	309,463
Less: Cumulative redeemable preference shares	**(229,265)**	(229,265)
Total net assets	**80,963**	80,198

Reconciliation of net assets to equity accounted investments in associates

	2023 R'000	2022 R'000
Interest in associate at percentage ownership	14,715	14,576
Carrying value of investment in associate	**14,715**	**14,576**
Investment at beginning of period	14,576	7,402
Share of profits excluding fair value adjustment	139	795
Share of fair value adjustment on investment property	-	6,379
Investment at end of period	**14,715**	**14,576**

11. CUMULATIVE, REDEEMABLE PREFERENCE SHARES

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
55,084	52,084	Preference shares - Belle Isle Investments (Pty) Ltd	55,084	52,084

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.

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 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 been 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

12. DEFERRED TAX

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		DEFERRED TAX LIABILITY		
(49,410)	(43,343)	Section 13 Quinn allowances	-	-
(17,599)	(23,212)	Fair value adjustments	(16,869)	(27,188)
(9,777)	(8,681)	Operating lease rental income adjustment	(898)	(867)
(23)	-	Prepaid expenses	(23)	-
(76,809)	**(75,236)**	**Total deferred tax liability**	**(17,790)**	**(28,055)**
		DEFERRED TAX ASSET		
13,391	-	Investment property	6,029	-
975	-	Credit loss allowances	620	-
200	-	Provisions	186	-
782	-	Tenant deposits	243	-
75	2,009	Other temporary differences	-	1,035
15,423	2,009	Deferred tax balance from temporary differences other than unused tax losses	7,078	1,035
44,293	39,215	Tax losses available for set off against future taxable income	-	-
59,716	**41,224**	**Total deferred tax asset**	**7,078**	**1,035**

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	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
(27,163)	(75,236)	Deferred tax liability	(10,713)	(27,020)
10,069	41,224	Deferred tax asset	-	-
(17,094)	**34,012**	**Total net deferred tax (liability) asset**	**(10,713)**	**(27,020)**
		Reconciliation of deferred tax asset / (liability)		
(34,012)	(50,398)	At beginning of year	(27,020)	(24,416)
-	1,496	Rate change	-	1,001
5,078	2,759	Increases (decrease) in tax loss available for set off against future taxable income		
		Movement in originating and reversing temporary differences on:	-	-
(6,067)	(6,849)	Section 13 Quinn allowance	-	-
16,515	(5,976)	Fair value adjustments	15,812	(3,989)
(1,096)	2,103	Operating lease rental income adjustment	(31)	(347)
-	-	Investment property	-	-
(36)	(952)	Other temporary differences	(10)	(456)
2,524	23,805	Prior year (under)/over provision	**536**	1,187
(17,094)	**(34,012)**		**(10,713)**	**(27,020)**

Change in tax rate

The corporate tax rate was changed from 28% to 27% and considered substantively enacted on 24 February 2021. The new rate is effective for tax years ending 30 June 2023. The deferred tax balance has been calculated by applying the new rate, taking the expected timing of reversal of deferred tax components into consideration.

In the current year, the Group approached independent tax specialists to draw assist with determining the current Tax base of investment property. The exercise entailed a review of previous tax returns an assessing the amount of building allowances declared. The review revealed that the company had under provided for the deferred tax liability. The Group subsequently revised the Tax Base of each asset and elected to prospectively restate the Deferred tax Liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

13. TRADE AND OTHER RECEIVABLES

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		FINANCIAL INSTRUMENTS:		
6,859	6,876	Rent receivables	1,389	305
11,273	7,080	Rent receivables - related party	11,273	7,080
2,071	2,138	Accrued income	60	-
(2,361)	(3,397)	Loss allowance	(107)	(609)
17,842	12,697	Rent receivables at amortised cost	12,615	6,776
5,689	3,679	Deposits	1,261	689
2,460	-	Loan receivables	-	-
7,600	-	Proceeds on sale of investment property	7,600	-
4,634	-	Other receivables	4,232	31
		NON-FINANCIAL INSTRUMENTS:		
2,472	7,929	VAT	1,029	6,806
-	7,413	Other receivables *	-	-
468	143	Prepayments	264	82
41,165	**31,861**	**Total trade and other receivables**	**27,001**	**14,384**

Financial instrument and non-financial instrument components of trade and other receivables

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
38,225	16,376	At amortised cost	25,708	7,496
2,940	15,485	Non-financial instruments	1,293	6,888
41,165	**31,861**		**27,001**	**14,384**

* Other receivables reflected as non-financial instruments mainly include lease commission amortisation and tenant installation amortisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (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 Groups 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 was collected, current conditions and the Group's view of future economic conditions 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 57.75% (2022: 35.7%) 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 R11.2 million. Aside from this tenant there are no other significant concentrations 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.

As at 30 June 2023 and 30 June 2022 there were no rent receivables written off that were still subject to enforcement.

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. No impact has been identified and the potential that there would be credit losses in the foreseeable future is considered low.

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. No increase in credit loss allowance was required.

The R7,6 million receivable for the proceeds from the sale of investment properties was received on 3 July 2023. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The loss allowance provision on rent receivables is determined as follows:

2023 R'000 Estimated gross carrying amount at default	2023 R'000 Loss allowance (Lifetime expected credit loss)	GROUP Expected credit loss rate:	2022 R'000 Estimated gross carrying amount at default	2022 R'000 Loss allowance (Lifetime expected credit loss)
2,439	(24)	Current: 1.00% (2022: 0.00%)	3,258	-
1,294	(80)	More than 30 days past due: 4.00% (2022: 5.00%)	1,908	(95)
799	(80)	More than 60 days past due: 10.00% (2022: 15.00%)	1,465	(220)
271	(121)	More than 90 days past due: 45.00% (2022: 100.00%)	99	(99)
2,056	(2,056)	More than 120 days past due: 100.00% (2022: 100.00%)	3,090	(3,090)
6,859	**(2,361)**	**Total**	**9,820**	**(3,504)**

2023 R'000 Estimated gross carrying amount at default	2023 R'000 Loss allowance (Lifetime expected credit loss)	COMPANY Expected credit loss rate:	2022 R'000 Estimated gross carrying amount at default	2022 R'000 Loss allowance (Lifetime expected credit loss)
757	(8)	Current: 1.00% (2022: 0.00%)	2,231	-
213	(3)	More than 30 days past due: 4.00% (2022: 5.00%)	1,574	(79)
256	(15)	More than 60 days past due: 10.00% (2022: 15.00%)	1,291	(193)
149	(67)	More than 90 days past due: 45.00% (2022: 100.00%)	20	(20)
14	(14)	More than 120 days past due: 100.00% (2022: 100.00%)	317	(317)
1,389	**(107)**	**Total**	**5,433**	**(609)**

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for rent receivables:

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
(3,549)	(692)	Opening balance	(609)	(584)
-	3,144	Change in control	-	-
3,549	-	Provisions reversed on settled trade receivables	609	584
(2,361)	(2,559)	Provisions raised on new rent receivables	(3,504)	(609)
(2,361)	**(107)**	**Closing balance**	**(3,504)**	**(609)**

In the prior year, the Group acquired additional shares in Pilot Peridot Investments 1 (Pty) Ltd (refer to Note 17). This resulted in an increase in rent receivables being assessed for credit impairment. ECLs and receivables written off 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

14. CASH AND CASH EQUIVALENTS

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		Cash and cash equivalents consist of:		
18,558	19,096	Cash on hand and deposits held with banking institutions	9,416	7,021
(1,092)	(19,647)	Bank overdraft	(1,092)	(19,647)
17,466	**(551)**		**8,324**	**(12,626)**
18,558	19,096	Current assets	9,416	7,021
(1,092)	(19,647)	Current liabilities	(1,092)	(19,647)
17,466	**(551)**		**8,324**	**(12,626)**

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 BB- (2022: Ba2).

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.

15. SHARE CAPITAL

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		AUTHORISED		
		500 000 000 shares of no par value		
		Reconciliation of number of shares issued:		
42,409,181	42,409,181	Reported as at 01 July and 30 June	42,409,181	42,409,181
		ISSUED		
93,490	93,490	42 409 181 (2021: 42 409 181) shares of no par value	93,490	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.

16. DIVIDENDS DECLARED

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		ORDINARY		
2,545	4,559	Dividend 66 (4.25 cents) – Final 2022: 6.00 cents (2021: 10.75 cents)	2,545	4,559
1,802	1,802	Dividend 67 (6 cents) – Interim 2023: 4.25 cents (2022: 4.25 cents)	1,802	1,802
4,347	**6,361**		**4,347**	**6,361**
10.25	15.00	Total cents per share distributed	10.25	15.00

A Final dividend of 7 cents per ordinary share were declared by the Board on 7 September 2023

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

17. NON-CONTROLLING INTEREST

The information is before intercompany eliminations with other companies in the Group.

	2023 R'000 Pilot Peridot One	2022 R'000 Pilot Peridot One
Total non-controlling interest	19,051	20,922
The non-controlling interest of represents 73.24% 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 2023.		
During the 2022 financial period, Putprop acquired an additional 12.03% in Pilot Peridot One which increased Putprop's shareholding to 73.24% (2021: 61.21%).		
Effect on equity attributable to Putprop due to the additional shareholding:		
Amount paid for the additional shareholding	-	1 000
Amount adjusted in non-controlling interest	-	(7,284)
Non-controlling interest after the additional shareholding (26.76%)	-	16 203
Non-controlling interest after the additional shareholding (38.79%)	-	(23,487)
Total effect on equity attributable to Putprop	-	(6,284)
The Putprop Group has elected to measure the non-controlling interest at their proportionate share as stated in the accounting policies.		
Effective interest	73.24%	73.24%

Pilot Peridot 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 2023 and the summarised statement of profit and loss and other comprehensive income for the period ending 30 June 2023:

SUMMARISED STATEMENT OF FINANCIAL POSITION		
Non-current assets	**530 403**	**540 753**
Net investment property	490 510	516 071
Gross investment property	510 000	530 285
Operating lease asset	(19 490)	(14 214)
Other non-current assets	39 893	24 682
Current assets	**14 811**	**22 093**
Operating lease asset	-	-
Trade and other receivables	12 423	15 929
Cash and cash equivalents	2 388	6 164
Non-current liabilities	**469 548**	**478 186**
Deferred taxation	-	(7 194)
Loan liabilities	469 548	485 380
Current liabilities	**8 782**	**6 484**
Trade and Other payables	2 632	2 045
Taxation payable	-	50
Loan liabilities	6 150	4 749
Net assets	**66 885**	**78 179**
Net assets attributable to non-controlling interest	**15 892**	**20 921**
SUMMARISED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME		
Property rental revenue	31 017	29 663
Operating cost recoveries	15 457	12 715
Property expenses	(20 188)	(16 669)
Corporate expenses	(2 126)	(4 753)
Expected credit losses	621	750
Investment and other income	1 399	1 463
Finance costs	(28 364)	(23 252)
Fair value adjustments	(9 141)	10 526
Taxation	2 943	19 820
Profit and total comprehensive income	(8,381)	30 261
Net profit attributable to non-controlling interest	(2 243)	9 616
Net profit and total comprehensive income attributable to non-controlling interest	**(2 243)**	**9 616**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

17. NON-CONTROLLING INTEREST (CONTINUED)

Menlyn Villas (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 2023 and the Summarised Statement of Profit and Loss and Other Comprehensive Income for the period ending 30 June 2023:

The information is before intercompany eliminations with other companies in the Group.

	2023 R'000 Menlyn Villas	**2022 R'000** Menlyn Villas
Effective interest	73.24%	73.24%
Non-current assets		
Net investment property	10 000	8 720
Gross investment property	10 000	8 720
Investment in subsidiary	1	1
Other non-current assets		67
Loans to subsidiary	134	134
Loan to Group Companies	800	
Trade and other receivables	85	116
Taxation receivable	18	
Cash and cash equivalents	21	476
Total assets	**11 058**	**9 514**
Non-current liabilities	-	
Deferred taxation	192	
Loan liabilities	9 848	9 848
Current liabilities	-	
Trade and other payables	85	101
Bank Overdraft	-	
Current tax payable	30	50
Loan liabilities	-	-
Total liabilities	**10 155**	**9 999**
Net assets	**903**	**(485)**
Net assets attributable to non-controlling interest	**215**	**(115)**
SUMMARISED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME		
Property rental revenue	810	706
Operating cost recoveries	134	146
Property expenses	(369)	(479)
Corporate expenses	(95)	(4 660)
Expected credit losses	(40)	(125)
Investment and other income	37	7
Finance costs	-	-
Fair value adjustments	1 280	220
Taxation	(368)	1
Profit and total comprehensive income	1 388	384
Net profit attributable to non-controlling interest	371	91
Net profit and total comprehensive income attributable to non-controlling interest	371	**91**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

18. LOAN LIABILITIES

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
		OTHER FINANCIAL LIABILITIES		
		Nedbank Limited - 1001738252		
46,963	50,428	The loan is repayable in monthly instalments of R683 272 (2022: R656 993). Interest rate charged is JIBAR plus 2,97%. A balloon payment is due on 5 July 2024. The bond is secured by investment property as per note 3.	46,963	50,428
		Nedbank Limited - 30150755		
22,574	25,757	The loan is repayable in monthly instalments of R492,942 (2022: R465,039). 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 2.	-	-
		Nedbank Limited - 30151232		
1,417	1,939	The loan is repayable in monthly instalments of R54 722.73 (2022: R54 722.73). The interest rate is fixed at a rate of prime less 1%. There is no balloon payment on this loan. This loan is secured over investment property as per note 3.	-	-
		Nedbank Limited - 30151238		
11,406	14,788	The loan is repayable in monthly instalments of R387 917 (2022: R369 281) The interest rate is fixed at a rate of prime less 1%. There is no balloon payment on this loan. This loan is secured by investment property as per note 3.	-	-
		Standard Bank Limited		
13,064	13,900	The loan bears interest at prime rate and the monthly instalments consists of the interest accrued for the month and a capital settlement of R195 244 (2022: R149 795). A final balloon settlement is due on 30 April 2027. The loan is secured by investment property as per note 3.	-	-
		Absa Bank Limited - 7010182196		
282,111	285,000	The loan is repayable in monthly instalments of R2 613 355 (2022: R1 440 426) The interest rate is charged at a rate of prime less 0.85%. A balloon payment of is due on 7 February 2025. The bond is secured by investment property as per note 3.	-	-
		ABSA Bank Limited - 7010199858		
83,562	-	The loan bears interest at prime less 0.75% per annum and is capitalised monthly to the maximum of R3 310 900. The loan is repayable 12 months after first drawdown. The loan is secured by investment property as per note 3.	83,562	-
461,097	**391,812**		**130,525**	**50,428**

During the 2022 financial year, the SARB has indicated its intention to move away from JIBAR and has identified a potential successor in the South African Rand Overnight Index Average Rate (ZARONIA). The new ZARONIA rate was published for observation during 2022 and is expected to be endorsed as a successor rate in 2023.

There has been no transition at reporting date. The Group continues to evaluate the interest rate risk with its bankers. The amendment is not expected to have a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

18. LOAN LIABILITIES (CONTINUED)

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		LOANS FROM RELATED PARTIES		
		Ginana (Pty) Ltd		
-	3,000	The loan was repayable within a 12-month notice period, was unsecured and bore interest at prime rate plus 2%.	-	3,000
		Corridor Hill Properties (Pty) Ltd		
4,195	4,195	This loan is interest free, unsecured and repayable on demand with a 12-month notice period.	-	-
4,195	**7,195**		**-**	**3,000**
		SHAREHOLDER LOANS		
39,650	49,549	These loans bear interest at a rate ranging from 0% to prime interest rate plus 2%. These loans are repayable on demand with a 12-month notice period. Shareholder loans have been subordinated in favor of the loan granted by Absa Bank Limited - 7010182196	-	-
504,942	**448,556**		**130,525**	**53,428**
		SPLIT BETWEEN NON-CURRENT AND CURRENT PORTIONS		
443,747	328,961	Non-current liabilities	122,326	-
61,195	119,595	Current liabilities	8,199	53,428
504,942	**448,556**		**130,525**	**53,428**

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.

19. TRADE AND OTHER PAYABLES

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		Financial instruments:		
12,118	40,169	Accrued expenses and trade payables	7,428	36,975
366	-	Sundry payables	-	351
687	542	Leave pay accrual	687	542
155	-	Dividends payable	155	-
4,090	2,984	Tennant deposits	1,790	742
		Non-financial instruments:		
733	-	Amounts received in advance	733	-
232	-	VAT	-	21
18,015	**44,061**		**10,793**	**38,631**

Financial instrument and non-financial instrument components of trade and other payables

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
17,051	43,519	At amortised cost	10,060	38,610
965	542	Non-financial instruments	733	21
18,016	**44,061**		**10,793**	**38,631**

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

20. PROPERTY RENTAL INCOME AND OPERATING COST RECOVERIES

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		Revenue other than from contracts with customers		
97,364	89,016	Lease rental income as per lease agreement	42,977	34,692
(6,493)	(7,509)	Operating lease rental straight-line adjustment	115	1,239
90,871	**81,507**		**43,092**	**35,931**
		Revenue from contracts with customers		
37,568	29,818	Recoveries	16,458	12,961
128,439	**111,325**		**59,550**	**48,892**

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.

21. PROPERTY OPERATING COSTS

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
4,233	574	Fuel and oils	120	-
973	680	Insurance	363	210
2,452	1,292	Property management and consultant fees	1,573	644
33,844	31,096	Rates and utilities	16,667	14,272
2,608	2,113	Repairs and maintenance	586	595
2,016	1,580	Security	1,032	654
1,258	777	Service contracts	532	56
47,384	**38,112**		**20,873**	**16,431**

22. CORPORATE ADMINISTRATION COSTS

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
1,147	1,065	Administration and management fees	-	-
1,789	1,634	Audit and secretarial fees	1,686	1,160
3	473	Bad debts written off	3	52
1,222	950	Commission and installations	182	-
196	221	Depreciation	196	221
8,467	7,772	Employee costs	8,313	7,772
408	508	Financial reports and IT	408	508
460	515	JSE Limited costs	460	515
793	1,303	Legal and professional fees	509	975
4,061	1,811	Other operating expenses	3,594	913
-	1,786	Rental guarantee	-	-
542	542	Short term leases	511	542
141	238	Social Responsibility projects	141	238
19,229	**18,818**		**16,003**	**12,896**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

23. INTEREST INCOME

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		INTEREST INCOME		
		Investments in financial assets:		
3,289	456	Bank and other cash	3,144	41
929	178	Other financial assets	332	126
		Loans to group companies:		
-	-	Subsidiaries	2,403	1,507
7,003	2,726	Associates	7,003	2,726
11,221	**3,360**	**Total interest income**	**12,882**	**4,400**

Interest received from other financial assets included interest charged to trade receivable accounts in arrears.

24. OTHER INCOME

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
452	1,226	Management fees received	-	263
1,854	526	Other income	1,381	449
985	-	Profit on disposal of investment property	985	-
3,291	**1,752**		**2,366**	**712**

25. EXPECTED CREDIT LOSSES

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
(991)	(601)	Trade and other receivables	(502)	26

26. FINANCE COSTS

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
2,892	-	Bank overdraft	2,892	-
40,115	26,042	Bank loans	9,377	2,605
973	3,029	Shareholder loans	-	-
241	-	Other interest paid	224	-
44,221	**29,071**		**12,493**	**2,605**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

27. TAXATION

GROUP 2023 R'000	GROUP 2022 R'000		COMPANY 2023 R'000	COMPANY 2022 R'000
		MAJOR COMPONENTS OF THE TAX INCOME		
		Current		
10,379	5,297	Local income tax - current period	8,977	4,625
(104)	(60)	Local income tax - prior period (over) under provision	(86)	93
10,275	**5,237**		**8,891**	**4,718**
		Deferred		
(13,922)	8,535	Originating and reversing temporary differences	(15,771)	4,792
-	(1,260)	Changes in tax rates	-	(1,001)
(2,524)	(23,661)	Arising from prior period adjustments	(536)	(1,187)
(16,446)	**(16,386)**		**(16,307)**	**2,604**
(6,171)	**(11,149)**		**(7,416)**	**7,322**
		RECONCILIATION OF THE TAX EXPENSE		
27,00%	28.00 %	Tax at 27%	27,00%	28.00 %
(61,51)%		Dividends	28,57%	
(99,39)%	0.01 %	Non-taxable portion of FV adj	54,42%	- %
17,47%	(4.74)%	Non-deductible expenses	(8,12)%	- %
(1,73)%	(1.22)%	Non-taxable portion of disposal of investment property	0,80%	(2.04)%
(3,37)%	(0.19)%	Underprovision for current tax in the prior year	1,30%	(0.31)%
(82.11)%	(1.25)%	Underprovision in deferred tax in respect of prior year	8,10%	(0.50)%
(1,22)%	(40.80)%	Tax on profit from associate	0,00%	(2.93)%
4,14%	(2.39)%	Impact of difference in interest income and interest expense on consol pro forma	0,00%	(2.67)%
(200.72)%	**(17.84)%**	**Effective tax rate**	**112,09%**	**19.55 %**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

28. CASH GENERATED FROM (USED IN) OPERATIONS

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
3,074	62,492	(Loss) profit before taxation	(6,616)	37,457
		Adjustments for non-cash items:		
196	221	Depreciation	196	221
(985)	-	Profit on sale of investment property	(985)	-
30,173	(24,281)	Fair value adjustment of investment properties	32,547	(15,411)
(4,592)	7,510	Straightlining adjustment of investment properties	(649)	(1,240)
(139)	(7,175)	Share of profit of equity accounted investments	-	-
(992)	(601)	Expected credit losses	(502)	-
		Adjust for items which are presented separately:		
4,218	(1,674)	Interest received	(5,879)	(1,674)
(7,003)	(1,686)	Dividends received	(7 003)	(2,735)
44,221	29,071	Finance costs	12,493	2,605
		Changes in working capital:		
(8,575)	(2,203)	(Increase) decrease in trade and other receivables	(11,857)	(2,509)
(26,046)	33,284	Increase (decrease) in trade and other payables	(27,838)	35,978
33,550	**94,958**		**(16,093)**	**52,692**

29. TAX PAID

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
461	348	Balance at beginning of the year	139	(230)
(10,276)	(5,237)	Current tax recognised in profit or loss	(8,891)	(4,718)
7	-	Accrual for interest received on overpayment of tax	-	-
1,471	(461)	Balance at end of the year	1,094	(139)
(8,337)	**(5,350)**		**(7,658)**	**(5,087)**

30. DIVIDENDS PAID

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
-	-	Balance at beginning of the year	-	-
(4,347)	(6,361)	Dividends	(4,347)	(6,361)
155	-	Balance at end of the year	155	-
(4,192)	**(6,361)**		**(4,192)**	**(6,361)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing activities - Group - 2023

	Opening balance	Non-cash flow: interest accrued not paid	Cash flows - advances	Cash flows - repayments	Closing balance
Loan liabilities	448,556	4,141	79,421	(27,176)	504,942
Total liabilities from financing activities	**448,556**	**4,141**	**79,421**	**(27,176)**	**504,942**

Reconciliation of liabilities arising from financing activities - Group - 2022

	Opening balance	Cash flows - repayments	Closing balance
Loan liabilities	495,887	(47,331)	448,556
Total liabilities from financing activities	**495,887**	**(47,331)**	**448,556**

Reconciliation of liabilities arising from financing activities - Company - 2023

	Opening balance	Non-cash flow: interest accrued not paid	Cash flows - advances	Cash flows - repayments	Closing balance
Loan liabilities	53,428	4,141	79,421	(6,465)	130,525
Total liabilities from financing activities	**53,428**	**4,141**	**79,421**	**(6,465)**	**130,525**

Reconciliation of liabilities arising from financing activities - Company - 2022

	Opening balance	Cash flows - repayments	Closing balance
Loan liabilities	57,769	(4,341)	53,428
Total liabilities from financing activities	**57,769**	**(4,341)**	**53,428**

32. FUTURE MINIMUM LEASE INCOME RECEIVABLE

GROUP			COMPANY	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		MINIMUM LEASE PAYMENTS RECEIVABLE		
80,803	90,993	- First year	20,580	32,082
70,316	80,055	- Second year	13,575	20,580
63,913	72,931	- Third year	8,079	16,190
56,777	71,303	- Fourth year	8,459	16,190
50,208	61,893	- Fifth year	8,881	13,575
130,601	172,576	- Sixth year and onwards	8,513	17,394
452,618	**549,751**	**Total balance contractual lease rental**	**68,087**	**116,011**

33. COMMITMENTS

There were no commitments for capital expenditure on property, plant and equipment or investment property at 30 June 2023.

There were no commitments for service and maintenance contracts at 30 June 2023 as these are contracted by the various property managers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

34. 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.
- In favour of the City of Tshwane Metropolitan Municipality in connection with the Rezoning and consolidation of Erven 39 De Beers to the amount R7.2 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.

35. 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
Stephen Hill Mansions (Pty) Ltd	Company owned by member of key management
Secunda Value Mart (Pty) Ltd	Company owned by member of key management
Ginana (Pty) Ltd	Company owned by member of key management
GVM Inc.	Company owned by member of key management
Subsidiaries	Refer to note 7
Joint ventures	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
	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 34 for guarantees undertaken on behalf of related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

35. RELATED PARTIES (CONTINUED)

GROUP			COMPANY	
2023 R'000	**2022 R'000**		**2023 R'000**	**2022 R'000**
		AMOUNTS INCLUDED IN TRADE RECEIVABLES OWING BY RELATED PARTIES		
11,891	7,080	Larimar Ltd	11,891	7,080
14	19	Secunda Value Mart (Pty) Ltd	14	19
-	21	Carleo Enterprises (Pty) Ltd	-	21
		There was no credit loss allowance raised on the related party amounts included in trade receivables (refer note 13).		
		AMOUNTS INCLUDED IN TRADE PAYABLES OWING TO RELATED PARTIES		
23	23	Stephen Hill Mansions (Pty) Ltd	23	23
		RELATED PARTY TRANSACTIONS		
		Lease rentals received		
15,400	15,265	Larimar Ltd	-	15,265
		Operating lease recoveries		
5,708	5,178	Larimar Ltd	-	5,178
		Rent expenses for premises		
-	42	Stephen Hill Mansions (Pty) Ltd	-	-
		Insurance expense		
363	489	Carleo Insurance Brokers (Pty) Ltd	-	-
		Insurance recoveries		
162	-	Secunda Value Mart (Pty) Ltd	-	-
		Professional fees		
33	18	GVM Inc.	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

36. DIRECTORS' EMOLUMENTS

EXECUTIVE

2023

DIRECTORS' EMOLUMENTS Services as director or prescribed officer	Board and committee fees	Salary	Bonus	Medical aid contribution	Total
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
	360	**4,107**	**335**	**567**	**5,369**

2022

DIRECTORS' EMOLUMENTS Services as director or prescribed officer	Board and committee fees	Salary	Bonus	Medical aid contribution	Total
BC Carleo	131	1,424	117	186	1,858
JE Smith	131	1,601	131	186	2,049
AL Carleo-Novello	114	850	70	186	1,220
	376	**3,875**	**318**	**558**	**5,127**

NON-EXECUTIVE

2023

DIRECTORS' EMOLUMENTS Services as director or prescribed officer	Board and committee fees	Total
DG Torricelli	175	175
HT Hartley	211	211
R Styber	171	171
GH Van Heerden	171	171
	728	**728**

2022

DIRECTORS' EMOLUMENTS Services as director or prescribed officer	Board and committee fees	Total
DG Torricelli	197	197
HT Hartley	225	225
R Styber	185	185
GH Van Heerden	185	185
	792	**792**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

37. 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.

GROUP				COMPANY	
2023 R'000	2022 R'000		**Note(s)**	**2023 R'000**	2022 R'000
		FINANCIAL ASSETS AT AMORTISED COST			
		ASSETS PER STATEMENT OF FINANCIAL POSITION	Note(s)		
-	-	Loans to subsidiaries	8	182,845	179,941
52,084	52,084	Cumulative redeemable preference shares in associate	11	52,084	52,084
35,341	16,376	Trade and other receivables	13	22,824	7,496
18,558	19,096	Cash and cash equivalents	14	9,416	7,021
105,983	**87,556**			**267,169**	**246,542**
		FINANCIAL LIABILITIES AT AMORTISED COST			
		Liabilities per statement of financial position	Note(s)		
504,942	448,556	Loan liabilities	18	130,525	53,428
15,062	44,061	Trade and other payables	19	8,071	38,610
1,092	19,647	Bank overdraft	14	1,092	19,647
521,096	**512,264**			**139,688**	**111,685**

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% (2022: 42%) and the actual level of gearing during the year amounted to 41.6% (2022: 39.8%). Company levels were 33.6% (2022: 17.8%). 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 financial covenants with Nedbank Limited is a Loan-To-Value (LTV) ratio of 45% and an Interest Cover Ratio (ICR) of at least 1.75 times.

Corridor Hill Properties (Pty) Ltd's financial covenants with Standard Bank of South Africa is a LTV ratio of 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 of 75%, an ICR of at least 1.2 times and a DSR of at least 1.1 times.

Ratios for the current year	Putprop Limited	Corridor Hill Properties (Pty) Ltd	Pilot Peridot Investments 1 (Pty) Ltd
LTV	41.6%	25.5 %	55.3 %
ICR	1.75 times	2.91 times	1.03 times
DSR	1.57 times	3.16 times	1.05 times

The financial covenant levels within the Putprop Group were within the approved limits at the reporting date. Corridor Hill is compliant. Pilot Peridot remains slightly below agreed covenant levels. The rapid rise of interest rate increases during the past 18 months is the sole cause for this slight differential. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk management Overview

The Group'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 policy throughout the year is that no trading in financial instruments shall be undertaken. The main risks arising from the Group'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's risk management. The Audit and Risk Committee develops and monitors the Group's risk management policies and reports regularly to the Board on its activities and with any proposals for which action is needed.

The Group'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.

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 (note11) 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:

2023			GROUP		2022		
Gross carrying amount	Credit loss allowance	Amortised cost		Notes	Gross carrying amount	Credit loss allowance	Amortised cost
55,084	-	55,084	Cumulative redeemable preference shares in associate	11	52,084	-	52,084
43,526	(2,361)	41,165	Trade and other receivables	13	35,258	(3,397)	31,861
18,558	-	18,558	Cash and cash equivalents	14	19,096	-	19,096
117,168	**(2,361)**	**114,807**			**106,438**	**(3,397)**	**103,041**

2023			COMPANY		2022		
Gross carrying amount	Credit loss allowance	Amortised cost / fair value		Notes	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
185,076	(2,231)	182,845	Loans to subsidiaries	8	182,172	(2,231)	179,941
55,084	-	55,084	Cumulative redeemable preference shares in associate	11	52,084	-	52,084
27,108	(107)	27,001	Trade and other receivables	13	14,993	(609)	14,384
9,416	-	9,416	Cash and cash equivalents	14	7,021	-	7,021
276,684	**(2,338)**	**274,346**			**256,270**	**(2,840)**	**253,430**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

37. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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.

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.

Group - 2023	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Loan liabilities	18	-	103,938	426,001	875,603	443,747
Current liabilities						
Trade and other payables	19	15,062	-	-	15,062	17,051
Loan liabilities	18	31,165	-	-	31,165	61,195
Bank overdraft	14	1,092	-	-	1,092	1,092
		47,319	**103,938**	**426,001**	**922,922**	**523,085**

Group - 2022	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Loan liabilities	18	-	12,898	324,285	337,183	328,960
Current liabilities						
Trade and other payables	19	44,102	-	-	44,102	44,102
Loan liabilities	18	191,810	-	-	191,810	119,597
Bank overdraft	14	21,415	-	-	21,415	21,415
		257,327	**12,898**	**324,285**	**594,510**	**514,074**

Company - 2023	Notes	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Loan liabilities	18	-	50,474	108,788	159,536	122,326
Current liabilities						
Trade and other payables	19	17,683	-	-	8,071	10,060
Loan liabilities	18	8,199	-	-	8,199	8,199
Bank overdraft	14	1,092	-	-	1,092	1,092
		26,974	**50,474**	**108,788**	**176,898**	**141,677**

Company - 2022		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	19	38,610	38,610	38,610
Loan liabilities	18	56,705	56,705	53,428
Bank overdraft	14	19,647	19,647	19,647
		114,962	**114,962**	**111,685**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

37. 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 R504.9 million in the current financial year (2022: R448.6 million). The company has borrowings of R130.5 million (2022: R53.4 million). Group and company borrowings have increased in the current year due to the additional facility granted for Mamelodi Square.

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:

Average effective interest rate 2023	Average effective interest rate 2022	Group	Note	Carrying amount 2023	Carrying amount 2022
		VARIABLE RATE INSTRUMENTS: ASSETS			
12.00 %	2.00 %	Cash and cash equivalents	14	18,558	19,096
		LIABILITIES			
8.00 %	6.00 %	Loan liabilities		(496,606)	(444,361)
0.95 %	0.8 %	Bank overdraft	14	(1,092)	(19,647)
				(497,698)	**(464,008)**
		Net variable rate financial instruments		**(479,140)**	**(444,912)**
		Fixed rate instruments:			
		ASSETS			
7.20 %	7.20 %	Cumulative redeemable preference shares in associate	11	52,084	52,084

Average effective interest rate 2023	Average effective interest rate 2022	Company	Note	Carrying amount 2023	Carrying amount 2022
		VARIABLE RATE INSTRUMENTS: ASSETS			
12.26 %	7.38 %	Loans to subsidiaries	8	19,309	19,309
3.00 %	1.00 %	Cash and cash equivalents	14	9,416	7,021
				28,725	**26,330**
		LIABILITIES			
10.00 %	5.00 %	Loan liabilities	18	(126,384)	(53,428)
0.95%	0.8%	Bank overdraft	14	(1,092)	(19,647)
				(127,476)	**(73,075)**
		Net variable rate financial instruments		**(98,751)**	**(46,745)**
		Fixed rate instruments:			
		ASSETS			
7.20 %	7.20 %	Cumulative redeemable preference shares in associate	11	52,084	52,084

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

37. 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	
2023 R'000	2022 R'000		2023 R'000	2022 R'000
		IMPACT ON PROFIT BEFORE TAX		
(3,075)	(2,895)	Increase of 125 basis points (125 basis points)	(593)	(395)
3,075	2,895	Decrease of 125 basis points (2022: 125 basis points)	593	395
		IMPACT ON PROFIT BEFORE TAX AND EQUITY:		
(2,214)	(2,084)	Increase of 125 basis points (125 basis points)	(427)	(285)
2,214	2,084	Decrease of 125 basis points (2022: 125 basis points)	427	285

38. GOING CONCERN

Current liabilities exceed current assets on both Group and Company level. The liquidity position at Company and Group level is expected to again improve during the 2024 review period due to substantially improved collections in our main subsidiary, Pilot Peridot Investments 1 (Pty) Ltd.

The Group's assessment of going concern also took into consideration all debt covenants such as loan-to-value and interest cover ratios. These were in line with contractual requirements with the exception of that detailed below under Debt Covenant.

The Nedbank loan for the Parktown Property has a balloon payment of R46.9 million maturing in May 2023. Arrangement has been reached with Nedbank to convert this balloon payment of the loan into long-term debt. Which 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 sale of G2 which we believe is appears imminent will also substantially reduce the Group's interest burden.

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.

39. EVENTS AFTER THE REPORTING PERIOD

Proceeds from the sale of our Nancefield Property previously announced on SENS of 19 September 2022 was received on 3 July 2023.

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

Dividend 68 has been declared at 7.00 cents per share.

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 2023 (CONTINUED)

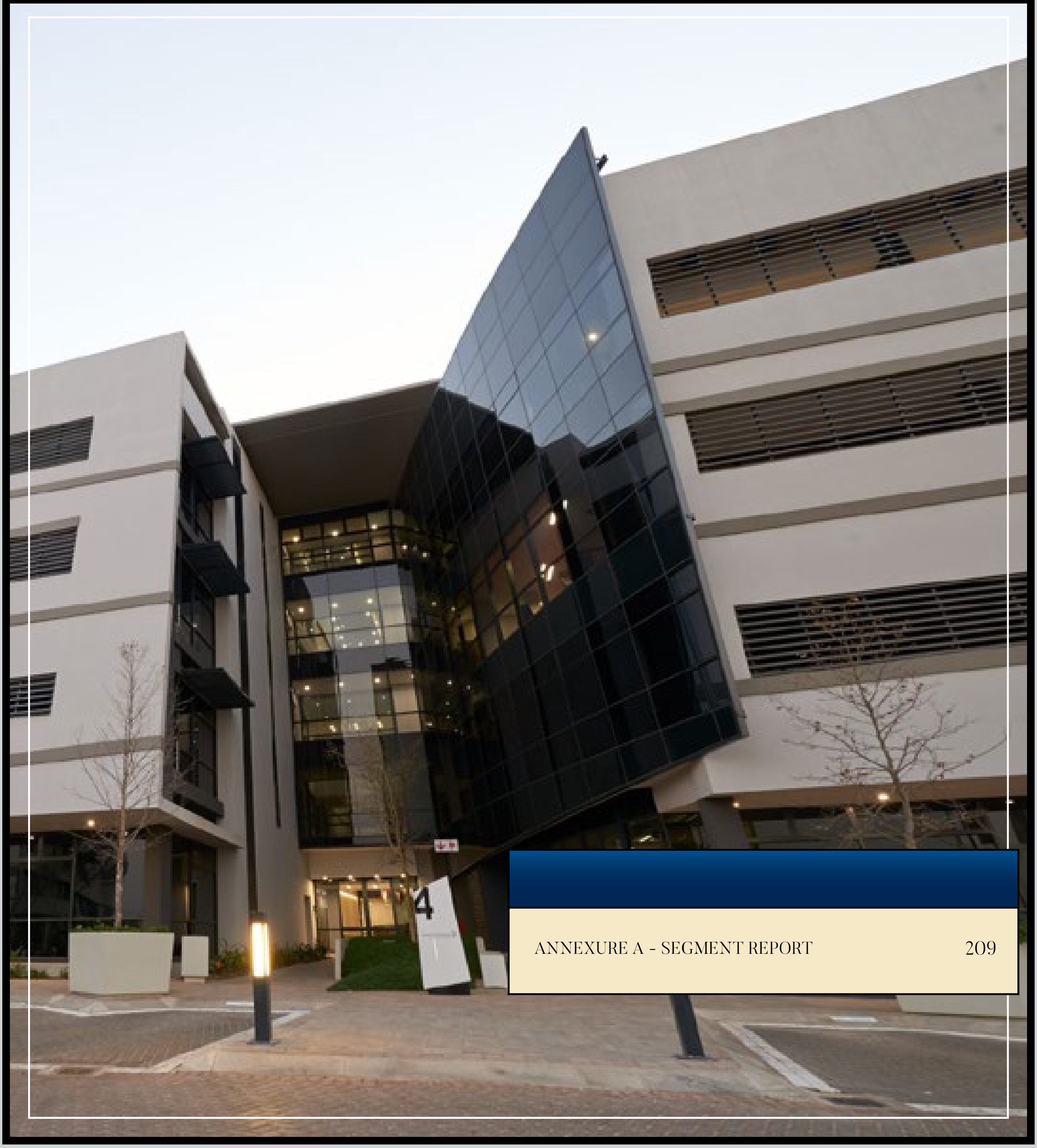
40. EARNINGS PER SHARE

Headline earnings and diluted headline earnings per share

Gross 2023	Net 2023	GROUP	Gross 2022	Net 2022
		Reconciliation between profit attributable to equity holders of the parent and headline earnings		
	11,116	Profit for the year attributable to equity holders of the parent		64,025
		Adjusted for:		
36,666	28,747	Change in fair value of investment property	(24,281)	(18,842)
-	-	Fair value adjustment on investment property of associate	(8,221)	(6,379)
		Deferred tax rate change		(1,502)
	39,863	**Headline earnings**		**26,723**
	26.20	Basic and diluted earnings per share (c)		150.97
	93.98	Headline earnings and diluted headline earnings per share (c)		103.21
	42,409,181	Weighted average number of ordinary shares		42,409,181

Gross 2023	Net 2023	COMPANY	Gross 2022	Net 2022
		Reconciliation between profit attributable to equity holders of the parent and headline earnings		
	800	Profit for the year attributable to equity holders of the parent		30,135
		Adjusted for:		
32,432	25,427	Change in fair value of investment property	(16,650)	(13.054)
-	-	Fair value adjustment on investment property of associate	(9,242)	(7,109)
	26,227	**Headline earnings**		**9,972**
	1.89	Basic and diluted earnings per share (c)		150.97
	61.85	Headline earnings and diluted headline earnings per share (c)		99.98
	42,409,181	Weighted average number of ordinary shares		42,409,181

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 and due to the entire portfolio being retail, has taken a decision to aggregate operating segments and disclose such reportable segments on both a geographical and financial basis

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

2023	GLA m²	Revenue R'000	Property operating costs R'000	Corporate admin-istration costs R'000	Investment and other income R'000	Finance costs R'000	Fair value adjust-ments (excl straight-lining) R'000	Other operating income R'000	Profit for the year R'000
Industrial	23 427	26 391	(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)	-	-	7 473
	97 601	**128,439**	**(47 384)**	**(19 229)**	**14 512**	**(44 221)**	**(36 666)**	**-**	**9 245**

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 57.75% (2022:35.7%) 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.

2023	Investment property at fair value R'000	Other assets R'000	Total assets R'000	Total liabilities R'000
Commercial	620 700	37 070	665 258	(316 140)
Corporate	-	77 527	77 527	(17 889)
Industrial	109 600	-	109 600	-
Residential	10 000	1 053	11 053	(9 950)
Retail	355 285	17 871	373 206	(178,705)
	1 095 585	**133 521**	**1 236 644**	**(522,684)**

ANNEXURE A - SEGMENT ANALYSIS - BY REGION

2023	GLA m²	Investment property at fair value R	Revenue R	Investment and other income R	Property operating expenses R	Fair value adjust-ments (excl straight-lining) R	Profit for the year
Gauteng	95 107	896 785	113 459	14 512	(40 726)	(42 001)	(9 914)
Limpopo	2 494	18 900	3 028	-	(1 537)	(4 900)	3 392
Mpumalanga	0	179 900	11 952		(5 121)	10 235	15 767
	97 601	**1 095 585**	**128 439**	**14 512**	**(47 384)**	**(36 666)**	**9 245**

ANNEXURE A - SEGMENT ANALYSIS - BY SECTOR

(CONTINUED)

2022	GLA m²	Revenue R'000	Property operating costs R'000	Corporate administra-tion costs	Investment and other income	Finance costs	Fair value adjust-ments R'000	Other operating income	Profit for the year R'000
Commercial	37 428	57 905	(23 247)				11 878		46 536
Corporate	-		-	(18 818)	5 112	(29 071)	-	18 925	(23 852)
Industrial	40 977	28 395	(8 853)	-	-	-	10 672	-	30 214
Residential	872	852	(479)				220		593
Retail	20 571	24 173	(5 533)				1 511		20 151
	99 848	**111 325**	**(38 112)**	**(18 818)**	**5 112**	**(29 071)**	**24 281**	**18 925**	**73 642**

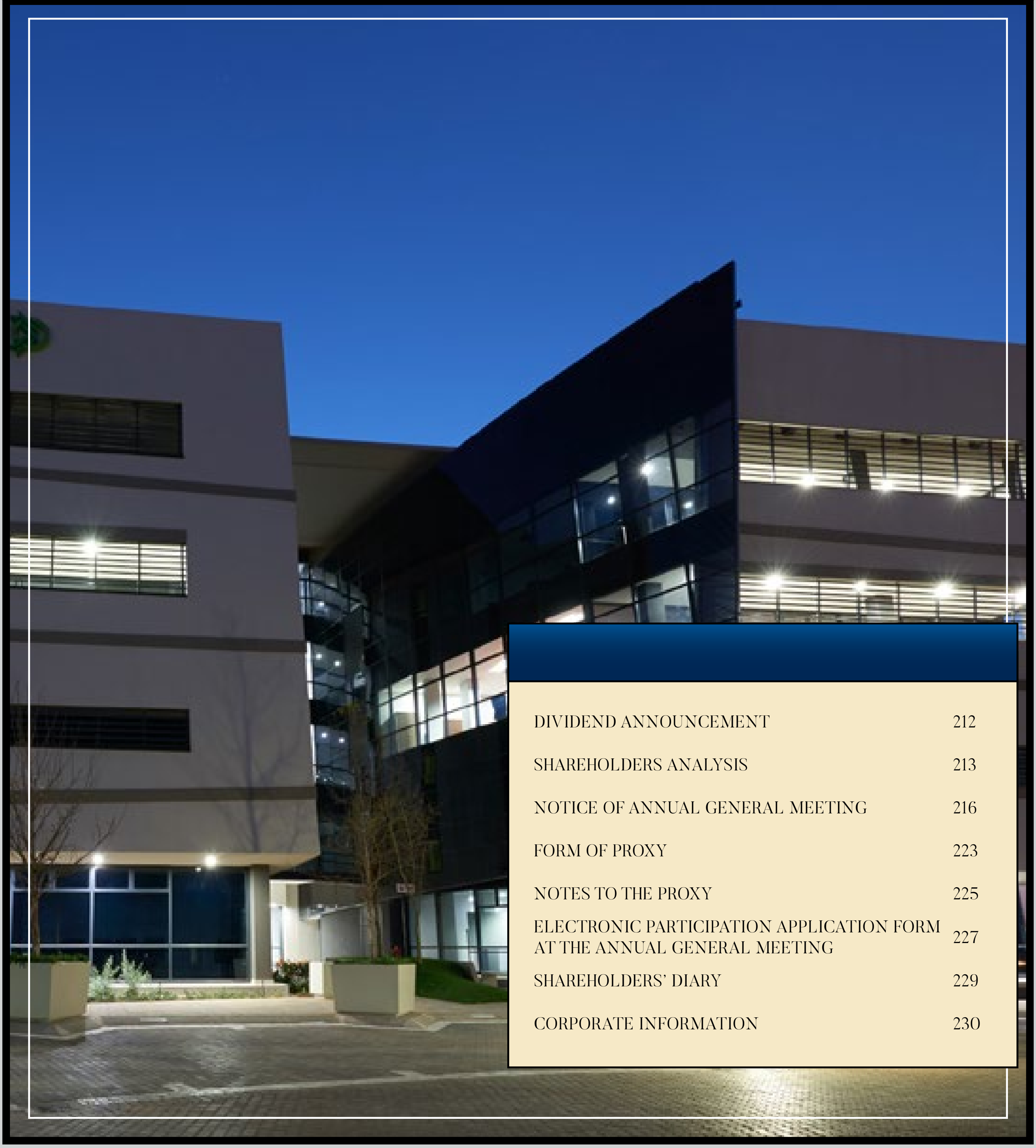
2022	Investment Property fair value R'000	Other assets R'000	Total assets R'000	Total liabilities R'000
Commercial	637 075	-	637 075	338 802
Corporate	-	132 417	132 417	156 828
Industrial	156 130	-	156 130	389
Residential	8 720	-	8 720	102
Retail	637 075	-	637 075	14
	1 439 000	**132 417**	**1 571 417**	**496 135**

ANNEXURE A - SEGMENT ANALYSIS - BY REGION

(CONTINUED)

2022	GLA m²	Investment property at fair value R	Revenue R	Investment and other income R	Property operating expenses R	Fair value adjustments R	Profit for the year
Gauteng	83 188	911 575	92 175	5 112	(31 371)	27 801	57 630
Limpopo	2 339	23 800	3 046	-	(1 729)	(1 820)	246
Mpumalanga	**14 321**	**170 990**	**16 104**		**(5 012)**	**(1 700)**	**15 767**
	99 848	**1 106 365**	**111 325**	**5 112**	**(38 112)**	**24 281**	**73 642**

SHAREHOLDERS INFORMATION



DIVIDEND ANNOUNCEMENT

FOR THE YEAR ENDED 30 JUNE 2023

DECLARATION OF FINAL DIVIDEND NO 68

The Board is pleased to announce the declaration of a dividend of 7.00 cents per ordinary share in respect of the year ended 30 June 2023 (2022: 6.0 cents), thus bringing the total dividend payable for the year to 11.25 cents (2022: 10.25 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 5.60 cents per share, while the gross amount is 7.00 cents per share to those shareholders who are exempt from DWT.

There are 42 409 181 (2022: 42 409 181) ordinary shares in issue; the total dividend amount payable is R 2 968 643 (2022: R2 544 551). 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, 15 September 2023
Last date to trade to participate	Tuesday, 24 October 2023
Trading commences ex dividend	Wednesday, 25 October 2023
Record date	Friday, 27 October 2023
Date of payment	Monday, 30 October 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 October 2023 and Friday, 27 October 2023, both days inclusive.

By order of the Board

....

J E Smith
Financial Director

Sandton

7 September 2023

SHAREHOLDERS ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2023

Register date: 30 June 2023

Issued share capital: 42 409 181

	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Size of holdings				
1 – 1 000 shares	512	67,55%	64 864	0,15%
1 001 – 10 000 shares	157	20,71%	576 878	1,36%
10 001 – 100 000 shares	63	8,31%	1 843 050	4,35%
100 001 – 1 000 000 shares	22	2,90%	6 638 329	15,65%
1 000 001 shares and over	4	0,53%	33 286 060	78,49%
	758	**100,00%**	**42 409 181**	**100,00%**
Distribution of shareholders				
Private Companies	21	2,77%	29 323 498	69,14%
Trusts	14	1,85%	5 460 742	12,88%
Individuals	700	92,35%	4 351 685	10,26%
Collective Investment Schemes	1	0,13%	1 213 555	2,86%
Hedge Funds	1	0,13%	1 082 683	2,55%
Close Corporations	10	1,32%	927 433	2,19%
Stockbrokers & Nominees	7	0,92%	23 251	0,06%
Benefit Funds	1	0,13%	25 030	0,06%
Investment Partnerships	3	0,40%	1 304	0,00%
Total	**758**	**100,00%**	**42 409 181**	**100,00%**
Key Shareholders				
Non-Public Shareholders	4	0,52%	28 302 515	66,74%
Strategic Shareholders (>10%) - Carleo Enterprises (Pty) Ltd	1	0,13%	28 139 776	66,35%
Treasury Holdings	1	0,13%	85 333	0,20%
Directors and Associates	2	0,26%	77 406	0,18%
Public Shareholders	754	99,48%	14 106 666	33,26%
Total	**758**	**100,00%**	**42 409 181**	**100,00%**

Beneficial Shareholders Holding >3% of Issued Shares	**Number of shares**	**% of Issued Shares**
Carleo Enterprise (Pty) Ltd	28 139 776	66,35%
Heynen Family Trust	2 850 046	6,72%
Total	**30 989 822**	**73,07%**

Fund Managers Holding >2% of Issued Shares	**Number of shares**	**% of Issued Shares**
Oasis Crescent Management Company	1 213 555	2,86%
Steyn Capital	1 082 683	2,55%
Aloysius Trust	865 510	2,04%
Total		

Fund Managers Holding Issued Shares	**Number of shares**	**% of Issued Shares**
Oasis Crescent Management Company Total	1 213 555	2,86%
Steyn Capital Total	1 082 683	2,55%
Clucas Gray Investment Management Total	105 500	0,25%
Sanlam Investment Management Total	38 000	0,09%
Total	**2 439 738**	**5,75%**

SHAREHOLDERS ANALYSIS

FOR THE YEAR ENDED 30 JUNE 2023

Non-Public Shareholder Type	Account	30 June 2023	%
Strategic Shareholders (>10%)		**28 139 776**	**66,35%**
Carleo Enterprises (Pty) Ltd	Carleo Enterprises (Pty) Ltd	28 139 776	66,35%
Treasury Holdings		**85 333**	**0,20%**
Carleo Enterprises Pty Ltd	Carleo Enterprises Pty Ltd	85 333	0,20%
Directors and Associates		**77 406**	**0,18%**
BC Carleo (Direct)	Mr Bruno Claudio Carleo	54 133	0,13%
Carleo Enterprises Pty Ltd	Mrs Anna Lucia Carleo-Novello	23 273	0,05%
Non-Public Shareholder Totals		**28 302 515**	**66,74%**

Share Price Performance	
Closing price 30 June 2022	R3,65
Closing price 29 July 2022	R3,65
Closing price 31 August 2022	R5,00
Closing price 30 September 2022	R4,78
Closing price 31 October 2022	R4,44
Closing price 30 November 2022	R3,89
Closing price 30 December 2022	R4,29
Closing price 31 January 2023	R4,24
Closing price 28 February 2023	R3,86
Closing price 31 March 2023	R3,36
Closing price 28 April 2023	R3,35
Closing price 31 May 2023	R3,60
Closing price 30 June 2023	R3,10
Closing High for period (31 August 2022 & 1 September 2022)	R5,00
Closing Low for period (27 to 30 June 2023)	R3,10
Number of shares in issue	42 409 181
Number of shareholder accounts	758
Volume traded during period	947 406
Number of trades effected during period	337
Ratio of volume traded to shares issued	2,23%
Rand value traded during the period	**R3 490 077**
Price/earnings ratio as at 30 June 2023	**4,410**
Dividend yield as at 30 June 2023	**2,645**
Earnings Yield as at 30 June 2023	**22,658**
Market capitalisation at 30 June 2023	**R131 468 461**


Standard Bank
Standard Bank

NOTICE OF ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 30 JUNE 2023

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")

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, 8 November 2023 at Boardroom 1, 22 Impala Road, Chislehurston, 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, 3 November 2023. Accordingly, the last day to trade Putprop shares in order to be recorded in the Register to be entitled to vote will be Tuesday, 31 October 2023.

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, 6 November 2023 (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 2023 (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, 6 November 2023;
- 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 summarised consolidated financial statements of the Company (as approved by the Board) for the year ended 30 June 2023 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**

   Hadyen Hartley retires in accordance with article 25.7 of Putprop's Memorandum of Incorporation ("MOI"), but being eligible to do so, offers himself for re-election.

   "Resolved, as an ordinary resolution, that Hadyen Hartley 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.

   Hadyen Hartley abbreviated curriculum vitae appears on page 114 of the Integrated Annual Report to which this Notice is attached.

2. **Ordinary Resolution number 2: Re-election of Director**

   Daniele Torricelli 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 Daniele Torricelli 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.

   Daniele Torricelli abbreviated curriculum vitae appears on page 114 of the Integrated Annual Report to which this Notice is attached.

Notice of annual general meeting

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

3. Ordinary Resolution number 3: Election of independent non-executive directors to the Audit and Risk Committee

To consider and, if deemed fit, elect the following independent non-executive directors as members of Putprop's Audit and Risk 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 and subject to the passing of the resolution number 1, that Hayden Hartley be and is hereby elected as a member and chair of Putprop's Audit and Risk Committee."

Ordinary resolution number 3.2

"Resolved, as an ordinary resolution, that Rene Styber be and is hereby elected as a member of Putprop's Audit and Risk Committee."

Ordinary resolution number 3.3

"Resolved, as an ordinary resolution, that Gerrit van Heerden be and is hereby elected as a member of Putprop' s Audit and Risk Committee."

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 and Risk Committee appears on page 115 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 Audit and Risk 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 and Risk Committee meeting held on 23 August 2023, 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 135 to 136 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 135 to 136 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.

Notice of annual general meeting

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

6. **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."

7. **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 6 361 377 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 6 361 377 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 2023 (CONTINUED)

8. 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.

9. 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 2023 to 28 February 2023 be and is hereby approved as follows:"

Type of fee (per meeting)	Approved fee per meeting for the period 1 March 2023 to 28 February 2024 R	Proposed fee per meeting for the period 1 March 2024 to 28 February 2025 R
Board		
Chair	24 152	28 000
Member	17 120	20 000
Audit and Risk Committee		
Chair	16 574	19 000
Member	8 935	10 000
Remuneration and Nomination Committee		
Chair	8 293	10 000
Member	6 088	7 000
Social and Ethics Committee		
Chair	Nil	Nil
Member	Nil	Nil
Investment Committee		
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.

10. 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;

Notice of annual general meeting

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

- 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 212; and
- Share capital of the Company – page 190.

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.

Directors' responsibility statement

The directors, whose names are given on pages 114 to 115 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.

Notice of annual general meeting

FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)

11. 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

14 September 2023
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, Chislehurston, Sandton at 11:30 on Wednesday, 8 November 2023 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
Ordinary resolution number 1 Re-election of Director 1. To re-elect Hayden Hartley who, in terms of Article 25.7 of the Company's MOI, retires by rotation.			
Ordinary resolution number 2 Re-election of Director 2. To re-elect Daniele Torricelli who, in terms of Article 25.7 of the Company's MOI, retires by rotation.			
Ordinary resolution number 3 3. Election of independent non-executive directors to the Audit and Risk Committee			
3.1. To appoint Hayden Hartley as a member and chair of the Putprop Audit and Risk Committee, subject to the passing of ordinary resolution 1.			
3.2. To appoint Rene Styber as a member of the Putprop Audit and Risk Committee.			
3.3. To appoint Gerrit van Heerden as a member of the Putprop Audit and Risk Committee.			
Ordinary resolution number 4 4. Appointment of external auditor			
Ordinary resolution number 5 5. Advisory endorsement of remuneration policy and implementation report			
5.1. Endorsement of remuneration policy			
5.2. Endorsement of implementation report			
Ordinary resolution number 6 6. Control of authorised but unissued ordinary shares.			
Ordinary resolution number 7 7. Approval to issue ordinary shares, and to sell treasury shares, for cash.			
Ordinary resolution number 8 8. Signature of documents.			
Special resolution number 1 9. Approval of the non-executive director's remuneration.			
Special resolution number 2 10. General approval to acquire shares.			
Special resolution number 3 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 ______________ 2023

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:

    Hand deliveries to:
    Computershare Investor Services (Proprietary) Limited
    Rosebank Towers
    15 Biermann Avenue
    Rosebank
    2196

    Postal deliveries to:
    Computershare Investor Services (Proprietary) Limited
    Private Bag x9000
    Saxonwold
    2132

    to be received by no later than 11:30 on Monday, 6 November 2023, (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, to be received no later than 16:00 on Monday, 6 November 2023.

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, 8 November 2023 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 ______________ 2023.

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 2023**
Release of audited results on SENS	**15 September 2023**
Despatch of annual report on or about	**15 September 2023**
Annual general meeting	**8 November 2023**
Release of unaudited interim results 31 December 2023 on or about	**10 March 2024**
Dividend 68 payment	**31 October 2023**

Dividend 2023	**Declared**	**Paid**	**Amount (cents per share)**
Interim – Dividend no 67	4 March 2023	6 April 2023	4.25
Final – Dividend no 68	15 September 2023	31 October 2023	7.0

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,j)	Chair	a. Executive
Hayden Hartley (b,c,d,e,g,j,i,k)		b. Chair Audit and Risk Committee
Bruno Carleo (a,g,j)	Chief Executive Officer	
James Smith (a,g,j)	Chief Financial Officer	c. Independent non-executive
Anna Carleo-Novello (a,g,j)		d. Member of Audit and Risk Committee
René Styber (c,d,e,g,j)		
Gerrit van Heerden (c,d,e,g,j)		e. Member of the Remuneration, Nomination and Human Resources Committee
		f. Chair Social and Ethics Committee
		g. Member Social and Ethics Committee
		h. Chair, Nomination Committee
		i. Chair of Remuneration and Human Resources Committee
		j. Member Investment Committee
		k. Chair, Investment Committee

COMPANY SECRETARY

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

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
15 Biermann Avenue
Rosebank
Johannesburg
2196

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

PRINCIPAL BANKERS

Absa Bank Limited
160 Main Street
Johannesburg
2000

INVESTOR RELATIONS AND REGISTERED OFFICE

James Smith
22 Impala Road
Chislehurston
Sandton
2196

+27 11 883 8650

james@putprop.co.za

SPONSOR

Merchantec Capital
13th Floor, Illovo Point
68 Melville Road
Illovo

2196

LISTING INFORMATION

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

Sandton

GLOSSARY

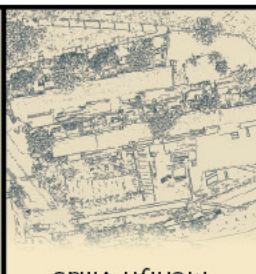
"All Share"	The JSE All Share Index
"Annual Financial Statements"	Group and Company Annual Financial Statements
"AR"	Audit and Risk Committee
"B-BBEE"	Broad-based black economic empowerment
"Companies Act"	Companies Act, No. 71 of 2008, as amended
"EXCO"	Executive Committee
"GLA"	Gross lettable area
"IASB"	International Accounting Standards Board
"IFRS"	International Financial Reporting Standards
"IT"	Information Technology
"IC"	Investment Committee
"JSE"	JSE Limited
"JSE Listings Requirements"	Listings Requirements of the JSE Limited
"King IV"	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.
"KPI"	Key performance indicator
"the Board"	The Board of Directors of Putprop Limited
"SAPOA"	South African Property Owners Association
"SAICA"	South African Institute of Chartered Accountants
"ESET"	Environmental, Social, Ethics and Transformation Committee
"Rode"	Rode's Report on the South African Property Market
"RNHR"	Remuneration Nomination and Human Resources Committee
"ZAR"	South African Rand
"IBC"	Inside Back Cover

PUTPROP HOUSE
22 Impala Road,
Chislehurston,
Sandton,
Johannesburg,
2196

BOARD MEETING:
07 SEPTEMBER
2023

FINAL DIVIDEND PAID 2022:
31 OCTOBER
2022

Montana Park



Menlyn Villas

BOARD MEETING:
10 AUGUST
2023

AUDIT AND RISK MEETING:
23 AUGUST
2023

Lea Glen 1

Putcoton

AUDIT AND RISK MEETING:
5 JULY
2023

Dobsonville

WWW.PUTPROP.CO.ZA

Corridor Hill

BOARD MEETING:
8 JUNE
2023

RETAIL
COMMERCIAL
INDUSTRIAL
RESIDENTIAL

Eagle Canyon