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**Texton Property Fund Limited**  
**Registration number: 2005/019302/06**  
**Approved as a REIT by the JSE**  
**Share code: TEX ISIN: ZAE000190542**  
**("Texton" or "the Company")**

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**CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

## ABOUT TEXTON

Texton is a JSE Limited ("JSE")-listed real estate investment trust ("REIT") that offers shareholders access to global direct and indirect real estate investments which aim to deliver sustainable, risk-adjusted returns. Our direct property portfolio is valued at R2.2 billion as at 31 December 2022 (2021: R3.3 billion) and our indirect property investments amount to R538.5 million (2021: 189.2 million).

Texton is focused on robust and disciplined capital allocation. We are strategically reinvesting heavily into our direct property investments which are in centralised nodes in both South Africa ("SA") and the United Kingdom ("UK") and deploying capital into high-quality property investments in developed markets with best-in-class partners.

## KEY FINANCIAL RESULTS

	Six months ended 31 December 2022	Six months ended 31 December 2021	Change %
Property revenue (R'000)	163 791	172 547	(5.07)
Distributable earnings (R'000)	44 466	42 252	5.24
Dividend per share (cents)	-	10.00	-
Headline earnings per share (cents)	11.05	15.43	(28.9)
Earnings per share (cents)	6.69	(4.06)	264.78
Net asset value per share (cents)	609.51	593.32	2.73

## HIGHLIGHTS

### CAPITAL ALLOCATION

#### *Direct property investments*

- Continued investment in SA as part of our continued roll out of our small-medium enterprises ("SME") strategy
- Vacancies in our core SA portfolio decreased to 19.6% from 22.3% as compared to June 2022
- Collections in SA remained at a healthy 98.3%, with our UK portfolio at 100%.

#### *International property investments*

- £5.5 million (R9.6 million) was committed to GIM Investments PCC Limited for investments in the manufactured housing real estate sector in the USA

- Texton received dividends of \$264 654 (R4.6 million) from Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC (“BREIT Offshore”) and \$283 923 (R4.9 million) from Starwood Real Estate Income Trust Offshore Fund SPC (“SREIT Offshore”) for the six-month period
- \$5million (R85 million) was allocated to Cadre of which \$1.923 million (R32.8 million) (June 2022: \$1.024 million) (R17.5million) has been invested in six (June 2022: four) investment properties in the USA with a bias towards multi-family assets

#### **Share buyback**

- Texton through its subsidiary Discus House Proprietary Limited (“Discus House”), repurchased 685 182 shares at an average cost of R3.51 per share over the period. These shares are being held as treasury shares in the subsidiary. Discus house holds 31 853 013 shares in treasury as at 31 December 2022.
- A further 1 937 315 shares were purchased directly by Texton at an average cost of R3.24 per shares, these shares have been cancelled in the market.
- Texton will continue to repurchase shares in the market as they become available in accordance with the shareholder-approved annual general meeting resolution.

## **CAPITAL MANAGEMENT**

#### **Asset disposal**

- Three of the five properties, to the value of R395 million, held for sale as at 30 June 2022 were transferred by 31 December 2022. These sales have enabled Texton to continue to successfully recycle capital from directly held non-core assets to strengthen our balance sheet and diversify our investments.

#### **Balance sheet management**

- The LTV remains healthy at 26.9% at year-end, with all entities remaining within the LTV covenants
- Reduced long-term debt by R319million<sup>1</sup>, of which R186 million is a permanent decrease in our long-term debt
- Texton has R279 million cash on hand, excluding cash available in debt facilities.

## **OPERATIONAL EXCELLENCE**

- 29 new leases were completed in the last 6 months with a combined gross lettable area of 10 288m2, the majority of these leases were leased to SME tenants in line with our strategy
- Increased investment in environmental, social and governance initiatives such as solar power, energy-efficient lighting and water pressure management
- Achieved a Level 4 Broad-based Black Economic Empowerment rating from previously being non-compliant.

## **DIVIDEND**

The Board of directors of Texton has elected not to pay an interim dividend for the six months ended 31 December 2022, as the board wishes to conserve cash in the business to manage its balance sheet liquidity through the current rising interest environment.

This short-form announcement is the responsibility of the Board and does not include full or complete details. Any investment decision should be based as a whole on the condensed unaudited consolidated interim financial results (“full announcement”), which may be downloaded from: <https://senspdf.jse.co.za/documents/2023/jse/isse/TEX/HY22.pdf>

The full announcement is also available for inspection at the registered offices of the Company or its Sponsor, at no charge, during office hours for a period of 30 calendar days following the date of this

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<sup>1</sup> Including funds paid in the committed revolving credit facility

announcement. The full announcement is also available on the Company's website at: <https://texton.co.za/results-presentations/>

**By order of the Board**  
**21 February 2023**

**Directors**

M Golding (*Non-executive chairman*) P Welleman\* (*chief executive officer*) P Hack\* (*chief financial officer*) JR Macey (*Lead independent non-executive*) A Hannington (*Independent non-executive*) S Thomas (*Independent non-executive*) R Franco (*Non-executive*) W van der Vent (*Independent non-executive*)

\* *Executive director*

**Company secretary**

Corpstat Governance Services Proprietary Limited  
Bryanston Gate  
Block 4, First Floor  
Homstead Avenue  
Bryanston 2191

**Registered office and business address**

Block D, Vunani Office Park,  
151 Katherine Street, Sandton, 2031

**Transfer secretaries**

Computershare Investor Services Proprietary Limited  
2nd Floor, Rosebank Towers  
15 Biermann Avenue, Rosebank

**Sponsor**

Investec Bank Limited  
100 Grayston Drive  
Sandown, Sandton 2196

**Auditor**

BDO South Africa Inc.  
6<sup>th</sup> floor, 123 Hertzog Boulevard,  
Foreshore, Cape Town, 8001