

TEXTON PROPERTY FUND LIMITED
Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE share code: TEX ISIN: ZAE000190542
("Texton" or the "Company" or the "Group")

DISPOSAL OF GAINSBOROUGH

1. INTRODUCTION

The board of directors of Texton (the "Board") is pleased to advise shareholders that the directors of its wholly owned United Kingdom ("UK") subsidiary TPI UK NO1 Limited (the "Seller") have negotiated and finalised an agreement to dispose of a property located in the Heapham Road Industrial Estate in Gainsborough in the UK (the "Property") to Banafa Properties Limited (the "Purchaser") (the "Disposal").

2. RATIONALE

Given disposals of assets in the UK in the past, the Group has decreased its and now has, limited exposure to assets in the UK in its direct property portfolio. Whilst the Property is mission-critical to the manufacturing process of the tenant, the Property is considered to be in a secondary location.

The Disposal allows the Company to secure an attractive exit from the Property with the proceeds from the Disposal being utilised to repay debt. Furthermore, the recycling of capital will provide flexibility for future opportunities to diversify investment into other asset classes and markets which appear attractively priced.

3. TERMS OF THE DISPOSAL

The effective date of the Disposal is Monday, 9 September 2024. The Disposal consideration is GBP7,300,000 (the "Disposal Consideration") and is not subject to any further conditions precedents.

All other terms of the agreement are standard terms and conditions typical for a transaction of this nature.

The Purchaser and its beneficial owners, Banafa Holdings Ltd are not 'related parties' in terms of the JSE Limited Listings Requirements.

4. FINANCIAL AND PROPERTY-SPECIFIC INFORMATION

Location of the Property	Sector	GLA (sf)	Weighted average rental (£/m ²) p.a	Net rental income (£) PA	Value of asset (£ m)	Offer Level (£ m)
Unit 1, Somerby Way, Heapham Road, Industrial Estate, Gainsborough, DN21 1RZ	Industrial	85,161	£5.70	£490,273	8.25	7.30

Notes:

1. Unaudited net rental income attributable to the Property for the 12 months to June 2024 was GBP490,273.
2. The value of the asset used in the table above is the audited book value as at the year ended 30 June 2023.
3. The Disposal Consideration in respect of the Property is considered its fair market value, as determined by the Board. The Board is not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000. The discount to book value of 13% is considered market-related for the Property and reflects the recent interest rate increases and the consequential reduction in property values since the June 2023 valuation.
4. The financial information contained in this announcement has not been reviewed or reported on by the Company's external auditors.

CATEGORISATION OF THE DISPOSAL

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

Sandton
10 September 2024

CORPORATE ADVISER AND SPONSOR TO TEXTON
Investec Bank Limited