



TEXTON  
PROPERTY FUND

NOTICE OF ANNUAL  
GENERAL MEETING  
for the year ended 30 June

**2023**

# LETTER TO SHAREHOLDERS

DEAR SHAREHOLDER

## NOTICE OF ANNUAL GENERAL MEETING

I am pleased to enclose the notice for Texton's annual general meeting ("AGM"), which will be held at 13:00 on Wednesday, 29 November 2023. All registered shareholders as at Friday, 20 October 2023 are entitled to receive this notice. The board has again elected to host the meeting solely over an electronic meeting platform, MS Teams to improve access for all shareholders and directors. Details of how to access the AGM are set out in the AGM notice.

If you are unable to attend the AGM, you may vote by proxy in accordance with the instructions in the AGM notice and the form of proxy.

The last date by which you need to be registered as a shareholder in the Company's register for the purposes of being entitled to attend and vote at the AGM is Friday, 17 November 2023 ("the record date"). The last day to trade in Texton shares to be entitled to attend and vote at the meeting is Tuesday, 14 November 2023.

Only shareholders registered to attend the meeting or represented by a valid proxy or letter of representation will be entitled to vote on any matter put to a vote of shareholders.

I look forward to welcoming you to the AGM.



**Marcel Golding**

27 October 2023

# NOTICE OF ANNUAL GENERAL MEETING

## TEXTON PROPERTY FUND

### TEXTON PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2005/019302/06)

Share code: TEX and ISIN: ZAE000190542

Approved as a REIT by the JSE

("Texton" or "the Company" or "the Group")

This document is important and requires your immediate attention.

If you are in any doubt about what action you should take, consult your broker, central securities depository participant ("CSDP"), legal adviser, banker, financial adviser, accountant or other professional adviser immediately.

If you have disposed of all your shares in the Company, please forward this document, together with the enclosed form of proxy, to the purchaser of such shares or the broker, banker or other agent through whom you disposed of such shares.

Shareholders on the Company share register who have dematerialised their shares through STRATE, other than those whose shareholding is recorded in their own name in the sub-register maintained by their CSDP, and who wish to attend the meeting in person, will need to request their CSDP or broker to provide them with the necessary authority to do so in terms of the custody agreement entered into between the dematerialised shareholders and their CSDP or broker.

A shareholder (including certificated shareholders and dematerialised shareholders who hold their shares with own name registration) entitled to attend and vote at the meeting may appoint one or more proxy/ies to attend, participate and vote in his/her/its stead. A proxy does not have to be a shareholder of the Company. The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the AGM and participating and voting in person thereat to the exclusion of any such proxy. A form of proxy for use at the meeting is attached.

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to shareholders as at Friday, 20 October 2023, being the record date to receive notice of the AGM for the year ended 30 June 2023 in terms of section 59(1)(a) of the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act"), that the AGM of shareholders of the Company will be held via MS Teams at 13:00 on Wednesday, 29 November 2023 or any other adjourned or postponed time determined in accordance with the provisions of subsections 64(4) or 64(11)(a)(i) of the Companies Act to:

- deal with such other business as may lawfully be dealt with at the meeting.
- present the directors' report, the annual financial statements and the audit and risk committee report of the Company for the year ended 30 June 2023 and transact any other business as may be transacted at an AGM of shareholders of a Company.
- provide a verbal report to shareholders from the social and ethics committee of the Company for the year ended 30 June 2023 on matters within its mandate in terms of regulation 43(5)(c) of the Companies Act regulations.
- consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Limited ("JSE") Listings Requirements, which meeting is to be participated in and voted by shareholders as at the voting record date of Friday, 17 November 2023 in terms of section 62(3)(a), read with section 59 of the Companies Act.

## SECTION 63(1) OF THE COMPANIES ACT: IDENTIFICATION OF MEETING PARTICIPANTS

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all Texton shareholders recorded in the registers of the Company on the record date for participating in and voting at the AGM will be required to provide identification satisfactory to the chairperson of the AGM. Acceptable forms of identification include valid identity documents, driver's licences and passports.

## SECTION 62(3)(E) OF THE COMPANIES ACT

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy, or two or more proxies, to attend, participate in and vote at the meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein; and
- a proxy need not be a shareholder of the Company.

## SALIENT DATES

The following dates apply to the AGM:

- The record date for purposes of determining which shareholders are entitled to receive this notice is Friday, 20 October 2023;
- The last day to trade in order to be eligible to participate in and vote at the AGM is Tuesday, 14 November 2023;
- The record date for shareholders to be recorded in the securities register of Texton in order to be able to attend, participate in and vote at the AGM is Friday, 17 November 2023;
- Shareholders are to lodge proxy forms by Friday, 24 November 2023 at 13:00 (for administrative purposes only); and

- Shareholders or their duly authorised proxies who wish to participate in the AGM must register to do so by e-mailing [proxy@computershare.co.za](mailto:proxy@computershare.co.za) by Friday, 24 November 2023 at 13:00.

## PRESENTATION TO SHAREHOLDERS

### Presentation of the annual financial statements

The audited consolidated annual financial statements (as approved by the board of directors of the Company), incorporating the external auditor, audit and risk committee and directors' reports for the year ended 30 June 2023 are presented to shareholders.

### Social and ethics committee report

The report has been distributed to shareholders as part of the 2023 integrated annual report.

## ORDINARY RESOLUTIONS

### Ordinary resolutions numbers 1 to 5: Rotation, re-election and appointment of directors and audit and risk committee members

The Company is satisfied that the composition of the board reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to Texton's business operations, as well as diversity and independence to execute its roles and responsibilities effectively.

The board of directors proposes the re-election of these directors, also considering the following additional key criteria:

- Support to new executive directors and board members;
- In-depth knowledge of the real estate sector in which the Group operates;
- An understanding of the complexity of the business operations;
- Providing the necessary institutional memory and continuity to Texton;
- Experience in international markets.

## Re-election of directors

Note: *that brief résumés of the directors and the remaining members of the board are detailed on pages 56-57 of the 2023 integrated annual report.*

*Reason for and effect of ordinary resolutions numbers 1 and 2*

To re-elect the following directors who retire in accordance with the Company's Memorandum of Incorporation ("MOI") and who, being eligible, offer themselves for re-election.

The retiring directors are eligible and offer themselves for re-election as directors of Texton in accordance with the provisions of Texton's MOI and in terms of section 61(8) (b) of the Companies Act.

As per the MOI, at the AGM held each year, one-third of the directors (excluding the chief financial officer and chief executive officer), shall retire from office.

The directors to retire at each AGM shall be those who have been longest in office since their last election, for which purposes the length of time a director has been in office shall be computed from the date of his/her last election.

The majority of Texton's non-executive directors are independent. The board of directors applied the independence recommendations as part of the King IV Report on Corporate Governance for South Africa, 2016TM ("King IV<sup>TM</sup>") practices, and the nominations and remuneration committee followed a robust process to determine this classification.

## 1. Ordinary resolution number 1

### Re-election of Mr JR Macey as an independent non-executive director

"It is hereby resolved that the re-election of Mr JR Macey, who retires as an independent non-executive director of the Company by rotation, in accordance with the Company's MOI, and being eligible, offers himself for reappointment in this capacity, be and is hereby approved."

In order for this ordinary resolution number 1 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## 2. Ordinary resolution number 2

### Re-election of Mr W van der Vent as an independent non-executive director

"It is hereby resolved that the re-election of Mr W van der Vent, who retires as an independent non-executive director of the Company by rotation, in accordance with the Company's MOI, and being eligible, offers himself for reappointment in this capacity, be and is hereby approved."

In order for this ordinary resolution number 2 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## Ordinary resolutions numbers 3 to 5

Election of audit and risk committee members under section 94 of the Companies Act.

Brief résumés of all the proposed members of the audit and risk committee appear on pages 56-57 2023 integrated annual report.

## 3. Ordinary resolution number 3

### Re-election of Mr JR Macey as a member and the chairman of the audit and risk committee

"It is hereby resolved that Mr JR Macey be and is hereby re-elected as a member and the chairman of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act, subject to his re-election as an independent non-executive director of the company in terms of Ordinary resolution number 1. "

In order for this ordinary resolution number 3 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## 4. Ordinary resolution number 4

### Re-election of Ms S Thomas as a member of the audit and risk committee.

"It is hereby resolved that Ms S Thomas be and is

# NOTICE OF ANNUAL GENERAL MEETING continued

hereby elected as a member of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act.”

In order for this ordinary resolution number 4 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## 5. Ordinary resolution number 5

### **Re-election of Mr AJ Hannington as a member of the audit and risk committee**

“It is hereby resolved that Mr AJ Hannington be and is hereby elected as a member of the audit and risk committee, with immediate effect, in terms of section 94(2) of the Companies Act.”

In order for this ordinary resolution number 5 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## 6. Ordinary resolution number 6

### **Re-appointment of the independent external auditor**

*Reason for and effect of ordinary resolution number 6*

To authorise the directors to re-appoint BDO South Africa Incorporated as the independent registered auditor of the Company who will undertake the audit of the Company for the ensuing year, with Mr S Cillie as the individual designated auditor of the Company.

The audit and risk committee has evaluated the independence and performance and recommended BDO South Africa Incorporated for appointment as auditor of the Company, under section 90 of the Companies Act.

“It is hereby resolved that BDO South Africa Incorporated (with the designated registered auditor, Mr S Cillie) be and are hereby re-appointed as auditor of the Company for its financial year ending 30 June 2024 and that their appointment be of full force and effect until the conclusion of the Company's next AGM.”

In order for this ordinary resolution number 6 to be adopted, the support of more than 50% of the total

votes exercisable by shareholders present in person or by proxy is required.

## 7. Ordinary resolutions numbers 7.1 and 7.2

*Reason for and effect of ordinary resolutions numbers 7.1 and 7.2*

Non-binding advisory vote: Remuneration policy and remuneration implementation report.

In terms of section 3.84(j) of the JSE Listings Requirements and in accordance with the principles of King IV™, the remuneration policy and implementation report must be tabled every year for separate non-binding advisory votes. These votes enable shareholders to endorse the remuneration policy adopted for executive directors and its implementation. The advisory vote is of a non-binding nature only and therefore failure to pass this resolution will not have any legal consequences for existing arrangements. The board will, however, take cognisance of the outcome of the vote when considering the Company's remuneration policy and remuneration of executive directors.

The remuneration report further records the measures the board commits to take in the event that either the remuneration policy or implementation report, or both, are voted against by 25% or more of the votes exercised.

The Company's remuneration policy and the implementation report are further detailed in the 2023 integrated annual report.

### *7.1 Approval of the remuneration policy*

“It is hereby resolved that the remuneration policy be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(j) of the JSE Listings Requirements.”

### *7.2 Approval of the remuneration implementation report*

“It is hereby resolved that the remuneration implementation report be and is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(j) of the JSE Listings Requirements.”

In order for ordinary resolutions numbers 7.1 and 7.2 to be adopted, the support of more than 50% of the total votes exercisable by shareholders present in person or by proxy is required.

## SPECIAL RESOLUTIONS

### 8. Special resolution number 1

#### Non-executive directors' remuneration

*Reason for and effect of special resolution number 1*

In terms of sections 66(8) and (9) of the Companies Act, the Company is required to obtain approval of shareholders by way of special resolution to remunerate its non-executive directors for services rendered during the next 2 (two) years.

Special resolution number 1 is proposed in order to comply with the requirements of the Companies Act. The rates below have been proposed in order to ensure that the remuneration of non-executive directors remains competitive to enable the Company to attract persons of the calibre, capability, skill and experience required to make a meaningful contribution to the Company. The remuneration proposed is considered to be fair and reasonable and in the best interests of the Company.

The fees comprise an annual fee which takes cognisance of the responsibilities of the non-executive directors throughout the year.

"It is hereby resolved as a special resolution in terms of section 66(9) of the Companies Act, as read with section 65(11) (h) and subject to the provisions of the Company's MOI and the JSE Listings Requirements in force from time to time, that the Company be and is hereby authorised to pay remuneration to its non-executive directors each by way of a separate vote for their service as directors, and that the board of directors of the Company be and is hereby authorised to determine the basis for such compensation as follows:

	Proposed all-inclusive fees per annum 2025 financial year Rand	Approved all-inclusive fees per annum 2024 financial year Rand
Chairperson of the board	382 200	382 200
Lead independent non-executive	327 600	327 600
Members of the board	245 700	245 700
Chairpersons of committees	54 600	54 600
Members of committees	27 300	27 300

In order for this special resolution number 1 to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

### 9. Special resolution number 2

#### Authority to repurchase ordinary shares

*Reason for and effect of special resolution number 2*

*Material changes*

Other than the facts and developments reported on in the financial report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

# NOTICE OF ANNUAL GENERAL MEETING continued

The reason for special resolution number 2 is to grant the board a general authority in terms of section 48(8) of the Companies Act and the JSE Listings Requirements, up to and including the date of the following AGM of the Company, to approve the acquisition by the Company of its own shares, or to permit a subsidiary of the Company or any trust controlled by the Company to acquire shares in the Company. The directors require this general authority in order to facilitate the repurchase of the Company's ordinary shares in circumstances where the directors consider this to be appropriate and in the best interests of the Company and its shareholders.

"It is hereby resolved that the Company or any of its subsidiaries be and are hereby authorised, by way of a general authority, to acquire ordinary shares issued by the Company, in terms of sections 46 and 48 of the Companies Act, the Company's MOI and subject to the following provisions of the JSE Listings Requirements:

- Any such acquisition of ordinary shares shall be implemented on the open order book of the JSE and without any prior arrangement between the Company and the counterparty;
- This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 months from the date of registration of this special resolution;
- An announcement containing full details of such acquisitions will be published as soon as the Company or any of its subsidiaries have acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter;
- Acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% of the Company's issued ordinary shares and a maximum of 10% in the aggregate of the Company's issued ordinary shares may be repurchased in terms of the Companies Act, by the subsidiaries of the Company, at the date of passing of this special resolution;
- In determining the price at which ordinary shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares

are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares;

- The Company (or any subsidiary) is duly authorised by its MOI to acquire shares it has issued;
- At any point in time, the Company may only appoint one agent to effect any repurchase of shares on its behalf;
- The board must resolve to authorise the acquisition;
- The Company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, from the time that the test was performed, there have been no material changes to the financial position of the Group;
- Repurchases may not take place during a prohibited period (as noted in paragraph 5.72(h) of the JSE Listings Requirements) unless a repurchase programme is in place, in terms of which the dates and quantities of securities to be traded during the relevant period are fixed, and full details of the programme have been disclosed in writing to the JSE prior to the commencement of the prohibited period."

For the purpose of considering special resolution number 2, and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the Company's annual financial statements in the 2023 integrated annual report, of which this notice of AGM forms part, at the places indicated below:

- Major shareholders (page 163 of the Integrated Report).
- Share capital of the Company (page 115 of the Integrated Report).

## **Statement of the board's intention**

- The directors of the Company intend to effect the provisions of this special resolution. Consideration to effect the provisions of the special resolution will, however, take into account prevailing circumstances and market conditions.

## **Directors' responsibility statement**

- The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to the above-mentioned resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which



would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above-mentioned resolution contains all information required by the listings requirements.

## Statement of directors

As at the date of this notice, the Company's directors undertake that, having considered the effect of repurchasing the maximum number of shares (as contemplated in special resolution number 2), they will not implement any such repurchase unless:

- the Company and the Group are in a position to repay their debts in the ordinary course of business for a period of 12 months following the date of the general repurchase;
- the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the Group for a period of 12 months following the date of the general repurchase the share capital and reserves of the Company and the Group are adequate for ordinary business purposes for a period of 12 months following the date of the general repurchase the available working capital is adequate to continue the ordinary business purposes of the Company and the Group for a period of 12 months following the date of the general repurchase;
- Share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice.

## 10. Special resolution number 3

### General approval financial assistance in terms of section 44 of the Companies Act

#### *Reason for and effect of special resolution number 3*

The purpose of this special resolution number 3 is to grant the board the authority to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by the Company or a related or inter-related Company.

"It is hereby resolved that, subject to the Company's MOI and subject to the requirements of the Companies Act, the board of directors of the Company may authorise the

Company to provide direct or indirect financial assistance as contemplated in section 44 of the Companies Act, by way of loans, guarantees, the provision of security or otherwise to:

- Any of its present or future subsidiaries and/or any other Company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related Company, such authority to endure for a period of not more than two years;
- any of its present or future directors or prescribed officers (or any person related to any of them or to any Company or corporation related or inter-related to any of them) or to any other person who is a participant in any of the Company's share or other employee incentive schemes, or to the employee incentive scheme itself, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related Company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Companies Act, such authority to endure until the next AGM of the Company."

In order for this special resolution number 3 to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

### Solvency and liquidity statement

Subject to compliance with the JSE Listings Requirements, the directors confirm that the Company will not enter into a transaction in terms of special resolution number 3 unless they are satisfied that:

- Texton will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date on which the test is considered;
- the assets of the Company, as fairly valued, will equal or exceed the liabilities of the Company, as fairly valued, immediately after providing the financial assistance.

## 11. Special resolution number 4

### General approval for financial assistance in terms of section 45 of the Companies Act

#### *Reason for and effect of special resolution number 4*

The Company would like the ability to provide financial assistance, in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. This authority is necessary for the Company to provide financial assistance in appropriate circumstances. Under the Companies Act, the Company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the Company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and, immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the Company's subsidiaries and other related and inter-related companies and parties have access to financing and/or financial backing from the Company (as opposed to banks), it is necessary to obtain the approval of the shareholders, as set out in special resolution number 4. Therefore, the reason for, and effect of, special resolution number 4 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the Group entities.

"It is hereby resolved that, subject to the Company's MOI and subject to the requirements of the Companies Act, the board of directors of the Company may authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act, by way of loans, guarantees, the provision of security or otherwise to:

- any of its present or future subsidiaries and/or any other Company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related Company, such authority to endure for a period of not more than two years;

- any of its present or future directors or prescribed officers (or any person related to any of them or to any Company or corporation related or inter-related to any of them) or to any other person who is a participant in any of the Company's share or other employee incentive schemes, or to the employee incentive scheme itself, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related Company, or for the purchase of any securities of the Company or a related or inter-related Company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Companies Act, such authority to endure until the next AGM of the Company."

In order for this special resolution number 4 to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

## 12. Ordinary resolution number 8

### Implementation of resolutions

"It is hereby resolved that any director and/or the Company secretary of the Company be and is hereby authorised to do all such things, sign all such documents and take all actions as may be necessary to implement the above ordinary and special resolutions."

In order for this ordinary resolution number 8 to be adopted, the support of at least 50% of the total number of votes, which the shareholders present or represented by proxy at this meeting are entitled to cast, is required.

### 13. Voting procedures and electronic participation

**13.1** On a poll, every shareholder present in person or represented by proxy and entitled to vote shall be entitled to one vote for every share held or represented by that shareholder. On a poll taken at any such meeting, the shareholder entitled to more than one vote need not, if he/she votes, use all of his/her /its votes, or cast all the votes he/she/it uses in the same way.

**13.2** Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with own name registration, should contact their CSDP or broker in the manner and time stipulated in the agreement entered into between them and their CSDP or broker:

13.2.1 to furnish them with their voting instructions, or

13.2.2 in the event that they wish to attend the AGM, to obtain the necessary letter of representation to do so.

**13.3** Shareholders wishing to participate electronically in the AGM are required to deliver written notice to the Company at Block D, Vunani Office Park, 151 Katherine Street, Sandton (marked for the attention of the chief financial officer), by no later than 13:00 on Friday, 24 November 2023, or via email at [Pienaar@texton.co.za](mailto:Pienaar@texton.co.za) that they wish to participate via electronic communication at the AGM.

**13.4** In order for the electronic notice to be valid, it must contain:

if the shareholder is an individual, a certified copy of his/her 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. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication a valid email address and/or facsimile number (the contact address/number).

**13.5** The Company shall use its reasonable endeavours to notify a shareholder at its contact address/number who has delivered a valid electronic notice of the relevant details through which the shareholder can participate via electronic participation.

### 14. Proxies

**14.1** A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not also be a shareholder of the Company.

**14.2** Shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration, and who are entitled to attend and vote at the AGM, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a shareholder and shall be entitled to vote on a poll. It is requested that, for ease of administration, proxy forms be forwarded so as to reach the transfer secretaries no later than 13:00 on Friday 24 November 2023 (for administrative purposes only). If shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration, and who are entitled to attend and vote at the AGM, do not deliver proxy forms to the transfer secretaries by 13:00 on Friday 24 November 2023 (for administrative purposes only) shareholders will nevertheless at any time prior to the commencement of the voting on the resolutions at the AGM be entitled to lodge the form of proxy in respect of the AGM, in accordance with the instructions therein with the chairperson of the AGM. Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with own name registration.

By order of the board



**CorpStat Governance Services (Pty) Ltd**

Company secretary

27 October 2023

# FORM OF PROXY

## TEXTON PROPERTY FUND

### TEXTON PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2005/019302/06)

Share code: TEX and ISIN: ZAE000190542

Approved as a REIT by the JSE

("Texton" or "the Company" or "the Group")

To be completed by registered dematerialised shareholders with own name registration only.

For use in respect of the annual general meeting ("AGM") to be held electronically at 13:00 on Wednesday, 29 November 2023.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (full names in block letters) \_\_\_\_\_

of address \_\_\_\_\_

Telephone (work) \_\_\_\_\_ Telephone (home) \_\_\_\_\_

Email address \_\_\_\_\_

Being the holders of \_\_\_\_\_ shares in the Company, appoint (see note 1);

\_\_\_\_\_ or failing him/her;

\_\_\_\_\_ or failing him/her;

the chairperson of the AGM,

as my/our proxy to act on my/our behalf at the general meeting which is to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions (see note 2):

# FORM OF PROXY continued

	Number of votes (one per ordinary share)		
	For	Against	Abstain
Ordinary resolution number 1: Re-election of Mr JR Macey as a director			
Ordinary resolution number 2: Re-election of Mr W van der Vent as a director			
Ordinary resolution number 3: Re-election of Mr JR Macey as a member and the chairman of the audit and risk committee			
Ordinary resolution number 4: Re-election of Ms S Thomas as a member of the audit and risk committee			
Ordinary resolution number 5: Re-election of Mr AJ Hannington as a member of the audit and risk committee			
Ordinary resolution number 6: Re-appointment of the independent external auditor			
Ordinary resolution number 7:			
Non-binding advisory vote 7.1: Approval of the remuneration policy			
Non-binding advisory vote 7.2: Approval of the remuneration implementation report			
Special resolution number 1: Non-executive directors' remuneration			
Special resolution number 2: Authority to repurchase ordinary shares			
Special resolution number 3: General approval for financial assistance in terms of section 44 of the Companies Act			
Special resolution number 4: General approval for financial assistance in terms of section 45 of the Companies Act			
Ordinary resolution number 8: Implementation of resolutions			

# FORM OF PROXY continued

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2023

Signatures \_\_\_\_\_

Capacity \_\_\_\_\_

Read notes on the next page.

## NOTES TO THE FORM OF PROXY

1. A shareholder may insert the name of a proxy, or the names of two alternative proxies of the shareholder's choice, in the space(s) provided, with or without deleting "the chairperson of the AGM". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instructions to the proxy must be indicated by means of an X in the appropriate box provided. If a shareholder wishes to cast a vote in respect of a lesser number of shares than he/she owns in the Company, however, he/she should insert the number of shares held in respect of which he/she wishes to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all the shareholder's votes exercisable at the AGM. A shareholder is not obliged to exercise all of his/her/ its votes, but the total of the votes cast and abstentions recorded may not exceed the total number of the votes exercisable by the shareholder.

3. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

4. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/ or received other than in compliance with these notes provided that, in respect of acceptances, he/she is satisfied as to the manner in which the member(s) concerned wish(es) to vote.

5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary letter of representation to attend the general meeting, or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

6. Any alteration to this form of proxy, other than the deletion of alternatives, must be signed, not initialled, by the signatory/ies.

7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. on behalf of a Company, close corporation,

trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by the Company or Computershare Investor Services Proprietary Limited or waived by the chairperson of the AGM.

8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.

9. Where there are joint holders of shares:

- any one holder may sign the form of proxy
- the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the Company's register of members, will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.

10. The forms of proxy should be lodged at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, posted to Private Bag X9000, Saxonwold 2132 or emailed to proxy@computershare.co.za so as to be received by not later than 48 hours prior to the meeting, for administrative purposes. Alternatively, the form of proxy may be handed to the chairperson of the AGM, at the AGM, prior to the commencement of the AGM.

11. A member may revoke the proxy appointment by:

- cancelling it in writing, or making a later inconsistent appointment of a proxy
- delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholders as of the later of:

the date stated in the written notice, if any, or the date on which the revocation instrument was delivered in the required manner.

12. If the instrument appointing a proxy or proxies has been delivered to the Company, any notice that is required by the Companies Act, or the MOI, to be delivered by the Company to shareholders must (as long as the proxy appointment remains in effect) be delivered by the Company to:

- the shareholder, or
- the proxy or proxies of the shareholder who must direct the Company to do so, in writing and pay any reasonable fee charged by the Company for doing

# SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT OF SOUTH AFRICA (ACT 71 OF 2008) (“THE ACT”)

so.

For purposes of this summary, shareholder shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a Company is entitled to appoint an individual, including an individual who is not a shareholder of that Company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder give or withhold written consent on behalf of such shareholder in relation to a decision contemplated in section 60 of the Act.

2. A proxy appointment: must be in writing, dated and signed by the relevant shareholder

remains valid for: one year after the date upon which the proxy was signed, or

any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Act.

3. Except to the extent that the memorandum of incorporation of a Company provides otherwise:

a shareholder of that Company may appoint two or more persons concurrently as proxies, and may appoint more than one person concurrently as proxies, and may appoint one or more than one proxy to exercise voting rights attached to different securities held by the shareholder

a proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy

a copy of the instrument appointing the proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

4. Irrespective of the form of instrument used to appoint

a proxy: the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

5. Irrespective of the form of instrument used to appoint a proxy: unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable if the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: cancelling it in writing, or making a later inconsistent appointment of a proxy delivering a copy of the revocation instrument to the proxy and to the Company.

6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of: the date stated in the revocation instrument, if any, or the date upon which the revocation instrument was delivered to the proxy and the relevant Company as required in section 58(4)(c)(ii) of the Act.

7. If the instrument appointing a proxy or proxies has been delivered to a Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's memorandum of incorporation to be delivered by the Company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant Company to do so in writing and paid any reasonable fee charged by the Company for doing so.

8. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.

9. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy: the invitation must be sent to every shareholder



# SUMMARY OF THE RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT OF SOUTH AFRICA (ACT 71 OF 2008) (“THE ACT”) continued

who is entitled to notice of the meeting at which the proxy is intended to be exercised the invitation, or form of instrument supplied by the relevant Company, must: bear a reasonably prominent summary of the rights established in section 58 of the Act

contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder

provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting

the Company must not require that the proxy appointment be made irrevocable the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Act.

# SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>2 720 063</b>	2 784 172
Investment property	2 077 217	2 120 715
Equipment	6 532	8 854
Tenant installation	10 675	13 943
Investment in joint venture	–	137 426
Deferred tax	1 891	–
Lease commissions	4 314	7 430
Other receivables	20 844	10 742
Unlisted investments	598 590	485 062
<b>Current assets</b>	<b>325 691</b>	161 077
Trade and other receivables	31 317	35 557
Income tax receivable	5 080	3 242
Other receivables	9 178	–
Cash and cash equivalents	280 116	122 278
Investment property held for sale	96 162	464 900
<b>Total assets</b>	<b>3 141 916</b>	3 410 149
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>2 097 014</b>	1 964 371
Stated capital	2 786 814	2 795 822
Accumulated loss	(717 426)	(680 014)
Share-based payment reserve	87	407
Foreign currency translation reserve	27 539	(151 844)
<b>Non-current liabilities</b>	<b>865 150</b>	1 147 237
External loans and derivative financial instruments	855 813	1 119 443
Deferred tax	9 337	24 833
Lease liability	–	2 961
<b>Current liabilities</b>	<b>179 752</b>	298 541
External loans and derivative financial instruments	125 679	225 559
Trade and other payables	52 431	59 928
Income tax payable	1 642	13 054
<b>Total equity and liabilities</b>	<b>3 141 916</b>	3 410 149

# SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Property revenue</b>	<b>298 690</b>	333 206
Investment property income	<b>297 855</b>	336 358
Straight-line rental adjustment	<b>835</b>	(3 152)
Impairment losses recognised on tenant debtors	<b>2 222</b>	(645)
Direct property costs	<b>(116 007)</b>	(144 056)
<b>Net property income</b>	<b>184 905</b>	188 505
Other income	<b>23 164</b>	10 247
Administrative expenses	<b>(41 406)</b>	(37 405)
Impairment loss on vendor financing	<b>(639)</b>	–
Expenses incurred for corporate transactions	–	(2 875)
Loss from joint venture	–	(32 879)
Foreign exchange (losses)/gains	<b>(7 960)</b>	880
<b>Operating profit</b>	<b>158 064</b>	126 473
Finance income	<b>16 976</b>	10 588
Finance costs	<b>(96 105)</b>	(93 755)
Fair value adjustments	<b>(117 705)</b>	4 432
<b>Profit before taxation</b>	<b>(38 770)</b>	47 738
Taxation expense	<b>24 618</b>	(9 683)
<b>(Loss)/profit for the year</b>	<b>(14 152)</b>	38 055
<b>Other comprehensive income:</b>		
Items that may be classified to profit or loss		
Exchange differences on translating foreign operations	<b>179 383</b>	1 344
<b>Other comprehensive income for the year, net of taxation</b>	<b>179 383</b>	1 344
<b>Total comprehensive income for the year</b>	<b>165 231</b>	39 399
<b>Profit attributable to:</b>		
Shareholders of the Company	<b>165 231</b>	39 399
<b>Earnings per share</b>		
Basic (loss)/earnings per share (cents)	<b>(4.26)</b>	11.19
Headline earnings per share (cents)	<b>(4.26)</b>	11.19

# SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Audited 12 months 30 June 2023 R'000	Audited 12 months 30 June 2022 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	161 673	144 640
Interest received	14 172	1 842
Interest paid	(92 743)	(85 553)
Dividends received	18 305	–
Dividends paid	(23 260)	(161 969)
Tax payment/refund	(12 552)	17 418
<b>Net cash inflow/(outflow) from operating activities</b>	<b>65 595</b>	<b>(83 622)</b>
<b>Cash flows from investing activities</b>		
Additions to investment properties	(9 271)	(32 170)
Additions to equipment	(1 381)	(3 322)
Proceeds on disposal of investment properties held for sale	132 382	400 110
Return of investment	139 985	1 963
Commission paid	(1 745)	(2 648)
Vendor finance repayments	3 000	–
Loans provided for supplier and enterprise development	(1 000)	–
Escrow funds received relating to the sale of a property	5 167	840
Additions to unlisted investments	(60 327)	(442 263)
Tenant installation incurred	(3 493)	(10 225)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>203 317</b>	<b>(87 715)</b>
<b>Cash flows from financing activities</b>		
Treasury shares acquired	(2 730)	(33 399)
Shares repurchased and cancelled	(6 278)	–
Capital close cross-currency swap	–	(1 751)
Proceeds from external loans and derivative financial instruments	55 000	254 268
Repayments of external loans and derivative financial instruments	(190 160)	(288 619)
Debt structuring fees paid	–	(2 728)
Lease liability payment	(222)	(478)
<b>Net cash outflow from financing activities</b>	<b>(144 390)</b>	<b>(72 707)</b>
Net increase/(decrease) in cash and cash equivalents for the year	124 522	(244 044)
Effect of exchange rate movement on cash and cash equivalents	33 316	6 236
Cash and cash equivalents at the beginning of the year	122 278	360 086
<b>Cash and cash equivalents at the end of the year</b>	<b>280 116</b>	<b>122 278</b>

# SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Stated capital R'000	Foreign currency translation reserve R'000	Share- based payment reserve R'000	Accu- mulated loss R'000	Total R'000
<b>Balance as at 1 July 2021</b>	2 829 221	(153 188)	145	(556 100)	2 120 078
<b>Total comprehensive income for the year</b>	-	1 344	-	38 055	39 399
Profit for the year	-	-	-	38 055	38 055
Exchange differences on translation of foreign operations	-	1 344	-	-	1 344
Dividends paid	-	-	-	(161 969)	(161 969)
Treasury shares acquired	(33 399)	-	-	-	(33 399)
Share-based payment transactions	-	-	262	-	262
<b>Balance as at 30 June 2022</b>	2 795 822	(151 844)	407	(680 014)	1 964 371
Total comprehensive income for the year	-	179 383	-	(14 152)	165 231
Profit for the year	-	-	-	(14 152)	(14 152)
Exchange differences on translation of foreign operations	-	179 383	-	-	179 383
Dividends paid	-	-	-	(23 260)	(23 260)
Shares repurchased and cancelled	(6 278)	-	-	-	(6 278)
Treasury shares acquired	(2 730)	-	-	-	(2 730)
Share-based payment transactions	-	-	(320)	-	(320)
<b>Balance as at 30 June 2023</b>	2 786 814	27 539	87	(717 426)	2 097 014

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS

## AUDIT OPINION

These summarised consolidated annual financial results are extracted from the audited financial statements, but are not themselves audited. The consolidated financial statements for the year ended 30 June 2023 were audited by BDO South Africa Incorporated, who expressed an unmodified opinion thereon. The audited consolidated financial statements for the year ended 30 June 2023 and the auditor's report thereon are available for inspection at the Company's registered office.

The directors take full responsibility for the preparation of these summarised consolidated annual financial results.

The auditor's report does not necessarily report on all of the information contained in these summarised consolidated annual financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office or on Texton's corporate website.

## SELECTED EXPLANATORY NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL RESULTS

### 1. BASIS OF PREPARATION

The summarised consolidated financial results for the year ended 30 June 2023 have been prepared in accordance with the requirements of the JSE Listings Requirements, the requirements of the Companies Act of South Africa (Act 71 of 2008), as amended, the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and contain the disclosure requirements of IAS 34: Interim Financial Reporting. These results do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended 30 June 2023.

The accounting policies applied in the preparation of the summarised consolidated financial results are consistent with those applied in the previous audited consolidated annual financial statements. None of the new standards, interpretations and amendments effective as of 1 July 2022 have had a material impact on the preliminary summarised consolidated financial results.

The summarised consolidated financial results have been prepared on a going concern basis. All monetary information is presented in the functional currency of the Company, being South African Rand and is rounded to the nearest thousand (R'000).

Any information included in this announcement that might be perceived as a forward-looking statement has not been reviewed or reported on by the Company's auditor in accordance with section 8.40(a) of the JSE Listings Requirements.

The summarised consolidated financial results for the year ended 30 June 2023 were prepared by B Rajdew Singh CA(SA) under the supervision of the chief executive officer, Mr HSP Welleman CA(SA).

### 2. SIGNIFICANT JUDGEMENTS

When preparing these summarised consolidated financial results, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the summarised consolidated annual financial statements, including the key sources of estimation uncertainty are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

### 3. INVESTMENT PROPERTY

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Reconciliation of movement in investment property for the year</b>		
Balance at the beginning of the year	2 120 715	2 501 364
Additions	9 271	31 204
Straight-line rental adjustment	2 068	(3 152)
Fair value adjustments	(50 763)	(40 255)
Transfer from investment property reclassified as held for sale	(101 119)	(370 992)
Foreign currency translation reserve	97 045	2 544
<b>Balance at the end of the year</b>	<b>2 077 217</b>	<b>2 120 715</b>

In terms of IAS 40: Investment Property and IFRS 13: Fair Value Measurement, investment properties are measured at fair value and are categorised as level 3 investments. In determining the fair value of the South African portfolio, the traditional discounted cash flow method of valuation has been used. In determining the fair value of the UK portfolio, the valuations were prepared based on the equivalent yield or income capitalisation method whereby the fair value of the property is determined by applying an equivalent yield to a market-related rental into perpetuity. At year-end, the determination of property valuations was performed by both internal and external valuations to determine the fair value.

The fair value measurement for investment properties is categorised as level 3 under the fair value hierarchy based on the inputs to the valuation techniques used. There have been no movements to and from level 3 during the year.

Investment property and property held for sale amounting to R2,2 billion (June 2022: R2,6 billion) has been pledged as security for our long-term loans.

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 3. INVESTMENT PROPERTY continued

### SA valuations

#### Valuation technique

The fair value of each property is determined by calculating its net present value by discounting forecast future net cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The discount rate used to determine the fair value of each property is assessed with reference to observable inputs. The capitalisation rate is dependent on a number of factors including location, asset class, market conditions and the risk inherent in the property.

#### Significant unobservable inputs

Financial information used to calculate forecast net income e.g., future growth in revenue, exit capitalisation rates and discount rates. These are further explained below.

	Audited 30 June 2023 %	Audited 30 June 2022 %
Discount rates used are included below:		
<b>Sector</b>		
Office	<b>13,50 – 15,75</b>	13,55 – 16,80
Industrial *	–	16,00
Retail	<b>14,75</b>	14,75
Exit capitalisation rates for year five are included below:		
<b>Sector</b>		
Office	<b>10,00 – 11,25</b>	9,00 – 12,55
Industrial *	–	10,70
Retail	<b>9.50</b>	10,00
The future revenue growth for the five-year projection is included below:		
<b>Sector</b>		
Office	<b>4,0 – 7,0</b>	4,0 – 6,0
Industrial*	–	6,0
Retail	<b>7.00</b>	6,11

\* There is only one industrial property held by Texton, this property is held for sale and is valued at its selling price, therefore there are no inputs used for this property



## Sensitivity analysis to significant unobservable inputs

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Sensitivity analysis to exit capitalisation rates</b>		
Exit capitalisation rate increases by 1%	(84 285)	(86 135)
Exit capitalisation rate decreases by 1%	103 481	108 035
<b>Sensitivity analysis to discount rates</b>		
Discount rate increases by 1%	(57 079)	(57 079)
Discount rate decreases by 1%	60 202	61 449
<b>Sensitivity analysis to market rentals</b>		
Market rental decreases by 1%	(15 720)	(15 905)
Market rental increases by 1%	15 848	15 955

## UK valuations

### Valuation technique

The property valuations were prepared based on the equivalent yield or income capitalisation method whereby the fair value of property is determined by applying an equivalent yield to a market-related rental into perpetuity.

### Significant unobservable inputs

	Audited 30 June 2023	Audited 30 June 2022
Equivalent yields used are included below:		
<b>Sector</b>		
Industrial	6,1 – 6,6	5,18 – 6,5
Retail	9,08	8,34
Annual market rentals per square foot in GBP used are included below, rounded to the nearest 1 000:		
<b>Sector</b>		
Industrial	4,5 – 6,5	4,05 – 5,6
Retail	12,5 – 20,0	12,53 – 20,0

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 3. INVESTMENT PROPERTY continued

### UK valuations continued

#### Sensitivity analysis to significant unobservable inputs

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Sensitivity analysis to equivalent yields</b>		
Equivalent yield increases by 1%	(69 886)	(73 162)
Equivalent yield decreases by 1%	93 939	106 220
<b>Sensitivity analysis to market rentals</b>		
Market rental decreases by 1%	(4 667)	(3 276)
Market rental increases by 1%	3 590	3 375

## 4. UNLISTED INVESTMENTS

Audited 30 June 2023	Opening Balance R'000	Acquisi- tions R'000	Fair value adjust- ments R'000	Interest received R'000	Foreign currency translation movement R'000	Closing Balance R'000
Blackstone Real Estate Income Trust	214 202	–	(13 977)	–	43 048	243 273
Starwood Real Estate Income Trust	207 388	–	(27 044)	–	41 442	221 786
PadSplit Investment	40 766	–	(5 830)	–	6 313	41 249
Cadre real estate investment	15 514	37 202	1 889	2 803	–	57 408
Greenpoint/Infinium	7 192	14 999	1 183	–	3 194	26 568
GIM Investments/Apollo	–	7 894	–	–	411	8 305
	<b>485 062</b>	<b>60 095</b>	<b>(43 779)</b>	<b>2 803</b>	<b>94 408</b>	<b>598 589</b>

Audited 30 June 2022	Opening Balance R'000	Acquisi- tions R'000	Fair value adjust- ments R'000	Interest received R'000	Foreign currency translation movement R'000	Closing Balance R'000
Blackstone Real Estate Income Trust	–	186 700	27 502	–	–	214 202
Starwood Real Estate Income Trust	–	180 955	26 433	–	–	207 388
PadSplit Investment	–	38 251	–	–	2 515	40 766
Cadre real estate investment	–	15 461	53	–	–	15 514
Greenpoint/Infinium	–	8 061	(299)	–	(570)	7 192
	–	<b>429 428</b>	<b>53 689</b>	–	<b>1 945</b>	<b>485 062</b>

## 5. INVESTMENT IN JOINT VENTURE

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Balance at the beginning of the year	137 426	167 388
Current period loss from joint venture	–	(24 949)
Funds (received from)/paid to joint venture	(139 985)	1 963
Reversal of impairment on joint venture	2 559	
Impairments on joint venture	–	(6 976)
<b>Balance at the end of the year</b>	<b>–</b>	<b>137 426</b>

The Group has a 50% (June 2022: 50%) interest in Broad Street Mall and Texton exercises joint control. This interest is accounted for using the equity method. The Company's principal place of business is in the UK and is a Company incorporated in Luxembourg on 24 June 2022, Broad Street Mall was sold to a third party investor for GBP 57.5 million. The proceeds from the sale of the property were utilised to settle the outstanding investment. Inception(Reading) S.a.r.l will be liquidated in the near future once all remaining liabilities and contingent assets have been settled and received.

## 6. FAIR VALUE ADJUSTMENTS

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Investment property	(50 763)	(40 255)
Loss on disposal of property	(6 736)	(1 024)
Investment property classified as held for sale	(14 186)	(16 385)
<b>Financial instruments at fair value through profit or loss</b>		
Interest rate swap	(2 259)	9 179
Unlisted investments	(43 761)	54 266
Admin charge – unlisted investments	–	(1 443)
Currency swap	–	94
	<b>(117 705)</b>	<b>4 432</b>

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 7. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Balance at the beginning of the year	1 345 002	1 407 610
– non-current	1 119 443	1 350 137
– current	225 559	57 473
Advances during the year	55 000	254 268
Repayments during the year	(475 372 )	(310 546)
Foreign currency translation reserve movements	49 539	(3 302)
Unrealised foreign exchange movements	–	(8 273)
Fair value on interest rate swaps	2 259	9 178
Structuring fees amortised during the year	3 156	(5 005)
Debt structuring fees paid	–	(2 728)
Interest accrual	1 908	3 800
Fair value on CCIRS	–	–
Closing balance at the end of the year	981 492	1 345 002
– non-current	855 813	1 119 443
– current	125 679	225 559

### Bank covenants

#### Loan covenants applicable to the Standard Bank facilities

- LTV ratio for the Group may not exceed 50%
- Group interest cover of a minimum of 2.0 times
- LTV ratio for the Standard Bank facility may not exceed 60%
- Interest cover ratio for the facility of a minimum of 1.60 times
- Texton did not meet the Standard Bank ICR at the facility level at 31 December 2022. However, this covenant breach was condoned by Standard Bank. As part of the refinancing of the Standard Bank facilities that was done during the year, the loan covenant for the loan facility was renegotiated from 2.0 times to 1.60 times.
- All covenants applicable to Standard Bank are currently met by Texton.

#### Loan covenants applicable to the Investec facilities

- LTV ratio for the Group may not exceed 50%
- Group interest cover of a minimum of 2,0 times
- LTV ratio for the Investec facility may not exceed 55%
- All covenants applicable to Investec are currently met by Texton.

#### Loan covenants applicable to the HSBC facilities

- LTV ratio for the HSBC facilities may not exceed 55%
- Historical interest cover ratio for the facility must be a minimum of 1,75 times
- Projected interest cover ratio for the facility must be a minimum of 1,75 times
- All covenants applicable to HSBC are currently met by Texton.

The projected interest cover ratio breach level was reached subsequent to year-end, however the breach was cured. Furthermore, given the decrease in the UK asset valuations due to the increase in interest rates, the LTV covenant levels were exceeded. As at the reporting date, the Group was in discussions with HSBC to quantify the amount required to right size the loan to satisfy the required LTV covenants. The Group has sufficient liquidity on hand to manage these obligations. Refer to note 11.

## 8. INVESTMENT PROPERTY HELD FOR SALE

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Balance at the beginning of the year	464 900	505 664
Transferred from investment property	101 119	370 992
Transferred from tenant installations	2 413	–
Transferred from lease commissions	1 331	–
Transferred from equipment	5	–
Disposals	(447 255)	(410 458)
Changes in fair value	(14 186)	(16 385)
Straight lining adjustment	(1 234)	–
Loss on disposal on sale of property	(10 931)	(838)
Foreign currency translation reserve	–	15 925
<b>Balance at the end of the year</b>	<b>96 162</b>	<b>464 900</b>

## 9. FINANCIAL INSTRUMENTS

	Fair value through profit or loss	
	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Financial assets</b>		
Investment in joint venture	–	137 426
External loans and derivative financial instruments	–	1 532
Unlisted investments	598 590	485 062
<b>Financial assets</b>	<b>598 590</b>	<b>624 020</b>
<b>Financial liabilities</b>		
External loans and derivative financial instruments	–	–
<b>Financial liabilities</b>	<b>–</b>	<b>–</b>

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 9. FINANCIAL INSTRUMENTS continued

	Amortised cost	
	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Financial assets</b>		
Other receivables	30 022	10 742
Trade and other receivables	20 690	28 341
Cash	280 116	122 278
<b>Financial assets</b>	<b>330 828</b>	<b>161 361</b>
<b>Financial liabilities</b>		
External loans and derivative financial instruments	981 492	1 345 000
Trade and other payables	31 927	42 431
<b>Financial liabilities</b>	<b>1 013 419</b>	<b>1 387 431</b>

In the prior year, the fair values of all financial instruments, interest rate swaps and fixed rate financial liabilities are substantially the same as the carrying amounts reflected on the statement of financial position.

In terms of IFRS 9, the Group's currency and interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments.

There were no transfers between levels 1, 2 and 3 during the year. The valuation methods applied are consistent with those applied in preparing the consolidated annual financial statements for the year ended 30 June 2023.

## 10. FAIR VALUE HIERARCHY

The Company's financial assets and liabilities and investment properties are classified according to the following three – tiered fair value hierarchy:

**Level 1:** Quoted prices (unadjusted) in an active market for an identical instrument.

**Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

**Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial assets and liabilities carried at fair value and investment properties where the fair value approximates the carrying amount.

## 10. FAIR VALUE HIERARCHY continued

	Carrying value		
	Level 1 R'000	Level 2 R'000	Level 3 R'000
<b>30 June 2023</b>			
<b>Assets</b>			
Investment properties	–	–	2 077 217
Investment properties held for sale	–	–	96 162
Interest rate swap	–	–	–
Unlisted investments	–	465 060	133 530
<b>30 June 2022</b>			
<b>Assets</b>			
Investment properties	–	–	2 120 715
Investment properties held for sale	–	–	464 900
Interest rate swap	–	1 532	–
Investment in joint venture	–	–	137 426
Unlisted investments	–	421 591	63 471

The following table reflects the valuation techniques used in measuring level 2 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Derivative financial instruments: Interest rate swaps	Fair valued monthly by Investec, Standard Bank and HSBC using mark-to-market mid-market values. This involves, inter alia, discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract.	Not applicable	Not applicable
Investments: Interest in Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC	The fair value of the investment is determined with reference to the published price which is based on the underlying NAV of the underlying REIT being Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC, a private unlisted REIT.	Not applicable	Not applicable
Investments: Interest in Starwood Real Estate Income Trust Offshore Fund SPC	The fair value of the investment is determined with reference to the published price which is based on the underlying NAV of the underlying REIT being Starwood Real Estate Income Trust Offshore Fund SPC, a private unlisted REIT.	Not applicable	Not applicable

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 10. FAIR VALUE HIERARCHY continued

The following table reflects the valuation techniques used in measuring level 3 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Investment properties	Refer to note 3	Refer to note 3	Refer to note 3
Unlisted investments	Texton will rely on the sponsor valuations to determine fair value at each valuation date. These valuations in turn are based on the underlying NAV of the investments.	Not applicable	Not applicable
Investment in joint venture	The value of the investment is driven predominately by the net asset value of the investment, which is determined by the cash to be received from the investment. The investment property was sold in the prior year and the loan was repaid in the current year.	Not applicable	Not applicable

## 11. EVENTS AFTER THE REPORTING DATE

### Share Repurchase

As announced on the Stock Exchange News Services ("SENS") on the JSE on 25 May 2023, Texton entered into a repurchase ("the Repurchase") agreement with the Public Investment Corporation ("PIC") to repurchase 72 129 048 Texton shares for a total consideration of R155 077 466.75. This transaction ("PIC transaction") was concluded on 17 July 2023 and funded through available cash in Texton's Rolling Credit Facility ("RCF").

A resolution was passed by the Board in terms of section 46 of the Companies Act that having applied the solvency and liquidity test as set out in section 4 of the Companies Act (the "solvency and liquidity test"), it has satisfied itself that at the date of the resolution being passed that it reasonably appears, and it has thus reasonably concluded, that the Company will satisfy the solvency and liquidity test, immediately after implementation of the Repurchase.

The circular issued to shareholders documents that directors, in line with the JSE Listings Requirements, have considered the effect of the Repurchase on liquidity and solvency.

### Covenant Breach

A forecast interest cover ratio ("ICR") breach was identified with HSBC subsequent to year-end. Following discussions with HSBC regarding the forecast breach it was agreed that the Company would exercise the cure rights under the loan agreement. As a result, £337,993 (R8.25 million) has been deposited into the cure account as an interest reserve subsequent to year-end.

The loan agreement provided that once funds have been transferred into the cure account, there is no longer considered to be a breach. Texton has received confirmation from HSBC in this regard.

Furthermore, given the decrease in the UK asset valuations due to the increase in interest rates, the LTV covenant levels were exceeded. As at the reporting date, the Group was in discussions with HSBC to quantify the amount required to right size the loan to satisfy the required LTV covenants. The Group has sufficient liquidity on hand to manage these obligations.



## 11. EVENTS AFTER THE REPORTING DATE continued

### Dividend Declaration

The board of directors declared a final dividend of 19.26 cents per share subsequent to year end.

## 12. DIVIDENDS PAID

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Dividends paid	23 260	161 969

Dividends are paid from income reserves.

## 13. SEGMENT REPORTING

The Group has three reportable segments: SA direct property, UK direct property and international investments. Direct property investments are split into office, retail and industrial. The information is provided to the executive management committee, the Group's operating decision-making forum on a monthly basis. There are no single major customers except the SA national government.

The following summary describes the operations in each of the Group's reportable segments:

	South Africa	
	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Segmental revenue – rental revenue</b>		
Office	211 812	197 737
Retail	32 769	65 645
Industrial	22 674	34 891
	<b>267 255</b>	<b>298 273</b>
<b>Profit before tax</b>		
Office	124 534	8 878
Retail	17 109	58 753
Industrial	10 767	18 927
Corporate	(106 144)	(103 966)
	<b>46 266</b>	<b>(17 408)</b>
<b>Total assets</b>		
Office	1 547 331	1 608 530
Retail	163 010	401 201
Industrial	55 032	199 953
Corporate	11 065	371
	<b>1 776 438</b>	<b>2 210 055</b>

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 13. SEGMENT REPORTING continued

<b>Total liabilities</b>		
Office	(27 374)	(28 903)
Retail	(5 254)	(12 025)
Industrial	(1 602)	(9 467)
Corporate	(688 586)	(1 118 997)
	<b>(722 816)</b>	<b>(1 169 392)</b>
	<b>United Kingdom</b>	
	<b>Audited</b>	<b>Audited</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>R'000</b>	<b>R'000</b>
<b>Segmental revenue – rental revenue</b>		
Office	–	3 087
Retail	4 805	5 692
Industrial	26 630	26 154
	<b>31 435</b>	<b>34 933</b>
<b>Profit before tax</b>		
Office	–	2 012
Retail	(261)	(27 874)
Industrial	(33 546)	37 516
Corporate	(15 656)	(6 061)
	<b>(49 463)</b>	<b>5 593</b>
<b>Total assets</b>		
Office	–	2 584
Retail	69 770	195 863
Industrial	503 972	463 334
Corporate	24 981	53 251
	<b>598 723</b>	<b>715 032</b>
<b>Total liabilities</b>		
Retail	(4 264)	(2 853)
Industrial	(15 518)	(263 147)
Corporate	(302 288)	(10 386)
	<b>(322 070)</b>	<b>(276 386)</b>

### 13. SEGMENT REPORTING continued

	Investments	
	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Segmental revenue – rental revenue</b>		
Office	-	-
Retail	-	-
Industrial	-	-
	-	-
<b>Profit before tax</b>		
Office	-	-
Retail	-	-
Industrial	-	-
Investments	<b>(35 573)</b>	59 553
	<b>(35 573)</b>	59 553
<b>Total assets</b>		
Office	-	-
Retail	-	-
Industrial	-	-
Investments	<b>766 755</b>	485 062
	<b>766 755</b>	485 062
<b>Total liabilities</b>		
Office	-	-
Retail	-	-
Industrial	-	-
Investments	-	-
	-	-

# NOTES TO THE SUMMARISED CONSOLIDATED AUDITED RESULTS continued

## 13. SEGMENT REPORTING continued

	Total	
	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Segmental revenue – rental revenue</b>		
Office	211 812	200 824
Retail	37 574	71 337
Industrial	49 304	61 045
	<b>298 690</b>	<b>333 206</b>
<b>Profit before tax</b>		
Office	124 534	10 890
Retail	16 848	30 879
Industrial	(22 779)	56 443
Investments	(35 573)	59 553
Corporate	(121 800)	(110 027)
	<b>(38 770)</b>	<b>47 738</b>
<b>Total assets</b>		
Office	1 547 331	1 611 114
Retail	232 780	597 064
Industrial	559 004	663 287
Investments	766 755	485 062
Corporate	36 046	53 622
	<b>3 141 916</b>	<b>3 410 149</b>
<b>Total liabilities</b>		
Office	(27 374)	(28 903)
Retail	(9 518)	(14 878)
Industrial	(17 120)	(272 614)
Investments	–	–
Corporate	(990 874)	(1 129 383)
	<b>(1 044 886)</b>	<b>(1 445 778)</b>

## 14. HEADLINE EARNINGS

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
<b>Headline earnings attributable to shareholders</b>		
Profit attributable to shareholders	(14 152)	38 055
Fair value adjustment of investment property	50 763	40 255
Fair value adjustment of investment property held for sale	14 186	16 385
Impairment of joint venture	–	7 929
Reversal of impairment	(2 559)	–
Loss on sale of property held for sale	6 736	1 024
<b>Headline earnings attributable to shareholders</b>	<b>54 974</b>	<b>103 648</b>
Weighted number of shares ('000)	332 408	339 953
Shares in issue ('000)	363 701	365 638
Treasury shares ('000)	32 001	31 168
<b>Profit per share</b>		
Basic earnings per share (cents)	(4,26)	11,19
Diluted earnings per share (cents)	(4,26)	11,19
Headline earnings per share (cents)	16,54	30,49
Diluted headline earnings per share (cents)	16,54	30,46

## 15. SUMMARY OF FINANCIAL PERFORMANCE

	Audited 30 June 2023 R'000	Audited 30 June 2022 R'000
Shares used for dividend calculation ('000)	259 570	334 470
Weighted average number of shares in issue ('000)	332 408	339 953
NAV per share (cents)	619,37	587
Basic earnings per share (cents)	(4,26)	11,19
Headline earnings per share (cents)	16,54	30,49
Share price (cents)	250	370
LTV ratio*	24,9	37,6
<b>Cost-to-income ratios</b>		
Gross property cost-to-income ratio (%)	41,9	42,6
Net property cost-to-income ratio (%)	24,7	28,4
Gross total cost-to-income ratio (%)	52,7	53,9
Net total cost-to-income ratio (%)	22,3	42,6

\* Calculated in line with the SA REIT Association Best Practice Recommendations.

# ANNEXURE A

## SA REIT ASSOCIATIONS BEST PRACTICE DISCLOSURES (NON-IFRS MEASURES)

The second edition of the SA REIT Association Best Practice Recommendations was issued in November 2019, outlining the need to provide consistent disclosure of relevant ratios in the SA REIT sector. This will ensure information and definitions are clearly presented, enhancing comparability and consistency across the sector. The comparative figures have been computed and disclosed on the same basis.

### SA REIT FUNDS FROM OPERATIONS (“SA REIT FFO”) PER SHARE

	30 June 2023 R'000	30 June 2022 R'000
<b>Profit or loss per income statement</b>	<b>(14 152)</b>	38 055
<b>Accounting/specific adjustments</b>	<b>84 237</b>	47 948
Fair value adjustments to:		
– Investment property	50 763	56 640
– Debt and equity instruments held at fair value through profit or loss	2 259	(9 273)
– Fair value gains on unlisted investments	43 761	(52 823)
Depreciation and amortisation of intangible assets	10 234	9 812
Asset impairments (excluding goodwill) and reversals of impairment	–	33 524
Gains or losses on the modification of financial instruments	–	2 875
Deferred tax movement recognised in profit or loss	(21 945)	4 041
Straight-lining operating lease adjustment	(835)	3 152
<b>Adjustments arising from investing activities</b>	<b>20 922</b>	1 024
Gains or losses on disposal of:		
– Investment property held for sale	20 922	1 024
<b>Foreign exchange and hedging items</b>	<b>7 960</b>	(1 123)
Reclassified foreign currency translation reserve upon disposal of a foreign operation	–	(1 002)
Adjustments to amounts recognised in profit or loss relating to derivative financial instruments	7 962	(1 001)
Foreign exchange gains or losses relating to capital items – realised and unrealised	(2)	880
<b>Other adjustments</b>	<b>(1 632)</b>	(4 317)
Tax impact of the above adjustments	(1 632)	(4 317)
<b>SA REIT FFO</b>	<b>97 335</b>	81 587
Number of shares outstanding at the end of the year (net of treasury shares)	331 699	334 470
<b>SA REIT FFO cents per share</b>	<b>29.34</b>	24.39
Income available for distribution	99 138	59 416
<b>Distributable income per share (cents per share)</b>	<b>38.19</b>	17.00

## SA REIT NET ASSET VALUE (“SA REIT NAV”)

	30 June 2023 R'000	30 June 2022 R'000
Reported NAV attributable to the parent	2 097 014	1 964 371
Adjustments:		
Dividend to be declared	(50 000)	(23 413)
Fair value of certain derivative financial instruments		(1 532)
Deferred tax	7 446	24 833
<b>SA REIT NAV</b>	<b>2 054 460</b>	<b>1 964 259</b>
<b>Shares outstanding</b>		
Number of shares in issue at year-end (net of treasury shares)	331 699	334 470
<b>Dilutive number of shares in issue</b>	<b>331 699</b>	<b>334 470</b>
<b>SA REIT NAV per share (cents)</b>	<b>619.37</b>	<b>587.28</b>

## SA REIT COST-TO-INCOME RATIO

	30 June 2023 R'000	30 June 2022 R'000
<b>Expenses</b>		
Operating expenses per IFRS income statement (includes municipal expenses)	116 007	144 056
Administrative expenses per IFRS income statement	41 407	37 405
<b>Operating costs</b>	<b>157 414</b>	<b>181 461</b>
<b>Rental income</b>		
Contractual rental income per IFRS income statement (excluding straight-lining)	297 855	268 548
Utility and operating recoveries per IFRS income statement	835	67 810
<b>Gross rental income</b>	<b>298 690</b>	<b>336 358</b>
<b>SA REIT cost-to-income ratio (%)</b>	<b>52.7</b>	<b>53.9</b>

ANNEXURE A  
 SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES  
 (NON-IFRS MEASURES) continued

**SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO**

	30 June 2023 R'000	30 June 2022 R'000
<b>Expenses</b>		
Administrative expenses per IFRS income statement	41 407	37 405
<b>Administrative costs</b>	<b>41 407</b>	<b>37 405</b>
<b>Rental income</b>		
Contractual rental income per IFRS income statement (excluding straight-lining)	297 855	268 548
Utility and operating recoveries per IFRS income statement	835	67 810
<b>Gross rental income</b>	<b>298 690</b>	<b>336 358</b>
<b>SA REIT administrative cost-to-income ratio (%)</b>	<b>13.9</b>	<b>11.1</b>

**SA REIT GLA VACANCY RATE**

	30 June 2023 m <sup>2</sup>	30 June 2022 m <sup>2</sup>
GLA of vacant space	51 196	65 228
GLA of total property portfolio	199 707	270 726
<b>SA REIT GLA vacancy rate (%)</b>	<b>25,6</b>	<b>24,1</b>



## COST OF DEBT

	30 June 2023 %	30 June 2022 %
<b>South Africa</b>		
<b>Variable interest rate borrowings</b>		
Floating reference rate plus weighted average margin	10,77	7,38
<b>Preadjusted weighted average cost of debt</b>	<b>10,77</b>	<b>7,38</b>
<b>Adjustments:</b>		
Impact of interest rate derivatives	–	0,06
Impact of CCIRS	–	–
<b>All-in weighted average cost of debt – ZAR</b>	<b>10,77</b>	<b>7,44</b>
<b>United Kingdom</b>		
<b>Variable interest rate borrowings</b>		
Floating reference rate plus weighted average margin	6,61	3,29
<b>Preadjusted weighted average cost of debt</b>	<b>6,61</b>	<b>3,29</b>
<b>Adjustments:</b>		
Impact of interest rate derivatives	–	(0,58)
Impact of CCIRS	–	–
<b>All-in weighted average cost of debt – GBP</b>	<b>6,61</b>	<b>2,71</b>

ANNEXURE A  
 SA REIT ASSOCIATION BEST PRACTICE DISCLOSURES  
 (NON-IFRS MEASURES) continued

SA REIT LOAN-TO-VALUE (“SA REIT LTV”)

	30 June 2023 R'000	30 June 2022 R'000
Gross debt	981 492	1 345 002
Less:		
Cash and cash equivalents	(280 116)	(122 278)
Add/less:		
Derivative financial instruments	-	1 532
<b>Net debt</b>	<b>701 376</b>	<b>1 224 256</b>
Total assets – per statement of financial position	3 141 916	3 410 149
Less:		
Cash and cash equivalents	(280 116)	(122 278)
Derivative financial assets	-	-
Trade and other receivables	(40 495)	(30 557)
<b>Carrying amount of property-related assets</b>	<b>2 821 305</b>	<b>3 257 314</b>
<b>SA REIT LTV (%)</b>	<b>24.9</b>	<b>37.6</b>

# CORPORATE INFORMATION

## TEXTON PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa  
Registration number: 2005/019302/06  
A REIT, listed on the JSE Limited  
JSE share code: TEX  
ISIN: ZAE000190542

## PHYSICAL AND REGISTERED ADDRESS

Block D, Vunani Office Park  
151 Katherine Street, Sandton 2031  
PO Box 653129, Benmore 2010

## BOARD OF DIRECTORS

MA Golding (Non-executive chairperson)  
JR Macey (Lead independent non-executive)  
HSP Welleman\* (Chief executive officer)  
AJ Hannington (Independent non-executive)  
S Thomas (Independent non-executive)  
W van der Vent (Independent non-executive)  
RA Franco (Non-executive)

\* *Executive director*



## COMPANY SECRETARY

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

## AUDITOR

BDO South Africa Incorporated  
6th Floor, 123 Hertzog Boulevard  
Foreshore, Cape Town 8001

## SPONSOR

Investec Bank Limited  
100 Grayston Drive  
Sandton 2031

## TRANSFER SECRETARY

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue, Rosebank 2196  
PO Box 61051, Marshalltown 2107

TEXTON  
PROPERTY FUND

[www.texton.co.za](http://www.texton.co.za)