

## TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)  
JSE share code: TEX ISIN: ZAE000190542  
(“Texton” or the “Company”)

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### SALE OF UK POUNDLAND PROPERTY AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

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#### 1. INTRODUCTION

The board of directors of Texton (the “**Board**”) is pleased to advise shareholders that the Company, through its wholly owned subsidiary Chevelon Investments Holding Limited, has completed an agreement with Maven Property (Nottingham) LP, managed by Maven Capital Partners LLP (the “**Purchaser**”), whereby Texton has disposed of the leasehold property more commonly known as the Poundland property (the “**Property**” or the “**Sale**”) to the Purchaser, for a sale price of £3.7 million (the “**Sale Proceeds**”).

#### 2. RATIONALE

The Sale is in line with Texton’s stated disposal strategy of recycling non-core assets and strengthening the Company’s balance sheet. Texton will utilize the Sale Proceeds to reduce UK debt funding and deploy defensive capital expenditure to improve the quality and value of Texton’s assets. Texton’s LTV will improve from 44.6% as previously published on 20 November 2020 on SENS to c.43.5%. The Sale also reduces Texton’s exposure to UK retail property and improves the weighted average lease expiry and income profile of the remaining UK portfolio.

#### 3. TERMS OF THE SALE

The Sale, which was subject to simultaneous exchange and completion, completed on 15 January 2021. £450,000 of the Sale Proceeds are to be retained in an escrow account (“**Escrow Account**”). The Escrow Account provides income protection to the Purchaser. The Escrow Account is to be released back to Texton quarterly based on rent received. The balance of the escrow is released to Texton if rent payment criteria are met for a 12-month period.

#### 4. FINANCIAL AND PROPERTY SPECIFIC INFORMATION

Details of the Property are as follows:

Location	Sector	GLA (m <sup>2</sup> )	Weighted average rental (£/m <sup>2</sup> )	Net rental income (GBP)	Book value (GBP million)	Sale Proceeds (GBP million)
16 Lower Parliament Street, Nottingham, United Kingdom	Retail	1,737	£201.5	350,000 <sup>1</sup>	4.00 <sup>2</sup>	3.70 <sup>3,4</sup>

**Notes:**

1. Audited net rental income attributable to the Property for the year ended 30 June 2020 was £445,000. Peacocks have since year end entered into administration.
2. Audited book value as at the year ended 30 June 2020.
3. The Sale Proceeds in respect of the Property is considered its fair market value, as determined by the Board. The Board is not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.
4. Costs of c.£70,000 will be incurred on associated legal and agent fees.
5. The financial information contained in this announcement has not been reviewed or reported on by a reporting accountant.

**5. CATEGORISATION OF THE SALE**

The Sale is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by shareholders.

**6. RENEWAL OF CAUTIONARY**

Further to the detailed cautionary announcement released on SENS on 4 January 2020, shareholders are advised to continue exercising caution when dealing in the Company's securities until a full announcement is made in respect of the proposed disposal of DHL Bawtry distribution warehouse.

SANDTON

18 JANUARY 2021

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**CORPORATE ADVISER AND SPONSOR TO TEXTON**

Investec Bank Limited