TEXTON

PROPERTY FUND

(Registration Number 2005/019302/06)
Separate Annual Financial Statements
for the year ended 30 June 2025

Audited Financial Statements

in compliance with the Companies Act of South Africa

Prepared: by N Reddy CA(SA)

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Index

Texton Property Fund Limited

(Registration Number 2005/019302/06)
Annual Financial Statements for the year ended 30 June 2025

Director's Responsibilities and Approval

The directors are responsible for the preparation and fair presentation of the annual financial statements of Texton Property Fund Limited, comprising the statements of financial position at 30 June 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and IFRIC interpretations adopted by the International Accounting Standards Board (IASB), SA financial reporting requirements, the requirements of the Companies Act of South Africa (Act 71 of 2008) and the JSE ("JSE")Listings Requirements.

Each of the directors is also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

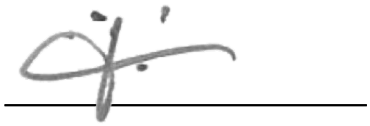
The directors assessed the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The directors, whose names are stated below, hereby confirm that:

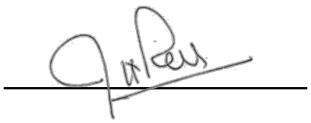
- The annual financial statements set out on pages 13 to 76 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS accounting standards
- To the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to the issuer have been provided to effectively prepare the financial statements of the issuer
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- Where we are not satisfied, we have disclosed to the audit and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies.
- We are not aware of any fraud involving the directors.

Approval of company annual financial statements

The company annual financial statements of Texton Property Fund Limited as identified in the first paragraph, were approved by the board of directors on 26 September 2025 and signed on their behalf by:



HSP Welleman
Chief Financial Officer



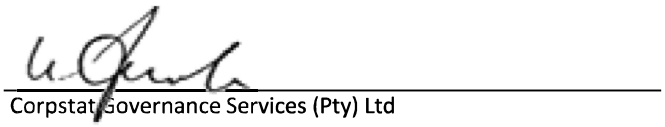
JH Rens
Chief Executive Officer

Texton Property Fund Limited

(Registration Number 2005/019302/06)
Annual Financial Statements for the year ended 30 June 2025

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, we certify that to the best of our knowledge and belief, that Texton Property Fund Limited has lodged all returns required in terms of the Companies Act, with the Commissioner of the Companies and Intellectual Property Commission for the financial year ended 30 June 2025 and that the returns are true, correct and up to date.



Corpstat Governance Services (Pty) Ltd
Company Secretary
26 September 2025

Report of the Audit Committee

The Audit and Risk Committee (the "audit committee") takes pleasure in presenting its report for the year ended 30 June 2025.

1. Terms of reference

The audit committee is a formal committee of the Board of the Company and its subsidiaries and has adopted written terms of reference. These terms of reference include the statutory requirements of the Companies Act ("the Act"), the recommendations of the King IV Report on Corporate Governance for South Africa, 2016 ("King IV") and certain responsibilities delegated by the Board.

The main responsibilities of the audit committee include:

- Reviewing the ongoing effectiveness of the internal financial controls
- Reviewing the interim and preliminary results, the annual financial statements and other content in the integrated annual report, and making a formal recommendation to the Board to adopt the same
- Ensuring compliance with IFRS accounting standards and the relevant requirements of the Act and the Johannesburg Stock Exchange ("JSE") with respect to financial reporting
- Overseeing the appointment and independence of the external auditor and reviewing their external audit reports
- Determining a policy for the provision of non-audit services by the external auditors
- Monitoring the risk management framework adopted by the Company and reviewing any risk management reports in this regard
- Reviewing management's assessment of the Company to continue as a going concern

The audit committee confirms that it has fulfilled all its statutory obligations as well as its terms of reference for the year under review.

The audit committee has monitored and confirms that it is in compliance with the risk management policy which is in accordance with the industry practice and prohibits the Company from entering into speculative derivative transactions not in the ordinary course of business.

2. Members of the audit committee, attendance of meetings and evaluation

The audit committee comprises three independent non-executive directors and is chaired by John Macey CA (SA). Certain executive directors, senior management as well as the external auditors attended audit committee meetings by invitation.

The terms of reference require an annual evaluation of the performance of the audit committee and its members as well as confirmation of the members' independence in terms of King IV and the Act. The evaluation performed covers the year ended 30 June 2025. The outcome of the evaluation performed was satisfactory.

3. External auditors

The audit committee nominated BDO South Africa Inc ("BDO") as external auditors for the current year, having satisfied itself that they are independent of the Company. The external auditors have unrestricted access to the audit committee.

The audit committee approved the terms of the auditors' engagement letter, their audit plan and budgeted audit fees for the audit of the Company annual financial statements for the year ended 30 June 2025.

The audit committee adopted a formal framework for the pre-approval of allowable non-audit services above certain pre-determined thresholds.

Report of the Audit Committee

4. Significant matters

Valuation of investment property

The major risk relating to investment property is the valuation of investment property. This has been highlighted as an area of critical judgement and is detailed in note 5 of the annual financial statements. Each property is externally valued at least every three years, which results in a third of the properties being revalued annually. Where an external valuation is not obtained, the directors determine the fair value of each property, using the valuation methodology in note 5. Through discussion with the executive directors, the audit committee is satisfied with the valuation methodology and inputs. A number of non-executive directors have extensive experience in the property industry and the Board as a whole approves the valuations. The audit committee also monitors differences between internal and independent external valuations and is satisfied overall that the fair value of investment properties is not materially misstated.

5. Financial Director

HSP Welleman was appointed as Financial Director of Texton on 22 August 2024. In terms of paragrapgh 3.84(g)(i) of the JSE Listings Requirements, the committee has considered HSP Welleman's experience and expertise as the financial director and we are satisfied that these are appropriate for the role.

The Audit Committee, in consultation with the Board of Directors of Texton, considered the finance team to have sufficient knowledge, qualifications and experience to adequately manage the finance function during this period.

6. Internal audit

The audit committee continues to assess the requirement to have an internal audit function as the Company grows. At this point in time, the audit committee has satisfied itself that the size and complexity of the Company does not warrant an internal audit function.

7. Proactive monitoring

The audit committee confirms that it has considered the findings contained in the JSE's 2024 Proactive Monitoring report when preparing the annual financial statements for the year ended 30 June 2025.

8. Internal financial controls

The audit committee reviewed the risk management and internal control framework presented by management and matters raised by the external auditors report as to the efficiency of the Company's internal financial controls.

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the audit committee confirms that no material breakdown of internal financial controls was identified during the current financial year.

9. Approval of annual financial statements

The audit committee confirms that it formally recommended the adoption of the consolidated annual financial statements to the Board of directors.

JR Macey

Chairman of the Audit and Risk Committee

26 September 2025

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Director's Report

Nature of the business

Texton is a 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. The companies direct property portfolio is valued at R1.2 billion as at 30 June 2025 (2024: R1.1 billion) and our international indirect property investment portfolio amounts to R47.3 million (2024: R49.2 million). The direct property portfolio includes commercial and retail properties.

Subsidiary	**Location**	**% owned**
Discus House Proprietary Limited	South Africa	100%
Imperial Comm Props Proprietary Limited	South Africa	100%
Investage 183 Proprietary Limited	South Africa	100%
Nungu Trading 88 Proprietary Limited	South Africa	100%
TexStores Propriety Limited	South Africa	100%
US TP Investments 1 LLC	United States Of America	100%
Texton Property Investments UK Limited	United Kingdom	100%
Indirectly held subsidiaries- Held by Texton Property Investments UK:		
TPI UK No2 Limited	United Kingdom	100%
TPI UK No1 Limited	United Kingdom	100%
TPI Canvas LP	United States Of America	99.5%
Controlled entities		
Vunani Property Investment Trust	South Africa	100%
Joint Ventures		
Inception (Reading) S.a.r.l. - Broad Street Mall*	United Kingdom	50%
*The joint venture in Inception (Reading) S.a.r.l was liquidated on 27 February 2025		

Financial results

The detailed financial results are fully set out in the company financial statements.

Going concern

The Company has reasonably satisfied the liquidity and solvency test as required by the Companies Act and the directors have satisfied themselves that the Company is in a sound financial position and that they have access to sufficient facilities to meet their foreseeable cash requirements.

It is noted that as at 30 June 2025, the Company's current liabilities exceed its current assets. However, the directors have considered the below to reasonably satisfy themselves that the Company is in a sound financial position:

- **Related party transctions**

A substantial portion of the current liabilities consists of loans from two wholly owned subsidaries, Investage Pty and Imperial Prop Comms Ltd. Since these loans orginate from entities that are fully owned by the Company, the Directors confirm the loans will not be repaid within the next 12 months.

Director's Report

The directors considered the REIT's portfolio of income-generating properties, contracted lease escalations, tenant retention levels, and diversified sectoral and geographic exposure. The directors also evaluated the Company's liquidity position, access to committed banking facilities, and ongoing compliance with REIT regulatory and debt covenant requirements. After reviewing cash flow forecasts and stress tested scenarios under current market conditions, the directors are satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future.

Banking facilities

Texton has unlimited borrowing powers in terms of the Memorandum of Incorporation ("MOI"), but the company has maintained its debt levels below 60% of its gross asset value in accordance with JSE requirements for REIT's. The company is also subject to certain financial covenants with the strictest being a 50% loan-to-value covenant on its bank borrowings. The companies overall debt was R668 million (2024: R735 million) at the reporting date as detailed in note 15 to the annual financial statements.

Sale of non core properties

Texton had two properties accounted for as held for sale at the beginning of the year (Greenstone Building 13 and 377 Rivonia Boulevard). Greenstone Building 13 was sold during the year. The proceeds from the sale of this property has been used towards debt reduction and has enabled Texton to successfully recycle capital to strengthen our balance sheet and invest into repositioning the portfolio. As at 30 June 2025, 377 Rivonia Boulevard no longer met the criteria of a held for sale asset, and has therefore been transferred back to Investment Property.

Events after the reporting date

There were no matters of significance which occurred subsequent to the financial year end and to the date of approval of the financial statements , which require adjustment to or disclosure in the financial statements.

Declaration of return of contributed tax capital

The Board of directors of Texton ("the Board") is pleased to announce that it has approved and declared a further distribution which will result in a capital reduction of the "contributed tax capital" (as such term is defined in the Income Tax Act) of the Company of 63.74 cents per ordinary share ("Return of CTC"), subject to the required South African Reserve Bank approval being obtained for the declaration of the Return of CTC ("Condition")

Salient dates	**2025**
Declaration date	Friday, 26 September 2025
Finalisation date anticipated to be on, by 11h00	Friday, 17 October 2025
Last day to trade cum dividend	Friday, 24 October 2025
Trading ex-dividend commences	Monday, 27 October 2025
Record date	Wednesday, 29 October 2025
Payment date	Monday, 30 October 2025

Changes to the Board

Shelly Thomas resigned as a director on 1 July 2024.

HSP Welleman, the previous Chief Executive Officer, was appointed as Chief Financial Officer and JH Rens was appointed to the board of directors and Chief Executive Officer on 22 August 2024.

Company secretary

CorpStat Governance Services Propriety Limited, represented by William Somerville, continued to act company secretary during the year under review.

Director's Report

Stated capital

The authorised shares of the company consist of 2 000 000 000 (two billion) ordinary shares of the same class and no par value. Total shares in issue amounts to of 330 059 664 (2024: 330 059 664).

Auditors

BDO South Africa Incorporated will be recommended to shareholders at the annual general meeting to continue in office in accordance with Section 90(1) of the Companies Act.

Litigation

The directors are not aware of any legal or arbitration proceedings that have commenced, are pending, have been threatened, or may have a material impact on the results of the company.

Tel: +27 21 417 8800
Fax: +27 21 417 8700
www.bdo.co.za

6th Floor,
119 – 123 Hertzog Boulevard
Foreshore
Cape Town, 8001
PO Box 2275
Cape Town, 8000

Independent Auditor's Report
To the Shareholders of
Texton Property Fund Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Texton Property Fund Limited (the company) set out on pages 13 to 76, which comprise the statement of financial position as at 30 June 2025; and the statement of profit or loss and other comprehensive income; the statement of changes in equity and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Texton Property Fund Limited as at 30 June 2025, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall Materiality	R 31 466 150
How we determined it	1.25% of Total Assets
Rationale for the materiality benchmark applied	Texton Property Fund Limited is a real estate investment company based in Johannesburg, strategically focused on delivering long-term shareholder returns through investment in property. While the company operates with a profit-oriented approach, its primary objective is to

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za

	achieve sustainable growth and value creation for stakeholders. We have selected total assets as the benchmark for materiality because it is widely regarded as the most relevant metric by users of the separate financial statements when evaluating the company's performance. Based on professional judgment and an analysis of typical quantitative thresholds applied in this sector, we determined a materiality level of 1.25%. This threshold aligns with industry standards and reflects a consistent approach to assessing materiality within entities operating in the real estate investment sector.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Property (Notes 5) The company's investment property portfolio has a total fair value in the statement of financial position of R1 284 million as at 30 June 2025 (2024: R1 140 million). The company's policy is to have at least one-third of its properties externally valued by independent valuers each year and the remaining properties are valued internally by the management of the company using a methodology that is similar to that used by the independent valuers. 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. The valuation of investment property was considered an area of most significance in our audit of the financial statements for the year ended 30 June 2025, due to the significance of the	The audit procedures we performed included, amongst others, the following: fair • We assessed the design and tested the implementation of relevant controls over the valuation process; • We assessed the competency, capabilities and objectivity of management's external valuation expert ("management's expert"). This included inspecting professional qualifications and registrations. We identified no aspects in this regard which required further consideration; • We inspected the valuation reports for the properties valued by management, and management's experts in the current year, to assess whether the valuation approach was in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, whether it was consistent with the prior financial year, and whether it is considered suitable for use in determining the fair value. The methodology was confirmed to be appropriate; • We agreed all investment property fair values, to the underlying valuation reports. No material exceptions were noted; • We assessed the key assumptions used in the determination of fair values for all properties as follows: o The forecast revenue applied in the first year of the discounted cash flow ("DCF") was assessed for reasonability. This was performed by agreeing the actual revenue per the property management system to the amounts used in the DCF model. For a sample, the inputs within the property management system used to generate the revenue forecast were agreed to underlying signed rental agreements. Based on the results of our assessment we accepted the forecast revenue applied by management in the DCF model; o The projected future growth in operating cost (excluding municipal costs) applied in the first year of the DCF model was assessed for reasonability by comparing to actual future growth in operating cost (excluding municipal costs);

balance, the significance of the estimates and the level of judgment involved.	○ We assessed the reasonability of revenue and expense growth rates subsequent to the initial forecast year based on our knowledge of the properties obtained through research, and by comparing to available industry data for similar investment properties; and ○ We assessed the reasonability of the discount and exit capitalisation rates applied by comparing it to available industry data for similar investment properties. • We have tested the mathematical accuracy of the DCF models, by reperforming the calculations. No material exceptions were noted; • In addition to the above, we selected properties based on a risk assessment performed, and requested an external, independent auditor's valuation expert to independently assess and conclude on the reasonability of the: ○ Forecast revenue applied in the discounted cash flow ("DCF") models; ○ Future growth in operating cost (excluding municipal costs) applied in the DCF models; ○ Revenue and expense growth rates in the DCF models, subsequent to the initial forecast year; and ○ Discount, exit and capitalisation rates applied by management and management's expert respectively. We evaluated the adequacy of the disclosures in the consolidated financial statements relating to the valuation of investment properties against the requirements of IFRS Accounting Standards as issued by the International Accounting Standards Board.

Other Information
"[Enter **year**]" The directors are responsible for the other information. The other information comprises the information included in the document titled "Texton Property Fund (Registration Number 2005/019302/06) Consolidated Annual Financial Statements for the year ended 30 June 2025" and in the document titled "Texton Property Fund (Registration number 2005/019302/06) Separate Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date . The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Separate Financial Statements
The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Texton Property Fund Limited for 5 years.

BDO South Africa Incorporated

BDO South Africa Incorporated
Registered Auditors

Stephan Cillié
Director
Registered Auditor

26 September 2025

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position

	Notes	Company 2025 R `000	2024 R `000
Assets			
Non-current assets		**2,278,588**	2,295,754
Investment property	5	**1,283,577**	1,140,690
Equipment	6	**4,782**	5,557
Tenant installation	7	**3,651**	4,791
Investments in subsidiaries	36	**909,259**	1,044,187
Unlisted investments	14	**47,365**	49,236
Lease commissions	8	**2,263**	2,609
Loans to subsidaries	18	**27,691**	31,240
Other receivables	9	**-**	17,444
Current assets		**238,705**	491,329
Trade and other receivables	10	**13,694**	15,908
Dividends receivable		**40,024**	35,767
Income tax receivable		**18**	18
Other receivables	9	**-**	11,400
Loans to subsidiaries	18	**172,063**	197,354
Cash and cash equivalents	12	**12,906**	230,882
Investment property held for sale	11	**-**	59,500
Total assets		**2,517,293**	2,846,583
Equity and liabilities			
Equity		**1,578,004**	1,844,573
Share capital	13	**2,726,058**	2,992,391
Accumulated loss		**(1,152,555)**	(1,149,050)
Share based payment reserve	38	**4,501**	1,232
Non-current liabilities		**630,043**	155,299
External loans and derivative financial instruments	15	**626,941**	152,197
Deferred tax	16	**3,102**	3,102
Current liabilities		**309,246**	846,711
External loans and derivative financial instruments	15	**42,037**	583,018
Trade and other payables	17	**26,779**	28,907
Loans from subsidiaries	18	**240,430**	234,786
Total equity and liabilities		**2,517,293**	2,846,583

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Profit or Loss and Other Comprehensive Income

		Company	
		2025	2024
	Notes	**R `000**	R `000
Investment property income	19	**178,756**	184,533
Straight-line rental adjustment		**(2,991)**	(6,995)
Property income		**175,765**	177,538
(Impairment loss) on trade receivables		**(4,518)**	(3,098)
Property expenses	21	**(77,936)**	(81,492)
Net property income		**93,311**	92,948
Other income	23	**8,963**	13,243
Dividends received from subsidiaries	20	**40,024**	35,767
Administrative expenses		**(36,039)**	(31,007)
Foreign exchange (losses)/gains		**(697)**	(1,545)
Operating profit		**105,562**	109,406
(Impairment loss)/reversal of impairment on intercompany loans	18	**(3,131)**	2,121
Finance income	24	**14,944**	14,465
Finance costs	25	**(72,626)**	(86,138)
Fair value adjustments	26	**84,620**	(28,573)
Impairment of investment in subsidiaries		**-**	(6,558)
Profit for the year		**129,369**	4,723
Total comprehensive income for the year		**129,369**	4,723

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity

	Share capital R `000	Foreign currency translation reserve R `000	Share based payment reserve	Accumulated loss R `000	Total R `000
Balance at 1 July 2023	3,066,027	(68)	87	(1,097,637)	1,968,409
Share based payment transaction	-	-	1,145	-	1,145
Total comprehensive income for the year	-	68	-	4,723	4,791
Profit for the year	-	68	-	4,723	4,791
Dividends recognised as distributions to shareholder	-	-	-	(56,136)	(56,136)
Share repurchase	(157,133)	-	-	-	(157,133)
Shares repurchased and cancelled	(155,435)	-	-	-	(155,435)
Transaction costs relating to repurchase	(1,698)	-	-	-	(1,698)
Rights Issue	83,804	-	-	-	83,804
Shares Issued	85,000	-	-	-	85,000
Transaction costs relating to share issue	(1,196)	-	-	-	(1,196)
Treasury shares acquired	(307)	-	-	-	(307)
Balance at 30 June 2024	2,992,391	-	1,232	(1,149,050)	1,844,573

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Changes in Equity

	Share capital R `000	Foreign currency translation reserve R `000	Share based payment reserve	Accumulated loss R `000	Total R `000
Balance at 1 July 2024	**2,992,391**	**-**	**1,232**	**(1,149,050)**	**1,844,573**
Share based payment transaction	-		-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**129,369**	**129,369**
Profit for the year	-	-	-	**129,369**	**129,369**
Dividends recognised as distributions to shareholder	-	-	-	**(132,874)**	**(132,874)**
Rights Issue	**(97)**	-	-	-	**(97)**
Transaction costs relating to prior year rights issue	**(97)**	-	-	-	**(97)**
Return of contributed tax capital	**(266,236)**	-	-	-	**(266,236)**
Share based payment transaction	-	-	**3,269**	-	**3,269**
Balance at 30 June 2025	**2,726,058**	**-**	**4,501**	**(1,152,555)**	**1,578,004**
Notes	**13**		**38**		

Texton Property Fund Limited

(Registration Number 2005/019302/06)

Separate Annual Financial Statements for the year ended 30 June 2025

Statement of Cash Flows

	Notes	2025 R `000	2024 R `000
Cash flows from operating activities			
Cash generated by operations	28	**73,115**	94,863
Interest received		**6,513**	7,158
Interest paid		**(40,013)**	(72,438)
Dividends paid	30	**(132,874)**	(56,136)
Dividends received	23	**22**	263
Taxation refund/(paid)	27	**-**	163
Net cash (outflow)/inflow from operating activities		**(93,237)**	(26,127)
Cash flows from investing activities			
Additions to property, plant and equipment	6	**(1,301)**	(1,741)
Additions to investment property	5	**(4,112)**	(26,274)
Proceeds on disposal of investment property classified as held for sale	11	**4,800**	15,466
Investment in Unlisted Investments		**-**	(751)
Return of Investment		**2,435**	1,158
Loans repaid by subsidiaries		**49,619**	20,406
Loans advanced to subsidiaries		**(3,261)**	(1,879)
Commission paid	8	**(1,104)**	(1,123)
Vendor finance repayment		**29,060**	4,000
Return from Investment in Subsidiary		**134,928**	209,089
Tenant installation incurred	7	**(949)**	(1,065)
Net cash inflow/(outflow) from investing activities		**210,115**	217,286
Cash flows from financing activities			
Treasury shares cancelled	13	**-**	(158,637)
Proceeds from Rights issue		**-**	85,000
Shares repurchased- transaction costs incurred	13	**(97)**	-
Return of contributed tax capital	13	**(266,236)**	-
Proceeds from external loans and derivative financial instruments	29	**33,000**	219,245
Repayments of external loans and derivative financial instruments	29	**(114,723)**	(129,731)
Debt structuring fees paid		**(357)**	-
Advancement from subsidiaries		**13,605**	15,906
Repayment to subsidiaries		**(46)**	(34)
Net cash (outflow)/inflow from financing activities		**(334,854)**	31,749
Net increase/(decrease) in cash and cash equivalents for the year		**(217,976)**	222,908
Cash and cash equivalents at the beginning of the year		**230,882**	13,841
Cash and cash equivalents at the end of the year	**12**	**12,906**	236,749

Accounting Policies

Preparation of financial statements

The principal accounting policies applied in the preparation of the financial statements are set out in the notes to the financial statements and are consistent with those applied in the previous year, unless otherwise stated.

The financial statements were authorised for issue by the board of directors on 20 September 2025.

1. Basis of preparation

1.1 Reporting entity

Texton Property Fund Limited is a company listed on the JSE and is domiciled in the Republic of South Africa. The company financial statements include the financial statements of Texton Property Fund Limited ("Texton" or "the Company" or "the Fund").

1.2 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards adopted by the International Accounting Standards Board (IASB), South African financial reporting requirements, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listing Requirements.

1.3 Basis of measurement

The financial statements are prepared on the historical cost basis, unless otherwise stated, and the accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the basis that the Company is a going concern.

1.4 Functional and presentation currency

All items in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The annual financial statements are presented in South African Rand, which is Texton Property Fund Limited's functional and the company's presentation currency.

1.5 Use of estimates and judgements

The most significant judgements, estimates and assumptions that may have a material impact on the financial statements are as follows:

Valuation of investment property

The Board has used the best available evidence to determine the fair value of investment properties as set out in note 5 to the financial statements. This includes current market prices for properties with similar characteristics and leases and cash flow projections. As the available information is not directly comparable, the amounts are determined within a reasonable range of fair value. The principal assumptions underlying the Board's estimation of fair value are disclosed in note 5 and include the receipt of contracted rentals, lease renewals, maintenance requirements, operational costs and appropriate discount and capitalisation rates.

The sensitivity analysis in note 5 provides more detailed information on the changes in inputs on the valuation of investment property.

Market activity is being impacted in many sectors. Increasing inflation and higher borrowing costs may have an effect on the investment property prices

Accounting Policies

Basis of preparation continued...

Other areas of significant judgement and estimations :

- Expected credit loss ("ECL") provision for trade receivables such as the use of market information, the credit ratings applied to categories of tenants, market growth rates and market data relating to the probability of default percentages applied to calculate the ECLs. For further information, refer to note 10 where details are explained.
- Valuation of unlisted investments, for further refer to note 14.

There were no areas of significant judgement other than those involving estimation.

2. Accounting policies

Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to govern the financial and operating policies thereof. Subsidiaries are fully consolidated in the Group financial statements from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

In the Company financial statements, investments are accounted for at cost less accumulated impairment losses.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Accounting for Joint ventures

Under the equity method, interests in joint ventures are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the company's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases. Unrealised gains on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Financial instruments

Classification

Financial instruments are contracts that give rise to financial assets in one entity and a financial liability or equity instrument in another entity.

Non-derivative financial assets

The company's non-derivative financial assets comprise trade and other receivables, cash and cash equivalents and loans which are classified as financial assets at amortised cost and unlisted investments held at fair value through profit and loss.

On initial recognition financial assets are measured at fair value plus, for financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets. Subsequently the Company measures financial assets either at amortised cost or fair value through profit or loss.

The Company measures financial assets at amortised cost if both of the following conditions are met:

- the objective is to hold assets to collect contractual cash flows, in line with the company's business model, and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost.

Accounting Policies

Accounting policies continued...

The company's financial assets consist of:

- **Trade and other receivables**

  Trade and other receivables are recognised at trade date at fair value and subsequently at amortised cost. Trade receivables are amounts due from tenants for contractual lease charges and recoveries and are classified as current unless recovery is expected more than 12 months from the reporting date.

  Refer to note 10 for composition of trade and other receivables.

  The company adopts the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

- **Cash and cash equivalents**

  Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are carried at amortised cost which approximates fair value.

- **Other receivables**

  Other receivables are recognised at the trade date at fair value and subsequently at amortised cost. Other receivables are amounts that comprise of vendor financing in terms of investment property that has been disposed off.

  Other receivables are carried at amortised cost, being the gross carrying amount less an allowance for ECL's. Interest earned is recognised on an accrual basis using the effective interest rate method.

  Refer to note 9 for the composition of other receivables

- **Unlisted investments**

  Unlisted investments are carried at fair value through profit or loss and the transaction costs are immediately recognised in profit or loss. On each measurement date, the investment is remeasured to its fair value and all gains and losses are recognised in the income statement through profit or loss.

Non-derivative financial liabilities

Initial recognition of financial liabilities is at fair value less directly attributable transaction costs.

A financial liability is derecognised when its contractual obligations are discharged or cancelled or expire.

Subsequent to initial recognition, these financial liabilities are measured as follows:

- **Trade and other payables**

  Trade and other payables are measured at amortised cost using the effective interest rate method.

- **External Loans**

  Non-derivative financial liabilities comprising long-term interest-bearing loans are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings, is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Stated capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Accounting Policies

Accounting policies continued...

Investment property

Investment property is property (land and buildings) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

On initial recognition, the investment property is measured at cost. The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that it will result in future economic benefits and such expenditure can be measured reliably. All other subsequent expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequently, investment property is measured at fair value. Fair values are determined annually by external independent registered valuers and internally by the directors on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine the fair value. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise.

Investment property is maintained, upgraded and refurbished where necessary in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against profit or loss.

Realised gains or losses on the disposal of investment property are recognised in profit for the year and are calculated as the difference between the proceeds and the carrying amount of the investment property as determined at the last valuation date.

When the company begins to redevelop an existing investment property for continued future use as investment property, the property remains investment property which is measured based on the fair value model and is not reclassified as property, plant and equipment during the redevelopment.

Equipment

Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

The estimated useful lives for the current and comparative periods are as follows:

Equipment	3 – 5 years
Furniture and fittings	6 years
Computer equipment	3 years

Impairment

Non-derivative financial assets

- **Trade and other receivables**

  The company recognises a loss allowance for expected credit losses on trade and other receivables which are financial assets. The amount of expected credit losses is updated at each reporting period. The company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (the so-called "simplified approach"of IFRS 9), which represents the expected credit losses that will result from all possible default events over the expected life of the financial asset. In determining ECLs, both historical loss experience and forward-looking information are considered. Key qualitative factors include: tenant payment behaviour, industry exposure, concentration risk, and prevailing economic conditions.

Accounting Policies

Accounting policies continued...

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at reporting date.

The customer base is diverse with significantly different loss patterns for different customer segments. The company combines customer segments which share similar credit risk characteristics for purposes of determining the credit loss allowance. Details of the provision matrix, per customer segment, is presented in note 10.

- **Other receivables**

  The company recognises a loss allowance for expected credit losses on all loans receivable that are carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

  The loss allowance is measured using, what is referred to as the general approach, at an amount equal to lifetime expected credit losses ("lifetime ECL") when there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance is measured at 12-month expected credit losses ("12-month ECL").

  Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of an instrument, while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Non-financial assets

The carrying amount of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss no longer exists.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Lease commissions

Lease commissions represent incremental costs incurred by the Company to secure lease agreements with tenants for its investment property portfolio. These costs typically include amounts paid to brokers or agents as part of the tenant origination process.

• Lease commissions are capitalised as part of the carrying amount of the related investment property when they are directly attributable to securing a lease.

Accounting Policies

Accounting policies continued...

• Capitalised lease commissions are amortised on a straight-line basis over the term of the lease to which they relate and are recognised as a component of property expenses within profit or loss.

• Where a lease is terminated early or significantly modified, any unamortised portion of the related lease commission is expensed immediately in profit or loss.

The capitalisation of lease commissions ceases once the property is classified as held for sale or derecognised.

Tenant installations

Tenant installation costs are amounts paid by the Company to contribute toward the tenant's fit-out or improvement of leased premises.

The cost of tenant installations is capitalised and amortised on a straight-line basis over the lease term.

Where a lease is terminated early, any unamortised portion of the tenant installation is expensed immediately to profit or loss.

The capitalisation of tenant installaions ceases once the property is classified as held for sale or derecognised.

Investment property held for sale

Investment properties are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than continuing use.

Investment properties are only classified as held for sale when the property is available for immediate sale in its present condition, the Company is committed to a plan to sell the investment property, an active plan has been launched to locate a buyer and complete the sale, the property is being actively marketed at a sale price that is reasonable in relation to the current fair value of the non-current asset or disposal company and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification.

Investment property classified as held for sale is measured in accordance with IAS 40 Investment property at fair value with gains and losses on subsequent remeasurement being recognised in profit or loss.

Dividends paid

Dividends or other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the date of declaration.

Leases

Lessor accounting

The company are party to numerous leasing contracts as the lessor of property. All leases are operating leases, which are those leases where the company retain a significant portion of the risks and rewards of ownership.

The company allocates the consideration to each lease and non-lease component based on the amount as stipulated in the lease agreement as the rental for the asset is separate from the recovery of expenses.

An adjustment is made to contractual rental income earned to bring to account in the current period the difference between the rental income that the entity is currently entitled to and the rental for the period calculated on a smoothed, straight-line basis over the period of the lease term. This does not affect distributable earnings.

Costs incurred in an obtaining an operating lease are capitalised and these costs are recognised as an expense over the lease term.

Costs incurred in earning the lease income is recognised as an expense.

Accounting Policies

Accounting policies continued...

Modifications to an operating lease are accounted from the effective date of the modification, considering any lease income received in advance or accrued lease payments relating to the original lease as part of the lease payments for the modification.

Lessee accounting

The company is party to lease contracts as lessee for the use of property and IT equipment.

The company allocates the consideration to each lease and non-lease component based on the amount as stipulated in the lease agreement as the rental for the asset is separate from the recovery of expenses.

• Low value leased assets

Rentals for the low valued leased assets are recognised in other operating expenses. Low value assets include IT equipment. The company has applied the exemption in IFRS 16 for this asset, and a and right-of-use asset has not been recognised. The threshold for low value assets are R100 000.

The rental is straight lined over the lease term.

• Variable lease payments

Variable lease payments that are based on turnover rental are excluded from the initial measurement of the lease liability and are recognised under property expenses, this has been disclosed separately under note 21.

Variable lease payments as described above are expensed as incurred.

• Short terms leases

A lease contract with a term of less than 12 months is considered a short term lease. The company has applied the exemption in IFRS 16, and a lease liability and right-of-use asset has not been recognised.

These lease payments are expensed as incurred.

Revenue

Investment property income

Revenue comprises rental income and recovery of expenses, excluding VAT.

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Tenant recoveries are levied monthly in arrears as a result of the company recovering costs of providing the tenant with services as determined by the lease agreement. The company negotiates the terms of the service, manages the relationship with the suppliers and is liable for payment(even if the property is vacant or the expense is not recovered from the tenant), and therefore maintains primary responsibility for providing the service. The company acts as a principal on its own account when recovering operating costs from the tenant. The frequency and value of these recoveries are not detailed in the lease agreements as they are based on actual expenses incurred, therefore revenue from recoveries is accounted for in accordance with IFRS 15.

Revenue is recognised when a lease is signed and the tenant has taken occupation of the premises. Rental and recoveries are billed on a monthly basis on the South African properties and payment is due within the month either by the 1st or 15th of the month depending on the terms of the lease.

Accounting Policies

Accounting policies continued...

Revenue other than from contracts with customers

Dividends received from subsidiaries

Dividends received from subsidiaries is recognised when the the Company's right to receive payment is established.

The dividend is recognised directly in profit or loss. The dividend is recognised at book value.

Finance income and finance costs

Finance income comprises interest income on bank balances, interest on investments and inter-company interest. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on bank balances and bank loans. Finance costs are expensed in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised to the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss using the effective interest method.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the company at the exchange rates as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate as at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate as at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss.

Employee benefits

Short- term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the company has a present obligation to pay as a result of employees' service provided to the statement of financial position date. The company does not provide any retirement or post-retirement benefits.

Equity settled share-based employee remuneration

For equity-settled share-based payment transactions, the company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the company cannot estimate reliably the fair value of the goods or services received, the company measures their fair value, and their corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The company operates a conditional share plan, which is classified as an equity-settled share-based payment plan, under which it receives services from employees as consideration for equity instruments of the company. The beneficiaries under the scheme are executive directors and management. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense on a straight line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve.

Accounting Policies

Accounting policies continued...

The total amount expensed to profit or loss is determined by reference to the fair value of the rights to the equity instruments granted, including any market performance conditions and excluding the impact of any non-market performance vesting conditions. Non-market performance vesting conditions are included in assumptions regarding the number of shares granted that are expected to vest. At the end of each reporting period, the company revises its estimates of the number of shares granted that are expected to vest and recognises the impact of any changes in profit or loss with a corresponding adjustment to equity.

The effect of all conditional shares granted is taken into account when calculating diluted earnings and diluted headline earnings per share.

Income tax

Tax expenses

The charge for current taxation is based on the taxable income for the year using the rates enacted or substantively enacted at reporting date and any adjustment for tax payable or receivable for previous years.

The Company is a REIT as defined by S25BB of the South African Income Tax Act which allows a deduction of the qualifying distribution to shareholders, limited to taxable income. Profits that are not distributable in terms of S25BB of the Income Tax Act are subject to South African tax at the applicable rate.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

South Africa

The company is a REIT as defined by S25BB of the South African Income Tax Act which allows a deduction of the qualifying distribution to shareholders limited to taxable income. To the extent that no tax will become payable in future as a result of Section 25BB, no deferred tax was recognised on assessed losses and items such as IFRS accounting adjustments.

To the extent that no material amounts of tax will be payable in the future as a result of future distribution profits, no deferred tax is raised on items such as straight-line rental revenue adjustment and income received in advance.

Deferred tax is not recognised on the fair value adjustment of investment properties as capital gains tax is not applicable in terms of S25BB. In addition, Section 25BB does not allow for allowances relating to immovable property.

Allowances granted in prior years, before becoming a REIT must be recouped in the year the immovable property is sold. A deferred tax liability will be recognised on the recoupment to the extent it will result in a tax liability after the qualifying distribution deduction.

Related party transactions

Related party transactions are transactions which result in a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related parties refer to entities which the company directly or indirectly, through one or more intermediaries, controls or is controlled by or is in common control with. These include the subsidiaries and company entities. Related parties also include the Directors and the entities connected to the above.

Accounting Policies

3. Risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Audit and Risk committee is responsible for developing the company's risk management policies, and evaluating and improving the effectiveness of risk management, control and governance processes within the company. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risk and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. In respect of financial reporting risks, the Audit and Risk committee also oversees how management monitors compliance with the company's risk management policies and procedures.

The company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these annual financial statements.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from tenants. Credit risk also arises from the company's cash balances.

Exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The widespread tenant base reduces credit risk. Management has established a credit policy under which each new tenant is analysed individually for credit worthiness before the company's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the review includes external ratings.

A loss allowance is recognised for all trade receivables and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery. Trade receivables which have been written off are not subject to enforcement activities.

The company makes use of a provision matrix to determine the loss allowance, in accordance with the simplified approach of IFRS 9. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Trade receivables

The ECL is calculated by applying a loss rate to the outstanding balance of the debtor as at the financial year-end date. The portfolio is segmented into the following risk categories and separate loss rates are derived for each category:

- Region;
- Type of debtor: government, large listed, small and medium enterprises;
- Arrears status of the debtor; and
- Where the debtor is in arrears, whether a payment was made in the month immediately preceding the financial year-end, or not.

The loss rate per segment is calculated as the product of the following:

- The probability of default ("PD"); and
- The loss given default ("LGD").

Accounting Policies

Risk management continued...

Probability of default

The definition of default that is used is 90 days, or more, in arrears. This definition is, however, applied carefully to certain cases:

- Certain entities, particularly the South African government, may be slow or irregular payers. A typical arrears or default provision is not necessarily held in such cases; and
- The terms of payment with certain entities may be such that payments are due less frequently than monthly.
- In the current year the probability of default has been increased given the impact of Covid and current market conditions.

Industry statistics that are publicly available from Moody's regarding historical default behaviour is utilised to estimate 12-month PDs for government entities, large listed corporates and small and medium enterprises.

The ECLs on a 12-month and lifetime basis will not differ materially if applied to the trade receivables book. This is due to the short-term nature of the debt, which is one month's rental income.

Loss given default ("LGD")

The LGD assumptions for debtors that are not in default at the valuation date were set as follows:

- For the "Large Listed" sector, industry statistics were directly applied to set the LGD assumption as this is readily available; and
- For the "Small and medium enterprises " sector, the LGD assumption was set at a level that is, in our experience, broadly consistent with past data and market practice on unsecured credit.

The LGD assumptions for debtors in default are set at the same level for those not in default, unless the debtor is material in which case management applies specific LGD assumptions.

In addition to the loss allowance, trade and other receivables and tenant recovery accounts are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

Other receivables

Other receivables are recognised at trade date at fair value and subsequently at amortised cost. Other receivables are amounts that comprise of vendor financing in terms of investment property disposed.

Refer to note 9 for composition of other receivables.

The company adopts the general approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables.

Cash and cash equivalents

The company deposits funds and trades derivative instruments when necessary with various financial institutions in South Africa. From a credit perspective, the company places reliance on the published credit ratings of the major rating agencies together with the company's own analysis and research.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company manages liquidity risk by monitoring cash flows and ensuring that adequate cash is available and by maintaining or renewing borrowing facilities as appropriate.

Accounting Policies

Risk management continued...

The company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Surplus cash is, however, utilised to reduce the other financial liabilities to optimise the borrowing costs. The facility is, however, an access facility and the surplus can be redrawn at any time should it be required to settle financial obligations.

The company monitors its net liquidity position on a continuous basis by means of expected cash flows. The company seeks to reduce liquidity risk through the regular review of the maturity profile of financial liabilities to reduce refinancing risk, utilising facilities with differing maturities to reduce maturity concentration and by employing revolving credit and other similar facilities.

Refer to note 33.2 for maturity analysis.

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates and equity prices will affect profit or loss or the value of the holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

From the company's perspective, the main market risks at present pertain to interest rates and the foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company uses derivatives to manage market risks. All such transactions are carried out within the Treasury policy guidelines as set by the Audit and Risk Committee.

The Company is exposed to general market risk relating to its unlisted investments. These investments are priced based on the underlying assets which are exposed to market risk.

The company does not apply hedge accounting and does not enter into derivative contracts for trading or speculative purposes.

• Interest rate risk

The company is exposed to interest rate risk on interest-borrowings, cash and cash equivalents and other short-term interest-bearing investments.

• Foreign currency risk

The company's transactions are predominantly entered into in the respective functional currency of the Company and the individual subsidiaries.

However, the Company does utilise GBP borrowings and is consequently exposed to exchange rate flucuations that have an impact on cash flows and financing activities.

The Company is also exposed to currency risk in terms of its USD unlisted investment and distributions from its unlisted investment.

The company is exposed to currency risk in terms of distributions from subsidiaries.

Refer to note 33.3 for sensitivity analysis for interest and foreign risk.

Capital risk management

The company's objectives when managing capital are to safeguard the ability of the Company and its subsidiaries to continue as going concerns in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Accounting Policies

Risk management continued...

The capital structure of the company consists of external loans and trade and other payables disclosed in notes 15 and 17 and equity as disclosed in the statement of financial position. The company monitors capital on the basis of the gearing ratio.

The company considers the equity attributable to shareholders as the permanent capital of the company.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

4. Fair values

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS accounting standards, including the level in the fair value hierarchy in which such valuation should be classified.

Significant valuation issues are reported at each reporting date by the company's Capital and Investment Committee for recommendation to the Board and significant valuation issues are reported to the company's Audit and Risk Committee.

Investment property

Independent valuation companies and the Director's, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the company's investment property portfolio annually. The fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness, the allocation of maintenance and insurance responsibilities between the company and the lessee, and the remaining economic life of the property.

Unlisted investments

Texton has one type of unlisted investment which is measured at fair value.

Level 3 investments

Level 3 investments include the Cadre real estate investment. The fair values of these investments are primarily determined with reference to the capital account valuations provided by the respective sponsors. These pooled investment vehicles aggregate capital from multiple investors and deploy it across a diversified portfolio of underlying assets. Such diversification spans geographies, asset classes, and investment structures.

Accounting Policies

Fair values continued...

Where practicable, the Group discloses the key unobservable inputs used in the valuation of Level 3 investments. However, due to the pooled and multi-jurisdictional nature of these vehicles, the individual inputs applied at the asset level are not always observable or available to the Group. Furthermore, disclosing the broad set of uncorrelated and inconsistent unobservable inputs across the underlying portfolios would not enhance users' understanding and, in fact, may reduce clarity.

Loans to subsidiaries and company entities

The carrying amount of the loans receivable approximates the fair value due to the loans being repayble on demand.

Notes to the Annual Financial Statements

5. Investment property

	COMPANY			
	Cost	Cumulative fair value adjustment	Cumulative straight-line rental adjustment	Carrying amount
	R `000		R `000	R `000
30 June 2025				
Investment property	**1,281,260**	**(11,534)**	**13,851**	**1,283,577**
30 June 2024				
Investment property	1,211,790	(87,942)	16,842	1,140,690

		30 June 2025 R `000	30 June 2024 R `000
Reconciliation of movement in investment property for the year:			
Balance at the beginning of the year		**1,140,690**	1,188,275
Additions		**4,112**	26,274
Straight-line rental adjustment		**(2,991)**	(6,995)
Fair value adjustments	26	**94,266**	(8,092)
Transfer from investment property held for sale	11	**47,500**	-
Transfer to investment property held for sale	11	**-**	(58,772)
Balance at the end of the year		**1,283,577**	1,140,690
Value of investment property as per valuation reports		**1,289,491**	1,148,090
Net tenant installation cost- investment property		**(3,651)**	(4,791)
Net prepaid lease commission- investment property		**(2,263)**	(2,609)
Carrying amount		**1,283,577**	1,140,690

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 applied. There has been no movements to and from level 3 during the year.

The Company's policy is to have at least one third of its properties externally valued by independent valuers each year and the remaining properties are valued internally by the directors of the Company using methodology that is similar to that used by the independent valuers.

Property and investment property held for sale amounting to R1.2 billion (2024: R1.2 billion) has been pledged as security in respect of the loans disclosed in note 15.

Details of SA valuations

Details of the external independent valuers are as follows:

Peter Parfitt (Dip val, MIV SA, RICS) of Quadrant Properties Proprietary Limited who is independent and is a member of the South African Institute of Valuers, independently valued six properties in the SA portfolio as at 30 June 2025.

Theunis Behrens (NDip Val) of Real Insight (Pty) Ltd who is independent and is a member of the South African Institute of Valuers, independently valued the Greenstone property in the SA portfolio as at 30 June 2025.

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.

Notes to the Annual Financial Statements

Investment property continued...

Significant unobservable inputs

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

		30 June 2025	30 June 2024
		%	%
1) The discount rates used are included below:			
	Sector: Office		
	Weighted Average discount rate	**15%**	15%
	Range	**13.50%-15.25%**	13.5%-16%
2) The exit cap rate for year 5 used are included below:			
	Sector: Office		
	Weighted exit cap rate	**15%**	11%
	Range	**9.55%-11.00%**	9.25%-11.50%
3) The vacancy rates used are included below:			
	Sector: Office		
	Weighted average vacancy rate	**5%**	5%
	Range	**0.5%-16.00%**	0.5%-10%
4) The expense growth rate used are included below:			
	Sector: Office		
	Weighted average expense rate	**5%**	6%
	Range	**4.8%-6.5%**	5.3%-7.97%
5) The future revenue growth rate for the five year projection is included below:			
	Sector		
	Office	**4.00%-4.50%**	4.00%-7.00%

Inter-relationship between key unobservable inputs and fair value measurements

All other factors being equal, higher net operating income would lead to an increase in the valuation of an investment property and an increase in the capitalisation rate or discount rate would result in a lower valuation and vice versa.

Higher assumptions for rental rates and lower assumptions for operating costs, would result in an increase in projected net operating income, and thus an increase in valuation.

	30 June 2025	30 June 2024
	R `000	R `000
Sensitivity analysis to exit capitalisation rates		
Exit capitalisation rate increases by 1%	**(70,878)**	(63,351)
Exit capitalisation rate decreases by 1%	**85,865**	77,067
Sensitivity analysis to discount rates		
Discount rate increases by 1%	**(45,576)**	(40,988)
Discount rate decreases by 1%	**47,691**	43,016
Sensitivity analysis to vacancy rates		
Discount rate increases by 1%	**(18,716)**	(16,502)
Discount rate decreases by 1%	**15,523**	14,023

Notes to the Annual Financial Statements

Investment property continued...

Sensitivity analysis to expense rates		
Discount rate increases by 1%	**(4,273)**	(5,170)
Discount rate decreases by 1%	**3,617**	5,470
Sensitivity analysis to market rentals		
Market rental decreases by 1%	**(15,106)**	5,744
Market rental increases by 1%	**14,802**	(5,544)

6. Equipment

6.1 Balances for the period

	COMPANY		
Balance at 30 June 2025	**At cost**	**Accumulated depreciation**	**Carrying amount**
Equipment	**12,385**	**(7,752)**	**4,633**
Fixtures and fittings	**179**	**(156)**	**23**
Computer equipment	**847**	**(721)**	**126**
	13,411	**(8,629)**	**4,782**

Balance at 30 June 2024			
Equipment	11,234	(5,777)	5,457
Fixtures and fittings	179	(99)	80
Computer equipment	697	(678)	19
	12,110	(6,553)	5,557

6.2 Movements for the period

Movements for year ended 30 June 2025	**Carrying amount at 1 July 2024**	**Additions from acquisitions**	**Depreciation**	**Carrying amount at 30 June 2025**
Equipment	**5,446**	**1,151**	**(1,977)**	**4,621**
Fixtures and fittings	**91**	**-**	**(57)**	**34**
Computer equipment	**20**	**150**	**(43)**	**127**
	5,557	**1,301**	**(2,077)**	**4,782**

Movements for year ended 30 June 2024	**Carrying amount at 1 July 2023**	**Additions from acquisitions**	**Depreciation**	**Carrying amount at 30 June 2024**
Equipment	5,353	1,707	(1,614)	5,446
Fixtures and fittings	81	34	(24)	91
Computer equipment	110		(90)	20
	5,544	1,741	(1,728)	5,557

Notes to the Annual Financial Statements

7. Tenant installation

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
At cost	**28,552**	27,446
Accumulated depreciation	**(24,901)**	(22,655)
Carrying amount	**3,651**	4,791
Opening carrying amount	**4,791**	6,728
Additions	**949**	1,065
Transfer to held for sale	**-**	(390)
Depreciation	**(2,089)**	(2,612)
Closing carrying amount	**3,651**	4,791

8. Lease commissions

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Opening carrying amount	**2,609**	3,287
Commissions incurred during the year	**1,104**	1,123
Transfer to held for sale	**-**	(339)
Amortisation of letting commission	**(1,450)**	(1,462)
Closing carrying amount	**2,263**	2,609

9. Other receivables

Loans receivable consist of vendor financing, amounts in escrow and deferred receivables related to the sale of certain properties during the year.

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Non- Current		
Vendor financing		
• Auzilia Consulting Pty^	**-**	10,000
• Benav Properties Pty Ltd@	**-**	7,500
Expected credit loss	**-**	(56)
Total other receivables	**-**	17,444
Current		
Vendor financing		
• Auzilia Consulting Pty^	**-**	7,000
• Isibaya Properties Pty Ltd#	**-**	4,560
Expected credit loss	**-**	(160)
Total other receivables	**-**	11,400

Notes to the Annual Financial Statements

Other receivables continued...

The loan to Isibaya Properties (Pty) Ltd bears interest at prime plus 4% per annum and was repayable on 8 July 2023. To the extent interest has not been paid it will be capitalised to the loan and accrue interest thereon. A further agreement was entered into in September 2023. As per the agreement the debtor was required to make capital payments on a monthly basis for the period September 2023 to July 2024 in order to settle the loan balance. The outstanding loan balance was settled in full in August 2024.

@ The loan to Benav Properties (Pty) bears interest at prime. Interest is required to be settled as it becomes due, monthly in arrears. To the extent that the interest has not been paid when due, the unpaid interest will be capitalised and added to the capital balance of the loan. The outstanding loan balance was settled in full in April 2025.

^ The loan to Auzilia Properties (Pty) bears interest at prime plus 4%. To the extent that the interest has not been paid when due, the unpaid interest will be capitalised and added to the capital balance of the loan. The outstanding loan balance was settled in full in April 2025.

Impairment

An ECL allowance is recognised for all other receivables and is monitored at the end of each reporting period. All other receivables were settled in full during the current finacial year, and therefore no ECL was required in the current financial year.

Other receivables are written off when there is no reasonable expectation of recovery.

Credit rating framework and credit loss allowance

In order to determine the credit loss, management determines credit rating grades for each of the other receivables.

In cases where there are no external ratings available, management has determined internal grades as per the following:

Internal rating grade	**Definition**
Performing	Low risk of default and no amounts are past due
Significant increase in credit risk	30 days past due but less than 90 days past due and no historical default
Default	90 days or more past due

All loans were graded as performing in the prior year.

ECLs have been calculated in line with the general approach as follows in determining whether there has been an increase in the credit risk of the borrower. Should the receivable become more than 30 days past due, an assessment of the borrowers financial stability and ability to repay needs to be undertaken through the inspection of financial records and other available information. Where that assessment results in an inability to repay the loan, a significant increase in risk is identified and the ECL calculation in line with life time ECLs is applied. The lifetime ECL is effectively the sum of the expected life cycle of the asset' expected future loss after factoring in PDs based on a low, moderate and high scenarios and LGDs. Other receivables are only written off when a borrower has defaulted on the terms of the agreement or has ceased trading and has insufficient funds available to settle the borrowing. Discount rates used represent the interest rate attributable to the loan as per the requirements of IFRS 9. Changes in these discount rates do not have a material impact on the ECL calculation.

Notes to the Annual Financial Statements

10. Trade and other receivables

Trade and other receivables comprise:

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Trade receivables	**12,119**	6,570
Deposits	**2,873**	3,026
Tenant Recovery account	**5,552**	6,542
Other receivables	**14**	-
Allowance for impairment	**(8,843)**	(4,113)
Supplier and enterprise development loans	**1,001**	1,001
	12,716	13,026
Prepayments	**978**	2,882
	13,694	15,908
Total trade and other receivables	**13,694**	15,908

Exposure to credit risk

Trade and other receivables inherently expose the company to credit risk. The policies and procedures adopted by the company to manage credit risk arising from trade and other receivables are disclosed in Note 3 Risk management.

An expected credit loss allowance is recognised for all trade receivables and is monitored at the end of each reporting period

In applying the requirements of IFRS 9, the Group has considered both quantitative and qualitative factors in the determination of expected credit losses ("ECLs") on trade and other receivables. The Group applies the simplified approach to trade receivables, recognising lifetime ECLs from initial recognition

A provision matrix is utilised to determine the appropriate loss allowance, developed with reference to historical default experience and adjusted for forward-looking information. The matrix segments receivables by geographic region, debtor type (government, listed corporates, SMEs), arrears status and recent payment behaviour.

The definition of default is generally 90 days past due; however, management applies judgement for certain counterparties, such as government entities where payment practices are irregular but do not necessarily indicate credit impairment.

Probability of default (PD) assumptions are based on industry data, including publicly available statistics from Moody's, and are updated annually to reflect prevailing economic conditions. For the current year, PDs have been held broadly stable, taking into account the impact of the global recession.

Loss given default (LGD) assumptions are determined by reference to sector characteristics. For large listed entities, market-based LGD data is applied. For SMEs, management applies assumptions consistent with past recovery experience and market practice on unsecured credit. Specific LGD assumptions are applied to material exposures where appropriate.

Receivables are written off when there is no reasonable expectation of recovery. This typically arises when a debtor has been placed into liquidation, or when legal and financial assessments indicate that recovery actions would be uneconomical.

In developing the above assumptions, the Group exercises significant judgement. Key qualitative considerations include:

- the creditworthiness and payment history of individual tenants
- the industry and geographical exposure of counterparties;
- the treatment of government entities, where irregular payment practices do not necessarily equate to default; and
- adjustments for expected future economic conditions beyond historical experience.
- Collateral relating to bank guarantees and deposits from tenants was considered in the determination of the ECL.

Notes to the Annual Financial Statements

Trade and other receivables continued...

	COMPANY				
	Current	**30 days**	**60 days**	**Over 90 days**	**Total**
Tenant class	**R `000**	**R `000**	**R `000**	**R `000**	**R `000**
30 June 2025					
Government					
- gross carrying amount	**-**	**-**	**1,147**	**-**	**1,147**
- loss allowance (%)	**-**	**-**	**0.04**	**-**	**0.04**
- credit loss allowance	**-**	**-**	**(45)**	**-**	**(45)**
Net amount	**-**	**-**	**1,102**	**-**	**1,102**
Large listed					
- gross carrying amount	**5**	**-**	**5**	**-**	**10**
- loss allowance (%)	**0.15**	**-**	**0.63**	**-**	**0.41**
- credit loss allowance	**(1)**	**-**	**(3)**	**-**	**(4)**
Net amount	**4**	**-**	**2**	**-**	**6**
Small and medium enterprises					
- gross carrying amount	**8,796**	**-**	**1,021**	**10,585**	**20,402**
- loss allowance (%)	**0.01**	**-**	**0.26**	**0.80**	**0.43**
- credit loss allowance	**(65)**	**-**	**(262)**	**(8,466)**	**(8,793)**
Net amount	**8,731**	**-**	**759**	**2,119**	**11,609**
Total trade and other receivables					
- gross carrying amount	**8,801**	**-**	**2,173**	**10,585**	**21,559**
- loss allowance (%)	**0.16**	**-**	**0.93**	**0.80**	**0.88**
- credit loss allowance	**(66)**	**-**	**(310)**	**(8,466)**	**(8,843)**
Net amount	**8,735**	**-**	**1,863**	**2,119**	**12,716**

Notes to the Annual Financial Statements

Trade and other receivables continued...

	COMPANY				
	Current	**30 days**	**60 days**	**Over 90 days**	**Total**
Tenant class	**R `000**	**R `000**	**R `000**	**R `000**	**R `000**
30 June 2024					
Government					
- gross carrying amount	-	-	-	-	-
- loss allowance (%)	-	-	-	-	-
- credit loss allowance	-	-	-	-	-
Net amount	-	-	-	-	-
Large listed					
- gross carrying amount	-	2	-	-	2
- loss allowance (%)	-	0.37	-	-	-
- credit loss allowance	-	-	-	-	-
Net amount	-	2	-	-	2
Small and medium enterprises					
- gross carrying amount	11,955	193	122	4,867	17,137
- loss allowance (%)	0.74	0.50	0.82	0.90	24.00
- credit loss allowance	15	(65)	(100)	(3,963)	(4,113)
Net amount	11,970	128	22	904	13,024
Total trade and other receivables					
- gross carrying amount	11,955	195	122	4,867	17,139
- loss allowance (%)	0.74	0.87	0.82	0.90	24.00
- credit loss allowance	15	(65)	(100)	(3,963)	(4,113)
Net amount	11,970	130	22	904	13,026

Reconciliation of credit loss allowance

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Opening balance	**(4,113)**	(4,376)
Amounts written off	**4**	1,887
Loss allowances on new trade receivables	**(775)**	(1,637)
(Increase)/decrease on existing allowances	**(3,959)**	13
Closing balance	**(8,843)**	(4,113)

Notes to the Annual Financial Statements

11. Investment property held for sale

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Opening balance	**59,500**	60,000
Transferred from investment property	**-**	79,318
Transfer to investment property	**(47,500)**	-
Transfer of tenant installations	**-**	390
Transfer of lease commissions	**-**	339
Fair value adjustments	**-**	(20,862)
Loss on disposal of investment property	**-**	(6,034)
Straight Lining adjustment	**-**	315
Disposals *	**(12,000)**	(53,966)
Closing balance	**-**	59,500

*Disposal amount includes non cash items

Breakdown of closing balance		
Cost	**-**	79,319
Cumulative Straight lining adjustment	**-**	315
Cumulative fair value adjustment	**-**	(20,862)
Cumulative Tenant Installations	**-**	390
Cumulative commissions	**-**	339
Closing balance	**-**	59,500

The items classified as held for sale comprise investment properties. At the end of the current financial year, no investment properties were classified as held for sale.

12. Cash and cash equivalents

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Cash and cash equivalents comprise:		
Cash balances	**12,906**	230,882
Cash held on nostro*	**-**	209,089
	-	209,089

* Texton Property Investments UK Limited, a subsidiary of Texton, transferred cash to Texton on 28 June 2024 (being the last day of the financial year). Legislature requires a Balance of Payments("BOP") form to be completed when funds are transferred from abroad, as soon as that form is completed the funds reflect immediately in the designated bank account. At 30 June 2024, the related BOP form had not been completed and as a resulted the funds were held in nostro with Investec.

As Texton controls the cash held in nostro with completing the BOP form and as Texton has rights to the cash, the funds transferred were recognised as cash and cash equivalents and the funds are readily convertible to known amounts of cash. The BOP forms were completed subsequent to year end.

Cash and cash equivalents comprise amounts which are immediately available and the carrying amounts are equivalent to the fair values.

All cash reserves are placed with reputable financial institutions. The bank's credit ratings are shown below which have an estimated potential default rating of zero, therefore expected credit loss of nil was raised.

Absa	Baa3 (Moody's Investor Services)
Standard Bank	Baa3 (Moody's Investor Services)
Investec	Baa3 (Moody's Investor Services
Nedbank	Baa3 (Moody's Investor Services)

Notes to the Annual Financial Statements

13. Share capital

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Authorised		
2 000 000 (2024: 2 000 000) ordinary shares of no par value		
Issued		
330 059 664 (2024: 330 059 664) ordinary shares of no par value	**(2,726,058)**	(2,992,391)

	COMPANY	
	30 June 2025	**30 June 2024**
	R'000	**R'000**
13.1 Share capital		
Ordinary shares of no par value		
Opening balance	**2,992,391**	3,066,027
	-	(157,133)
Less: Shares repurchased and cancelled	**-**	(155,435)
Less Transaction costs relating to repurchase	**-**	(1,698)
Less: Shares repurchased	**-**	(307)
	(97)	83,804
Add: Shares Issued (Rights issue)	**-**	85,000
Less: Transaction costs relating to the rights issue	**-**	(1,196)
Less: Cost relating to the prior year rights issue	**(97)**	-
Less: Return of contributed tax capital	**(266,236)**	-
	-	-
Closing balance	**2,726,058**	2,992,391

• Return of contributed tax capital
In April 2025, the Board considered that it had excess cash available in the business and accordingly, approved an declared a further distribution of which resulted in a capital reduction of the "contributed tax capital" of 79.87 cents per Ordinary share.

	COMPANY	
	30 June 2025	**30 June 2024**
	Number of shares	**Number of shares**
13.2 Share reconciliation		
Ordinary shares of no par value		
Opening balance	**330,059,664**	363,552,348
Less: Shares repurchased and cancelled		(72,129,048)
Less Shares repurchased	**-**	-
Add: Rights Issue	**-**	38,636,364
	330,059,664	330,059,664
Less: Treasury Shares	**(108,156)**	(108,156)
Closing balance	**329,951,508**	329,951,508

14. Unlisted investments

Unlisted investments comprise the following balances

Texton has invested in Cadre Real Estate Investments, as set out below

2025	**Fair value Hierarchy**	**Commitment**	**Undrawn Commitment**	**Market Value**	**Market Value**	**Dividend income**
US Investments		**$'000**	**$'000**	**$'000**	**R'000**	**R'000**
Cadre Real Estate Investment* **	**Level 3**	**5,000**	**-**	**2,673**	**47,365**	**-**
		5,000	**-**	**2,673**	**47,365**	**-**

2024	**Fair value Hierarchy**	**Commitment**	**Undrawn Commitment**	**Market Value**	**Market Value**	**Dividend income**
US Investments		**$'000**				
Cadre Real Estate Investment***	Level 3	5,000	1,874	2,884	49,236	263
		5,000	1,874	2,884	49,236	263

2025	**Opening Balance**	**Acquisitions**	**Fair Value**	**Interest Received**	**Closing Value**
Cadre real estate investments* **	**49,236**	**-**	**(6,377)**	**4,505**	**47,365**
	49,236	**-**	**(6,377)**	**4,505**	**47,365**

2024	**Opening Balance**	**Acquisitions**	**Fair Value**	**Interest Received**	**Closing Value**
Cadre real estate investments***	57,408	751	(13,273)	4,350	49,236
	57,408	751	(13,273)	4,350	49,236

Cadre Real Estate Investment***

Texton has invested alongside Cadre Real Estate Management, where we have entered into an investment advisory agreement to commit capital to Cadre for investments in real estate in the United States of America (“US “or “USA”). These investments will be targeted towards compelling assets with downside protection, specifically focusing on multi family, industrial, select office and select hospitality assets. The
capital call period expired during the year and therefore, there is no longer an undrawn commitment for this fund.

Notes to the Annual Financial Statements

15. External loans and derivative financial instruments

Summary

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Standard Bank Limited (note 15.1)	**521,296**	582,738
Investec Private Bank Limited (note 15.2)	**147,682**	152,477
	668,978	735,215
	668,978	735,215
Non-current portion	**626,941**	152,197
Current portion	**42,037**	583,018
	668,978	735,215

15.1 Standard Bank Limited

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Carried at amortised cost	**644,182**	661,622
Less cash available in rolling credit facility*	**(122,575)**	(78,356)
Carried at amortised cost	**521,607**	583,266
Net structuring fees capitalised to loan	**(311)**	(528)
	521,296	582,738
Amounts to be settled within 12 months included in current liabilities	**(41,815)**	(582,738)
	479,481	-

Facility	**Maturity date**	**Variable base rate**	**Margin %**	**30 June 2025 R `000**	**30 June 2024 R `000**
R150.0 million (2024: 150.0 million)*	30 June 2027	Prime	(1.55)	**27,425**	71,706
R103.7 million (2024: R103.7 million)	30 September 2025	3m JIBAR	2.10	**41,815**	58,802
R452,5 million (2024: R452.5 million)	30 September 2026	3m JIBAR	2.25	**452,367**	452,758
				521,607	583,266

**R150.0 million(June 2024: R 150.0 million) rolling credit facility. R44.2million was deposited into the the facility during the year and R122.5 million(2024:R78.3 million) is available for drawdown.*

Texton has a security SPV, Imvula Income RF Proprietary Limited, in which all South African mortgage bonds are registered. Imvula then issues guarantees to the various funders. Guarantees relate to the company's own liabilities which are already fully disclosed.

The Standard Bank loans are secured by mortgage bonds over land and buildings located in South Africa with a value of R1,266 million (2024: R1,226.3 million).

External loans and derivative financial instruments continued...

15.2 Investec Private Bank Limited

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Carried at amortised cost	**185,096**	185,154
Less cash available in rolling credit facility*	**(37,174)**	(32,285)
Carried at amortised cost	**147,922**	152,869
Net structuring fees capitalised to loan	**(240)**	(392)
	147,682	152,477
Amounts to be settled within 12 months included in current liabilities	**(222)**	(280)
	147,460	152,197

				COMPANY	
Facility	**Maturity date**	**Variable base rate**	**Margin %**	**30 June 2025** **R `000**	**30 June 2024** **R `000**
R125.0 million (2024: R125.0 million)	31 March 2027	Prime	-0.75	**124,874**	125,154
R60.0 million (2024: R60.0 million)*	31 March 2027	Prime	-0.75	**23,048**	27,715
				147,922	152,869

* R60.0 million (June 2024: R 60.0 million) rolling credit facility. R4.9m has been deposited into the facility during the year and R37,1million (2024: R32.3 million)is available for draw down.

Texton has a security SPV, Imvula Income RF Proprietary Limited, in which all South African mortgage bonds are registered. Imvula then issues guarantees to the various funders.

The Investec loan is secured by mortgage bonds over land and buildings located in South Africa with a value of R410.4 million (2024: R386.3 million).

Notes to the Annual Financial Statements

External loans and derivative financial instruments continued...

15.3 Bank covenants

	Transaction covenant	Actual covenant	Transaction covenant	Actual covenant	Transaction covenant	Actual covenant	Transaction covenant	Actual covenant
	Group Loan-to-value		Facility Loan-to-value		Group interest cover		Facility interest cover	
Funder								
2025								
Standard Bank	50%	25.3%	55%	43.0%	1.9 times	2.29 times	1.65 times	1.87 times
Investec	50%	25.3%	-	-	1.8 times	2.29 times	-	-
2024								
Standard Bank	50%	27.4%	55%	48.0%	2.0 times	1.98 tmes	1.75 times*	1.73 times
Investec	50%	27.4%	-	-	1.8 times	1.98 tmes	-	-

Standard Bank

There were no covenant breaches with Standard Bank during the as at 30 June 2025

*During the year, as part of the refinancing of facility B (the Rolling credit facility), the ICR at facility level was reduced as follows:

- For each measurement period commencing on 30 June 2024- 31 December 2024. 1.60 times
- For each measurement period commencing on 1 January 2025- 30 June 2025. 1.65 times
- For each measurement period commencing on 30 June 2025 and thereafter. 1.75 times

During FY 2024, Texton did not meet the Standard Bank ICR at the facility level based on the interim results for 31 December 2023. However, this covenant breach was condoned by Standard Bank until 30 June 2024.

Investec

There were no covenant breaches with Investec during the year.

Managing interest rate benchmark refrom and associated

External loans and derivative financial instruments continued...

The global reform of interest benchmarks includes the replacement of some offered rates with alternative benchmark interest rates. As part of this global initiative, the Johannesburg Interbank Average Rate ("JIBAR") is being replaced by the South African Rand Overnight Index Average ("ZARONIA") as the new alternative benchmark rate. Following a year long market observation period, the South African Reserve Bank (SARB) on 3 November 2023 announced that ZARONIA may henceforth be used in financial contracts. The SARB will determine the appropriate time for ceasing the publication of Jibar, which will be preceded by an announcement of the event and the Jibar cessation date. The contracts affected the transition are set out in the table below.

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Liabilities exposed to ZAR JIBAR maturing after 30 June 2025		
External Loans	**(494,182)**	(524,011)
Total	**(494,182)**	(524,011)

16. Deferred tax

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Deferred tax liability	**3,102**	3,102
Deferred tax liability comprises:		
Capital allowances	**3,102**	3,102
The movement in deferred tax during the year is as follows:		
Opening balance	**3,102**	3,102
Recognised in profit or loss	**-**	-
Closing balance	**3,102**	3,102

South Africa

The Group is a REIT as defined by S25BB of the South African Income Tax Act which allows a deduction of the qualifying distribution to shareholders, limited to taxable income. To the extent that no tax will become payable in future as a result of Section 25BB, no deferred tax was recognised on assessed losses and items such as IFRS accounting adjustments. Deferred tax is not recognised on the fair value adjustment of investment properties as capital gains tax is not applicable in terms of S25BB. In addition, Section 25BB does not allow for allowances relating to immovable property. Allowances granted in prior years, before becoming a REIT must be recouped in the year the immovable property is sold. A deferred tax liability will be recognised on the recoupment to the extent it will result in a tax liability after the qualifying distribution deduction.

The corporate tax rate is 27%

17. Trade and other payables

Trade and other payables comprise:

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Financial instruments		
Trade and other payables	**2,838**	5,320
Deposits received	**6,962**	6,738
Accrued expenses	**7,086**	6,797
Other payables	**812**	1,803
Adjustment accounts related to sold buildings	**2**	649
Non-financial instruments		
Income received in advance	**7,086**	6,284
VAT payable	**1,990**	1,317
Total trade and other payables	**26,777**	28,907

Notes to the Annual Financial Statements

18. Loans to subsidaries

All loans made by Texton to its subsidiaries are measured at amortised cost.

IFRS 9 has been applied to all loans made by Texton to a subsidary

The expected credit losses have been calculated in line with the company's methodology.

Where a significant increase in credit risk is identified, the ECL is calculated based on the life time expected credit loss, otherwise a 12 month expected credit loss is determined.

In determining whether there has been an increase in credit risk of the borrower, the company assesses the financial records of the borrowing entity and their ability to repay the loan.

Life time expected credit losses are determined by taking into account the current loan balance as well as future charges relating to the loan such as interest etc. Future costs are then present valued to the reporting date in order to calculate the expected credit loss relating to the loan.

Where that assessment results in an inability to repay the loan, a significant increase in risk is identified and the expected credit loss calculation in line with life time expected credit losses is applied.

The lifetime expected loss is effectively the sum of the 10 years expected future loss after factoring in Probability of defaults ("PDs") based on a low, moderate and high scenarios and Loss given defaults ("LGSs"). The PD is based on the same 12-month PDs used in Trade Receivables due to the demand feature in the loans receivable. The PD is multiplied by a factor when there is significant increase in the credit risk on the loan. The LGD used is based on the difference between Total assets and Total Liabilities. Discount factor used is based on the terms of the loans. The different scenarios used have different probabilities assigned to them as well as their effects on PDs.

Discount rates used represent the interest rate attributable to the loan as per the requirements of IFRS 9 and any changes in these discount rates do not have a material impact on the expected credit loss calculation.

Loans to Group companies are only written off when when a borrower has defaulted on the terms of the loan or has ceased trading and has insufficient funds available to settle the loan.

Credit rating framework and credit loss allowance

In order to determine the credit loss allowances, management determine credit rating grades of each loan. In cases where external ratings are not available, management have determined internal grades as per the following table:

Loans to subsidaries continued...

Internal rating grade	Definition
Performing	Low risk of defaults and no amounts are past due.
Doubtful low risk	30 days past due but less than 90 days past due and no history of default or where there is an impairment of the investment of the subsidiary due to a decrease in the fair value of the underlying properties.
Doubtful high risk	30 days past due but less than 90 days past due and has history of default or where there is an impairment of the investment of the subsidiary due to a significant decrease in the fair value of the underlying properties.
In default	90 days or more past due or where the investment in subsidiary is written off.

The following loans' credit risk were assessed and it was determined that they are performing well as there has not been a deterioration in credit risk since the loans were originated. Therefore, the expected credit loss allowance was limited to the 12-month expected credit loss. No material expected credit loss was accounted for on these loans:

- Nungu Trading 88 Proprietary Limited
- TP US Investments LLC

The following loans were considered as having a significant increase in credit risk and have been categorised in the category "doubtful high risk". Therefore the expected credit loss allowance recognised during the period was the lifetime expected credit loss:

- Discus House Trading Proprietary Limited
- Texstores Propriety Limited

		30 June 2025			**30 June 2024**		
Company	**Basis of loss allowance**	**Gross carrying amount R'000**	**Credit loss allowance R'000**	**Amortised cost R'000**	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost R'000
Non-current assets							
TP US Investments LLC	12 month ECL	**34,187**	**(6,496)**	**27,691**	31,240	-	31,240
		34,187	**(6,496)**	**27,691**	31,240	-	31,240

Notes to the Annual Financial Statements

Loans to subsidiaries continued...

		30 June 2025			30 June 2024		
Company	**Basis of loss allowance**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**	Gross carrying amount	Credit loss allowance	Amortised cost
		R'000	**R'000**	**R'000**	R'000	R'000	R'000
Current assets							
Discus House Proprietary Limited*	Lifetime ECL	**163,880**	**(131)**	**163,749**	195,182	(4,144)	191,038
Nungu Trading 88 Proprietary Limited	12 month ECL	**4,433**	**-**	**4,433**	4,659	(44)	4,615
Texstores Propriety Limited	Lifetime ECL	**4,573**	**(692)**	**3,881**	1,701	-	1,701
		172,886	**(823)**	**172,063**	201,542	(4,188)	197,354
Current liabilities							
Investage 183 Proprietary Limited*		**(165,686)**	**-**	**(165,686)**	(159,986)	**-**	(159,986)
Imperial Comm Props Proprietary Limited*		**(74,744)**	**-**	**(74,744)**	(74,800)	**-**	(74,800)
		(240,430)	**-**	**(240,430)**	(234,786)	**-**	(234,786)

Reconciliation of credit loss allowances

30 June 2025

	Gross carrying amount	**12-month Expected credit loss/(reversal)**	**Lifetime expected credit loss (originated not credit impaired)**	**Total**
	R'000	**R'000**	**R'000**	**R'000**
Opening balance	**(2,003)**	**(6,496)**	**(823)**	**(9,323)**
Loans advanced to subsidiary- cash	**(10,343)**	**-**		**(10,343)**
Loans repaid by subsidiary- cash	**(49,573)**	**-**	**-**	**(49,573)**
Repayment of loans by subsidiary- non cash	**28,564**	**-**	**-**	**28,564**
Current year allowance	**-**	**-**		**-**
	(33,355)	**-**	**(823)**	**(40,675)**

Loans to subsidiaries	**199,754**
Loans from subsidiaries	**(240,430)**
	(40,676)

Loans to subsidaries continued...

30 June 2024

	Gross carrying amount	12-month Expected credit loss	Lifetime expected credit loss (originated not credit impaired)	Total
	R'000	R'000	R'000	R'000
Opening balance	11,746	-	(6,309)	5,436
Loans advanced to subsidiary- cash	6,004	-		6,004
Loans repaid by subsidiary- cash	(42,143)	-	-	(42,143)
Repayment of loans by subsidiary- non cash	22,390	-	-	22,390
Current year allowance	-	-	2,121	2,121
	(2,003)	-	(4,188)	(6,192)

Loans to subsidiaries	228,594
Loans from subsidiaries	(234,786)
	(6,192)

Notes to the Annual Financial Statements

19. Investment property income

	COMPANY	
	30 June 2025	**30 June 2024**
	R `000	**R `000**
Rental income	**136,964**	**142,862**
Recoveries of utilities from tenants	**41,792**	**41,671**
	178,756	**184,533**

20. Dividends recieved from subsidiaries

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Dividends recieved from subsidiaries	**40,024**	35,767
Total distribution	**40,024**	35,767

21. Property expenses

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Cleaning	**2,653**	2,537
Commissions amortised	**1,450**	1,462
Depreciation - Fixed assets	**2,033**	1,601
Depreciation- Tenant installation	**2,089**	2,612
Electricity consumption	**22,873**	22,305
Gardens and landscaping	**1,116**	1,049
Insurance	**2,143**	2,230
Levies	**3,448**	3,260
Other municipal charges	**1,507**	2,080
Other property related expenses*	**4,754**	7,226
Property management fees	**4,299**	4,427
Rates and taxes	**19,761**	19,592
Repairs and maintenance	**2,490**	3,566
- Recovered from tenants	**-**	-
- Not recovered from tenants	**2,490**	3,566
Security	**5,398**	5,087
Fire detection	**18**	18
Water consumption	**1,904**	2,440
	77,936	81,492

* Other property-related expenses includes consumables, legal and professional fees, lift and air-conditioning contracts among others.

22. Audit fee

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Audit fee	**2,226**	2,100
	2,226	2,100

Notes to the Annual Financial Statements

23. Other income

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Sundry income	**(69)**	322
Dividends received	**22**	263
Reversal of impairment	**2,435**	5,867
Asset management fees	**6,575**	6,791
	8,963	13,243

24. Finance income

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Investment income	**4,505**	4,350
Bank and other cash	**6,794**	6,227
Subsidiaries	**3,645**	3,888
	14,944	14,465

25. Finance costs

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Amortised cost		
Standard Bank Limited (variable)	**58,051**	70,554
Investec Private Bank Limited (variable)	**13,145**	13,821
Banks and other	**15**	83
Amortisation of structuring costs	**1,415**	1,680
	72,626	86,138

26. Fair value adjustments

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Investment property	**94,266**	(8,092)
Loss on disposal of property	**-**	(6,063)
Share based payment expense	**(3,269)**	(1,145)
Financial instruments at fair value through profit or loss		
Fair value- revaluation on Investments	**(6,377)**	(13,273)
	84,620	(28,573)

27. Income Tax

Income tax recognised in profit or loss:

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
South African normal tax expense		
Current year	**-**	-
Deferred Tax	-	-
	-	-

Notes to the Annual Financial Statements

Income Tax continued...

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Profit/(loss) before income tax	**129,369**	4,723
Income tax statutory rate-27%	**(34,930)**	(1,275)
Effect of items that are exempt from taxation		-
Fair value adjustments on investment properties	**25,452**	(5,221)
Fair value adjustments on unlisted investments	**(1,722)**	(2,185)
Effect of difference in tax treatment of items		
Amortization, depreciation and wear and tear	**1,380**	2,963
Pre-paid expenditure	**208**	31
ECL and Bad debt	**(1,935)**	(46)
Movement in provisions	**237**	(165)
Amounts received in advance	**(217)**	91
Other	**(277)**	858
Non-deductible expenses	**(854)**	(6,223)
Non- Taxable items	**(1,107)**	(2,432)
S6Quat rebates	**2,385**	2,938
Current year assessed loss not recognised		-
CFC	**(6,559)**	(6,884)
Qualifying section 25BB REIT distribution	**17,939**	17,550
	0	(0)
Effective tax rate	**0.00%**	0.00%

*The prior year comparative figures have been restated to align with the current year's presentation and classification

South African laws

The income tax for the period comprises current and deferred income tax and is recognised in profit or losss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it will also be recognised in other comprehensive income or directly in equity as applicable. The company is a REIT and all subsidiaries in the company are "controlled companies" (as defined by the Income Tax Act"). The company applies judgement in determining what sources of income constitute "rental income" as defined by S25BB of the Income Tax Act.

Notes to the Annual Financial Statements

28. Cash generated by operations

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Profit/(loss) before tax	**129,369**	4,723
Adjusted for:		
Depreciation-Fixed assets	**2,076**	1,728
Depreciation-Tenant installation	**2,089**	2,612
Amortization-Lease commission	**1,450**	1,462
Impairment allowance	**7,317**	4,390
Dividends received	**(40,046)**	(36,020)
Finance income	**(14,944)**	(14,465)
Straight line adjustment	**2,991**	6,995
Finance costs	**72,626**	86,138
Fair value adjustments	**(87,889)**	21,365
Share-based payment expense	**3,269**	1,145
Unrealised foreign exchange (gains)/loss	**-**	1,545
Profit/ loss of disposal of assets	**-**	6,034
Leave pay provision	**(876)**	611
Non cash flow items*	**969**	(3,629)
Structure fees amortised	**309**	1,680
Reversal of impairment on joint venture	**(2,435)**	-
Impairment of investments	**-**	**-**
Cash generated before working capital changes	**76,275**	86,314
Changes in working capital:		
- Decrease/ (Increase) in trade and other receivables	**(1,907)**	6,911
- Increase/ (Decrease) in trade and other payables	**(1,253)**	1,638
Cash generated by operations	**73,115**	94,863

***Non cash flow items includes transactions settled through share subscriptions, movements in the intercompany loan accounts and costs capitalised to the external loan accounts**

Notes to the Annual Financial Statements

29. Liabilities arising from financing activities

Non-cash changes

COMPANY

	1 July 2023	Net repayment Cashflow*	Non cash repayment	Changes in fair values	Structuring fees amortised	Interest accrual	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
30 June 2025							
Non-current interest bearing borrowings	**662,788**	**(81,723)**	**15,533**	-	**371**	**(418)**	**596,551**
Current interest bearing borrowings	**72,427**			-		**-**	**72,427**
Total liabilities from financing activities	**735,215**	**(81,723)**	**15,533**	-	**371**	**(418)**	**668,978**
30 June 2024							
Non-current interest bearing borrowings	555,154	89,514	(35,243)	-	820	(709)	662,788
Current interest bearing borrowings	125,679	-		-			72,427
Total liabilities from financing activities	680,833	89,514	(35,243)	-	820	(709)	735,215

***Reconciliation of cash flow**

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Proceeds from other financial liabilities	**33,000**	219,245
Repayments of other financial liabilities	**(114,723)**	(129,731)
	(81,723)	89,514

Notes to the Annual Financial Statements

30. Dividends paid and return of capital

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Dividends	**(132,874)**	(56,136)

Texton is a listed REIT and as per section 13.47(a) of the JSE Listings Requirements, a REIT issuer is required to "distribute at least 75% of its total distributable profits as a distribution to the holders of its listed securities (which includes shares and linked units) by no later than four months after its financial year-end, subject to the solvency and liquidity test as defined in the Companies Act and applied in section 46 of the Act"

The Board of Texton declared a special gross dividend of 20.13 cents per ordinary share (out of income reserves from the 2025 financial year profits of the Company) during May 2025.

In addition to the declaration of the May 2025 dividend, the Board considered that the Group had excess cash available in the business and accordingly, the Board announced that it approved and declared a further distribution which resulted in a capital reduction of the contributed tax capital (as such term is defined in the Income Tax Act) of the Company of 79.87 cents per ordinary share

The Board of directors of Texton (“the Board”) is pleased to announce that it has approved and declared a further distribution which will result in a capital reduction of the “contributed tax capital” (as such term is defined in the Income Tax Act) of the Company of 63.74 cents per ordinary share ("Return of CTC”), subject to the required South African Reserve Bank approval being obtained for the declaration of the

31. Dividends received

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Dividends receivable opening balance	**(35,767)**	(54,871)
Dividends from subsidiaries and company entities	**35,767**	54,871
Dividend receivable from subsidiaries at year end	**(40,024)**	(35,767)
Dividend settled by subsidiaries	**40,024**	35,767
Dividends received	**-**	-

*The dividends are settled through the intercompany loan accounts.

Notes to the Annual Financial Statements

32. Commitments

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Operating leases - as lessor (income)		
Minimum lease payments receivable		
- Within one year	**141,579**	123,613
- Second year	**73,769**	69,329
- Third year	**84,635**	42,456
- Fourth year	**103,531**	27,085
- Fifth year	**75,969**	21,228
- Later than 5 years	**110,080**	36,384
Contractual cash inflows	**589,563**	320,094
- straight line rental adjustment	**13,851**	16,842
Future book revenue	**603,414**	336,936

Operating lease income represents rentals received by the Company for its properties. Rentals on the properties escalate at an average rate of 4.95% per annum (2024: 8.00%).

Capital Commitments [IAS40]		
Capital improvements in respect of Investment Properties:		
Approved and committed	**-**	-
Approved and uncommitted	**11,945**	23,538
	11,945	23,538

Capital Commitments		
Capital improvements in respect of unlisted investments		
Approved and committed*	**-**	33,140
Approved and uncommitted		-
	0	33,140

*The capital call period expired during the year and therefore, there is no longer an undrawn commitment for this fund.

Operating Expense Commitments [IAS40]		
Contractual commitments in respect of general maintenance to investment property:		
- Within one year	**2,848**	3,604
- Two to five years	**1,764**	193
- Later than 5 years	**-**	-
	4,612	3,797

Notes to the Annual Financial Statements

33. Related parties

Related party relationships exist between the Company, its subsidiaries, directors, and key management of the company.

Refer to the Director's report for list of subsidiaries, Group entities and joint ventures.

Related through common shareholding/directorship or affilated with related parties

Oak Tech Trading (Pty) Ltd	Oak Tech Trading (Pty) Ltd has 97,214,624 ordinary shares pledged as security for 42 months relating to borrowings in the amount of R99,2 million as at 30 June 2025. The shareholders of Oak Tech Trading (Pty) Ltd are Kloof Capital South Africa (Pty) Ltd and Geomer Investments (Pty) Ltd. Robert Franco and Marcel Golding, who are non-executive directors of Texton, are the ultimate shareholders of Kloof Capital South Africa (Pty) Ltd and Geomer Investments (Pty) Ltd, respectively.
Kloof Capital (Pty) Ltd	During the current year, Texton Group paid consulting and rental fees of R737,629 (2024:R1,296,802) to the related party.
Rex Trueform Group Limited	Rex Trueform Group Limited is a related party through common shareholding of Marcel Golding. An amount of R96 659 was paid to Rex Trueform as an underwriter fee.

33.1 Inter-company transactions

	Loans receivable/ (Payable) R'000	Interest (received)/ Paid R'000	Distributions R'000	Distribution receivables R'000	Rent receivable R'000
30 June 2025					
Discus House Proprietary Limited	**163,749**	**-**	**23,034**	**(23,034)**	**-**
Imperial Comm Props Proprietary Limited	**-**	**-**	**-**		**-**
Investage 183 Proprietary Limited	**-**	**-**	**12,831**	**(12,831)**	**-**
Nungu Trading 88 Proprietary Limited	**4,433**	**-**	**3,646**	**(3,646)**	**-**
TP US Investments LLC	**27,691**	**-**			
Texstores Propriety Limited	**3,881**	**-**	**513**	**(513)**	**1,430**
	199,754	**-**	**40,024**	**(40,024)**	**1,430**

	Loans R'000	Interest received/ R'000	Distributions R'000	Distribution receivables R'000	Rent receivable R'000
30 June 2024					
Discus House Proprietary Limited	191,038	-	(16,126)	(16,126)	-
Imperial Comm Props Proprietary Limited	(74,800)	-	-	-	-
Investage 183 Proprietary Limited	(159,986)	-	(17,723)	(17,723)	-
Nungu Trading 88 Proprietary Limited	4,615	-	(1,918)	(1,918)	-
TP US Investments LLC		(3,888)	-	-	755
Texstores Propriety Limited	1,701			-	
	(37,432)	(3,888)	(35,767)	(35,767)	755

Notes to the Annual Financial Statements

Related parties continued...

33.2 Compensation paid to directors and prescribed officers

30 June 2025	Fees paid R `000	Salaries, bonuses and performance related payments R `000	Total remuneration R `000	IFRS 2 Charge R'000	Total remuneration R `000
Executive Directors					
HSP Welleman*	-	**7,087**	**7,087**	**1,806**	**8,893**
J H Rens*	-	**6,709**	**6,709**	**1,550**	**8,259**
Non-executive Directors					
MA Golding (Chairman)	**464**	-	**464**	-	**464**
R Franco	**-**	-	**-**	-	**-**
Independent Non-executive Directors					
AJ Hannington	**355**	-	**355**	-	**355**
JR Macey	**437**	-	**437**	-	**437**
W Van der Vent	**328**	-	**328**	-	**328**
Total compensation paid to directors and prescribed officers	**1,583**	**13,796**	**15,379**	**3,356**	**18,735**

*This amount includes a payment relating to the return of capital

Notes to the Annual Financial Statements

Related parties continued...

30 June 2024	Fees paid R `000	Salaries, bonuses and performance related payments R `000	Total remuneration R `000	IFRS 2 Charge R'000	Total remuneration R `000
Executive Directors					
HSP Welleman	-	3,708	3,708	658	4,366
Non-executive Directors					-
MA Golding (Chairman)	464	-	464	-	464
R Franco	-	-	-	-	-
Independent Non-executive Directors					-
AJ Hannington	355	-	355	-	355
JR Macey	437	-	437	-	437
W Van der Vent	300	-	300	-	300
S Thomas~	328	-	328	-	328
	-	-	-	-	-
Total compensation paid to directors and prescribed officers	**1,884**	**3,708**	**5,592**	**658**	**6,250**

~ S Thomas resigned as a director on 1 July 2024

Notes to the Annual Financial Statements

Related parties continued...

33.3 Directors' holdings

30 June 2025	**Direct**	**Indirect**	**Total**	**% holding**
MA Golding*	-	**61,856,844**	**61,856,844**	**18.74%**
JR Macey	**5,744**	**36,925**	**42,669**	**0.01%**
R Franco*	-	**137,408,024**	**137,408,024**	**41.63%**
	5,744	**199,301,793**	**199,307,537**	**60%**

30 June 2024	Direct	Indirect	Total	% holding
MA Golding*	-	61,856,844	61,856,844	14.26%
AJ Hannington	-	-	-	-
JRMacey#	5,744	36,925	42,669	0.01%
R Franco*	-	137,408,024	137,408,024	32.89%
S Thomas	-	-	-	-
HSP Welleman	-	-	-	-
	5,744	199,301,793	199,307,537	47.%

*MA Golding owns 55% and RA Franco owns 45% of Oak Tech

#In the 2024 financial statements, the direct shareholding for JR Macy had been reflected as zero. The direct shareholding for JR Macey is 5,744 and has been corrected above.

34. Risk management

The company's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, amounts due from subsidiaries, company entities and third parties, trade and other receivables and trade and other payables.

The company has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Credit risk; and
- Market risk.

While risk management is the ultimate responsibility of the Board of Directors, the Board has delegated this responsibility to the Audit and Risk Committee which is responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to ensure:

- improved risk management and control;
- the efficient allocating of funds to maximise returns;
- the maintenance of acceptable levels of risk within the company as a whole; and
- efficient liquidity management and control of funding.

The Audit and Risk Committee reviews Management's compliance with the company's risk policies and procedures and assesses the adequacy of the risk management framework. The Committee reports regularly to the Board of Directors.

Notes to the Annual Financial Statements

Risk management continued...

34.1 Classification of financial instruments

The table below sets out the company's accounting classification of each class of financial asset and liability.

		COMPANY			
		At amortised cost		Fair value through profit or loss	
	Note	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Financial assets					
Loans to subsidiaries	18	**172,063**	197,354	**-**	-
Unlisted Investments	14		-	**47,365**	49,236
Trade and other receivables	10	**20,558**	16,138	**-**	-
Cash and cash equivalents	12	**12,906**	230,882	**-**	-
		205,527	444,374	**47,365**	49,236
Financial liabilities					
External loans and derivative financial instruments	15	**668,978**	735,215	**-**	-
Loan from subsidiary	18	**240,430**	234,786	**-**	-
Trade and other payables	17	**17,701**	21,306	**-**	-
		927,109	991,307	**-**	-

34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company ensures that it always has adequate funds available and seeks to borrow for as long as possible at the lowest cost. Liquidity requirements are managed by monitoring forecasted cash flows and the maturity profile of financial liabilities.

A maturity analysis of financial liabilities is set out in the table below.

	COMPANY			
	Carrying amount	Contractual cash flows	Less than 1 year	2 - 5 years
	R `000	R `000	R `000	R `000
30 June 2025				
Non-interest bearing	**17,701**	**17,701**	**17,701**	-
Fixed interest rate instruments	**-**	**-**	**-**	-
Variable interest rate instruments	**668,978**	**750,223**	**91,614**	**658,609**
Non-derivative financial liabilities	**686,679**	**767,924**	**109,315**	**658,609**
30 June 2024				
Non-interest bearing	21,306	21,306	21,306	-
Fixed interest rate instruments	-	-	-	-
Variable interest rate instruments	735,215	904,618	150,097	754,521
Non-derivative financial liabilities	756,521	925,924	171,403	754,521

Notes to the Annual Financial Statements

Risk management continued...

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return. The company enters into derivatives and incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Audit and Risk Committee.

Interest rate risk

The company is exposed to interest rate risk as it borrows funds at variable interest rates.

	COMPANY	
	30 June 2025	30 June 2024
Fixed rate instruments		
Financial liabilities	**-**	-
	-	-
Variable rate instruments		
Financial assets	**33,464**	247,020
Financial liabilities	**(668,978)**	(735,215)
	(635,514)	(488,195)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in the interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Effect on equity and profit or loss		
50 bps increase	**(3,178)**	(2,441)
50 bps decrease	**3,178**	2,441

The company adopts a policy to manage its exposure to changes in interest rates on borrowings is on a fixed basis. This is achieved by entering into fixed rate swap instruments, when necessary. All such transactions are carried out within the guidelines of the Audit and Risk Committee. As a consequence, the company is exposed to fair value interest rate risk in respect of the fair value of its interest rate financial instruments, which will not have an impact on distributions. Short-term receivables and payables and investments are not directly exposed to interest rate risk.

Currency risk

Currency risk related to investments in foreign operations

The Company has interests in entities which operate in the UK and has exposure to a USD denominated investment.

Currency risk related to foreign transactions

The company operates predominantly within its own common monetary area and therefore the company has no significant currency risk with regard to operational activities. During 2025 and 2024 year, the Company did not enter into any transactions to hedge against foreign currency risk.

Currency risk related to foreign currency-denominated loan of the Company

The Company has loans denominated in foreign currency hence the exposure to exchange rate fluctuations arises. The currency giving rise to currency risk in which the Company primarily deals is USD.

Notes to the Annual Financial Statements

Risk management continued...

As at the reporting date, the Company's exposure to foreign currency risk was as follows, based on a notional amount.

	USD'000	USD'000
Foreign loans receivable	**1,500**	1,500
Foreign loans- interest receivable	**422**	221
	1,922	1,721

The following significant exchange rates applied during the year:

	2025		**2024**	
	Closing rate R	**Average rate R**	**Closing rate R**	Average rate R
USD	**17.72**	**17.86**	18.07	18.70

Sensitivity analysis

A 10% strengthening of the Rand against the USD as at 30 June would have increased/decreased profits and equity by the amount shown below. This calculation assumes that all other variables, in particular interest rates, remain constant.

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Foreign loans payable	-	-
Foreign loans receivable	3,405	3,110

34.4 Credit risk

Credit risk is the risk of financial loss to the company if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables from tenants, loans to subsidiaries, joint ventures

The carrying amount of financial assets below represents the maximum credit exposure. The maximum exposure to credit risk was:

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Trade and other receivables	**20,558**	16,138
Cash and cash equivalents	**12,906**	230,882
Loans to subsidiaries	**172,063**	197,354
Unlisted investments	**47,365**	49,236
	252,892	493,610

Notes to the Annual Financial Statements

Risk management continued...

34.5 Fair values

The carrying value of the assets and liabilities carried at amortised cost approximate fair value.

The fair value of trade receivables approximates its carrying amount as it is short term in nature. The fair values of all financial instruments, interest rate swaps and variable rate liabilities are substantially the same as the carrying amounts reflected on the statement of financial position.

Fair value hierarchy

The company measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements:

● 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.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument as at the reporting date which would have been determined by market participants acting at arm's length.

The company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate swaps and cross currency interest rate swaps that use only observable market data and require little judgement and estimation.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives like interest rate swaps and cross currency interest rate swaps. Availability of observable market prices and model inputs reduces the need for Management judgement and estimation and also reduces the uncertainty associated with the determination of fair values.

Investment property and investment property held for sale

Investments at fair value in Level 3 represent investment properties, investment properties held for sale, loan to joint venture. A detailed reconciliation, as well as a sensitivity analysis of all major assumptions, have been included as part of the investment property note (note 5).

Unlisted investments

The Group's offshore investment portfolio is held through pooled investment structures in which Texton's ownership percentages are relatively small. These pooled vehicles aggregate capital from multiple investors and deploy it across a broad range of underlying assets. The diversification is multi-dimensional:

- Geographically, with exposure across several jurisdictions and, within each, multiple regional markets;
- By asset class, including industrial, multi-family and single-family residential, affordable housing, hospitality and car parks; and
- By structure, through indirect property funds, co-investments, and private partnerships

As a result, our exposure is not to a single property or homogeneous group of assets, but to a multi-layered portfolio in which risk and performance are spread across many unrelated drivers

Notes to the Annual Financial Statements

Risk management continued...

The majority of these investments are managed externally through fund managers or platforms. As such, the Group does not have direct operational control or visibility over the detailed valuation models. The significant unobservable inputs typically used in determining value are often not contractually available to the Group due to the pooled structure of these funds, varies broadly across managers and markets, and prepared using proprietary models that are not readily comparable or reconcilable

While the Group does not have direct access to the individual inputs used in external managers' valuation models, we obtain comfort over the reliability of these valuations through a structured oversight process. This includes:

- Assessing the competence, track record, and independence of the fund managers;
- Reviewing their valuation policies, methodologies, and internal control frameworks;
- Engaging with managers on significant valuation movements and ensuring consistency with market understanding; and
- Considering the reasonableness of reported NAVs in the context of the Group's broader portfolio and external benchmarks.

Quantitative disclosure of significant unobservable inputs is required only to the extent that such information is reasonably available.

Management's assessment was, and remains, that disclosing individual unobservable inputs across such a diversified, multi-jurisdictional portfolio would not enhance understandability for users and could, in fact, reduce clarity by presenting a large set of uncorrelated and inconsistent data points.

Cash and cash equivalents, short term receivables, and short term payables

Cash and cash equivalents are not fair valued and the carrying amounts are presumed to equal fair value. Short-term receivables and short-term payables are measured at amortised cost and approximate fair value due to the short-term nature of these instruments. These instruments are not included in the fair value hierarchy.

The table below analyses financial instruments carried at fair value by valuation method.

	COMPANY			
	Level 1	**Level 2**	**Level 3**	**Total**
Valuation method	**R `000**	**R `000**	**R `000**	**R `000**
30 June 2025				
Unlisted investments	-		**47,365**	**47,365**
Investment properties	-	-	**1,283,577**	**1,283,577**
30 June 2024				
Unlisted investments	**-**	-	49,236	49,236
Investment properties	**-**	**-**	1,140,690	1,140,690
Investment property held for sale	**-**	**-**	59,500	59,500

Level 3 fair values			
The following table shows the valuation techniques used in measuring level 3 fair values:			
Investment properties	Refer to note 5	Refer to note 5	Refer to note 5
Unlisted investments: Cadre	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.	Refer to Note 14	Refer to Note 14

Notes to the Annual Financial Statements

35. Going concern

The Company has reasonably satisfied the liquidity and solvency test as required by the Companies Act and the directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient facilities to meet its foreseeable cash requirements.

It is noted that as at 30 June 2025, the Company's current liabilities exceed its current assets. However, the directors have considered the below to reasonably satisfy themselves that the Company is in a sound financial position:

- **Related party transctions**

A substantial portion of the current liabilities consists of loans from two wholly owned subsidaries, Investage Pty and Imperial Prop Comms Ltd. Since these loans orginate from entities that are fully owned by the Company, the Directors confirm the loans will not be repaid within the next 12 months.

The directors considered the REIT's portfolio of income-generating properties, contracted lease escalations, tenant retention levels, and diversified sectoral and geographic exposure. The directors also evaluated the Company's liquidity position, access to committed banking facilities, and ongoing compliance with REIT regulatory and debt covenant requirements. After reviewing cash flow forecasts and stress tested scenarios under current market conditions, the directors are satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future.

36. Events after the reporting date

There were no matters of significance which occurred subsequent to the financial year end and to the date of approval of the financial statements , which require adjustment to or disclosure in the financial statements.

Declaration of a return of capital

The Board of directors of Texton ("the Board") is pleased to announce that it has approved and declared a further distribution which will result in a capital reduction of the "contributed tax capital" (as such term is defined in the Income Tax Act) of the Company of 63.74 cents per ordinary share ("Return of CTC"), subject to the required South African Reserve Bank approval being obtained for the declaration of the Return of CTC ("Condition").

Notes to the Annual Financial Statements

37. Investments in subsidiaries and company entities

The following table lists the entities which are controlled by the Company, either directly or indirectly through subsidiaries.

Subsidiaries	Place of incorporation	Percentage holding	
		30 June 2025 %	30 June 2024 %
Discus House Proprietary Limited	South Africa	**100%**	100%
Imperial Comm Props Proprietary Limited	South Africa	**100%**	100%
Investage 183 Proprietary Limited	South Africa	**100%**	100%
Nungu Trading 88 Proprietary Limited	South Africa	**100%**	100%
TexStores Propriety Limited	South Africa	**100%**	100%
Texton Property Investments UK Limited	United Kingdom	**100%**	100%
TP US Investments LLC	United States of America	**100%**	100%
TPI Canvas LP	United States of America	**99.5%**	-
Controlled entities			
Vunani Property Investment Trust	South Africa	**100%**	100%
Joint Venture			
Inception (Reading) S.a.r.l- Broad Street Mall	United Kingdom	**50%**	50%

Notes to the Annual Financial Statements

Investments in subsidiaries and company entities continued...

37.1 Reconciliation of closing balance

	Opening balance June 2024	Increase/(Decrease) in Investments	(Increase) /Decrease in Impairment	Closing Balance June 2025
Subsidiaries				
Discus House Proprietary Limited	**-**	**-**	**-**	**-**
Imperial Comm Props Proprietary Limited	**56,174**	**-**	**-**	**56,174**
Investage 183 Proprietary Limited	**369,248**	**-**	**-**	**369,248**
Nungu Trading 88 Proprietary Limited	**39,333**	**-**	**-**	**39,333**
TexStores Propriety Limited	**-**	**-**	**-**	**-**
Texton Property Investments UK Limited	**575,074**	**(134,928)**	**-**	**440,146**
TP US Investments LLC	**24**	**-**	**-**	**24**
TPI UK No1 Limited	**-**			**-**
Controlled entities				**-**
Vunani Property Investment Trust	**5,295**	**-**	**-**	**5,295**
				-
Joint Venture				**-**
Inception (Reading) S.a.r.l- Broad Street Mall	**-**	**-**	**-**	**-**
	1,045,148	**(134,928)**	**-**	**910,220**

37.2 Reconciliation of closing balance

	Opening balance June 2023	Increase/(Decrease) in Investments	(Increase) /Decrease in Impairment	Closing Balance June 2024
Subsidiaries				
Discus House Proprietary Limited	-			-
Imperial Comm Props Proprietary Limited	56,174			56,174
Investage 183 Proprietary Limited	369,248			369,248
Nungu Trading 88 Proprietary Limited	39,333			39,333
Sable Place Properties 121 Proprietary Limited				-
TexStores Propriety Limited	1		(1)	-
Texton Property Investments UK Limited	776,200	(201,126)		575,074
TP US Investments LLC	5,620	-	(5,596)	24
				-
Controlled entities				-
Vunani Property Investment Trust	5,295		-	5,295
				-
Joint Venture				-
Inception (Reading) S.a.r.l- Broad Street Mall	-			-
	1,251,871	(201,126)	(5,597)	1,045,148

Notes to the Annual Financial Statements

Investments in subsidiaries and company entities continued...

	Cost	Accumulated impairments	Carrying value
30 June 2025			
Investments and subsidiaries and company entities	**1,034,739**	**(125,480)**	**909,259**
30 June 2024			
Investments and subsidiaries and company entities	1,169,667	(125,480)	1,044,187

The investments are tested annually for impairment. The impairment is calculated by comparing the net asset value of each entity (the recoverable amount) to the carrying amount of the investment. The impairments are a result of a decrease in underlying property values in the subsidiaries. The impairment has been accounted for in profit or loss.

The Company has no sponsored entities and has no interest in unconsolidated entities.

38. Investment in joint venture: Inception (Reading) S.a.r.l - Broad Street Mall

Group and Company

	Carrying amount	
	30 June 2025	30 June 2024
	R `000	R `000
Cost	**-**	
Reversal of impairment of joint venture	**-**	(5,867)
Funds received from joint venture	**-**	5,867
	-	-

The company has a 50% (2024: 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 25 June 2022, Board Street Mall was successfully sold to a 3rd party. Inception (Readin) S.a.r.l was liquidated on 27 February 2025.

Notes to the Annual Financial Statements

39. Share based payment reserve

	COMPANY	
	30 June 2025	30 June 2024
	R `000	R `000
Opening balance	**1,232**	87
Expense recognised in profit and loss	**3,269**	1,145
Shares issued during the current year	**-**	-
Closing balance	**4,501**	1,232

In terms of the Conditional Share Plan ("CSP"), approved and adopted by shareholders on 30 November 2020, the company has granted conditional shares to the executive directors and staff. The full details of the scheme are included in the remuneration report.

Details of the conditional shares awarded are set out below :

	Tranche 2	**Tranche 3**	**Tranche 4**	**Tranche 5**	**Total**
Grant date	**30-Jun-22**	**1-Jul-22**	**1-Jul-23**	**1-Jul-24**	
Vesting date	**30-Jun-24**	**30-Jun-25**	**30 June 202**	**30-Jun-27**	
HSP Welleman					
Opening shares	**63,360**	**-**	**-**	**-**	**-**
Shares Awarded	-	**106,667**	**1,125,000**	**250,000**	**1,375,000**
Total Shares awarded	**63,360**	**106,667**	**1,125,000**	**250,000**	**1,375,000**
JH Rens					
Opening shares	**-**	**-**	**-**	**-**	**-**
Shares Awarded	-	**176,000**	**733,333**	**250,000**	**983,333**
Total shares awarded	**-**	**176,000**	**733,333**	**250,000**	**983,333**

The CSP awards have been recognised as equity settled share-based payments as a separate category within equity. The fair value of the CSP has been measured using the Black-Scholes model.

Detials of the Plan

Expected volatility of 16.42% has been based on an evaluation of the historical volatility of the company's shareprice since listing. The expected forfeiture rate has been based on historical experience and general employeebehaviour. Where these result in changes in the non-market conditions of the scheme, the cumulative impact is charged to profit or loss in the year the adjustment is made

The shares awarded under tranche 2 comprise performance shares (65%) which are subject to a two-year service period and the achievement of certain financial and individual performance measures and retention shares (35%) which are subject to a 2 year service period only.

The shares awarded under tranche 3 comprise performance shares (65%) which are subject to a three-year service period and the achievement of certain financial and individual performance measures and retention shares (35%) which are subject to a 3 year service period only.

The shares awarded under tranche 4 comprise performance shares (65%) which are subject to a three-year service period and the achievement of certain financial and individual performance measures and retention shares (35%) which are subject to a 3 year service period only.

The shares awarded under tranche 5 comprise performance shares (65%) which are subject to a three-year service period and the achievement of certain financial and individual performance measures and retention shares (35%) which are subject to a 3 year service

Notes to the Annual Financial Statements

Share based payment reserve continued...

On the vesting date the participant is entitled to settlement of the award and no amount is payable by the participant for the settlement of shares that have vested. The actual quantum of shares received by a participant on vesting will depend on the extent to which the performance conditions, set out in the award letter, are achieved and will be determined over the performance period.

40. Standards, Amendments and interpretations for the first time at 30 June 2025

The standards, amendments and interpretations effective for the first time in the current financail year have been summarised below. The impact of the adoption of these standards have been considered.

Statement	Effect for accounting periods beginning on or after	Summary of key points	Impact on the company
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack of Exchangeability)	Annual periods beginning on or after 1 January 2025	The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.	The changes are not expected to have a material impact on the financial statements and the company.

Notes to the Annual Financial Statements

Standards, Amendments and interpretations for the first time at 30 June 2025 continued...

Standards and interpretations not yet effective

In terms of IFRS the Company is required to include in its annual financial statements , disclosure about the future impact of standards and interpretations issued but not yet effective as at the issue date.

At the date of authorisation of the annual financial statements of the Company for the year ended 30 June 2025, the following standards and interpretations were in issue but not yet effective which are applicable to the Company:

Statement	Effect for accounting periods beginning on or after	Summary of key points	Impact on the company
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027	IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on: •The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total •Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements •Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.	The changes are not expected to have a material impact on the Group financial statements

Notes to the Annual Financial Statements

Standards, Amendments and interpretations for the first time at 30 June 2025 continued...

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (Amendment - Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026	In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7: Derecognition of financial liabilities: • Derecognition of financial liabilities settled through electronic transfers Classification of financial assets • Contractual terms that change the timing or amount of contractual cash flows • Financial assets with non-recourse features Disclosures • Investments in equity instruments designated at fair value through other comprehensive income • Contractual terms that could change the timing or amount of contractual cash flows The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.	The changes are not expected to have a material impact on the Group financial statements

Notes to the Annual Financial Statements

Standards, Amendments and interpretations for the first time at 30 June 2025 continued...

IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027	IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on: • The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total. • Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements. • Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.	The changes are not expected to have a material impact on the Group financial statements