TEXTON

PROPERTY FUND

YEAR-END RESULTS PRESENTATION

30 JUNE 2021

COMPANY OVERVIEW

KEY METRICS

		June 2020
NAV/share	625.88c	584.26c
LTV	31.8%	46.2%
ICR	3.1x	2.8x
DIPS	49.09c	33.43c
Dividend/ share	37.47	nil
Properties	42	53
GLA (m^2)	301 307	364 356
Portfolio value	R3.6bn	R4.5bn
Core vacancy	9.4%	8.2%
WALE (years)	3.83	4.49

* Core vacancy data excludes properties held for sale for both periods under review. The total portfolio vacancy increased from 9.2% to 19.2%

2021 HEADLINES

Operational excellence

- Strengthening of team through senior hires
- Internalised the property management function
- Continued capital investment into property portfolio
- Significant improvement in SA lease expiry profile
- Record number of 73 new leases concluded

Defending earnings

- Like-for-like Net Property Income decrease by 3.3%
- Robust focus on cost saving initiatives
- Collection rate of 98.8% in SA and 100% in UK
- Decrease in the cost of debt from 6.6% to 5.5%

Balance sheet strength

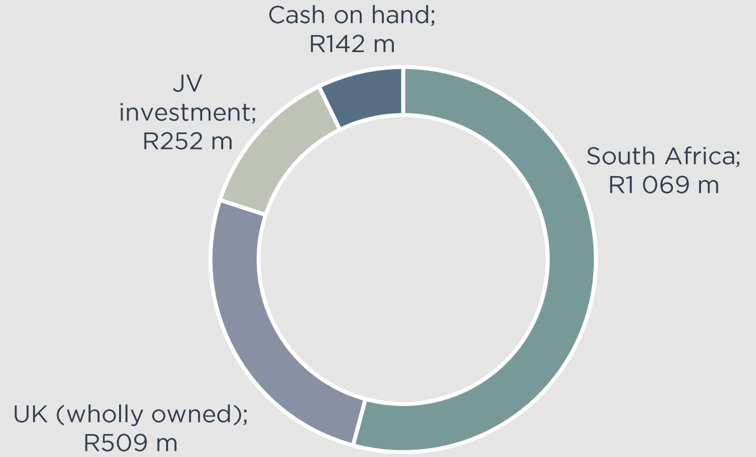
- LTV decrease from 46.2% to 31.8%
- Debt reduction of R567.1 million
- 7.12% increase in NAV per share to 625.88c
- De-risked FX exposure from CCIRS and security mismatch
- Available cash of R509 million

Return to shareholders

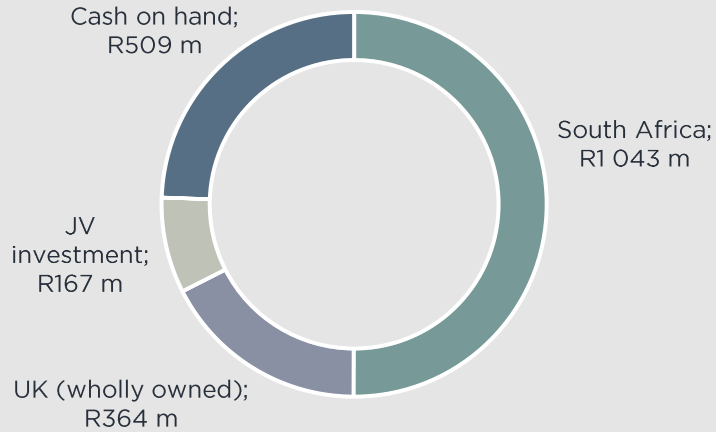
- Distributable earnings increased 43.6%
- Dividend declared of 37.47c per share
- Payout ratio of 76.3%
- 7.8m share buy back programme

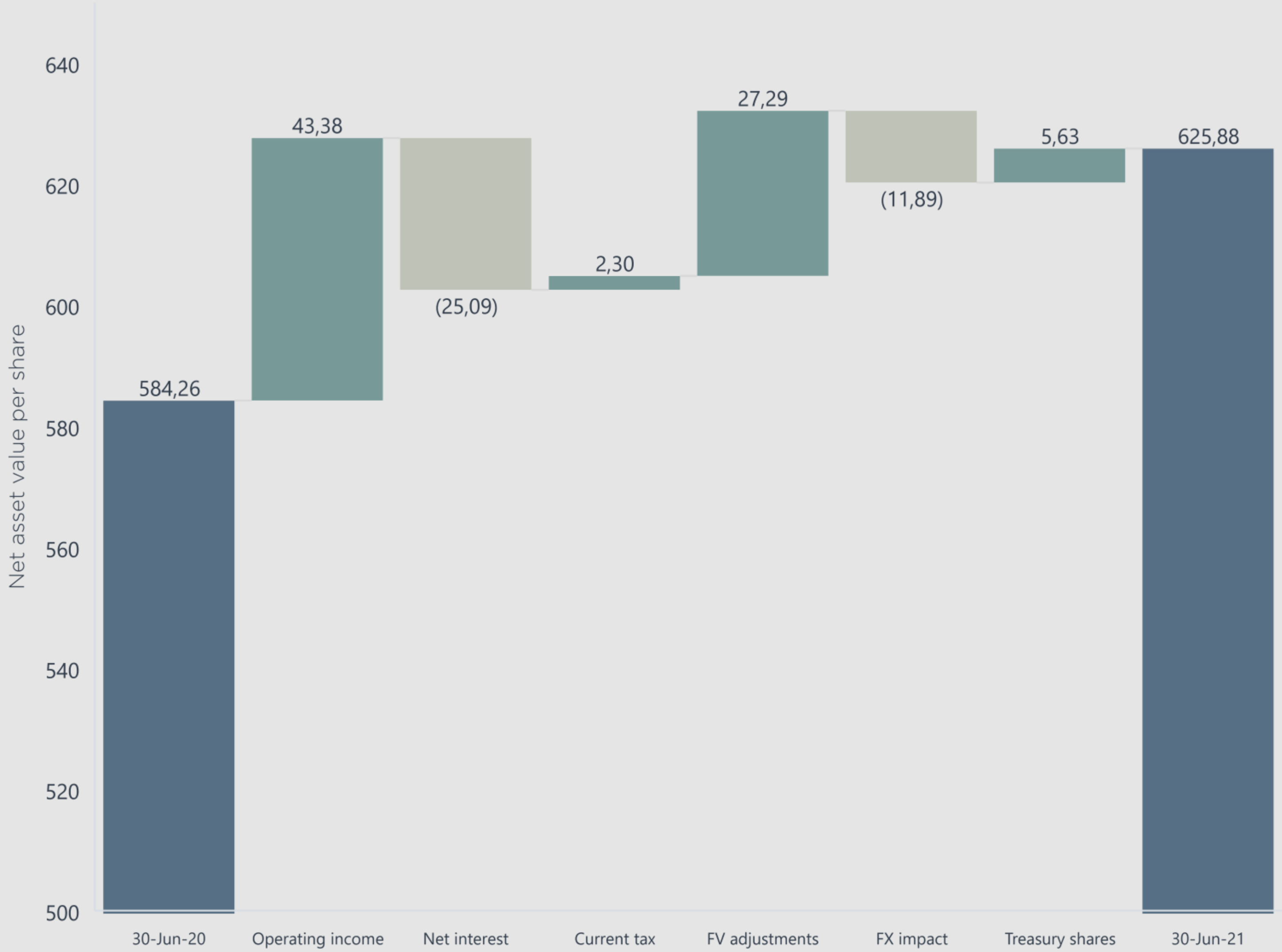
NET ASSET VALUE OVERVIEW

NAV breakdown Jun-20



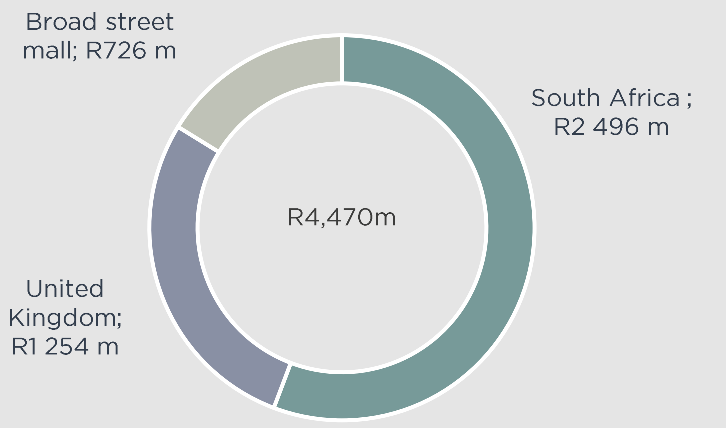
NAV breakdown Jun-21



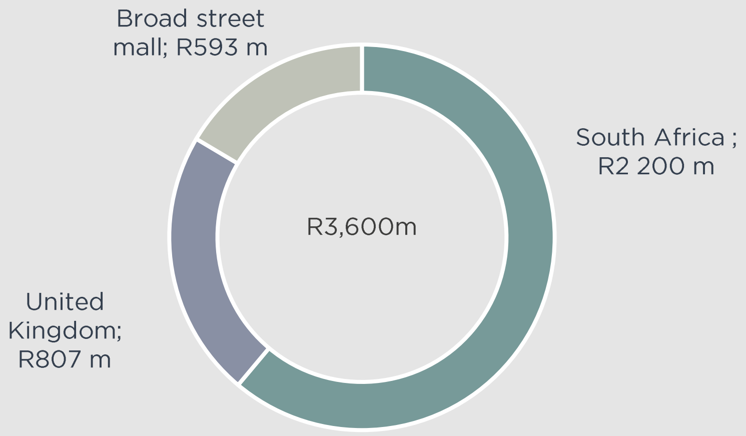


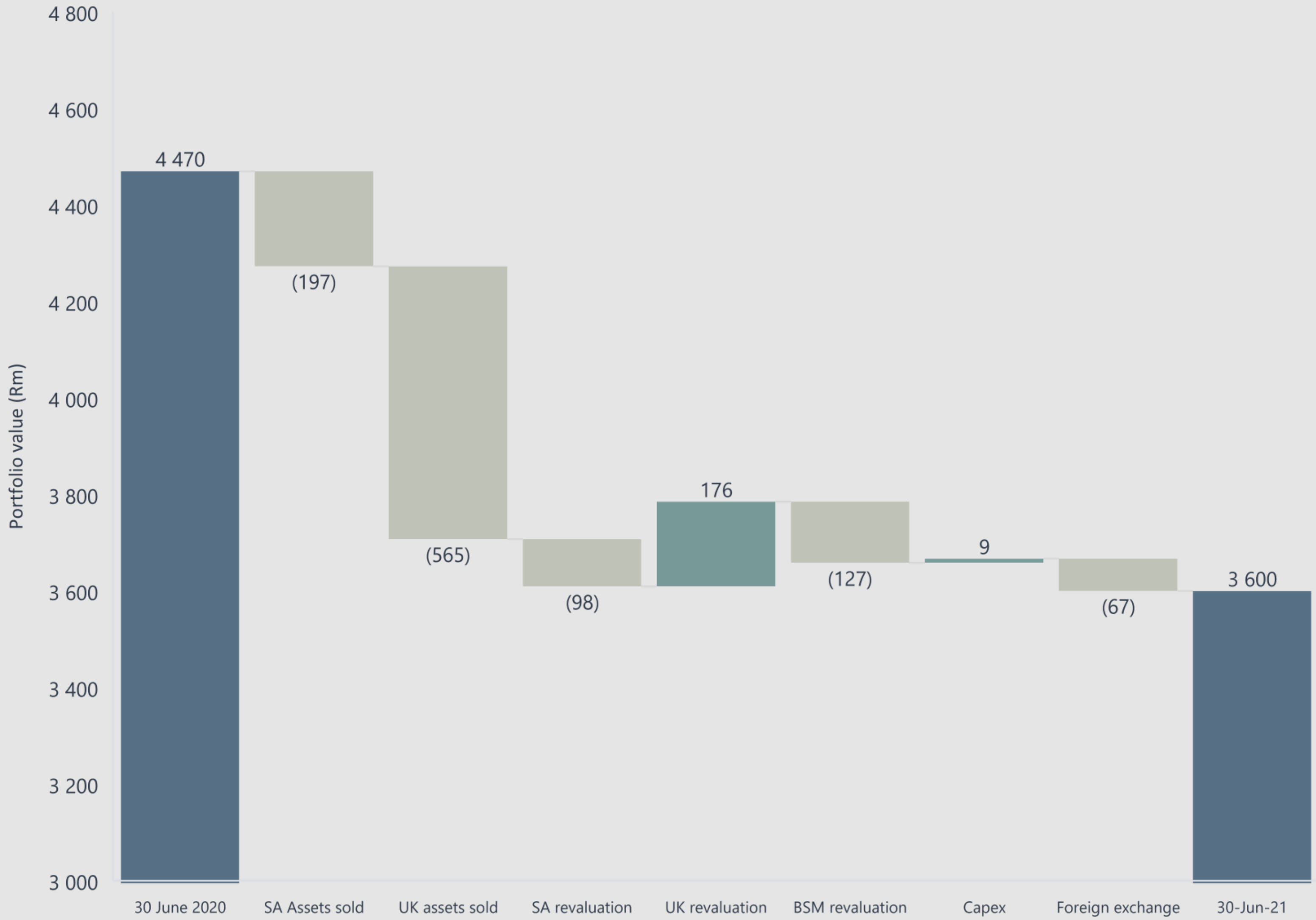
PORTFOLIO VALUE

Portfolio value split Jun-20



Portfolio value split Jun-21





SA PORTFOLIO OVERVIEW

	GLA	Number of properties	Asset value	Core Vacancy*	WALE (years)
Total	249 327m²	35	R2,2bn	10.5%	3.20
June 2020	285 308	44	R2.5bn	9.5%	3.20
Office	157 434m²	30	R1.6bn	16.9%	3.40
Retail	30 485m²	3	R367m	0.2%	3.51
Industrial	61 408m²	2	R186m	3.2%	2.88

* Core vacancy data excludes properties held for sale for both periods under review. The total portfolio vacancy of the SA assets including assets held for sale increased from 12.7% at June 2020 to 21.8% at June 2021

SA PORTFOLIO PERFORMANCE

	NPI	Net expense ratio	Collections	Letting deals	Tenant retention
Total	R222.0m June 2020 R228.4m	26.4% June 2020 32.8%	98.8% June 2020 94.4%	73 June 2020 36	66.0% June 2020 89.7%
Office	R168.6m June 2020: R175.2m	25.9% June 2020: 22.0%	99.0% June 2020: 92%	39 June 2020: 25	64.5% June 2020: 98.3%
Retail	R38.8m June 2020: R31.3m	21.1% June 2020: 40.7%	97.6% June 2020: 77.0%	19 June 2020: 2	67.1% June 2020: 72.2%
Industrial	R14.6m June 2020: R21.9m	40.6% June 2020: 25.0%	98.5% June 2020: 76.0%	15 June 2020: 9	70.0% June 2020: 73.6%

UK PORTFOLIO OVERVIEW

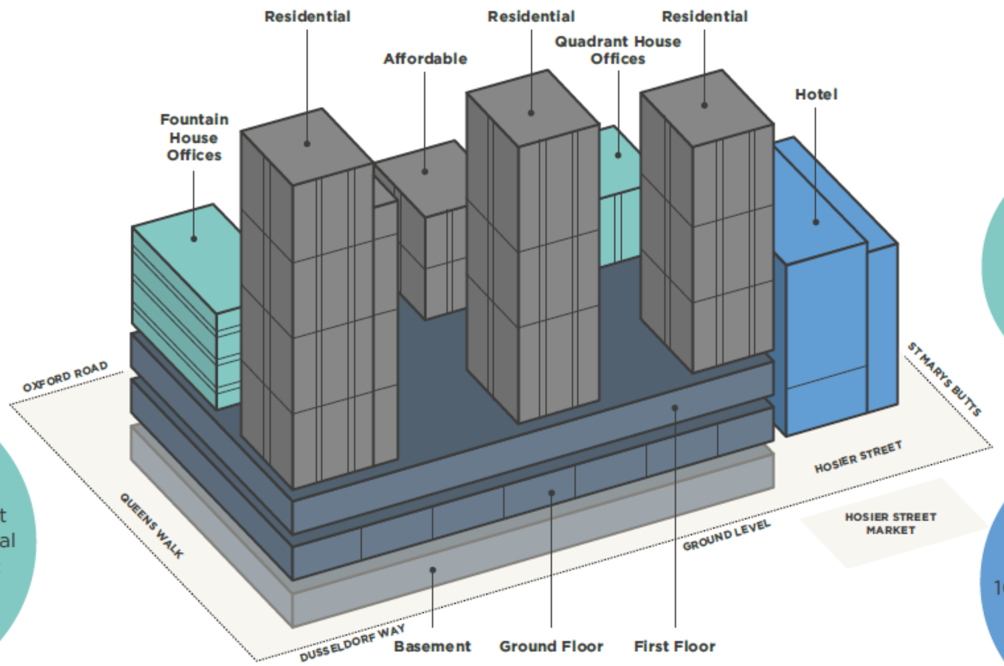
	GLA	Number of properties	Asset value	Vacancy	WALE (years)
	33 604m²	6	£40.8m	0%	8.78
	June 2020 60 634	June 2020 8	June 2020 £58.3m	June 2020 0%	June 2020 9.23
Office	5 360m²	1	£9.1m	0%	5.42
Retail	6 255m²	2	£13.6m	0%	7.22
Industrial	21 989m²	3	£18.1m	0%	8.54

UK PORTFOLIO PERFORMANCE

NPI	Net expense ratio	Collections	Letting deals	Tenant retention
R68.1m June 2020 R82.1m	4.0% June 2020 4.2%	100% June 2020 100%	N/A	N/A

	NPI	Net expense ratio	Collections	Letting deals	Tenant retention
Office	R5.5m June 2020: R13.9m	5.2% June 2020: 6.1%	100% June 2020: 100%	N/A	N/A
Retail	R21.3m June 2020: R27.6m	9.4% June 2020: 5.8%	100% June 2020: 100%	N/A	N/A
Industrial	R41.3m June 2020: R40.6m	3.5% June 2020: 3.8%	100% June 2020: 100%	N/A	N/A

JOINT VENTURE INVESTMENT - BSM



Residential
Planning consent for 422 flats

Fountain House
62,400 sq ft currently let as offices with a residential permitted development application being processed

Quadrant House
13,600 sq ft newly refurbished co-working space

Hotel
Planning consent for 101 bedrooms and ground floor restaurant

Basement
Opportunity to repurpose 77,000 sq ft of basement space and introduce last mile logistics, storage, dark kitchens, conferencing or additional leisure space

Further development phases
Ongoing opportunities to evolve and intensify site usage

Internal community based, defensive retail and medical uses
Scope to expand MSU, service-led and medical offers

NHS wilko The Works
GREGGS cardfactory TK maxx
HOLLAND & BARRETT

External retail and leisure with scope to add to A3 tenant mix

REALLY LOCAL GROUP Iceland
Poundland savers
METRO BANK BURGER KING

FINANCIAL SUMMARY

DISTRIBUTABLE INCOME

R'000	30 June 2021	30 June 2020	Variance %
Revenue	444 448	521 905	-14.8
Bad debts recovered/(expenses)	5 010	(27 595)	118.2
Property expenses	(159 832)	(183 780)	13.0
Other income	714	4 715	-84.9
Administrative expenses	(34 642)	(38 022)	8.9
Net finance costs	(87 662)	(83 111)	-5.5
- finance income	59 006	85 780	-31.2
- finance expenses	(146 668)	(168 891)	13.2
Taxation	(3 490)	(29 803)	88.3
Distribution of realised foreign exchange gain	3 160	(47 496)	106.7
Total distributable income	167 706	116 813	43.6

BALANCE SHEET AND FUNDING

LTV
31,8%
June 2020
46,2%

Cash on hand
R509 million
June 2020
R142 million

ICR
3,1 times
June 2020
2,8 time

Debt repaid
R567 million
June 2020
R457 billion

Cost of funding
5,5%
June 2020
6,6%

Simplified balance sheet and fund structure

Group borrowings	Total June 21	Total June 20
Total debt facilities	1 547,0	1 997,4
Total debt drawn	1 397,0	1 997,4
Net debt	1 036,8	1 857,8
Subject to fix rates	889,2	1 636,7
% hedged on net debt	85,8	88,1
Effective interest rate	5,5	6,6
Weighted average expiry – years	2,5	3,1
Interest cover ratio	3,1	2,8

Strictest covenants	LTV	ICR
SA funders	50,0%	2,0
UK funders	50,0%	2,0

All covenants met at year and there is no expected covenant breaches in the coming year

DEBT MATURITY PROFILE AND HEDGING

Debt maturity profile	South Africa Value R'000	South Africa % expiring	United Kingdom Value R'000	United Kingdom % expiring	Total Value R'000	Total % expiring
2022	50 000	4,9	-	-	50 000	3,6
2023	652 300	64,1	-	-	652 300	46,7
2024	314 600	31,0	-	-	314 600	22,5
2025	-	-	380 100	100,0	380 100	27,2
Total	1016 900	100,0	380 100	100,0	1 397 000	100,0

CCIRS
£23,3 million
June 2020
£30,8 million

CCIRS closed on 2 September on a net positive basis to Texton

Average expiry profile
2.5 years
June 2020
3.1 years

No significant debt expiring in SA and UK in the next 18 months

Interest rate fixed terms
0.9 years
June 2020
2.0 years

Majority of interest rates swaps rolling off in first 6 months of FY22

Debt refinanced
R564 million
June 2020
R1.632 billion

WWW.TEXTON.CO.ZA

TEXTON

PROPERTY FUND

APPENDICES

CONSOLIDATED PORTFOLIO AT A GLANCE

Geographical spread by GLA

Gauteng	202 265m^2
Western Cape	34 626m^2
Kwa-Zulu-Natal	12 436m^2
England	31 814m^2
Wales	1 789m^2

Geographical spread by value

Gauteng	R1 636m
Western Cape	R427m
Kwa-Zulu-Natal	R136m
England	R757m
Wales	R50m

Sector split by GLA

Office	162 794m^2
Retail	40 700m^2
Industrial	79 437m^2

Sector split by value*

Office	R1 827m
Retail	R1 227m
Industrial	R544m

	June 21	Jun 2020
Property portfolio value*	R3 600m	R4 476m
Number of properties	42	53
Total GLA (m^2)	282 930m^2	364 356m^2
Vacancy (%)	19.216%	11,05%
Vacancy (m^2)	54 348m^2	40 242m^2

** Includes Broad Street Mall*

INVESTMENT PROPERTY VALUATIONS

	Number of properties	% of number of properties	Value of properties	% Value of properties
Properties valued externally	16	39.0	1 409 844	46.9
Properties valued internally	17	41.0	1 091 520	36.3
Total investment property	33	80.0	2 501 364	83.2
Properties valued externally	1	2.4	60 000	2.0
Properties valued internally	7	17.6	445 665	14.8
Total properties held for sale	8	20.0	505 665	16.8
Total SA properties	35	85.4	2 199 955	73.2
Total UK properties	6	14.6	807 074	26.8
Total property value	41	100.0	3 007 029	100.0

COLLECTIONS AND BAD DEBTS

SA collection rate

Office	99%
Retail	99%
Industrial	98%
Total	99%

UK collection rate

Office	100%
Retail	100%
Industrial	100%
Total	100%

Total collection rate

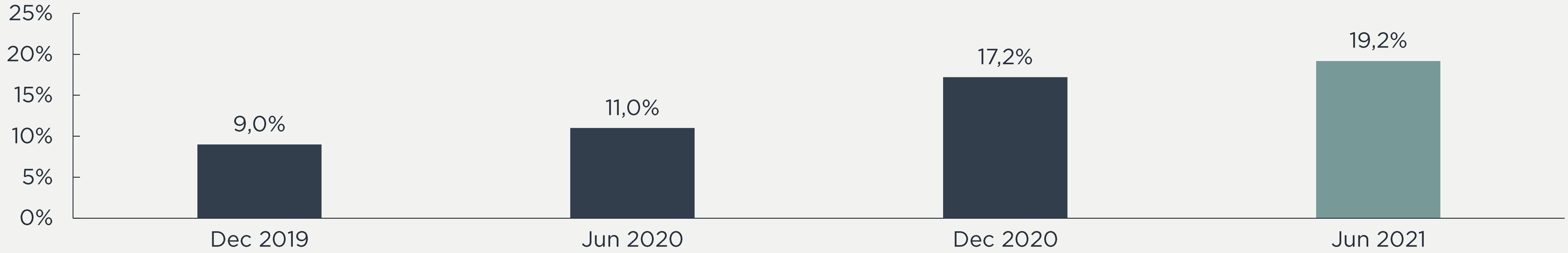
Office	99%
Retail	99%
Industrial	99%
Total	99%

Total collection rate per sector	Office	Retail	Industrial	Total
R'000				
Billings	319 581	95 818	83 728	499 127
Collections	316 403	94 751	83 002	494 156
Collection rate	**99%**	**99%**	**99%**	**99%**

** Includes Broad Street Mall*

VACANCY PROFILE

	Overall	Office	Retail	Industrial
June 2021	**19.2%**	32.2%	0.2%	2.3%
December 2020	**17,2%**	27,8%	1,6%	6,8%
June 2020	**11,0%**	6,1%	2,3%	2,7%
December 2019	**9,0%**	12,7%	11,3%	2,4%



KEY METRICS

	31 Dec 2020 R'000	30 Jun 2020 R'000	31 Dec 2019 R'000	30 Jun 2019 R'000
Tenant retention	66,00%	85,90%	90,50%	90.30%
Vacancy rate	19,20%	17,20%	11,04%	9,00%
Loan to Value ^	31.80%	42,90%	46,20%	44.90%
Net asset value cents per share	625,88	609.66	584,27	593,40
Lease expiry profile years	3,83	4,49	4,49	4,04

^ Calculated in line with BPR and the prior year has been recalculated on the same basis.

WWW.TEXTON.CO.ZA

TEXTON

PROPERTY FUND