

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")

SALE OF UK B&Q PROPERTY

1. INTRODUCTION

The board of directors of Texton (the "**Board**") is pleased to advise shareholders that the Company has completed an agreement with RI UK SA 1 LIMITED, an SPV of Realty Income Corporation (the "**Purchaser**"), whereby Texton has disposed of its entire freehold interest in the UK property held in a 100% subsidiary, Forbesdale Investments Holdings Limited, know as B&Q (the "**Property**" or the "**Sale**") to the Purchaser, for a sale price of £8.96 million (the "**Sale Proceeds**").

2. RATIONALE

The current depth of demand for DIY property in the United Kingdom, has provided Texton with an opportunity to sell the Property at a premium to its most recent reported book value of £7.77m. The Sale allows Texton to secure an attractive and profitable exit from the Property, for which Texton will utilize the Sale Proceeds to re-invest into properties with strong value add potential through active asset management and deploy defensive capital expenditure to improve the value of the existing portfolio. The Sale further 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 20 August 2021.

4. FINANCIAL AND PROPERTY SPECIFIC INFORMATION

Details of the Property are as follows:

Location	Sector	GLA (m ²)	Weighted average rental (£/m ²) p.a	Net rental income (£)	Book value (£ million)	Sale Proceeds (£ million)
Trevenson Road, Camborne, Cornwall United Kingdom	Retail	4,465	£141.4	£315,969 ¹	7.77 ²	8.96 ^{3,4}

Notes:

1. Unaudited net rental income attributable to the Property for the six months ended 31 December 2020 was £315 969.
2. Unaudited book value as at the interim period ended 31 December 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.£120,000 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.

SANDTON

23 August 2021

CORPORATE ADVISER AND SPONSOR TO TEXTON

Investec Bank Limited