TEXTON

PROPERTY FUND

INTEGRATED ANNUAL REPORT 2026

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KEY METRICS

R1,886 billion	**Direct property portfolio value** (June 2025: R1,905 billion)
R240,2 million	**Indirect international property investments** (June 2025: R413,2 million)
28,1%	**Loan-to-value ("LTV") ratio#** (June 2025: 25,3%)
14,6%	**Core portfolio vacancies^** (June 2025: 8,6%)
486,36 cents per share	**Net asset value ("NAV")** (June 2025: 574,61@ cents per share)
2,34 times	**Interest cover ratio ("Group ICR")** (June 2025: 2,21 times)
21,98 cents per share	**Distributable income per share** (June 2025: 24,76 cents)
139 164m²; 25 properties	**Direct property portfolio by gross lettable area ("GLA")** (June 2025: 137 959m²; 26 properties)
18,45 cents	**Dividend per share** (June 2025: 20,13 cents*)

\# *Calculated according to REIT Best Practice Recommendations 2019 second edition guidelines.*

^ *The methodology of core vacancy has changed and is calculation based on the lettable GLA within the portfolio, excluding GLA that is under development or mothballed.*

@ *Represents NAV per share prior to taking into account the Return of Capital of 63,74 cents. When taking into consideration the Return of Capital to be paid, the NAV per share amounts to 510,87 cents.*

* *Refers to the special gross dividend declared in April 2025.*

ABOUT THIS REPORT

We are highly disciplined in our capital allocation creating sustainable risk-adjusted returns for our shareholders.

Texton Property Fund Limited ("Texton", "the Company" or "the Group") is headquartered in South Africa ("SA") with direct property investments in SA and the United Kingdom ("UK"). Texton also has investments in the United States of America ("USA"). Our integrated thinking strategy is ongoing and considers the connection between the capitals we utilise or influence and the potential trade-offs involved in our strategic decisions. We endeavour to provide transparent reporting that reflects the value that has been created, retained or lost. We create sustainable value for all stakeholders in the short, medium and long term by understanding how these components interact.

Through open communication, we hope to win the trust and support of investors and shareholders, which will make it possible for us to underpin growth and sustained value creation for all stakeholders. The report focuses on the overview of the organisation, including its business model, strategy and scope of operations as well as the corporate governance report which includes material risks and opportunities, mitigations and connections to the six capitals.

REPORTING APPROACH REGARDING MATERIALITY

We apply the principle of materiality in determining the contents of this report which encompasses the risks, opportunities and challenges that affect our capacity to produce and maintain value while minimising the erosion of value for all stakeholders. Our business model and Group strategy are informed by our material matters.

Executive management identifies, prioritises and assesses the material matters as part of the Group's business planning processes before the Board of directors approves and endorses them. All material matters are continuously assessed to ensure Group strategy relevance in the changing operating context. More information about our material themes can be found on **pages 25-31**. More information about our strategic responses to risks and opportunities can be found on **pages 21-24**.

This report is primarily intended to address the information requirements of our investors and shareholders, while also providing information for our key stakeholders. These stakeholders include our employees, tenants, providers of capital, regulators, suppliers and communities.

In compiling the report, we were guided by international and SA reporting guidelines and best practice principles contained in the following:

- Companies Act of South Africa (Act 71 of 2008), as amended ("Companies Act")
- JSE Limited ("JSE") Listings Requirements
- SA Financial Reporting Requirements
- International Integrated Reporting Framework ("International <IR> Framework") of the International Sustainability Standards Board
- King IV Report on Corporate Governance for South Africa, 2016™ ("King IV™")
- SA REIT Best Association Practice Recommendations.

REPORTING SCOPE AND BOUNDARY

This integrated annual report for 2026 includes both financial and non-financial information about Texton with the goal of telling a complete value-creation story about our performance. A summary of Texton's operations and performance for the financial year ended 30 June 2026 is given in this report. The operations, properties, subsidiaries, joint ventures and controlled entities of the Group in SA and the UK are included within the scope of the report.

ASSURANCE

The Board ensures the integrity of this report through our integrated reporting process (the systems, processes and controls used to prepare this integrated annual report). This report was prepared by the Group finance team with oversight from the Board.

This report includes material information gathered from executive management and Board discussions and minutes. All executive management and Board members are involved in various report approval processes, which are also supported by oversight provided by independent assurance providers and overseen by the audit and risk committee.

We undertake the following assurance to ensure reporting integrity:

Business process	Nature of assurance	Assurance provider
Independent external audit	Annual financial statements	BDO South Africa Incorporated
Internal controls	System of internal controls	Audit and risk committee oversight
Management oversight and approval	Annual financial statements	Board oversight and approval
Broad-based Black Economic Empowerment ("B-BBEE")	B-BBEE rating certificate Level 5	Honeycomb BEE Ratings

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BOARD RESPONSIBILITY STATEMENT

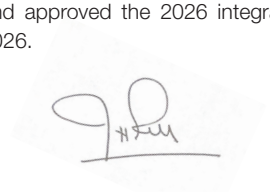
The Board recognises that it is ultimately responsible for overseeing the integrity and completeness of this report. It believes this report provides a true and material account of the Group's performance offering readers a balanced and comprehensive view of Texton's strategic direction to prevent value erosion, and how it creates and preserves value for our stakeholders in the short, medium and long term.

The Board believes that the integrated annual report was prepared in accordance with the International <IR> Framework. The report, which remains the ultimate responsibility of the Board, is prepared under the supervision of senior management and is subject to both internal and external assurance. The report is submitted to the audit and risk committee, which reviews and recommends it to the Board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements.

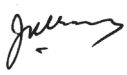
The Board reviewed and approved the 2026 integrated annual report on 30 October 2026.



Marcel Golding
Chairperson



Jonathan Rens
Chief executive officer ("CEO")



John Macey
Lead independent non-executive director

FORWARD-LOOKING STATEMENTS

Certain statements in this report are considered forward-looking as they involve inherent risks and uncertainties. While these statements represent our judgement and future expectations at the time of preparing this report, several inherent risks, uncertainties and other important factors could materially change the results from our expectations. Should one or more of these risks materialise or the underlying assumptions prove incorrect, actual results may be different from those anticipated. Forward-looking statements only apply from the date they are made. Texton has no obligation to update or revise them, whether as a result of new information, future events or otherwise.

HOW TO NAVIGATE THIS REPORT

Our reporting suite

To view the full suite, please visit our website **www.texton.co.za**.

Integrated annual report

Our primary report to our stakeholders which is structured to show the relationship between the interdependent elements that comprise our value-creation story.

Consolidated annual financial statements

The annual financial statements provide a comprehensive report of the Group's financial performance for the year.

Notice of Annual General Meeting

This report provides supporting information for shareholders to participate in the Annual General Meeting ("AGM").

Our capital inputs

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and relationship capital

Our stakeholders

- Investors and shareholders
- Employees
- Tenants
- Lenders/financiers and providers of capital
- Government/municipalities and regulators
- Suppliers
- Communities

Our strategic pillars

- Operational excellence
- Repositioning and repurposing portfolio assets
- Balance sheet strength and flexibility

Further reading resources

This icon denotes information that can be found on our website: **www.texton.co.za.**

This icon accompanies page number references elsewhere in this report.

OPERATIONAL FOOTPRINT AND PROPERTY PORTFOLIO

Texton is a JSE-listed Real Estate Investment Trust ("REIT") that provides shareholders with access to a diversified portfolio of direct and indirect global real estate investments. Our direct property portfolio is valued at R1,9 billion as at 30 June 2026 (2025: R1,9 billion) and our indirect portfolio amounts to R240,2 million. Our combined portfolio aims to deliver long-term income and capital growth. Our core objective is to deliver sustainable, risk-adjusted returns to our stakeholders through disciplined capital allocation, strategic asset management, and value driven investments.

PROPERTIES	TOTAL GLA m²	PORTFOLIO VALUE
25	136 050m²	R1 886 billion
(2025: 26)	(2025: 137 959m²)	(2025: R1 905 billion)

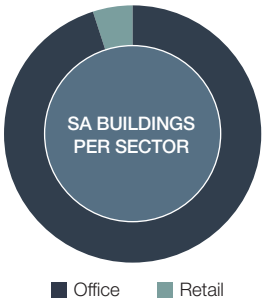
SA AND UK SECTORAL PROFILE BY VALUE

OUR SA PORTFOLIO

	2026	2025
Western Cape	**2**	3
Gauteng	**20**	21



NUMBER OF PROPERTIES
22
(2025: 23)



TOTAL GLA m²
124 959m²
(2025: 126 868m²)

PORTFOLIO VALUE
R1 694 million
(2025: R1 678 billion)

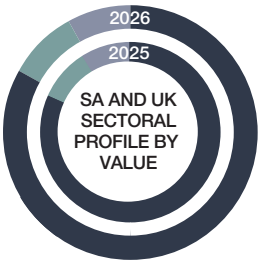
LEASING PROFILES

South Africa

- The properties have annual escalations
- The lease terms of the properties vary between six months (for Instant Office) and five years depending on the sector, property and tenant.

United Kingdom

- Longer tenures between 10 and 20 years
- Rent reviews at set dates (generally every fifth anniversary of lease commencement)
- Assessment of market rent required
- A rent review surveyor is engaged to provide an independent opinion



	2026 %	2025 %
Office	**83,2**	81,8
Retail	**9,0**	9,4
Industrial	**7,8**	8,8

NUMBER OF PROPERTIES

2

(2025: 2)



OUR UK PORTFOLIO

	2026	2025
England	**1**	1
Wales	**1**	1

TOTAL GLA m²

5 749m²

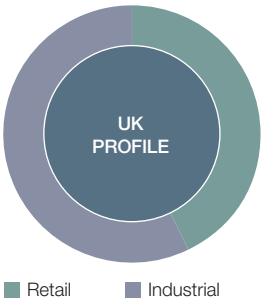
(2025: 5 749m²)

PORTFOLIO VALUE

R111 million

(2025: R137 million)

There have been no material changes to the information used in the valuation.



United States of America

- Single tenanted
- 5 year lease term
- Annual escalation of 3,75%

	2026 %	2025 %
Industrial	**100**	100

USA SECTORAL PROFILE BY VALUE

OUR USA PORTFOLIO

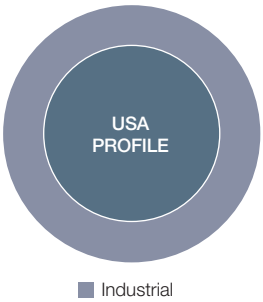
	2026	2025
North Carolina	**1**	1



NUMBER OF PROPERTIES

1

(2025: 1)



TOTAL GLA m²

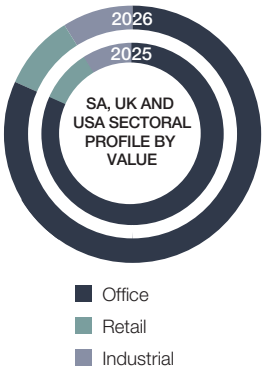
5 342m²

(2025: 5 342m²)

PORTFOLIO VALUE

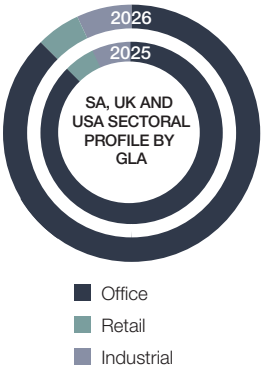
R85 million

(2025: R90 million)



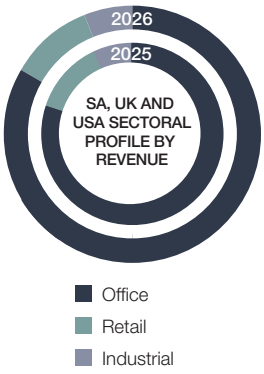
Consolidated SA, UK and USA sectoral profile (by value)

	CONSOLIDATED		SA		UK		USA	
	Value R'000	**%**	**Value R'000**	**%**	**Value R'000**	**%**	**Value R'000**	**%**
2026								
Office	**1,574,200**	**83,1**	**1,574,200**	**92,9**	**–**	**–**	**–**	**–**
Retail	**169,963**	**9,0**	**120,000**	**7,1**	**49,963**	**44,0**	**–**	**–**
Industrial	**147,380**	**7,9**	**–**	**–**	**61,838**	**56,0**	**85,542**	**100,0**
	1,891,543	**100,0**	**1,694,200**	**100,0**	**111,801**	**100,0**	**85,542**	**100,0**
2025								
Office	1,558,495	81,8	1,558,495	92,9	–	–	–	–
Retail	179,365	9,4	120,000	7,1	59,365	43,3	–	–
Industrial	167,683	8,8	–	–	77,856	56,7	89,827	100,0
	1,905,543	100,0	1,678,495	100,0	137,221	100,0	89,827	100,0



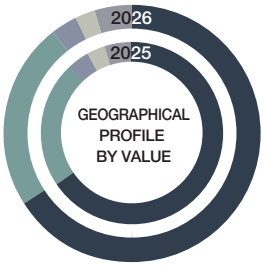
Consolidated SA, UK and USA sectoral profile (by GLA)

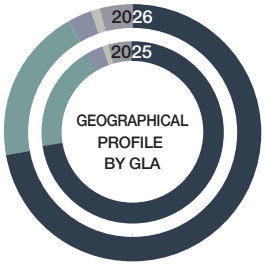
	CONSOLIDATED		SA		UK		USA	
	GLA m^2	**%**	**GLA m^2**	**%**	**GLA m^2**	**%**	**GLA m^2**	**%**
2026								
Office	**118,942**	**87,4**	**118,942**	**95,2**	**–**	**–**	**–**	**–**
Retail	**7,806**	**5,7**	**6,017**	**4,8**	**1,789**	**31,1**	**–**	**–**
Industrial	**9,302**	**6,8**	**–**	**–**	**3,960**	**68,9**	**5,342**	**100,0**
	136,050	**100,0**	**124,959**	**100,0**	**5,750**	**100,0**	**5,342**	**100,0**
2025								
Office	120,851	87,6	120,851	95,3	–	–	–	–
Retail	7,806	5,7	6,017	4,7	1,789	31,1	–	–
Industrial	9,302	6,7	–	–	3,960	68,9	5,342	100,0
	137,960	100,0	126,868	100,0	5,750	100,0	5,342	100,0

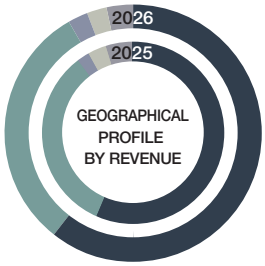


Consolidated SA, UK and USA sectoral profile (by revenue)

	CONSOLIDATED		SA		UK		USA	
	Value R'000	%	Value R'000	%	Value R'000	%	Value R'000	%
2026								
Office	**13,442**	**83,4**	**13,442**	**91,0**	**–**	**–**	**–**	**–**
Retail	**1,335**	**10,7**	**1,335**	**9,0**	**391**	**49,0**	**–**	**–**
Industrial	**945**	**5,9**	**–**	**–**	**406**	**51,0**	**539**	**100,0**
	16,113	**100,0**	**14,777**	**100,0**	**797**	**100,0**	**539**	**100,0**
2025								
Office	10,371	80,2	10,371	89,3	–	–	–	–
Retail	1,689	13,1	1,241	10,7	448	60,7	–	–
Industrial	866	6,7	–	–	289	39,3	576	100,0
	12,925	100,0	11,612	100,0	737	100,0	576	100,0







Gauteng
Western Cape
England
Wales
United States of America

Geographical profile (by value, GLA and revenue)

	VALUE		GLA		REVENUE	
	R millions	%	m²	%	R'000	%
2026						
Gauteng	**1,252**	**66,1**	**98,241**	**72,2**	**9,751**	**60,5**
Western Cape	**442**	**23,4**	**26,718**	**19,6**	**5,026**	**31,2**
England	**62**	**3,4**	**3,960**	**2,9**	**406**	**2,5**
Wales	**50**	**2,6**	**1,789**	**1,3**	**391**	**2,4**
United States of America	**86**	**4,5**	**5,342**	**3,9**	**539**	**3,3**
	1,891	**100,0**	**136,050**	**100,0**	**16,113**	**100,0**
2025						
Gauteng	1,247	65,5	100,149	72,6	7,308	56,5
Western Cape	431	22,6	26,719	19,4	4,304	33,3
England	78	4,1	3,960	2,9	289	2,2
Wales	59	3,1	1,789	1,3	448	3,5
United States of America	90	4,7	5,342	3,9	576	4,5
	1,906	100,0	137,960	100,0	12,925	100,0

Unlisted investments

Texton has invested in the US with five investments, and in the UK with one investment.

30 June 2026	Commitment $'000	Undrawn $'000	Market value $'000	Market value R'000	Dividend income R'000
Blackstone Real Estate Income Trust	–	–	–	–	–
Starwood Real Estate Income Trust	12 000	–	4 308	70 563	6 362
PadSplit Investment	2 500	–	1 173	19 220	–
Cadre Real Estate Investment	5 000	–	2 293	37 577	–
GIM Investments/Apollo	5 500	3 979	1 088	17 826	–
Faropoint Industrial Value Fund III	2 000	100	2 064	33 814	227
Total	**27 000**	**4 079**	**10 925**	**179 000**	**6 588**

30 June 2026	Fair value hierarchy	Commit-ment £'000	Undrawn commit-ment £'000	Market value £'000	Market value R'000	Dividend income R'000
UK investments						
Greenpoint/Infinium	**Level 3**	**2 650**	**164**	**2 818**	**61 219**	**–**

30 June 2025	Commitment $'000	Undrawn $'000	Market value $'000	Market value R'000	Dividend income R'000
Blackstone Real Estate Income Trust	6 500	–	6 280	111 268	4 607
Starwood Real Estate Income Trust	12 000	–	6 420	113 750	8 366
PadSplit Investment	2 500	–	1 479	26 197	–
Cadre Real Estate Investment	5 000	–	2 673	47 365	–
GIM Investments/Apollo	5 500	4 452	1 075	19 054	–
Faropoint Industrial Value Fund III	2 000	48	2 079	36 830	–
Total	**33 500**	**4 500**	**20 006**	**354 464**	**12 973**

30 June 2025	Fair value hierarchy	Commit-ment £'000	Undrawn commit-ment £'000	Market value £'000	Market value R'000	Dividend income R'000
UK investments						
Greenpoint/Infinium	Level 3	2 650	164	2 416	58 794	–

VALUE CREATION AND PRESERVATION OVERVIEW

Texton offers investors and shareholders access to global high-quality and diversified property investments with exposure to direct property assets in SA and the UK and indirect property investments in the USA and the UK.

Our ability to create and preserve value is determined by the current operating environment, the availability of key resources and the strength of our stakeholder relationships. When formulating our Group strategy, all material matters that could impact our ability to preserve and create value in the short, medium and long term are considered by reviewing both risks and opportunities to ensure our business model is fit for purpose to prevent the possibility of value erosion.

Texton is positioned to enable future growth following the sale of non-core assets, improving portfolio quality and strengthening the balance sheet. This is underpinned by strategic leadership and a focus on operational excellence and strong stakeholder relationships. Texton continues develop an international investment portfolio with the majority of the investments being made in the USA in specific asset classes we believe can deliver risk-adjusted returns over the medium to long term.

For more information refer to our business model on **pages 14-15**.



COMMUNICATION
We commit to reporting transparently and honestly to our broad range of stakeholders.

OWNERSHIP
We take collective responsibility for our performance to ensure sustainable long-term growth.

ACCOUNTABILITY
We embrace accountability to stakeholders, governing bodies and the investment community to build trust.

TRUST
We safeguard stakeholders' trust through ethical and sound corporate governance business practices, thereby strengthening stakeholder relationships.

SUPPORT
We support our stakeholders in achieving their objectives by specialising and excelling in what we do.

OUR PURPOSE

Providing a stable capital base for long-term sustainable value creation

OUR MISSION

- Conduct our business with integrity
- Deliver on results to stakeholders
- Be a responsible corporate citizen
- Provide a transparent, sustainable investment opportunity



HOW WE OPERATE

Texton's approach to asset management is our key differentiator. Keen market insight enables us to create and preserve value for our communities and stakeholders.



... DELIVER ON OUR PURPOSE

We are determined and resolute to create and preserve value for our stakeholders.

... CONTRIBUTE TO THE GREATER GOOD

We upskill property professionals for the sector and support entrepreneurs in growing their businesses through the provision of quality workspaces.

... ARE STABLE AND PRUDENT

We focus on the quality of our portfolio by being flexible enough to seize opportunities while ensuring practical and prudent decisions are made to safeguard against value erosion.

... ARE ASSET MANAGEMENT SPECIALISTS

We specialise in business activities where we have the expertise to maximise opportunities.

TO ENSURE LONG-TERM VALUE CREATION, WE FOCUSED ON:

OPERATIONAL EXCELLENCE
Internalised property management provides a direct line of communication with tenants and enhancing our ability to react to customer requirements.

GROWING NAV PER SHARE
When considering the distributions for the period NAV per year increased during the year, demonstrating the ability to protect the value of our underlying investments.

SUSTAINABILITY INITIATIVES
Continued investments were made to increase our solar power supply in the portfolio through the installation of solar photovoltaic ("PV") systems and the installation of boreholes and water-efficient devices throughout our properties.

NEW LEASING DEALS
Our leasing team concluded 58 (2025: 53) new leases, representing over 8 110m^2 (2025: 7 678m^2). This is discussed in our performance overview on 📖 **page 41.**

DEFENDING EARNINGS
Cost savings in the portfolio, many of which will be ongoing and relate to sustainable long-term savings. R18,3 million was invested in properties in SA to protect capital value in a rapidly changing office environment and the continued roll-out of our small-medium enterprises ("SME") strategy which includes the roll-out of Instant Office and storage facilities.

BALANCE SHEET STRENGTH
LTV remains healthy at 28,1%. Our debt levels have remained stable over the debt period.

SALE OF PROPERTY
One asset was sold over the financial year realising R1,2 million in capital.

FLEXIBLE AND UNDERSTANDABLE BALANCE SHEET
A simplified Group structure thereby making the balance sheet simpler and more understandable.

WEIGHTED AVERAGE LEASE TERMS
Our weighted average lease expiry ("WALE") in SA has increased slightly to 2,05 years from 2,0 years as we are offering more flexible lease terms to our tenants.

INTERNATIONAL PROPERTY INVESTMENTS
During the year we strategically divested out of the BREIT and partially out of our SREIT investments to re-balance the offshore portfolio and generate liquidity. We also invested an additional R5,7 million in the Greenpoint Investment, R7,9 million in GIM Investments and R1,5 million in Cadre.

OUR BUSINESS MODEL

VALUE CREATION

Our business model explains how we employ the six capitals to preserve and create value while being cognisant of any value we erode.

As a good corporate citizen, we ensure that all capital inputs are used responsibly, ethically and effectively by remaining flexible and adapting quickly to changes in the accessibility and quality of capital inputs in the context of the ever-changing operating environment.

BUSINESS ACTIVITIES



WHAT WE DO AND HOW

MANAGING
Our proactive asset management and property management team foster long-term relationships with tenants and ensure our properties perform optimally.

ENHANCING
We actively asset manage our portfolio to improve returns and capital value through refurbishment, redevelopment and pursuing value-enhancing initiatives.

DIVERSIFICATION
We aim to diversify our income streams across asset classes, geographies and a broad tenant base.

What drives our activities

STRATEGIC PILLARS

We are driven by creating value for our stakeholders while building a choice investment vehicle with a quality asset portfolio.

Operational excellence	Repositioning and repurposing portfolio assets	Balance sheet strength and flexibility

Read more in the business strategy section on pages 21-24.

HOW WE CREATE VALUE

GROWTH DRIVERS

TENANTS
We work closely with our tenants, through a tenant-centric attitude, to make sure their needs are met.

GEOGRAPHICAL
We achieve improved returns and capital value across our portfolio through our asset management and value-enhancing initiatives.

SECTORAL
We aim to reduce our exposure to the office sector through responsible disposal of non-core properties.

INPUTS

What we use

Capitals	Risks
• Increase in return on investment • Organic and accretive fund growth • Dividend yield and dividend growth • Reduce gearing and LTV ratio to optimal levels (LTV ratio and loan covenants) • Active treasury management • Cost control	• Increasing likelihood of a global recession • Lack of growth in SA and the continued consolidation of corporate office space • Funding continuity and availability to raise capital and operational requirements • Interest rate increases impacting the cost of funding and covenant breaches • Geopolitical risk resulting in increased inflation and currency fluctuations.
• Maximise value of asset base in selected sectors and geographical locations • Reduce exposure to non-core assets through disposal • Operational investment and enhancement • Improve operational efficiencies • Invest in sustainability initiatives	• Increased property vacancies • Infrastructure failure in SA adding pressure to water and electricity services.
• Intelligent investment in improving existing assets • Hands-on management and opportunistic investment • Active portfolio diversification geographically, at sector and tenant profile levels.	• Retention and attraction of key personnel • Threat of cyberattacks.
• Hands-on active management • Investment in professional and personal development of our employees for retention and succession and minimising the impact on the environment.	• Retention and attraction of key personnel.
• Solar power installation to reduce kWh sage • Water-efficient tools used in the business to reduce litres of water used across the portfolio • Installation of boreholes to reduce municipal water consumption.	• Failure to meet sustainable objectives and targets • Increased pressure from investors to seek alternative, sustainable energy solutions.
• Sustainable and relevant corporate social investment ("CSI") • B-BBEE • Improve overall experience for tenants • ESG strategy.	• Changes to B-BBEE legislation • Changes in the requirements to comply with ESG reporting.

Financial capital | Human capital
Manufactured capital | Natural capital
Intellectual capital | Social and relationship capital

OUTPUTS

We deliver quality spaces to our tenants and attractive returns for our shareholders and investors.

Outputs	Outcomes	Material trade-offs
The products and services we deliver	**Value created by capital**	**Our strategic choices made with full comprehension of the advantages and disadvantages**
• Diversification of funding sources with the lending portfolio split across three banks • Efficient capital management to match SA debt with SA assets and UK debt with UK assets • Management of funding costs in SA through placing excess cash in the Rolling Credit Facilities to reduce debt costs and placing excess cash in the UK on overnight deposits.	• Distributable profit: **R65,5 million** • Cash generated from operations: **R132,1 million** • Net property income excluding the impact of straight-lining: R148,6 million (2025: R148,8 million).	• Disposal of non-core assets to lower LTV ratio and strengthen balance sheet • Decrease cost of funding and maximise cost savings in the portfolio to defend earnings.
• Greening activities at various properties to improve tenant experience and retention • Launch of the SME strategy and the roll-out of Instant Office and storage facilities	• Capital expenditure of R18,3 million (2025: R3,9 million) spent on improving our properties	• Retaining tenants to avoid vacancies by offering a flexible, innovative lease offering • Attracting tenants by providing small A-grade office spaces in our business parks that are appealing to our SME tenants looking for office space
• Team collaboration across continents results in innovation to improve occupancy ratios and properties.	• Geographical diversification by value was achieved with 89,6% (2025: 88,1%) of our properties in SA, 5,9% (2025: 7,2%) in the UK and 4,5% (2025: 4,7%) in the USA. Unlisted investments decreased to R240 million (2025: R413 million), as the Group took advantage of the stronger Rand to strategically divest from BREIT and partially from SREIT to rebalance its offshore portfolio and generate liquidity, while deploying a further R15,1 million into its remaining investments, including Greenpoint/ Infinium, Cadre and GIM Investments/Apollo.	• Constant communication between local and overseas team.
• Strengthening of the property management team • The Texton team has a diverse mix of gender, race and culture.	• 21 employees across SA (2025: 20).	• Return to office policies to boost comradery and collaboration between employees.
• The roll-out of greening initiatives attracts and retains tenants, adds value to our properties and helps us reduce our carbon footprint.	• Continued investments made to increase our solar power supply in the portfolio through the installation of PV systems, and boreholes and water-efficient devices used to reduce municipal water consumption throughout our properties.	• Usage of diesel generators versus reducing carbon outputs – balance the constraints of an unreliable infrastructure system with our carbon reduction targets.
• Key performance indicators (“KPIs”) and feedback to assist in building the Texton brand • B-BBEE assessment in progress.	• Texton is working with a B-BBEE consultant to maintain its B-BBEE level.	• Reducing community CSI spend to assist tenants instead.

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement process ensures that all communication made to stakeholders is accurate, inclusive, transparent and compliant with the requirements of King IV™. The feedback derived from these engagements is essential to our strategic decision-making process, our value system and the Texton way.

We strive to understand and address the legitimate needs of our stakeholders to create mutual value. Our stakeholder collaboration and engagement strengthen our relationships, ensuring that we provide stakeholders with the relevant information required to accurately assess our performance and prospects.

INVESTORS AND SHAREHOLDERS

Our goal is to gain investor and shareholder trust and support through transparent engagement. This is vital for our long-term value creation.

Engagement

- Regular executive management engagement with institutional investors and large individual shareholders
- Stock Exchange News Service ("SENS") announcements
- Corporate website
- Annual and interim results presentations
- AGM

Material concerns

- Access to capital
- Balance sheet strength
- LTV ratio
- REIT status
- Market confidence
- Inflation
- Increased interest rates

Texton's response

- We remain committed to keeping our LTV at sustainable levels.
- We communicate our long-term focus and strategy through transparent reporting.

EMPLOYEES

Texton engages with employees to understand their concerns and improve talent retention and job satisfaction.

Engagement

- Weekly management meetings
- Open and continuous engagement between executives and employees
- Team strategy sessions
- Frequent one-on-one interactions between employees and line managers
- Annual performance reviews
- Exit interviews

Material concerns

- Changes in executive management leadership
- Job security, remuneration and career development opportunities
- Transformation at senior management level

Texton's response

- Increased employee communication to keep employees motivated and engaged.
- Annual team strategy sessions.
- Formalised induction and onboarding programmes to ensure information is accessible for all new employees.

TENANTS

Texton's goal is to strengthen and build long-term relationships with tenants to enhance tenant retention, lower vacancies and optimise the tenant mix.

Engagement

- Direct engagement through asset managers, facility managers or property managers
- Regular meetings with asset managers
- Formal process for tenants to log queries with creditors' controller, facilities administrator, property manager or asset manager
- MRI Property Central – MDA property manager query system ensures queries are resolved within specific time frames

Material concerns

- Change in tenant needs from bigger non-flexible office spaces to smaller more flexible office spaces
- Utility supply interruptions
- Increased cost of occupation
- Municipal service delivery
- Unsustainable increases in municipal rates and electricity tariffs

Texton's response

- By assisting our tenants and understanding their needs, we encourage lease renewals and reduce vacancies.
- We increased communication and engagement and assisted our tenants to help mitigate the impact of the global economic crisis.
- Several properties are equipped with standby generators to ensure uninterrupted power supply.
- Solar projects were implemented at certain properties to assist in reducing the cost of occupation and we are investigating the installation of further solar systems at all our buildings in SA.
- Boreholes are being installed at a number of properties to assist in reducing the consumption of municipal water and we are investigating installation of further boreholes at our buildings in SA.

LENDERS/FINANCIERS AND PROVIDERS OF CAPITAL

Texton's goal is to engage transparently with lenders to ensure their support, to ensure the lowest cost of capital for our business.

Engagement

- Regular meetings with executive management and lenders and financiers to review and discuss lending requirements, refinancing and covenant levels, as well as any potential impacts of the changing risk environment
- SENS announcements
- Corporate website

Material concerns

- Liquidity concerns
- Balance sheet strength
- LTV ratio
- Compliance with debt covenants

Texton's response

- Texton refinanced its expiring facilities with its lenders and is in constant communication with our funders.
- Covenant breaches, if any, are timeously communicated to funders and options to remedy the breaches are discussed.
- Debt levels were reduced significantly during the period owing to the selling of properties.

GOVERNMENT/MUNICIPALITIES AND REGULATORS

Texton complies with mandatory laws and standards. Texton engages with authorities to further our understanding and application of governance best practices to support value creation.

Engagement

- Regular engagement with municipalities on service delivery, increases in rates and taxes and zoning issues
- JSE engagement in relation to compliance and regulatory updates
- Engagement with the South African Revenue Service ("SARS") on taxation matters as and when required

Material concerns

- Changes and updates to regulatory and tax legislation
- REIT status
- Failing infrastructure impacting tenants' ability to trade and operate
- Unsustainable increases in municipal rates and electricity costs

Texton's response

- Monitoring of REIT status throughout the year
- Service delivery: Providing backup services to our tenants
- Rates and taxes: Lodging objections with municipalities
- Regulation and tax changes: Engagement with the JSE, SA REIT Association, SARS and our advisers

SUPPLIERS

Texton forms mutually beneficial partnerships that promote growth for ourselves and our suppliers. Our suppliers are considered to be a brand extension of Texton because they frequently interact directly with our stakeholders on our behalf. It is therefore imperative that they conduct themselves in a manner that is consistent with the Texton way.

Engagement

- Conferences and industry events
- Service level agreement management and service delivery feedback meetings
- Supplier code of conduct policy

Material concerns

- Contract management
- Tender process and criteria
- Conflicts of interest
- Timely payments

Texton's response

- Streamlined payment processes to ensure timely payments
- Interaction with suppliers to assess their needs and timing of cash flows

COMMUNITIES

Texton's engagement with community groups helps to create mutually beneficial partnerships.

Engagement

- When relevant, direct engagement about community concerns through personal interaction

Material concerns

- Business opportunities for local enterprises
- Job creation for unemployed youth and other community members
- Collaboration with non-profit organisations

Texton's response

- As we continue our sustainability journey, we will focus on enhanced stakeholder engagement with expanded material issues identification, responses to stakeholders and reporting on improvements.

OUR OPERATING CONTEXT



SA MARKET

MARKET AND OPERATIONAL REVIEW – SOUTH AFRICA

Operating environment

The South African office market continued to bifurcate during the year. National vacancies kept edging down from their post-pandemic peak, but much of that improvement came from B- and C-grade stock being withdrawn and converted to residential and mixed-use, particularly in Johannesburg, rather than from a broad recovery in demand. Very little new premium-grade space was delivered, as developers and funders held back given elevated funding costs. The result is a market where well-located, well-managed product is increasingly sought after, while older, poorly located and inflexible space continues to struggle.

Cost pressures remained a defining feature of the year. Eskom's sustained run without load shedding improved operating stability, but it came with further above-inflation electricity tariff increases, and municipal charges continued to escalate. The rise in inflation and the 25 basis point repo rate increase in May 2026 also pushed the cost of debt up rather than down, reversing the funding relief expected at the start of the year. In this environment, active asset management, cost discipline and targeted capital allocation matter more than ever.

In response to these turbulent times, we deployed a comprehensive suite of asset management tools. We developed asset specific business plans focused on streamlining the portfolio and stabilising underperforming assets through enhanced letting efforts and early lease renewals designed to extend our weighted average lease terms.

Our SME strategy: continued roll-out

Against this backdrop, we continued to execute our SME-focused strategy, which is built on a clear view of where demand lies. Small and medium-sized businesses remain underserved by traditional landlord models: they want quality space that is available immediately, priced transparently and let on simple, flexible terms, without the upfront cost and delay of a bespoke fit-out. Our Instant Offices product (formerly Tex-Spaces) is designed to meet exactly that need.

During the year we converted a further 4,630m² of traditional office space into Instant Offices across our properties. Each unit is delivered fully fitted and furnished, with private meeting rooms and kitchen facilities, within business parks that offer the amenities and security SMEs value. A fixed, all-inclusive pricing structure removes the uncertainty of variable utility and service charges, which is particularly valuable for tenants when electricity and municipal costs are rising sharply. Units are configured for businesses of roughly five to 25 employees, with larger, more flexible layouts available to established SMEs who want to personalise their space. While letting update was low initially we have seen a steady uptake at year end.

Self-storage: expanding capacity

Self-storage is a natural complement to our office portfolio, giving new life to buildings that don't lend themselves to subdivision into smaller office units. The asset class offers resilient demand through the economic cycle, low maintenance costs and a highly granular income base. Demand in South Africa's major metros remains strong, as shown by the occupancy and rental growth reported across a sector made up of one well-capitalised listed leader and many smaller independent operators. Rather than competing head-on with purpose-built facilities, we convert space within our existing business parks. This lets us offer convenient, professionally managed storage to the businesses and surrounding residents in these nodes, at a fraction of the cost of ground-up development.

Building on our existing self-storage sites, we added significant capacity during the year in response to strong demand. We completed an expansion at Wellington, and a further development at 151 Katherine Street in the Sandton node, where demand has been particularly strong. Both came into operation during the year. Self-storage income and net property income grew strongly as a result. As expected with new capacity, vacancy in the segment rose while the new space is let up, and this was the main reason overall portfolio vacancy increased. We expect self-storage vacancy to reduce steadily as the new space matures.



UK MARKET

MARKET AND OPERATIONAL REVIEW – UK AND USA PROPERTIES

United Kingdom

The year began with interest rates easing, and the Bank of England continued to reduce rates into the first half of the financial year. That trajectory changed when the Middle East conflict escalated in late February 2026. Higher energy prices revived inflation concerns, and the Bank kept rates on hold for the rest of the period. Gilt yields rose sharply during the conflict and eased somewhat after the ceasefire, which put upward pressure on property yields even where rental values held up. Economic growth remained subdued.

Investor sentiment across the regional commercial property market remained cautious. Capital values were broadly flat, and investment activity stayed below long-term norms as investors waited for clearer conditions. The gap between prime and secondary property remained wide.

Occupier markets were more encouraging in the warehouse and logistics sector. In the Midlands, where our Burton-on-Trent warehouse is located, occupier demand was strong despite the wider economic headwinds, and the region remained the UK's leading logistics hub. Available supply tightened as a result, supporting rental growth, although higher yields continued to weigh on investment pricing.

The regional retail market was more mixed. Consumer spending was constrained by cost-of-living pressures and weak growth. Retail assets that are well let and meet everyday needs held up better than discretionary retail and older high-street stock. This is the context for our retail property in Carmarthen.

Kimwell – industrial property, North Carolina

Our Kimwell industrial property is in Winston-Salem, which is part of North Carolina's Piedmont Triad industrial market. The Triad performed well during the year, despite higher interest rates and a cautious national investment market. Occupier demand stayed healthy and tenants continued to take up space, so vacancy fell and availability tightened compared with a year earlier. Average asking rents continued to rise. The region also has the lowest industrial vacancy of the six major markets in the Carolinas, even after a substantial amount of new space was added in recent years. Developers have responded with a larger construction pipeline, but demand is still outpacing new supply, and occupiers have fewer options for modern industrial space.

The property is in an established industrial location close to Interstate 40, which connects it to Greensboro and the wider Triad. This supports its appeal to tenants. The local market is strengthening and the asset is financed with fixed-rate debt, so it continues to provide stable US dollar income and diversify the Group's earnings.



USA MARKET

MARKET AND OPERATIONAL REVIEW – OFFSHORE UNLISTED INVESTMENTS

Our offshore investment portfolio gives shareholders hard-currency exposure to sectors with strong structural demand. We invest through funds and vehicles managed by established institutional real estate managers.

Portfolio activity

During the year, we rebalanced the portfolio and generated liquidity for the Group. We fully exited our investment in the Blackstone Real Estate Income Trust and redeemed part of our holding in the Starwood Real Estate Income Trust. We also continued to meet our existing capital commitments to Greenpoint/Infinium, Cadre and GIM Investments/Apollo. At year-end, the portfolio comprised five investments in the US and one in the UK. The redemptions reduced the dividend income received from these investments compared with the prior year.

Market environment

US rental housing turned a corner during the year. The construction wave that followed the pandemic began to subside: new completions declined, and demand outpaced new supply for consecutive quarters, which reduced vacancy. Rent growth remained soft but began to improve. High-supply Sun Belt markets led the country in absorption, although rents in some of them were still under pressure.

The US industrial market also reached a turning point. In the second quarter of 2026, demand exceeded new supply for the first time since 2022, and national vacancy began to ease after nearly three years of record deliveries and rising vacancy. Rent growth was modest. Newer, well-specified facilities captured most of the demand, while older properties and oversupplied markets continued to lag.

Capital markets were less supportive. Volatility in the 10-year US Treasury yield and a higher-for-longer interest rate outlook kept upward pressure on capitalisation rates. This weighed on valuations even where operating fundamentals were improving.

Performance

Valuations across the portfolio remained under pressure. The largest decreases were in the Cadre, PadSplit and GIM Investments/Apollo investments. These were partly offset by gains in Greenpoint/Infinium and the Faropoint Industrial Value Fund. The stronger rand also reduced the rand value of the portfolio.

Looking ahead

Occupier fundamentals in both rental housing and industrial are improving as new supply falls away. Valuations, however, will remain sensitive to the direction of US interest rates and bond yields. We continue to believe in the long-term strength of these sectors, and we will keep managing the portfolio actively, including where it can support the Group's broader capital allocation priorities.

OUR BUSINESS STRATEGY AND OBJECTIVES

Our Board reviews our strategy annually ensuring that the business is positioned to sustainably meet the long-term value requirements of our stakeholders.

In line with our strategy, we focused on robust and disciplined capital allocation. We are strategically reinvesting heavily into our direct property investments which are located in centralised nodes in both SA and the UK and deploying capital into high-quality property investments in developed markets with best-in-class asset managers. In addition, we continue to strengthen our corporate governance, retaining tenants, reducing vacancies, increasing liquidity, improving portfolio quality and enhancing stakeholder engagement.

We also review our assets every year to ensure they meet our portfolio quality criteria and to optimise efficiencies. This enables us to improve efficiencies and implement further value-adding asset management initiatives per property.

Risk factors such as nodal deterioration and tenant risk profiles continue to be focus areas. These are drivers to implement strategic initiatives such as the selling of non-core assets or repositioning affected properties in the form of redevelopment and/or refurbishment.

OUR STRATEGIC PILLARS

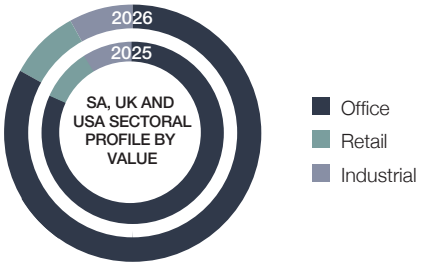


OPERATIONAL EXCELLENCE

We focus on maintaining superior operational excellence to counter the operating environments in SA and the UK as well as increasing competition. Our tenant-centric focus in everything we do ensures a competitive advantage in addition to our sectoral and geographical diversification across the retail, office and industrial properties in SA and the UK. Texton also has significant investments in the USA which makes Texton an attractive investment.

Sectoral split by value

	2026 %	2025 %
Office	**83,1**	81,8
Retail	**9,0**	9,4
Industrial	**7,9**	8,8



Strategic drivers

- Active asset management – identifying ways to retain existing tenants, reduce vacancies, attract new tenants, maintain rental levels and reassess tenant mix for best use of space and maximising value on lease expiry.
- Repurposing of office space into storage space.
- Alignment with SA REIT best practice.
- Focused tenant retention strategies.
- Fostering strong relationships with existing tenants.
- Internalised property management function ensuring a direct line of contact for management to tenants and enabling faster responses to their needs.
- Invest in sustainability initiatives such as solar power and boreholes.
- Through our disciplined capital allocation, developing a risk-adjusted international investment portfolio.

Primary KPIs and 2026 progress

KPI	How we performed
Extending unexpired lease terms year-on-year	Over the past 2 years we have seen the average unexpired lease term in South Africa come down as we implemented our strategy that focused on more flexible and shorter term leases targeted at small and growing businesses. Over the current year, we have seen a slight improvement in our average unexpired lease term to 1,29 years (2025: 2,05). This reduction is due to the tenure of our Instant Offices preferring shorter leases rather than the traditional 3 to 5 year leases. In the United Kingdom the average unexpired lease term deteriorated slightly to 5,45 years.
Maintaining absolute number of leases renewed above 90%	58 leases were renewed, amounting to 16,227m², representing a renewal rate of 88,6%. In the SA portfolio, several key leases due to expire at future dates were proactively and defensively renewed.
Concluding new leases relative to budget	The continued success of our SME strategy has reinforced the trend towards smaller, more flexible spaces as tenants adapt their occupational requirements. This shift has been evident across our portfolio and has resulted in high volumes of smaller lease being concluded. During the year ended 30 June 2026, we successfully concluded 58 new leases (2025: 53 leases), representing a total GLA of 8,110m² (June 2025: 7,678m²).
Cost savings	Property expenses decreased by 0,74% year-on-year due to the cost savings that have been implemented in the business.

Combined lease expiry profile	GLA %	Revenue %
Vacant*	**14,6**	**–**
June 2027	**46,9**	**60,8**
June 2028	**14,2**	**15,7**
June 2029	**14,0**	**12,8**
June 2030	**3,0**	**4,0**
June 2031	**0,6**	**0,5**
>June 2031	**6,7**	**6,2**
	100,0	**100,0**

Outlook

In SA, we remain focused on continued and early tenant engagement and improving our offerings to cater for the needs of existing and new tenants. Most of our UK portfolio continues to have long-term leases in place, with expiry dates well into the future, most of which are due to expire in June 2030.

Risks

- Slow recovery in SA and UK economies
- High interest rates in SA and UK
- Tenants continue to leverage the rental market to their advantage by occupying better space at lower rentals
- Increased competition among landlords to attract and retain tenants

* *The methodology of core vacancy has changed and is calculation based on the lettable GLA within the portfolio, excluding GLA that is under development or mothballed.*

REPOSITIONING AND REPURPOSING PORTFOLIO ASSETS

We reposition and repurpose portfolio assets to enable the leasing of vacant space and, in doing so, identify new opportunities to unlock value through improving our product offering, defensively investing in our assets and upgrading our amenities. In addition, we focus on relationship building and direct canvassing.

Strategic drivers

- Active asset management across all properties in both geographies.
- Growing relationships with broker networks to find new tenants.
- Providing flexible, innovative solutions-orientated assistance to tenants requiring new space.

Primary KPIs and 2026 progress

As at 30 June 2026, the total vacant GLA (including under development), was 22,961m² (June 2025: 22,135m²)*, representing a slight increase of 826m² during the period. This increase is driven mainly by the additional storage space of 2,401m² introduced into the market during the later part of the year. Uptake has been steady and we expect the storage units to become fully let by the end of 2027. When excluding the space that has not yet been developed, our core vacancy amounts to 14,6%.

Our progress in leasing vacant space is measured by the reduction of vacancies for the total portfolio, and geography and sector.

The continued success of our SME strategy has reinforced the trend towards smaller, more flexible spaces as tenants adapt their occupational requirements. This shift has been evident across our portfolio and has resulted in high volumes of smaller lease being concluded. During the year ended 30 June 2026, we successfully concluded 58 new leases (2025: 53 leases), representing a total GLA of 8,110m² (June 2025: 7,678m²).

Texton's weighted average lease expiry ("WALE") has worsened slightly year-on-year. With the roll out of our SME strategy, there has been a shift in demand for more flexible rental terms, new letting lease durations have averaged between 1 to 3 years. In line with this, the WALE of the South African portfolio decreased to 1,29 years as at 30 June 2026, from 2,05 years as at 30 June 2025.

Outlook

In SA, we remain focused on reducing vacancies, but the outlook is challenging, specifically in the office sector where we have several long-standing vacancies. Repurposing of large vacant space into Instant Office and storage will assist in unlocking value and reducing vacancies.

All of Texton's wholly-owned UK assets remain fully let and income producing, contributing strong income returns.

Risk

Property vacancy risk is ranked in our material risks for 2025. See the risk and opportunity management section on **page 30** for additional details.

BALANCE SHEET STRENGTH AND FLEXIBILITY

We remain focused on maintaining our LTV ratio below 40% and strengthening our relationships with our banking partners.

Strategic drivers

- Constant monitoring of borrowing and covenant levels and identification of methods to best manage these.
- Continuous engagement with lenders.

Primary KPIs and 2026 progress

We have refinanced all expiring debt on favourable terms and tenures. This process showed that we have funders that support our business, and the improved tenures provide us with a solid foundation from which to grow.

Total debt outstanding as at 30 June 2026 amounted to R686,3 million (June 2025: R709,2 million) made up as follows:

	June 2026			June 2025		
	ZAR facilities Rm	USD facilities $m	Total facilities Rm	ZAR facilities Rm	USD facilities $m	Total facilities Rm
Total debt facilities	**828,9**	**2,3**	**865,5**	828,9	2,3	869,1
Total debt drawn	**650,6**	**2,3**	**686,3**	669,2	2,3	709,2
Total cash	**82,7**	**–**	**82,7**	117,2	–	117,2
Net debt*	**568,0**	**2,3**	**603,6**	552,0	2,3	592,0
Subject to fix rates	**–**	**2,3**	**36,6**	–	2,3	40,2
% hedged on net debt	**–**	**–**	**6,1**	–	–	6,79
% Effective interest rate	**8,72**	**6,81**	**8,62**	9,82	6,81	9,65

* *Net debt is defined as debt less cash and cash equivalents.*

Our loan profiles as at 30 June 2026 is as follows:

	2027	2028	2029	2030	2031	Total
South Africa Loan expiry profile (Rm)	155,5	–	–	247,1	247,0	649,7
USA Loan expiry profile (Rm)	–	–	–	36,6	–	36,6
Group Loan expiry profile (Rm)	155,5	–	–	283,7	247,0	686,2

As in the prior year, we had no unencumbered direct property investments.

Outlook

The enhancement of treasury management practices, extension of the debt maturity profile, diversification of funding sources and management of the cost of debt remain significant focus areas.

Risk

In 2026, the ability to sell properties and reduce our LTV ratio represented a material strategic risk for Texton. See details in the risk management section on **page 29**.

RISK AND OPPORTUNITY MANAGEMENT

We define risk as a possible event that could materially impact our ability to create and preserve value, as well as potentially erode value.

RISK AND OPPORTUNITY MANAGEMENT APPROACH

We apply a hands-on approach to risk and opportunity management. This ensures we have adequate checks and balances in place to support appropriate decision-making. This process strengthens our strategic direction and operational practices.

Risk management

Risk management is integrated into our strategy and is considered an intrinsic part of doing business. It is an ongoing process and includes planning, identification, analysis, monitoring and control. The objective is to decrease the probability and impact of adverse events and to exploit any positive opportunities that may arise as a result.

The probability of occurrence and the potential impact of each risk is measured and documented together with potential measures to mitigate each risk on the Group. The Board monitors the risk register quarterly to ensure a risk assessment is performed continually.

The strategic intent of our risk management process is to create an environment in which risk management is applied at a consistently high level across the Group, enabling the Board to make informed decisions, achieve business objectives and maximise returns for our stakeholders.



Board	The Board appreciates the importance of risk management and has ultimate responsibility for the risk management process and systems of internal control. The Board reviews and monitors the effectiveness of our internal control systems, assisted by the audit and risk committee and executive management team.
Audit and risk committee	The Board is assisted in its responsibility by the audit and risk committee. The committee oversees compliance with the risk management plan and reviews the adequacy of our risk management framework, relative to the risks and opportunities identified.
Executive management	Executive management is accountable for the design, implementation and monitoring of the risk management plan, as well as developing a culture of performance monitoring and compliance.
Internal controls	Our system of internal controls is designed to provide reasonable assurance of the integrity and reliability of our annual financial statements. Such controls safeguard, verify and maintain accountability of our assets, and detect fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. Our internal controls focus on critical risk areas identified by the finance and asset management teams and these are confirmed by the executive committee.
Independent audit	Our independent audit assurance partners assist with risk oversight.

Risk appetite

Our risk appetite enables Texton to take calculated risks in our pursuit of long-term value creation. Material risks are frequently reviewed, challenged and prioritised by the executive management team which formulates strategic plans to mitigate these risks and exploit opportunities.

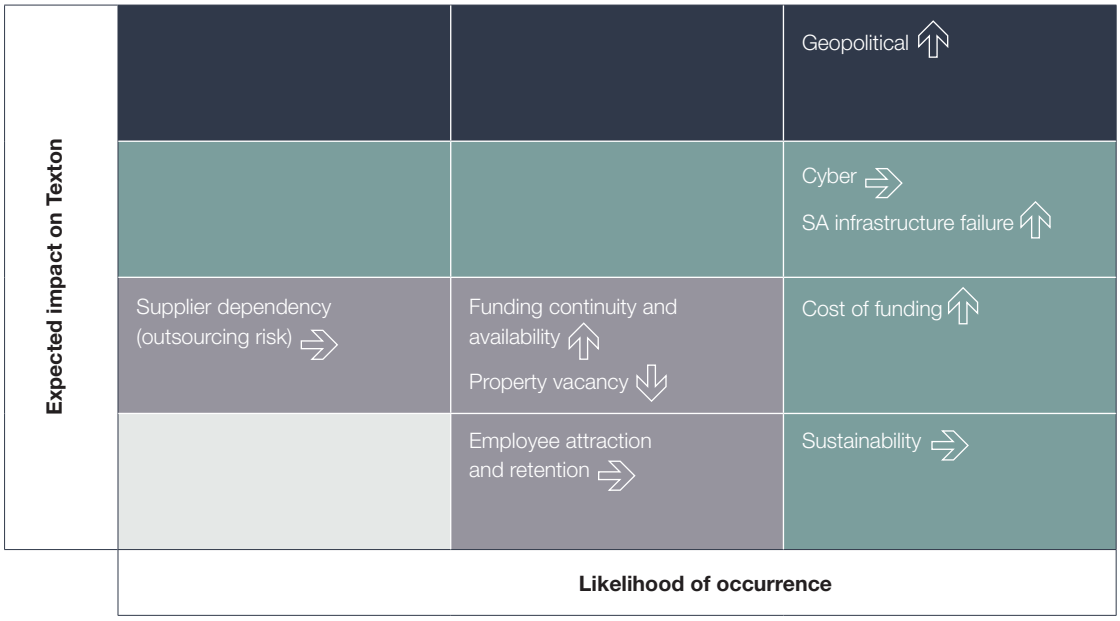
These plans are then reviewed and recommended by the audit and risk committee to the Board for approval. This process determines the residual risks to be assessed and thereby determines our risk appetite.

Risk tolerance

Our risk matrix below ranks risks in terms of their probability and potential impact on Texton. Where a risk remains residually high, the activity giving rise to the risk is closely monitored.

OUR KEY RISKS AND OPPORTUNITIES

Our risk matrix



Key	Year-on-year movement
High	Increasing
Significant	Decreasing
Moderate	Unchanged

Year-on-year movement

- Increasing
- Decreasing
- Unchanged

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and relationship capital

GEOPOLITICAL

Texton is exposed to the risk of increasing inflation and currency fluctuations arising from increasing political risk across the geographies in which we operate.

Adverse interest rates.

Long, drawn-out conflicts in the Middle East and Eastern Europe. Texton's investments in the UK and USA are not directly impacted by the conflict though we are cognisant of negative factors that may arise due to the war.

Business impact	Mitigating actions	Opportunities
• Currency fluctuations may result in earnings volatility and declining dividends • Inflation leads to the erosion of net property income and net profit. This leads to a decrease in distributable earnings, particularly in a high-vacancy environment • Political risk places pressure on the macro-economic environment, which can lead to reduced property values • The risk of inflation, materials and energy supply shortages across Europe and globally in general	• GBP debt has been repaid with proceeds from disposals • Improve quality of portfolio through strategic disposals and development projects • Assist tenants by reducing rental fees in exchange for longer leases • UK diversification provides offshore hard currency exposure • Capital investments that have been made in developed countries with best-in-class investment partners	• Negotiation with key stakeholders • Cost-saving opportunities • Reduction of funding costs • Geographical diversification

Capitals impacted	

Inherent risk level	Risk appetite	Risk tolerance	Residual risk after mitigation
→	→	→	Significant

Cyber

The prevalence of cyberattacks has increased dramatically over the past few years, with criminals becoming increasingly sophisticated.

Business impact	Mitigating actions	Opportunity
• Cyberattacks cause widespread disruption to operations and can be costly to remedy, causing significant reputational damage and potential exposure to lawsuits	• Improved firewalls • Quarterly engagement with information technology ("IT") service provider	• Investigation of improved IT systems providing improved cyber safety for stakeholders

Capitals impacted	

Inherent risk level	Risk appetite	Risk tolerance	Residual risk after mitigation
→	→	→	Significant

SA INFRASTRUCTURE FAILURE

SA is facing challenges in the continued supply of key utilities such as water and electricity, which impacts our tenants' ability to trade.

Inflated rates and rising utility costs also put additional pressure on our tenants.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• Our tenants' inability to trade effectively and the impact on the SA economy pose a substantial risk to Texton • Increased cost of operating generators • Negative environmental impact of generators • Tenants' reduced operating capacity puts pressure on their businesses, resulting in lower income • Existing pressure on tenants due to high costs of occupancy with above-inflation municipal cost increases	• Investment in solar and borehole at several properties • Consideration of further alternative water supply solutions in the future to ensure tenants can operate at all times • Investment of time in the feasibility of increasing green technology usage. Other energy and water solutions will be dealt with on a cost-benefit basis only • Frequent follow-ups with transferring attorneys and the deeds office to contain delays	• Improve usage efficiencies • Reduce reliance on municipal services • Explore further implementation of alternative energy sources such as solar

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
↑	→	→	Significant

COST OF FUNDING

Adverse interest rate movements.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• The increased cost of borrowings directly impacts distributable earnings • Covenant breaches may reduce creditworthiness and impact our ability to access funding and increase finance costs	• Reduce the LTV ratio and create headroom in covenants • Negotiate lower interest cover ratios with lenders • Strengthen relationships with existing and new lenders	• Improve relationships with financial institutions • Strategic recycling of property assets • Tenant attraction and retention strategy

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
→	→	→	Significant

Year-on-year movement

- Increasing
- Decreasing
- Unchanged

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and relationship capital

SUSTAINABILITY

The investor community is placing more emphasis on sustainability. The risk of failure to meet sustainable objectives and targets could have a significant impact on the business.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• Reputational and brand risk for failure to meet investor expectations	• Sustainability strategy in place • Improved reporting and measurement	• Explore the further implementation of alternative energy sources such as solar

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
→	→	→	Significant

FUNDING CONTINUITY AND AVAILABILITY

There is the risk that Texton is unable to raise funding for capital and operational requirements, and property values will continue to decrease.

This could result in possible LTV ratio covenant breaches, which puts the continued funding of the portfolio at risk.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• Covenant breaches may reduce creditworthiness and impact our ability to access funding and increase finance costs	• Reduce the LTV ratio in terms of our core pillar ratios and create headroom in covenants	• Establish new relationships with new funders • Strengthen relationships with existing funders

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
→	→	→	Moderate

PROPERTY VACANCY

Given the macro-economic environment in which we operate, and the high vacancy rates across SA in the Office sector, there is a risk that tenants will not renew leases, and buildings, or portions thereof, will become vacant.

Our current core vacancy rate is 14,6% in SA which places significant pressure on our earnings and property values.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• Higher vacancy rates increase the risk of building obsolescence and result in the reduction of rental income and distributable earnings	• Focus on operational excellence in terms of our core pillars • Asset managers engage with tenants one year before lease expiry • Retain tenants for sustainability • Increased tenant engagement to build mutually beneficial relationships • Proactive approach by leasing team to meet tenants' needs and strengthen these relationships • Ensure accurate, transparent and timely information is communicated to stakeholders via appropriate channels	• Enhance mutually beneficial relationships with our tenants • Repurposing buildings for smaller, flexible office space

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
↑	→	→	Moderate

EMPLOYEE ATTRACTION AND RETENTION

Failure to attract or retain key executives and personnel will have a material impact on the business operations and reputation of Texton.

A lack of succession planning will put Texton's operations at risk and lead to brand damage.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• The lack of personnel attraction and retention leads to loss of knowledge, skills and leadership, and the potential of increased workload on existing employees • Failure to implement succession planning will hinder the achievement of strategic objectives and have a reputational impact, affecting long-term growth and sustainability. It will also lead to a reduced ability to react to market opportunities	• Improved remuneration policy • Introduction of a Conditional Share Plan for employees • Personal development plans for employees in 2027	• Employee training and development investment • Internal succession development and planning

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
→	→	→	Moderate

Year-on-year movement

- Increasing
- Decreasing
- Unchanged

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and relationship capital

SUPPLIER DEPENDENCY (OUTSOURCING RISK)

With the current lack of vocational skilled labour in the country, there is a risk that Texton would not be able to find suitable suppliers at the right price.

This would lead to operating inefficiencies and financial loss.

BUSINESS IMPACT	MITIGATING ACTIONS	OPPORTUNITIES
• Not finding suitable suppliers can lead to repairs not being done timeously or problems not fixed properly causing further damage. • Tenants can become frustrated if repairs are not carried out quickly and can lead to tenants not renewing their leases. • Condition of the property deteriorates due to poor quality of repairs • Prices of skilled suppliers increasing	• The facilities team have found a number of suitable suppliers to use and add onto our database. • Texton maintains good relationships with our suppliers in order to facilitate quick response times and good quality workmanship • Constant communication with suppliers on improvement areas so as to ensure the best service delivery	• Helping improve and grow our suppliers through feedback and providing them with opportunities • Looking forward we can grow our suppliers through our supplier development and enterprise development initiatives • Identify areas where we can improve our internal capabilities

Capitals impacted	

INHERENT RISK LEVEL	RISK APPETITE	RISK TOLERANCE	RESIDUAL RISK AFTER MITIGATION
→	→	→	Moderate

LEADERSHIP REPORT

Texton operates across the real estate markets of South Africa (SA), the United Kingdom (UK), and the United States of America (USA). In each jurisdiction, macroeconomic challenges — such as inflation dynamics, interest rate cycles, currency volatility, and shifting political landscapes — both constrain and present opportunity. Our approach continues to prioritise adaptability, balance, and proactive risk management as we optimise our portfolio and pursue sustainable growth.

Texton invests across the real estate markets of South Africa, the United Kingdom and the United States. While the year began with the prospect of easing interest rates, it ended against a more uncertain backdrop, as geopolitical tensions and higher energy prices brought renewed inflationary pressure.

The 2026 financial year was one of consolidation, with the focus on extending our debt maturity profile, rebalancing the offshore portfolio and returning surplus capital to shareholders. Our approach remains grounded in adaptability, balance and proactive risk management, so that Texton can protect its income through the cycle and act decisively as opportunities emerge.

OPERATING CONTEXT AND ECONOMIC OUTLOOK

South Africa

South Africa's economy entered the year on an improving trajectory but lost momentum in the second half. Rate cuts during 2025 brought the repo rate down to 6,75%, and in November 2025 National Treasury formally lowered the inflation target to 3%, within a band of 2% to 4%. Headline inflation fell to 3% in February 2026. The outbreak of war between the United States and Iran at the end of February then reversed much of this progress. Higher oil and transport costs pushed inflation up to 4,5% by May 2026, and GDP contracted by 0,2% in the second quarter after growing by 0,4% in the first, ending six consecutive quarters of growth.

The South African Reserve Bank responded by raising the repo rate by 25 basis points in May 2026, its first increase since 2023, bringing the rate cycle to a close earlier than markets had expected. The rand strengthened against both sterling and the US dollar over the year. This improved the competitiveness of imported costs but reduced the rand value of our offshore assets and income.

For the domestic property market, the early stages of rate relief supported sentiment and valuations, but the subsequent reversal has delayed a broader recovery in values and development activity. Against this backdrop, Texton's portfolio delivered modest valuation growth and a 1,6% increase in net property income, with self-storage once again the fastest-growing contributor.

Our approach emphasises disciplined cash flow generation, reduced leverage, and targeted reinvestment into sectors with defensive characteristics and long-term relevance.

United Kingdom

The Bank of England continued to ease during the first half of the financial year, cutting Bank Rate to 3,75% in December 2025, and has held it at that level since. Energy prices have since become the main source of inflationary pressure, and UK inflation rose to 3,1% in August 2026. The Bank now expects CPI inflation to rise to around 3,75% in the fourth quarter of 2026, which makes further rate cuts unlikely in the near term.

The UK commercial property market remained broadly flat over the year, with rental growth offset by modest outward yield movement. In the quarter to June 2026, all-property capital values fell by 0,2% while rental values rose by 0,6%. Retail, where our Carmarthen property sits, delivered the strongest total returns, with capital values edging higher. Industrial capital values eased despite continued rental growth, as yields moved out. Against this backdrop, we view the UK as a stable, income-driven market in which our two direct assets continue to contribute steady hard-currency income.

United States of America

The US economy remained resilient over the year, although growth slowed. Real GDP grew at an annualised 2,1% in the first quarter of 2026 and 1,5% in the second, and unemployment remained low at 4,2% in June 2026. The Federal Reserve lowered rates during the second half of 2025 and held its policy rate at 3,50% to 3,75% from December 2025 to the end of our financial year. Inflation turned higher after the outbreak of hostilities with Iran, with headline CPI reaching 3,5% in June 2026, compared with 2,7% a year earlier. Trade policy remained a source of uncertainty: the Supreme Court ruled in February 2026 that the president cannot impose tariffs under emergency powers legislation, and the administration replaced the invalidated tariffs with temporary measures under other trade legislation.

In the industrial and rental housing sectors where our US investments are concentrated, occupier demand strengthened during the year as new construction slowed and the excess supply delivered after the pandemic was progressively absorbed. Capital values, however, remained under pressure from elevated long-term interest rates.

PERFORMANCE

Our core objective remains to deliver sustainable, risk-adjusted returns to stakeholders through disciplined capital allocation, active asset management and value-driven investment. During the year, our focus shifted to optimising the portfolio we have retained, strengthening our funding base and rewarding shareholders through the distribution of surplus capital.

Capital allocation continued to prioritise shareholder returns. During the year we paid the return of capital declared in respect of the prior financial year, funded from operating cash flow and the proceeds of offshore redemptions, and the Board has declared a final dividend for the 2026 financial year. These distributions were made while comfortably meeting the distribution requirements for maintaining our REIT status.

The disposal programme is now largely complete, and the remaining activity is focused on a small number of non-core assets. We concluded the sale of the last property held for sale during the year, and after year-end we agreed the disposal of two further non-core office buildings in Johannesburg. This allows management to concentrate on assets that align with our SME office and self-storage strategy.

On the funding side, we refinanced our principal South African banking facilities on improved terms, extending maturities well into the future and reducing our cost of debt. We remained within all covenants throughout the year, and our gearing remains moderate and well within lender requirements, which gives us flexibility in a more uncertain interest rate environment.

In South Africa, we continued to reinvest selectively in the portfolio, directing capital towards repositioning and upgrading core assets. Office income grew modestly despite a competitive leasing market, while self-storage continued to scale and was the fastest-growing contributor to net property income. Rising electricity and municipal costs, together with higher tenant impairments, remained a pressure point and continue to receive close management attention.

Offshore, we used the year to rebalance the portfolio. We completed our exit from the Blackstone Real Estate Income Trust and partially reduced our Starwood holding, releasing liquidity while continuing to meet capital calls on existing commitments. Kimwell Drive delivered stable income on fixed-rate funding, and our remaining investments are concentrated in industrial and rental housing, where occupier fundamentals are improving.

Balancing the competing demands on our capital remains central to how we manage the business. This year, that meant returning surplus capital to shareholders, keeping debt at prudent levels and protecting liquidity, while continuing to reinvest in the local portfolio and maintain our offshore exposure. We believe this balance has left Texton with a simpler portfolio, a longer-dated funding structure and the capacity to respond as conditions improve.

BALANCE SHEET OVERVIEW – 30 JUNE 2026

NAV per share

NAV	June 2026 R'000	June 2025 R'000
Reported NAV attributable to the parent	**1,501,921**	1,710,281
Adjustments:		
Dividend declared	**(55,000)**	–
Deferred tax	**2,931**	2,620
Total equity	**1,449,845**	1,712,901
Shares outstanding	**330,060**	330,060
Number of shares in issue (net of treasury shares) ('000)	**298,099**	298,099
NAV per share (cents)	**486,36**	574,61^

^ *This represents the NAV per share prior to the declaration of Return of Capital of 63,74 cents. When taking into consideration the Return of Capital to be Paid, the NAV per share amounts to 510,87 cents.*

Net asset value per share decreased from 574,61 cents at 30 June 2025 to 486,36 cents over the year. This reduction is primarily attributable to the Return of Capital declared during the year, in addition to the strengthening of the ZAR. The impact of the capital distribution was partially offset by strong operational performance, with solid operating cash flows and upward movements in property valuations contributing positively to net asset value.

Investment property

Investment property (including properties held for sale) decreased slightly from R1,896 billion at 30 June 2025 to R1,886 billion at 30 June 2026, driven primarily by reduction in the valuation of the UK property. In South Africa, investment property values increased by R20 million due to capital spending on assets, supported by robust and sustained underlying earnings. In the UK the property value overall declined by R30 million due to the underlying reduction in the capital value of the industrial property, as widening equivalent yields on the back of higher UK interest rates more than offset the resilient performance of the retail property as well as the strengthening of the ZAR.

Unlisted investments

Unlisted investments decreased significantly to R240 million at 30 June 2026 (2025: R413 million) due largely to the strategic divestment of its BREIT (R111 million) and a portion of its SREIT (R29,9 million) holdings during the period to re-balance the offshore portfolio and generate liquidity. Exposure to remaining investments increased by R15,1 million, with additional capital invested in Greenpoint/Infinium (R5,7 million), Cadre (R1,5 million), and GIM Investments/Apollo (R7,9 million). Capital values remained under pressure due to volatility in the 10-year US Treasury note, with a fair value decrease of R26,4 million for the year — slightly higher than the prior year's adjustment.

External loans

External borrowing reduced slightly from R709 million at 30 June 2025 to R686 million at 30 June 2026. This reduction is largely driven by excess money being placed in the revolving credit facility. The LTV ratio now stands at 28,1% (June 2025: 25,3%).

Cash and cash equivalents

At 30 June 2026, the cash balance amounted to R82,7 million down from R117,2 million as at 30 June 2025, with an additional R179,4 million of undrawn facilities (30 June 2025: 159,7 million).

Share capital

There has been no movement in the shares in issue during the past year.

DISTRIBUTABLE INCOME

Calculation of distributable earnings

	June 2026 R'000	June 2025 R'000	Variance %
Revenue	**271,008**	262,884	3,1
Impairment losses on tenant debtors	**(5,188)**	(2,846)	108,7
Property expenses	**(117,179)**	(111,595)	(5,0)
Other income	**7,452**	18,450	(59,6)
Administrative expenses	**(40,905)**	(42,839)	(4,5)
Impairment loss on vendor financing	**1,800**	(784)	(329,6)
Depreciation and amortisation	**7,431**	7,909	(6,0)
Net finance cost	**(55,284)**	(59,294)	(6,8)
– Finance income	**8,354**	21,360	(60,9)
– Finance cost	**(63,638)**	(80,654)	(21,1)
Taxation	**(3,604)**	1,552	(332,2)
Total distributable earnings	**65,532**	73,797	(11,2)
Distributable income per share (cents)	**24,76**	26,80	(7,6)
Dividend per share (cents)	**20,13**	20,13	–

Total distributable income for the year ended 30 June 2026 amounted to R65,5 million (June 2025: R73,8 million), representing an 11,2% decrease.

At a Group level, Texton's net property income decreased from R145,8 million to R142,3 million.

In South Africa, core net property income increased to R130,1 million, compared to R129,1 million in the prior corresponding period, offset by income lost from sold properties of R1,2 million. Rental and other property income from the South African core portfolio increased from R239,5 million to R250,0 million. Property expenditure during the period increased from the comparative period, primarily driven by higher municipal charges, legal expenses, and necessary repairs and maintenance projects undertaken to support asset quality and tenant retention. Despite ongoing inflationary pressures, other operating costs were well controlled and remained relatively stable. The vacancy rate increased to 14,6%, largely as a result of the newly introduced self-storage space which was previously listed as under construction. Encouragingly, the collections team maintained a strong collections rate of above 97,9% during the period.

In the United Kingdom, net property income decreased from R17,7 million to R16,2 million, largely due to the disposal of Caterpillar and Gainsborough, which reduced net property income by R4,8 million. This decrease was partially offset by a R4,0 million improvement in the performance of Kimwell year-on-year.

Administrative expenses increased by cR2 million compared to 30 June 2025, largely driven by a decrease in staff incentives. Other costs remained flat, despite inflationary pressures.

Net finance costs reduced somewhat reflective of the renegotiated reduced interest rate with Standard Bank, the repayment of the HSBC loan in the prior year and the rate cut of 25bps during the year offset somewhat by the reduced interest earned due to lower cash balances during the year.

DISTRIBUTION

The Board of Texton declared a distribution which resulting 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") during October 2025.

The Board of directors of Texton ("the Board") is pleased to announce that it has approved and declared a cash dividend of 18,45 cents per ordinary share.

GOVERNANCE

We remain committed to being a good corporate citizen and ensuring the highest standards of governance throughout the organisation. Further details on our corporate governance can be found on **pages 54-60**.

OUTLOOK AND PROSPECTS

Texton is well positioned, with a well-capitalised balance sheet and a debt maturity profile that now extends to 2029 and 2030, which allows us to execute our strategy effectively and responsibly. Our disciplined capital deployment framework continues to guide decisions across all geographies and asset classes. It balances reinvestment in our South African portfolio with selective exposure to developed international markets through trusted partnerships.

In South Africa, our immediate focus remains on enhancing and repositioning core assets in line with our SME-focused strategy, [including the conversion of office space into Instant Offices,] to unlock value and drive sustainable rental growth. We continue to expand into complementary sectors such as self-storage, which provide defensive, countercyclical income streams and improve asset utilisation. Offshore, our partner-led investment model provides access to high-quality, institutional-grade assets in markets such as the United States, ensuring diversification, liquidity, and long-term hard-currency returns.

The near-term outlook for South Africa remains challenging. Following a further 25 basis point increase in September 2026, the repo rate stands at 7,25% and prime at 10,75%. The SARB has cut its 2026 growth forecast to 1,2%, and has warned that headline inflation could exceed 5% in late 2026 and early 2027. It expects inflation to return to around 3% towards the end of 2027, with rates broadly stable for the rest of 2026 and cuts later in the forecast period. Because our South African borrowings are at variable rates, higher rates will increase finance costs in the coming year. The improved margins on our refinanced facilities and our moderate gearing provide some cushion.

The interest rate cycle has also turned. South Africa formally adopted a 3% inflation target in November 2025, but rising fuel prices have pushed inflation higher. The SARB raised the repo rate by 25 basis points in May 2026, its first increase since 2023, and a further 25 basis points in September 2026, taking the repo rate to 7,25% and prime to 10,75%. The SARB has warned that headline inflation could rise above 5% in late 2026 and early 2027, and it expects inflation to return to around 3% towards the end of 2027. Its projections show rates broadly stable for the rest of 2026, with cuts later in the forecast period. Because our South African borrowings are at variable rates, higher rates will weigh on finance costs. The improved margins secured on our refinanced facilities and our moderate gearing provide some cushion.

Electricity supply remains a bright spot: South Africa has gone more than 470 days without national load shedding, which supports a more predictable operating environment for our tenants. Electricity costs, however, continue to rise well ahead of inflation, so our solar and energy-efficiency initiatives remain a priority.

This environment reinforces the relevance of Texton's SME office strategy, which emphasises flexibility, accessibility and affordability. Our attention is turning to reducing vacancies, driving rental growth and enhancing earnings quality. The self-storage sector continues to show strong structural demand, driven by urban densification, mixed-use development and space constraints in metropolitan areas. Our facilities are located in high-growth urban nodes, including 151 Katherine Street in Sandton and Wellington in Parktown [with expansions planned for Belvedere in the Sunninghill node], positions us to capture further growth. The sector's resilience and scalability make it an attractive part of our diversified income strategy.

Our US exposure comprises Kimwell Drive, a directly held industrial property in North Carolina, and unlisted investments of R179,0 million across SREIT, Cadre, Faropoint, PadSplit and GIM Investments/Apollo. These investments are concentrated in industrial and rental housing, two sectors where occupier demand has continued to strengthen even as the interest rate environment has become less supportive.

Interest rates remain the key influence on our US portfolio. With inflation pushed higher by the hostilities with Iran, the Federal Reserve raised its benchmark rate by 25 basis points to a range of 3,75% to 4,00% in September 2026, its first increase since July 2023, and has signalled a further increase this year. Long-term yields have risen too, with the 10-year Treasury reaching 5% in mid-September, its highest level since 2007. Higher yields have kept capital values under pressure and were the main driver of the fair value losses on our unlisted investments during the year, particularly Cadre, GIM Investments/Apollo and PadSplit. The debt on Kimwell Drive is fixed at 6,81% until 2029, which insulates the property from rising borrowing costs.

Fundamentals in the industrial sector, to which we are exposed through Kimwell Drive and Faropoint, have turned a corner. National industrial vacancy fell to 6,9% in the second quarter of 2026, and leasing activity reached its highest level since mid-2022. Demand exceeded new supply for the first time since 2022. National rental growth has been muted so far, with warehouse asking rents down 1,6% year-on-year, mainly because of corrections in coastal markets. As vacancy tightens, we expect rental growth and valuations to recover, supporting both the income from Kimwell Drive and the value of our Faropoint investment.

Our rental housing investments (Cadre, PadSplit and GIM Investments/Apollo) are exposed to multifamily, single-family and manufactured housing, segments that benefit from the affordability constraints facing prospective homeowners. Apartment fundamentals improved markedly during 2026. Net absorption in the second quarter was nearly double that of the first quarter, and national multifamily vacancy fell to 4,3%, below its long-term average. With new deliveries down 14% year-on-year, rental growth is beginning to recover from a low base, which should in time support income and valuations across these investments.

We see the current combination of improving occupancy and elevated rates as a period of repricing rather than structural weakness in our chosen sectors. Having completed our exit from BREIT and partially reduced our SREIT holding during the year, our remaining undrawn commitments are modest. We will continue to manage the portfolio for income and liquidity, deploying capital selectively alongside established partners as valuations stabilise.

Although the interest rate cycle has turned against us in the short term, the work done this year to lengthen our debt maturities, simplify the offshore portfolio and return surplus capital has strengthened Texton's foundations. The underlying demand in our chosen sectors remains sound, and we expect it to translate into improved earnings and valuations once monetary conditions ease.

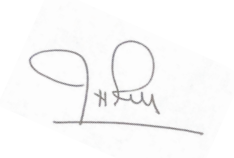
Our funding priorities for the year ahead are to renew the Investec facilities maturing in March 2027 and to complete the transition of our JIBAR-linked borrowings to ZARONIA ahead of JIBAR's discontinuation at the end of 2026. In South Africa, our focus remains on the active management of our portfolio. Offshore, we will manage our investments for income and liquidity, committing further capital selectively alongside our established partners as valuations stabilise. Together, these priorities support our aim of delivering dependable distributions and long-term value for shareholders.

APPRECIATION

We extend our heartfelt appreciation to our executives, management, employees, fellow Board members, and stakeholders for their support, partnership, and dedication. We look forward to strengthening our mutually beneficial relationships further.



Marcel Golding
Chairperson



Jonathan Rens
Chief executive officer ("CEO")

30 October 2026

TOP 10 PROPERTIES

Texton offers investors direct access to a high-quality property portfolio that delivers long-term capital growth, with tenant activities spread across several sectors.



01

FORETRUST

A-grade property situated on the Cape Town Foreshore. Accessibility to major highways.

Market value	**R400,0 million**
Location	Western Cape
Sector	Office
GLA	24 217m²
Occupancy	100%



02

BRYANSTON GATE OFFICE PARK

Refurbished A-grade multi-tenanted office park.

Market value	**R228,0 million**
Location	Gauteng
Sector	Office
GLA	16 431m²
Occupancy	92,5%



03

151 KATHERINE STREET

Mixed use, multi-tenanted building with A-grade refurbished offices and commercial storage facilities situated in a prime location in Sandton, Johannesburg.

Market value	**R146,0 million**
Location	Gauteng
Sector	Office
GLA	10 524m²
Occupancy	64,1%



04

WELLINGTON ROAD

Mixed use, multi-tenanted building with A-grade offices and commercial storage facilities located in Parktown, Johannesburg.

Market value	**R123,0 million**
Location	Gauteng
Sector	Office
GLA	13 611m²
Occupancy	43,4%



05

KEMPSTAR MALL

Strong-performing multi-tenanted retail facility in a prime location.

Market value	**R120 million**
Location	Gauteng
Sector	Retail
GLA	6 017m²
Occupancy	88,5%



06

BELVEDERE PLACE

Well positioned, multi-tenanted office park situated in Sunninghill, Johannesburg.

Market value	**R116,0 million**
Location	Gauteng
Sector	Office
GLA	12 685m²
Occupancy	72,1%



07

INVESTMENT PLACE

Multi-tenanted A-grade office building located in Hyde Park, Johannesburg.

Market value	**R94,7 million**
Location	Gauteng
Sector	Office
GLA	6 922m²
Occupancy	92,6%



08

KIMWELL DRIVE

Single-tenanted industrial building located in Charlotte, North Carolina.

Market value	**R85,5 million**
Location	Charlotte, North Carolina
Sector	Industrial
GLA	5 342m²
Occupancy	100%



9

THE GRID

Multi-tenanted A-grade office building located in Rivonia, Johannesburg.

Market value	**R63,2 million**
Location	Gauteng
Sector	Office
GLA	4 528m²
Occupancy	80,2%



10

HEDDON BOOKER WAREHOUSE

Single-tenanted industrial building located in Burton-on-Trent, England

Market value	**R61,8 million**
Location	Burton-on-Trent, England
Sector	Industrial
GLA	3 960m²
Occupancy	100%

Being mindful of our tenants' sustainability has helped to ensure our own long-term sustainability.

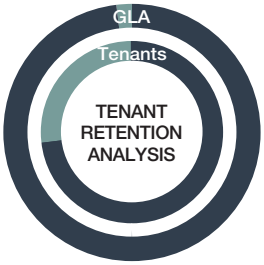
PERFORMANCE OVERVIEW

Manufactured capital

We define manufactured capital as our properties, which form the core of our business. Our properties are well maintained, and our focus remains on the retention of tenants and letting of vacant space.

RETAIN TENANTS

The primary purpose of our asset management team is to strengthen tenant relationships, ensure tenant retention and create new opportunities. Of the leases that expired in 2026, we retained 88,6% (2025: 77,3%) by GLA and 62,5% (2025: 69,0%) by number of tenants. The number of tenants retained was 60.



Tenant retention

	GLA m²	GLA %	Number of tenants	Number of tenants %
Office	46 227	98,2	44	73,3
Retail	850	1,8	16	26,7
	47 077	**100,0**	**60**	**100,0**



New deals

Texton entered into new deals over 8 110m² (2025: 7 678m²) in the current year. This was made up as follows:

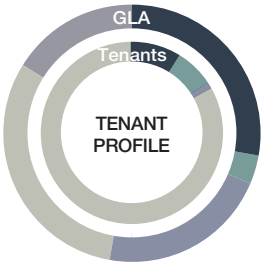
	GLA m²	GLA %	Number of tenants	Number of tenants %
Office	8 110	100,0	58	100,0
	8 110	**100,0**	**58**	**100,0**

Vacancy profile per sector

		Total	Office	Retail	Industrial	UK portfolio	USA portfolio
Vacancy (%)	**2026**	**14,6**	**14,1**	**0,5**	**–**	**–**	**–**
	2025	16,0	16,0	0,1	–	–	–

Our core vacancy by GLA is 14,6%.

The total core vacancy has increased to 14,6% (2025: 8,6%) due to the introduction of additional self-storage units. Total vacant GLA at 30 June 2026 was 19,848m² (June 2025: 12,748m²) which represents an increase of 7,100m² during the period. When excluding the space that has not yet been developed (amounting to 3,114m²), our office, retail and self-storage vacancy was at 11,6%, 14,1% and 51,3% respectively.



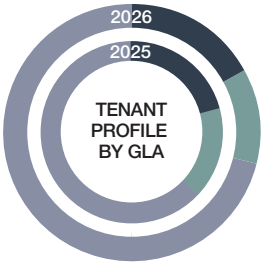
National
Large listed
Government
Small and medium entities
Vacant

Tenant profile

SA	GLA m²	GLA %	Number of tenants	Number of tenants %
30 June 2026				
National	**34 972**	**28,0**	**19**	**9,0**
Large listed	**4 497**	**3,6**	**15**	**7,1**
Government	**26 629**	**21,3**	**2**	**1,0**
Small and medium entities	**39 013**	**31,2**	**174**	**82,9**
Vacant	**19 848**	**15,9**	**–**	**–**
	124 959	**100,0**	**203**	**100,0**

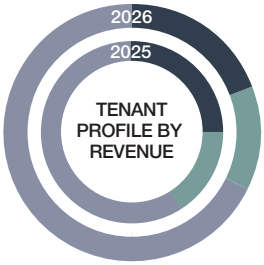
Tenants in our retail sector are categorised by grade:

- A-grade: Large national tenants, large listed tenants and major franchises
- B-grade: National tenants, listed tenants, franchises and medium to large professional firms
- C-grade: Small and medium enterprises



Tenant profile by GLA

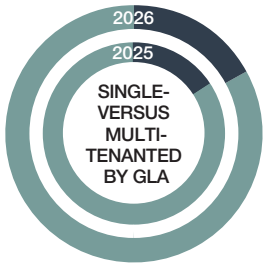
	A-grade %	B-grade %	C-grade %
2026	**17**	**12**	**71**
2025	21	16	63



Tenant profile by revenue

	A-grade %	B-grade %	C-grade %
2026	**19**	**13**	**67**
2025	25	16	59

A-grade
B-grade
C-grade

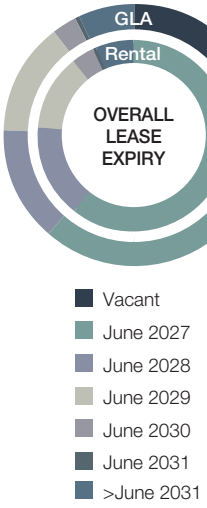


Single-versus multi-tenanted by GLA

	Single-tenanted %	Multi-tenanted %
2026	**17**	**83**
2025	16	84

Single-tenanted
Multi-tenanted

LET VACANT SPACE



Overall lease expiry

	GLA %	Revenue %
Vacant	14,6	–
June 2027	46,9	60,8
June 2028	14,2	15,7
June 2029	14,0	12,8
June 2030	3,0	4,0
June 2031	0,6	0,5
> June 2031	6,7	6,2
	100,0	100,0



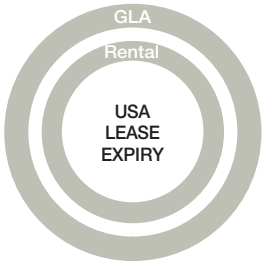
SA lease expiry

	GLA %	Revenue %
Vacant	15,9	–
June 2027	51,0	66,8
June 2028	15,5	17,2
June 2029	11,0	10,0
June 2030	1,9	1,7
June 2031	0,6	0,6
> June 2031	4,1	3,6
	100,0	100,0



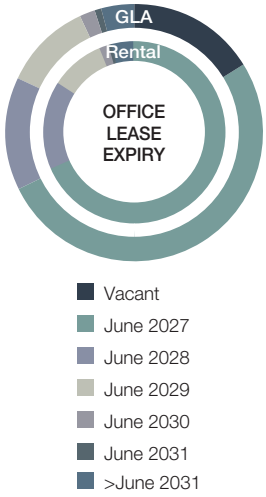
UK lease expiry

	GLA %	Revenue %
Vacant	–	–
June 2027	–	–
June 2028	–	–
June 2029	–	–
June 2030	29,1	44,9
June 2031	–	–
> June 2031	70,9	55,1
	100,0	100,0



USA lease expiry

	GLA %	Revenue %
Vacant	–	–
June 2027	–	–
June 2028	–	–
June 2029	100,0	100,0
June 2030	–	–
June 2031	–	–
> June 2031	–	–
	100,0	100,0



Office lease expiry

	GLA %	Revenue %
Vacant*	16,1	–
June 2027	51,7	68,5
June 2028	14,3	15,6
June 2029	11,0	9,7
June 2030	2,0	1,8
June 2031	0,7	0,6
> June 2031	4,1	3,7
	100,0	100,0

* *Includes self-storage.*



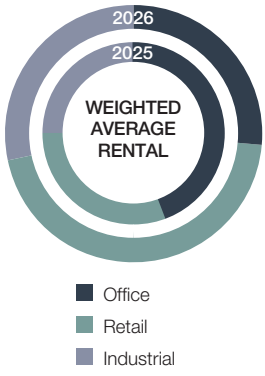
Retail lease expiry

	GLA %	Revenue %
Vacant	8,9	–
June 2027	28,7	35,2
June 2028	29,0	26,7
June 2029	7,7	10,3
June 2030	21,5	24,1
June 2031	–	–
> June 2031	4,3	3,6
	100,0	100,0



Industrial lease expiry

	GLA %	Revenue %
Vacant	–	–
June 2027	–	–
June 2028	–	–
June 2029	57,4	57,0
June 2030	–	–
June 2031	–	–
> June 2031	42,6	43,0
	100,0	100,0



Weighted average rental

Our WALE by gross rental decreased year-on-year to 1,29 years from 2,05 years. Our UK portfolio's WALE was 7,46 years.

	GLA m²	Weighted average rental ZAR/m²	Weighted average rental escalation %
30 June 2026			
Office	**118 942**	**124.72**	**6,65**
Retail	**7 806**	**208.54**	**4,81**
Industrial	**9 302**	**101.62**	**2,15**
	136 050	**128.00**	**6,18**
30 June 2025			
Office	120 851	104.95	6,69
Retail	7 806	219.17	4,67
Industrial	9 302	93.07	3,75
	137 959		

SECTORAL REVIEW

Our diversified property portfolio is well positioned, defensive and underpinned by strong covenants.

PROPERTIES	GLA	PROPERTY VALUE ('000)
21	122 056m²	R1 574 200

OFFICE

SA PORTFOLIO

92,0%
OF TOTAL GLA

The majority of our office portfolio is located in Gauteng and the Western Cape. Office buildings comprise single and double-storey structures that are easily accessible.

Highlights

- Retained 89,4% of existing tenants based on GLA
- Strong relationships with brokers resulted in new lettings amounting to 7 533m²
- Collection rate of over 97% throughout the year
- During the current year we have built out an additional 15 new Instant Office to add to our offering and have successfully let 71% of our total Texspaces
- We continued in developing our storage offering at two office parks, 30 Wellington Road and 151 Katherine Street. This has allowed us to diversifying our income as well as introduce a new income stream
- Continued sale of non-core assets

Challenges

- Tenants downsizing due to financial difficulties
- Consolidation of large office occupiers as a result of adopting a work-from-home approach
- Unstable supply of utilities and the rising cost of fuel

Future focus

- Continue with the SME strategy for Texton's office and storage portfolio
- Continuously engage with tenants and brokers to ensure our space is in line with market needs
- Tenant retention
- Focus on recycling large office spaces into smaller Instant Office that are currently in greater demand than larger single-tenant spaces

Outlook

In order to unlock value in our office portfolio, we have invested in our SME strategy to further reduce the exposure we have to the remaining large single-tenanted properties. Texton has also noticed a shift in the occupation trends in the office sector with office occupiers wishing to have smaller, flexible office spaces with good amenities that are conducive to a collaborative working environment. We anticipate that the office environment will improve over the medium term as supply remains constrained and demand improves as tenants return to the office.

PROPERTIES	GLA	PROPERTY VALUE ('000)
1	6 017m²	R120 000

SA PORTFOLIO continued

RETAIL

Highlights

- Retained 58,6% of existing tenants
- Collections on the retail portfolio were on average above 97%

Challenges

- Unstable supply of utilities
- Poor economic climate increases pressure on consumers who, in turn, have less income to spend at retailers

Future focus

- Work proactively with our retail tenants to ensure their survival
- Rotating out of retail properties to focus on SME office products and strategies

Outlook

We continue to focus on our tenant mix and maximising return from Kempstar Mall. We have started to see an increase in foot traffic as the trains have started operating again.

The majority of our office portfolio is located in Gauteng and the Western Cape. Office buildings comprise single and double-storey structures that are easily accessible.

Our retail portfolio is based in Gauteng.

PROPERTIES	GLA	PROPERTY VALUE ('000)
2	5 749m²	R118 801



UK PORTFOLIO

4,2%
OF TOTAL GLA

RETAIL/INDUSTRIAL

Highlights

- 100% collection rate on the wholly-owned portfolio
- Long-term lease profile above five years

Challenges

- Accelerated structural change has been driven by the pandemic, further straining a weak retail market
- Increased inflation
- Increased cost of borrowings
- Cost of living crisis

Future focus

- Recycling of equity from UK property sales into long and secure income streams with growth potential

Outlook

The UK's economic backdrop remains uneven but increasingly hopeful. Recent monetary shifts — most notably the Bank of England's base rate cut to 4,0 % in August 2025 signal a cautious pivot toward easing, though future cuts will depend heavily on inflation dynamics. Inflation, while trending lower, is expected to remain elevated in the near term before gradually returning toward target levels. Against this backdrop, the UK real estate market is showing greener shoots: prime assets in sectors like industrial, logistics, and key commercial zones are seeing rental growth and improving occupier demand. However, ongoing regulatory uncertainty, pressure on construction approvals, and persistent cost pressures from labour, materials, and compliance continue to temper optimism about a full and swift recovery.

Industrial

Property name	Location	GLA m²	Weighted average rental per m²	Valuation R'000
Heddon Booker Warehouse	England	3 960	–#	61,838
Total		**3 960**	**–#**	**61,838**

Retail

Property name	Location	GLA m²	Weighted average rental per m²	Valuation R'000
Parc Pensarn	Wales	1 789	250.23	49,963
Total		**1 789**	**250.23**	**49,963**
Total UK portfolio		**5 749**	**–#**	**111,801**

The weighted average rental per m² for single-tenanted buildings has not been disclosed.

INDUSTRIAL

PROPERTIES	GLA	PROPERTY VALUE ('000)
1	5 342m²	R85,542



USA PORTFOLIO

3,9%
OF TOTAL GLA

Highlights

- 100% collection rate on the wholly-owned portfolio
- Long-term lease profile above five years
- Exposure to industrial/logistics, which continues to be a relative outperformer in USA commercial real estate

Challenges

- Elevated inflationary pressures pushing up operating and maintenance costs
- Higher interest rates and increased cost of borrowings (debt remains expensive)
- Volatility in supply chain and trade policy risk
- Softening demand pressure in some large-bay logistics markets, rising vacancy, and tenant concessions

Future focus

- Pursue active lease renewals and retention of high-quality tenants to preserve occupancy
- Target infill, last-mile, and small-bay industrial assets to hedge against oversized warehouse oversupply
- Introduce value-add efficiencies (e.g. automation, energy upgrades) to enhance income resilience

Outlook

The USA real estate outlook for 2025 is cautiously optimistic. With the economy showing resilience and inflation beginning to moderate, some interest-rate relief is expected, which could ease borrowing costs and support property valuations. Commercial investment activity is projected to rebound modestly, even though debt costs will remain elevated. In different sectors, industrial and logistics continue to benefit from underlying demand, while multifamily markets are likely to see tighter vacancies and rent growth as new supply softens. The office sector may lag, but a slow recovery is anticipated as leasing stabilises, and occupiers gravitate toward high-quality spaces. Capital markets may remain somewhat constrained but improving liquidity and moderate cap-rate compression are expected to support higher valuations.

OUR IMPACT

In recent years, Environmental, Social and Governance (ESG) considerations have become integral to how businesses create long-term value and resilience. As at 30 June 2026, the evolving social, economic and environmental landscape in South Africa continues to highlight the critical role that corporates play in supporting sustainable development and community well-being. The ongoing challenges associated with ageing infrastructure, limited public sector investment, and constrained service delivery have further underscored the importance of responsible corporate participation in building and maintaining sustainable communities.

At Texton, we recognise that sustainable development requires a careful balance between environmental responsibility, social transformation and economic growth. Our approach focuses on identifying, measuring and managing the environmental, social and economic impacts of our buildings and infrastructure. We continue to explore opportunities to invest in sustainable assets and to enhance the efficiency and environmental performance of our existing portfolio.

Sustainability is embedded in our long-term strategic decision-making, guiding how we allocate resources, engage with stakeholders and shape the built environment. By integrating ESG principles into our operations, we aim to contribute positively to economic progress, environmental preservation and social advancement — ensuring lasting value for our stakeholders and the communities in which we operate.

We subscribe to the following sustainability objectives:

1. Implementing sustainable practices such as energy efficiency and use of boreholes.
2. Using energy, water and materials responsibly by reducing, reusing and recycling.
3. Engaging meaningfully with stakeholders around issues of sustainability.
4. Being cognisant of climate change projections in the areas in which we operate.

Texton started its sustainability reporting journey in 2020. We focused on creating baseline measurements, formulating a sustainability strategy and investigating how to report and communicate key sustainability metrics, which helps inform our integrated reporting journey going forward. We are pleased to include these metrics in this report.

PEOPLE

We value and understand the importance of our people who contribute immensely to the success of the business. Year-on-year, the team has been strengthened through the appointment of internal asset managers and the enhancement of our finance team. We prioritise diversity and ensure that we provide our people with development and growth opportunities.

People are the lifeblood of our business and critical to our success. A highly skilled and motivated workforce is therefore a key strategic focus area. Our duty is to act in a responsible leadership role, value, protect and nurture our people, and partner with them on a journey of personal and sustainable development. This extends beyond the boundary of employment to our important tenant stakeholders who are an extension of our workforce family and an enabling part of our ESG strategy.

SKILLS DEVELOPMENT AND TRAINING

We continue to focus on developing our managerial staff and the development of subject-related competence for all employees. We aim to constantly stretch and develop our people, as the calibre of our employees is a unique long-term competitive advantage. To achieve this, we employ talented people and enable their professional and personal growth so they can perform extraordinarily in support of our business objectives.

EMPLOYMENT PROFILE

	June 2026	June 2025
Total workforce	**20**	20
Percentage of permanent employees (%)	**100**	100
Employee average age (years)	**46**	45
Percentage of employees who are deemed historically disadvantaged (%)	**64**	55

EMPLOYMENT EQUITY PROFILE

Occupational level	Black male* %	Black female* %	White male %	White female %
Executive management	**–**	**–**	**9,0**	**–**
Senior management	**4,5**	**–**	**4,5**	**–**
Middle management	**4,5**	**9,1**	**13,6**	**4,5**
Skilled employees	**4,5**	**18,2**	**–**	**4,5**
Semi-skilled employees	**18,2**	**–**	**–**	**–**
Unskilled employees	**–**	**4,5**	**–**	**–**
Total permanent	**31,8**	**31,8**	**27,3**	**9,0**

* *Black = African, Indian and Coloured.*

EMPLOYEE TURNOVER

	June 2026	June 2025
New appointments	**3**	2
Dismissals	**–**	–
Resignations	**(1)**	(1)
Retrenchments	**–**	–
Retirements	**–**	–
Total employee turnover	**2**	1

THE ENVIRONMENT

Texton is committed to reducing its impact on the environment and we strive to ensure our properties are environmentally friendly as we are aware of ongoing environmental changes and the impact of climate change on our society.

We recognise that we have a responsibility to minimise our environmental footprint.

To address load shedding, we have installed solar energy systems at certain properties, which has reduced our reliance on diesel generators. Despite ongoing challenges, we remain committed to further decreasing our use of diesel power across the portfolio.

ENVIRONMENTAL ACHIEVEMENTS AND TARGETS

	2026 targets	Achievements	2027 targets
Water	Less than 62 000kl used	54 482kl	55 000kl
Electricity	Less than 11 000 000kW	9 446 369kW	10 000 000kW

WATER

We are continuously seeking ways to reduce water consumption across all our buildings. Our facilities feature touchless taps and aerators to optimise water usage. Boreholes have already been installed at a few properties within the portfolio, and we are assessing the feasibility of expanding this to other sites. These boreholes help ease the strain on municipal water resources, and our bulk-check meters facilitate the early detection of waste, including water leaks.

WASTE

We keep a close eye on how we handle waste to better understand our waste management across the portfolio and identify opportunities to implement programmes to reduce waste to landfill.

BOARD OF DIRECTORS

MARCEL GOLDING (66)

Chairperson, non-executive director

BA (Hons)

Date of appointment:
21 May 2018

Marcel has over 30 years' experience in a number of sectors and industries. He has occupied the following positions: deputy general secretary of the National Union of Mineworkers, chairperson of the Mineworkers Investment Company, member of parliament, and for 17 years, the executive chairperson of Hosken Consolidated Investments Limited. He presently serves on the following boards: Rex Trueform Group Limited, African & Overseas Enterprises Limited, Tsogo Sun Limited, Vunani Limited and Vunani Capital Partners.

Skills brought to Texton:
Strategic investment knowledge, law and governance, board and committee experience.

Committee member

Nominations and remuneration committee, social and ethics committee (chairperson), capital and investment committee

JOHN RUSSELL MACEY (62)

Lead independent director

BBusSc (Hons) (UCT), BCom (Hons) (UCT), CA(SA), RA

Date of appointment:
26 September 2011

John studied at UCT and completed his articles with Deloitte in Gauteng in 1991. After leaving Deloitte, he gained eight years of experience as a CFO for manufacturing companies. He was also a staff member of the now College of Accounting at UCT for nine years, leaving as a tenured member of staff in 2009.

He currently runs a successful audit and financial services practice in Cape Town. He is a qualified chartered accountant, a registered auditor and serves on the boards and audit committees of four JSE-listed companies.

Skills brought to Texton:
Finance, management, governance, board and committee experience.

Committee member

Audit and risk committee (chairperson), nominations and remuneration committee, capital and investment committee

WAYNE VAN DER VENT (62)

Independent non-executive director

BA (Law) (UCT)

Date of appointment:
21 November 2019

Wayne has been in the property industry for nearly 30 years. He has overseen the development of a number of properties, primarily township-based retail. Wayne joined the Public Investment Corporation in 2005 and grew its property portfolio to R80 billion, overseeing significant acquisitions including the V&A Waterfront in Cape Town. Wayne has served on various boards including Pareto Limited, SA Corporate Real Estate Limited and CBS Property Portfolio Limited. He has served as the chairperson of various investment committees as well as the Airports Company of South Africa. He is currently involved in several ventures including an online trading portal and property rental site, Quoin Online.

Skills brought to Texton:
Property investment, property portfolio, board and committee experience.

Committee member

Capital and investment committee (chairperson), Audit and risk committee

ROBERT FRANCO (50)

Non-executive director

BBusSc (UCT)

Date of appointment:
21 November 2019

Robert is a founder of Kloof Capital South Africa Proprietary Limited ("Kloof Capital"), a private investment company established in 2013. Kloof Capital has significant real estate investment experience gained through its real estate allocation across various sectors including residential, commercial, retail and industrial, as well as cross-border geographies.

Skills brought to Texton:
Property investment, private equity investments, board and committee experience.

Committee member

Capital and investment committee

ANDREW JAMES HANNINGTON (70)

Independent non-executive director

CA(SA)

Date of appointment:
24 September 2018

Andrew was previously the CEO of Grant Thornton Johannesburg and prior to that, the CEO and national chairperson of PKF Inc. Andrew was a key driver in the merger of Grant Thornton Johannesburg and PKF Johannesburg. He was a member of the SAICA Senior Partners Forum and a registered auditor under the Independent Regulatory Board for Auditors. During his over 40-year career in the auditing and accounting profession, he acted as the reporting accountant on a number of JSE listings.

Skills brought to Texton:
Accounting and auditing, finance, board and committee experience.

Committee member

Audit and risk committee, nominations and remuneration committee (chairperson), social and ethics committee

JONATHAN RENS (61)

Chief executive officer, executive director

Bsc QS

Date of appointment:
22 August 2024

After spending 10 working years as a professional Quantity Surveyor, Jonathan moved into the business of property as an asset manager and director of a small listed company Good Cape Limited. In 2001, he co-founded Acucap Properties Limited in the capacity of COO where he oversaw the company's rapid growth to around R17 billion of assets under management and a market cap of around R12 billion. Acucap was acquired by Growthpoint Properties Limited in 2015. Jonathan remained connected to property space through his private property investments and joined Texton as COO in 2020.

Skills brought to Texton:
Extensive property sector experience.

Committee member

Capital and investment committee (invitee)

PIENAAR WELLEMAN* (39)

Chief financial officer, executive director

BAcc

Date of appointment:
22 November 2021

Pienaar joined Texton from a boutique investment firm where he was actively involved in real estate investment across a broad range of sectors. Prior to this, he was with Deloitte for seven years, five of which were spent in the London office where he worked in the energy and resources team. Upon his return to SA, he was a key member of the team that set up Deloitte's corporate finance office in Cape Town.

Skills brought to Texton:
Strategic investment knowledge, property investment and finance.

Committee member

Nominations and remuneration committee (invitee), social and ethics committee, capital and investment committee (member)

* *Pienaar Welleman was the CFO during the FY26. He resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.*

CORPORATE GOVERNANCE REVIEW

ETHICAL LEADERSHIP

The Board has ultimate responsibility for the Company's ethical behaviour and considers good business conduct to be a vital engine for long-term expansion. We are devoted to acting ethically and as a responsible corporate citizen at all times. The Board of directors supports the governance outcomes, as envisaged by King IV™, namely ethical conduct, good performance, effective control and legitimacy.

Board members show their ongoing dedication to our principles and the moral standards we uphold by leading by example in ethical business practices. In order to respond to the difficult economic, political and social climate in which we operate, the Board recognises how vital it is to foster a culture that is ethically supportive.

Effective leadership and ethical leadership go hand in hand. In order to do this, the Board accepts ultimate accountability for its ethical performance by assuring a solid strategy and business offering, moral leadership and a set of values that are widely shared and actively practised.

The Board holds management responsible for putting the ethical framework in place. These traits, in turn, result in efficient governance, risk and compliance management procedures, and they give us confidence that we are doing a good job.

There were no reported ethical breaches during the year.

Texton's code of conduct is reviewed by the social and ethics committee and is distributed to all employees and directors. It encompasses interaction with internal and external stakeholders and sets out the expected standards of such engagements. Compliance with the code of conduct is an agenda item of the social and ethics committee.

All policies are available on the internet. An employee handbook, which contains the Company's code of conduct and details the expected behaviour of employees, is provided at the commencement of employment and a signed acknowledgement is required.

Texton has an internally administered whistle-blowing line, available to all stakeholders, to anonymously report perceived cases of unethical or corrupt behaviour. No incidents were reported during the financial year.

CORPORATE GOVERNANCE

Texton is managed ethically and in compliance with relevant legislation, its Memorandum of Incorporation ("MOI"), regulations, recognised best practice guidelines and the JSE Listings Requirements.

The Board seeks to exercise leadership, integrity and sound judgement to pursue strategic goals and objectives and achieve long-term sustainability, growth and prosperity. The Board exercises oversight of the performance and governance of the Group.

BOARD		
Independent non-executives	**Non-executives**	**Executives**
John Russell Macey *(lead independent director)*	Marcel Golding *(chairperson)*	Jonathan Rens *(CEO)*
Wayne van der Vent	Robert Franco	Pienaar Welleman *(CFO)**
Andrew James Hannington		

* *Pienaar Welleman was the CFO during the FY26. He resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.*

Audit and risk committee	Nominations and remuneration committee	Social and ethics committee	Capital and investment committee
See the full report on pages 76-77	See the full report on pages 61-68	See the full report on pages 69-70	
• John Macey *(independent chairperson)* • Andrew Hannington • Wayne van der Vent	• Andrew Hannington *(independent chairperson)* • John Macey *(lead independent director)* • Marcel Golding	• Marcel Golding *(chairperson)* • Andrew Hannington • Pienaar Welleman	• Wayne van der Vent *(independent chairperson)* • John Macey *(lead independent director)* • Robert Franco • Marcel Golding
Responsibilities			
• Reviewing the ongoing effectiveness of the internal financial controls • Reviewing the interim and preliminary results, annual financial statements and other content in the integrated annual report, and making a formal recommendation to the Board to adopt the same • Making recommendations to the Board on dividend declarations. • Overseeing compliance with International Financial Reporting Standards and the relevant requirements of the Companies Act and the 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 auditor • Monitoring the risk management framework and reviewing any risk management reports in this regard • Reviewing management's assessment of the Group to continue as a going concern, the Group's solvency and liquidity and loan covenants • Reviewing various other matters including tax compliance, insurance arrangements, REIT status and best practice reporting, effectiveness competence of CFO and finance function, material litigation, IT matters and corporate governance compliance	• Determining succession plans for the executive directors and the chairperson of the Board • Reviewing the performance of executive directors and the chairperson of the Board • Approving executive directors' KPAs and remuneration • Reviewing the remuneration policy • Ensuring the continued presence of a majority of non-executive directors on the Board • Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations to the Board on the appropriateness of the Board composition and any proposed Board changes • Ensuring directors' remuneration is compliant with the JSE Listings Requirements and other requirements and making recommendations to the Board on the fees of the chairperson and the non-executive directors • Reviewing the Board's training development and orientation needs	• Carrying out the responsibilities of a social and ethics committee as set out in the Companies Act section 72(4) and regulation 43(2) • Monitoring Group performance in terms of defined social and ethical performance indicators • Considering stakeholder engagement aspects • Monitoring progress against transformation targets and compliance with EE Act and B-BBEE Act • Dealing with various other matters including CSI policy ESG oversight, Code of Conduct, HR matters and SHEQ and environmental matters	• Evaluating and recommending for approval to the Board disposals of investment properties. • Appraising investment opportunities and recommending these to the Board for approval. • Reviewing independent external and internal investment property valuations and, in consultation with the audit and risk committee, recommending these to the Board for approval. • Reviewing and approving refurbishment or redevelopment opportunities and significant capital expenditure in line with the Board-approved mandate. • Assessing whether transactions are in the best interests of the Group and in line with the Group's strategic objectives. • Assessing potential risks and conflicts of interest that may arise from acquisitions and disposals
Committee independence 3/3	**Committee independence** 2/3	**Committee independence** 2/3	**Committee independence** 2/4

The Group, through its Board and management, is committed to complying with the disclosure and transparency rules of the JSE Listings Requirements, the Companies Act and King IV™.

As a listed company, Texton operates in a regulated environment that requires the Board and Group to adhere to King IV™ principles. The Board applied the principles and most of the recommended practices of King IV™, during the year. We set out our commitment and adherence to King IV™ on our website www.texton.co.za.

BOARD CHANGES

- There were no board changes during the year.

GOVERNANCE IMPROVEMENTS

- Reviewed the amendments to the Companies Act.
- Reviewed the JSE's Pro-Active Financial Statement Monitoring process and took account of the JSE's recommendations in preparing the FY2026 annual financial statements.

MAJOR BOARD ACTIVITIES

- Oversaw the investment strategy for the entity
- Approved disposals of non-core assets to improve property management efficiencies
- Attended to various matters relating to the interim and financial year-end results
- Monitored performance against strategic targets and budgets
- Oversaw funding and covenant arrangements with the banks

SHARE DEALINGS

Employees of Texton (and their associates) may not deal, directly or indirectly, in Texton's ordinary shares on the basis of unpublished price-sensitive information regarding its business or affairs. Similarly, no director or prescribed officer (and their associates) may trade in shares of the Company during a closed period, as determined by the Board in accordance with the JSE Listings Requirements. The Group's closed periods are between the last day of the financial period (financial year-end and interim results) and the publication of results, as well as during those periods when the Group is under cautionary. The company secretary communicates these closed periods to the directors and employees of the Company in advance.

INDEPENDENCE AND BOARD COMPOSITION

The Board is compliant with part 5.3, principle 7.8 of King IV™ in that it has a majority of independent non-executive directors and the majority of the non-executive directors are independent. The Board applies the principles contained in King IV™, the JSE Listings Requirements and the Companies Act to assess the independence of directors, and an annual independence assessment is conducted.

The Board believes that the independent non-executive directors are independent of management and promote the interests of stakeholders. The balance of executive and non-executive directors is such that there is a clear division of responsibility to ensure a balance of power. No individual or group can dominate Board processes or decision-making.

The Board believes it functions effectively. As part of this assessment, the independence of non-executive directors is evaluated by the nominations and remuneration committee. The King IV™ criteria are applied in considering each non-executive director's independence and specifically includes the length of service of a non-executive director. The independence of John Macey is specifically assessed given his length of service, using the King IV™ criteria on independence. The board is satisfied that he is independent.

The chairperson of the Board, Marcel Golding, and Robert Franco are not independent due to their shareholding in Texton. John Macey is the lead independent director.

Board diversity

Texton has adopted a diversity policy, in compliance with paragraph 5.7(j) of the JSE Listings Requirements which promotes broader diversity at Board level. It specifically focuses on promoting diversity in gender, race, culture, age, field of knowledge, skills and experience. New appointments to the Board have taken these contributing factors into account while strengthening the Board's property expertise. The policy is reviewed annually.

Skills, knowledge, experience and attributes of directors

The Board considers the skills, knowledge, experience and attributes of the directors as a whole are appropriate for their responsibilities and activities. The directors bring a diverse range of skills and expertise to the Board, including:

- International business and operational experience
- Understanding of the economics of the property sector in which the Group operates
- Knowledge of the regulatory environments in which the Group operates
- Financial, accounting, legal and property experience and knowledge

The skills and experience profile of the Board and its committees is regularly reviewed to ensure an appropriate and relevant composition from a governance, succession and effectiveness perspective. The Board is satisfied that all directors have the required qualifications and relevant experience to contribute to the success of Texton actively and that its composition reflects the appropriate mix of knowledge, skills and experience.

Board and committee work plans and directors' performance evaluation

Texton oversees that annual work plans are in place to ensure that the Board and committees execute their responsibilities and complies with their charter.

Texton seeks to evaluate the performance of the Board, its committees and individual directors at least every two years as recommended by King IV™.

The Board continues to focus on ensuring that the profile, skill set, diversification, qualifications and individual qualities of its executive and non-executive directors serve the current and future needs of the business and the ever-changing environment in which it operates.

The Board is satisfied that the evaluation process contributes to the Board's and directors' performance and effectiveness.

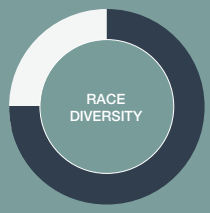
Ongoing training and development

There is a formal induction process for new directors, and directors are encouraged to attend courses relevant to their roles. Training provided during the year included updates on the JSE Listings Requirements, the JSE Proactive Financial Statement Monitoring Reports, SA REIT Association Best Practice Recommendations, the Companies Act, King V and B-BBEE codes.

Board composition



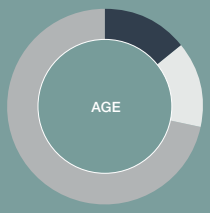
Male	7



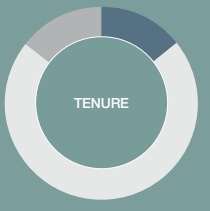
White	5
Non-white	2



Independent non-executive	3
Non-executive	2
Executive	2



30 – 39 years	1
40 – 49 years	1
50 – 59 years	–
60 – 69 years	5



0 – 1 year	–
1 – 2 years	–
2 – 4 years	1
5 – 9 years	5
9+ years	1

Terms of appointment

Non-executive directors are provided with a letter of appointment. The letter sets out, *inter alia*, duties, responsibilities, expected time commitments, details of Texton's policy on obtaining independent advice and, where appropriate, details of the Board committees of which the non-executive director is a member.

An insurance policy is in place that insures directors against liability they may incur in carrying out their duties.

Chairperson and CEO

The chairperson and CEO roles are distinct and separate, with a clear division of responsibilities approved by the Board. The chairperson leads the Board and is responsible for ensuring the Board receives accurate, timely and clear information to ensure directors can perform their duties effectively.

Lead Independent Director (LID)

In terms of the King IV™ recommendations, the board has appointed John Macey as the LID given that the chairperson is non-independent.

CFO

Pienaar Welleman was the CFO during the FY26. He resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.

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.

Independent advice

Individual directors are entitled to seek independent professional advice on matters related to the exercise of their duties and responsibilities at the Company's expense should they believe this to be in the best interest of the Group.

Composition of the Board and its committees

Details of directors, including their full names, ages, qualifications and brief CVs, are set out on **pages 52** and **53**.

Mr A Hannington and Mr W van der Vent will retire at the forthcoming AGM in terms of the Company's MOI and have indicated their willingness and availability for re-election.

An independent background check will be conducted on them as required by the JSE Listings Requirements.

BOARD AND COMMITTEE MEETINGS

The Board meets at least four times annually. Four Board meetings were held during the year. The chairperson is responsible for setting the agenda for each meeting in consultation with the CEO and company secretary. Comprehensive information packs on matters to be considered by the Board are provided to directors in advance of the meetings.

Board committees and responsibilities

Committees have been established by the Board to assist it in the discharge of its duties. Board committees have unrestricted access to Company information and any resources required to help them fulfil their responsibilities, including professional advice, which is paid for by the Company following an approved procedure. Delegating authority to Board committees or management does not mitigate or discharge the Board and its directors of their duties and responsibilities.

Every Board committee has Board-approved terms of reference which are reviewed annually. The Board determines and amends the scope and responsibilities of the committees, as well as the appointment of new committee members. All terms of reference are reviewed at least annually.

The CEO and CFO are present by invitation at the Board committee meetings as indicated below to optimise the access to/sharing of relevant operational information. The company secretary attends all Board and committee meetings.

After each meeting, each committee chairperson reports formally to the Board on all matters within its duties and responsibilities, including recommendations on proposed actions.

Board and committee meetings and attendance

Director	Board	Audit and risk committee	Social and ethics committee	Nominations and remuneration committee	Capital and investment committee
Marcel Golding[&]	4/4	NM	2/2	2/2	–
John Macey[#]	4/4	4/4	NM	2/2	–
Andrew Hannington[#]	4/4	4/4	2/2	2/2	–
Wayne van der Vent[#]	4/4	4/4	NM	NM	–
Robert Franco[&]	3/4	NM	NM	NM	–
Jonathan Rens*	4/4	NA	NA	NA	–
Pienaar Welleman*	4/4	4/4^	2/2	2/2^	–

& Non-executive director
 # Independent non-executive director
** Executive director.*
Pienaar Welleman was the CFO during the FY26. He resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.
^ By invitation
NM Not a member
NA Does not attend

The Capital and Investment Committee did not hold any meetings during FY2026

IT GOVERNANCE

All IT services are outsourced to a third-party service provider in terms of a service level agreement. Executive management meets with the service provider monthly or as needed to discuss any IT-related issues. There were no significant IT-related issues that affected the Company during the year. Compliance with and performance in terms of the service level agreement are measured regularly.

DELEGATION OF AUTHORITY

The Board reviews the effectiveness the delegation of authority framework and policy to ensure that enough powers are delegated to management but with the Board still having certain reserved matters under its control.

EXTERNAL AUDIT

BDO South Africa Incorporated is Texton's external auditor. The audit and risk committee reviews its independence annually. The audit and risk committee meet with the external auditor to review the scope of the external audit, budgets, the extent of non-audit services and all other audit matters. The external auditor is invited to attend audit and risk committee meetings and has direct access to the chairperson.

The external audit partner is rotated every five years in accordance with The Companies' Act guidelines. As BDO South Africa Incorporated was appointed in 2021, the first partner rotation will occur in 2028. For the 30 June 2026 financial year-end, Stephan Cillié is lead audit partner.

JSE SPONSOR

The Board understands the role and responsibilities of our sponsor, as stipulated in the JSE Listings Requirements. We have cultivated a good working relationship with our sponsor, Investec, and the Board is satisfied that the sponsor has executed its mandate with due care and diligence during the financial year.

COMPLIANCE

The Group is subject to external regulation and supervision by various supervisory authorities. The primary regulator is the JSE. Other regulatory bodies include SARS, the Financial Sector Conduct Authority, the Property Practitioners Regulatory Authority, the South African Financial Intelligence Centre, the B-BBEE Commission, the Companies and Intellectual Property Commission, the Takeover and Regulation Panel and the Competition Commission. We strive to have open and active dialogue with regulators and other authorities. We embrace our responsibility of conducting business in accordance with governing laws and regulations.

The Company and its directors have, during the financial year ended 30 June 2026, complied with all listing requirements and every disclosure requirement for continued listing on the JSE imposed by the JSE during that period. The Group adheres to King IV™ and strives towards compliance therewith in all material aspects. A summary, available on our website at www.texton.co.za, records how the Group applies the principles of King IV™.

COMPANY SECRETARY

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

The Board satisfied itself that Corpstat Governance Services has staff with the requisite qualifications and expertise to perform the role of company secretary and has an arms-length relationship with the board as a whole and the individual directors. The Board is satisfied with the competence, qualifications and experience of the company secretary represented by William Somerville in accordance with paragraph 5.7(f) of the JSE Listings Requirements.

All directors have access to the professional advice and services of the company secretary, which, in turn, assists the Board in monitoring the Company's adherence to appropriate governance standards.

Ethical leadership and good corporate governance are priorities for Texton. The company secretary is responsible for assisting the Board in leading ethically and effectively and assessing the Board's integrity, competence, accountability, fairness and transparency with its stakeholders.

CONFLICTS OF INTEREST

Conflicts of interest is a standard agenda item and is considered at all Board and committee meeting and such interests are disclosed. Conflicted directors recuse themselves from voting on a matter where they have a conflicting interest and will also recuse themselves from the relevant meeting and may not be part of the matter except for disclosing its general nature or any material information.

In the event the Group is presented with an investment proposal involving a property owned (in whole or in part), directly or indirectly, by any related party, such interest will be fully disclosed to the Company and will be referred to the capital and investment committee and the Board. The capital and investment committee and the Board must approve any such proposals referred to them before an investment is made. No related party acquisitions or disposals were considered during the period under review. No instances of conflicts of interest were reported during the year.

COMBINED ASSURANCE

The Board endorses a comprehensive combined assurance programme with management, which provides oversight of day-to-day operations. The Board oversees the results of the application of strategic guidance given and the performance of the Group and external auditor during the statutory audit.

SHARE CAPITAL

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 330,059,664 (2025: 330,059,664).

REPORT OF THE NOMINATIONS AND REMUNERATION COMMITTEE

PART 1: Letter from the nominations and remuneration committee chairperson

Dear stakeholder

The nominations and remuneration committee has pleasure in submitting this report. Our activities for the period are set out below.

BOARD AND COMMITTEE COMPOSITION

Thoughtful consideration continues to be applied to the composition of the Board. The Texton Board was considered high performing with agile directors showing strong expertise in the areas that Texton requires. The Board functions collaboratively across all committees and encourages robust discussion.

The Board has evolved its skills base to reflect strong independent members having the necessary skills and attributes that the organisation requires to provide oversight on behalf of all shareholders.

Clarity on roles and functions of the Board chairperson and lead independent director were reviewed and are in line with corporate governance best practices. The roles and responsibilities, with each member's independence, ability to commit the required time and an understanding of their obligations, are captured in appointment letters.

During the year, all committees were chaired by an independent director, and each committee comprises a majority of independent non-executive directors. A Board composition and independence gap analysis did not identify the need for additional Board members.

OTHER ACTIVITIES DURING THE 2026 FINANCIAL YEAR

Marcel Golding and Andrew Hannington were re-elected as non-executive directors. John Macey and Andrew Hannington were re-elected as members of the audit and risk committee with John Macey being re-elected as chairperson of the committee. Wayne van der Vent was elected as a member of the audit and risk committee.

Pienaar Welleman remained in his role as CFO during the financial year as did Jonathan Rens as CEO and as directors of the Company. Mr Welleman resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.

The committee recommended short-term incentives to the Board for approval and reviewed the executives' performance against the approved STI performance measures.

On a quarterly basis, executives report actual performance against long-term KPIs to the Board. The performance of the executives can be directly linked to the performance of the Company in the 2026 financial year.

Texton has adopted a policy consistent with the JSE's broader diversity policy. The diversity matrix is set out on **page 57** of the corporate governance report. The committee recommended short-term incentives to the Board for approval and reviewed the executives' performance against the approved STI performance measures.

Changes to the remuneration policy

There were no changes to the remuneration policy during the year.

NON-BINDING ADVISORY VOTES ON THE REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

The 2026 remuneration policy, which is set out in part two of this remuneration report, remains unchanged. The implementation of the remuneration policy during the year is described in part three and was tabled at the AGM for an advisory vote.

Voting at the 2025 AGM, held on 2 December 2025, reflected support of 99,97% for the remuneration policy and the 2025 remuneration implementation report.

BINDING VOTES ON THE REMUNERATION POLICY AND REMUNERATION REPORT

Section 30A of the Companies Act, which came into effect in May 2026, requires all public companies to adopt a remuneration policy and submit such policy to shareholders for approval by ordinary resolution at an annual general meeting.

Once approved, the remuneration policy will remain valid for a period of three years, after which it must be re-approved by shareholders every three years unless a material amendment to the policy requires it to be presented to shareholders for approval earlier. Should the remuneration policy not be approved by the requisite majority of shareholders, the company will be required to submit the remuneration policy for approval at the next annual general meeting or at a shareholders' meeting convened for that purpose, in accordance with the Companies Act.

Section 30B of the Companies Act, which recently came into effect, requires all public companies to prepare a remuneration report in respect of the preceding financial year and to present such report to shareholders for approval at the annual general meeting.

The ordinary resolutions to give effect to the above are set out in the notice of annual general meeting.

PART 2: Remuneration policy

INTRODUCTION

The Group aims to attract and retain top talent through incentivisation. In determining the remuneration policy, the committee considered all factors deemed necessary to set appropriate remuneration levels to attract, retain and motivate directors and executives while aligning their interests with those of the shareholders.

The forward-looking remuneration policy is set out below.

AN OVERVIEW OF THE REMUNERATION POLICY

The Texton remuneration policy ("the policy") applies to Texton and all of its subsidiaries and Group entities. The purpose of the policy is to set out the remuneration principles and methods applied in determining the remuneration for executive management and employees.

The policy aims to align the interests of executive management and employees with those of Texton's stakeholders, primarily its shareholders.

Texton is committed to a reward philosophy that prevails throughout the organisation, and a suitable reward strategy.

Texton recognises remuneration as a business issue, not only a human resources issue, and that its reward strategy will have a direct impact on operational expenditure, company culture, employee behaviour and, ultimately with correct alignment, on its ongoing strategic sustainability. As such, it needs to be consistent with Texton's business objectives and strategic value drivers, clearly defined, and monitored and managed over time to ensure sustained validity and effectiveness.

Responsibility

The policy was drafted by management under the guidance of the committee. It was approved by the committee and will be reviewed on an annual basis. In line with the amendments to the Companies Act the policy will be put to a binding vote by shareholders as set out in more detail above.

Shareholder engagement and voting

Texton will table the remuneration policy and remuneration report for separate binding votes by shareholders at the AGM in line with King IV™ and the amendments to the Companies Act set out in more detail above.

The committee will address valid and reasonable concerns raised by dissenting shareholders and disclose the shareholder engagement process in the remuneration report for the following financial year.

Principles

Texton is committed to maintaining the following:

1. Rewards aligned to the business strategy, performance objectives and results
2. Pay practices that motivate highly skilled individuals who can consistently and effectively apply their skills and creativity to enhance business performance
3. Guaranteed pay levels that reflect an individual's contribution to Texton
4. A performance management system that focuses on individual performance and serves as a link to learning and development for employees
5. Rewards that recognise performance where appropriate
6. Corporate strategic and operational performance of Texton
7. Operational performance of individuals
8. A structured and open communications policy regarding Texton's reward practices that enables management to have an informed understanding of, and the ability to adequately deal with, the majority of remuneration questions and issues arising in the workplace
9. A reward system that can operate flexibly in response to change, given that Texton operates in a volatile environment

Remuneration components

Total guaranteed package

Texton adopts a total cost-to-company approach in determining remuneration. The total guaranteed package comprises the basic salary of the employee or member of executive management and is payable for day-to-day job requirements. The Group pays market-related salaries reflective of the individual's expertise, experience and skills.

Pay ranges represent the level of compensation paid in respect of similar positions in the market. The Group aims to pay basic salaries between the mid-point and the first quartile of those paid by competitors for similar positions, with a minimum and maximum of the range informed by the lower and upper market quartile. Only in special circumstances of particularly scarce skills or experience shortages may an individual be compensated beyond the range's maximum.

It should be noted that salaries consider the proportionality of highest paid to lowest-paid employees while considering the role played by the individuals, qualifications, experience, etc.

No benefits or allowances are granted to employees other than a cell phone allowance. The cell phone allowance is based on the job level of the employee. Travel costs incurred are reimbursed on an actual cost basis, and kilometres travelled are reimbursed at the SARS rate.

At present, Texton's total guaranteed package is not structured to include any retirement benefits, medical aid benefits or post-retirement benefits unless required by law.

Short-term incentives

Employees are eligible for an annual STI. The STI is a discretionary bonus calculated as a percentage of the employee's gross annual remuneration package. The STI is determined on a performance basis by management for staff who have delivered above expectations. STI payments to the executive directors are determined and approved by the committee. The STI is determined with reference to the financial performance of the Group and the achievement of individual KPIs. All employees are eligible to participate in the STI if the annual performance so warrants.

Long-term incentives

A LTI scheme was approved by shareholders at the 2020 AGM. The Conditional Share Plan ("CSP") is primarily used as an incentive to participants to deliver the Group's business strategy over the long term. The CSP intends to incentivise, motivate and retain select employees by awarding performance and retention shares. The vesting of performance shares is subject to the satisfaction of performance conditions and continued employment over the vesting period. The vesting of retention shares is subject to continued employment over the vesting period. The CSP allows participants to share in the Company's success and provides direct alignment between participants and shareholders.

The extent and nature of performance conditions applicable to CSP awards are approved by the committee annually and specifically included in the award letter to participants. The employment condition applicable to all share awards is the requirement for continued employment of the participant by any employer company within the Group for three years from the award date.

Award components

The CSP is used to make awards as follows:

- Awards of performance shares, the vesting of which is subject to the satisfaction of performance conditions and continued employment for the vesting period in line with Texton's approach to performance-related incentives
- Awards of retention shares, the vesting of which is subject to the satisfaction of continued employment for the vesting period.

Participants

Participation in the CSP is limited to executives, senior management and other key employees and excludes non-executive directors.

Final discretion regarding participation will remain with the committee. Participation in the CSP is not a condition of employment, and the committee has the absolute discretion to make an award to any permanent employee within the Group in terms of the CSP. To be considered for participation, an employee must have been employed by the Group for a minimum of 12 months (unless exceptional circumstances apply) and have achieved an above average performance rating as part of the annual performance appraisal process.

Rights of participants

Participants are not entitled to any shareholder rights before the settlement of the shares. This will only take place after vesting of the awards. From settlement date, participants will have all shareholder rights, including dividend and voting rights, with regard to the settled shares.

Basis of awards and award levels

Award levels for performance shares and/or retention shares will be determined by the committee each time awards are granted, taking into account the particular circumstances at that time and the participant's annual salary, grade, retention or recruitment requirements and market benchmarks.

It is envisaged that the retention share component of the award will not exceed 35% of the total award, with the remainder being performance shares.

Annual awards will be benchmarked and set to a market-related level of remuneration while considering the overall affordability thereof to the Company.

Performance conditions and vesting

The extent and nature of performance conditions applicable will be approved by the committee annually and specifically included in the award letter to participants. Retention shares will not be subject to performance conditions, due to their inherent nature as retention instruments, but will be subject to the employment condition, which requires continued employment of the participant by any employer company for the duration of the employment period.

Further details on performance conditions:

Financial measures – 75%

Performance condition	Description	Weighting
Distributable income per share growth (relative measure)* Distributable income per share, for the purposes of the award, is defined as the distributable income as calculated by the Company in its financial year divided by the number of ordinary shares in issue (less treasury shares) at the end of the financial year-end.	Threshold: 0% outperformance On-target: 5% outperformance Stretch: 10% outperformance	20%
Distributable income per share growth (absolute measure) Distributable income per share growth measured against the SA Consumer Price Index ("CPI") + margin.	Threshold: CPI On-target: CPI + 1% Stretch: CPI + 2%	20%
NAV NAV growth measured against weighted UK and SA CPI + margin.	Threshold: CPI On-target: CPI + 1% Stretch: CPI + 2%	30%
LTV ratio	Threshold: 45% On-target: 40% – 45% Stretch: Less than 40%	30%

The committee is responsible for determining an appropriate margin relative to CPI, considering prevailing market conditions, independent forecasts and external advice where necessary.

Non-financial measures – 25%

Performance condition	Weighting
Strategy development Determining strategy and providing strategic guidance throughout the Group.	20%
Performance planning Implementing an expansion strategy in accordance with the Company's five-year strategic plan.	20%
Corporate governance Ensuring good corporate governance is entrenched throughout the Group.	20%
Stakeholder management Ensuring financial reporting and shareholder communication are transparent, accurate, concise and timely.	20%
Sustainability Implementing sustainable practices such as energy efficiency, renewable energy generation, rainwater harvesting and storm water management and conservation. Maintaining and retaining a committed and motivated workforce.	20%

Retention

The Company's retention strategy is concerned with the formulation and implementation of strategies and policies that aim to retain identified staff in accordance with their value to the Company. The overall strategic aim of the Company's retention policy is to retain key staff to ensure the future success of the organisation.

The strategy utilises LTIs and a guaranteed pay percentile with a focus on key skill categories, career planning and training.

Annual salary increases

Annual increases are granted on 1 July of each calendar year and are based on external factors such as the prevailing rate of inflation and market forces, as well as on the individual's performance, skills, experience and effort.

Executive director remuneration

Regarding fixed pay, the annual review process is used to determine where an employee's pay is in relation to the market and to make necessary adjustments in line with the pay philosophy. The annual review takes place in September each year, with increases effective on 1 July. Based on the annual review, a recommendation is made to the committee for approval of the mandate for annual increases.

Executive directors enter into standard Texton employment contracts. The notice period for executive directors is three months' written notice. There are no payments in lieu of termination of employment and the rights to any share options allocated cease on the date of resignation or termination.

Sign-on, retention and restraint payments

The Group does not pay any retention or restraint payments. *Ad hoc* sign-on bonuses may be paid to senior employees or executives subject to approval by the committee.

Responsibility for the policy

The responsibility for the monitoring, reviewing and implementation of the policy rests with the committee.

The role of the committee is to assist the Board in ensuring the Group has implemented an effective policy for remuneration that will enhance the Group's ability to meet its strategic objectives and attract and retain high-calibre staff and executive management. In determining such policy, the committee must consider all factors it deems necessary.

PART 3: Remuneration implementation report

THE YEAR IN REVIEW

The committee was responsible for approving executive management remuneration, STI awards and the allocation of long-term awards under the CSP.

The committee provided oversight and assisted the Board in assessing the performance of the CEO and CFO during the year, against their respective KPIs. The assessment of the effectiveness of the CFO was monitored by the audit and risk committee.

Pienaar Welleman remained in his role of CFO during the financial year as did Jonathan Rens as CEO and as directors of the Company. Mr Welleman resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026. 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.

Committee composition and terms of reference

The committee's terms of reference were reviewed in 2023 and set out the committee's duties and responsibilities. The terms of reference will be reviewed in 2027 to align to the amendments to the Companies Act and King V.

The committee comprises Andrew Hannington (committee chairman), John Macey (lead independent director) and Marcel Golding. Attendance at meetings is disclosed on **page 59**.

The committee assessed the remuneration policy for, among other factors, alignment of the interests of executive management, staff and stakeholders as well as the legal, statutory and industry practices regarding remuneration.

Non-executive directors' fees

Non-executive directors' fees reflect the directors' role and membership to the Board and its committees. Non-executive directors' fees are reviewed annually, based on inflation and a comparison of similar-sized funds. The committee recommended the fees for approval by the Company's shareholders at the AGM.

In compliance with section 66(9) of the Companies Act, directors' fees were approved at the AGM held on 2 December 2025. The fees comprise an annual fee that takes cognisance of the responsibilities of the non-executive directors throughout the year. In terms of sections 66(8) and 66(9) of the Companies Act, the committee recommended that the Company remunerate its non-executive directors for their services as directors as detailed in the following table.

Refer to note 31 of the financial statements for fees paid to directors during the year.

Approved fees for the year

Role	Approved fixed fees per annum 2026 R	Approved fixed fees per annum 2027 R
Chairperson of the board	405,100	422,520
Lead independent non-executive	347,300	362,234
Members of the board	260,400	271,597
Chairpersons of committees	57,900	60,390
Members of committees	28,900	30,143

Non-executive directors do not participate in the Company's variable pay plans to avoid conflicts of interest and to maintain their independence. None of the non-executive directors have a contract of employment with the Company.

For details on direct or indirect beneficial holdings in the shares of Texton in the current or prior year, refer to **page 130.**

Total package

	Salary R'000	Bonus and performance related payment R'000	Share based payment expense R'000	Total package R'000
HSP Welleman	**3,000**	**2,674***	**1,211**	**6,884**
JH Rens	**3,000**	**2,506***	**886**	**6,371**
Total	**6,000**	**5,179**	**2,076**	**14,949**

* *Included in this amount is a payment made relating to the return of capital.*

Refer to note 31 to the annual financial statements for further details.

Short-term incentive

The remuneration policy provides for the allocation of *ad hoc* bonuses as a form of STI. Awards of the 2026 financial year STIs were based on assessments conducted in October 2025.

Refer to note 31 to the annual financial statements for further details.

Long-term incentive

Texton's approved LTI plan is structured to attract, retain and incentivise employees, prescribed officers and executive directors. The CSP will primarily be used as an incentive to participants to deliver the Group's business strategy over the long term. The CSP intends to incentivise, motivate and retain select employees through the award of performance shares, the vesting of which is subject to the satisfaction of performance conditions and continued employment over the vesting period; and retention shares, the vesting of which is subject to continued employment over the vesting period. The CSP will allow participants to share in the success of the Company and provides direct alignment between participants and shareholders.

No long-term awards were made during the year.

Disclosure of remuneration

Refer to note 31 to the annual financial statements for the remuneration paid to directors for the year.

No deviations from the remuneration policy were authorised or paid during the year.

Pay gap disclosure

In line with the Companies Amendment Act, 2024, Texton has expanded its Implementation Report disclosures to provide greater transparency on internal pay outcomes and pay differentials across the organisation. Section 30B of the Act requires companies to disclose specific remuneration metrics, including the total remuneration of the highest- and lowest-paid employees, as well as measures of average and median remuneration. In addition, companies are required to present a remuneration gap metric, reflecting the ratio of the aggregate remuneration of the top 5% of highest-paid employees to that of the bottom 5% of lowest-paid employees.

These disclosures are intended to enhance stakeholder understanding of pay equity within the organisation and to support more informed shareholder engagement on remuneration matters.

Consistent with the definition in the Act, total remuneration includes all salary, benefits and incentives, including both short- and long-term elements.

The analysis presented below reflects only Texton's South African employee population. It excludes employees with less than 12 months' service during the financial year, to ensure a consistent and comparable data set. The resulting metrics should therefore be interpreted in the context of this defined scope.

Metric Line	Total Annual Remuneration R
Highest-Paid Employee	5,673,745.00
Lowest-Paid Employee	123,326.36
Workforce Average (Mean)	803,417.50
Workforce Median	808,336.71

Top and bottom earners	Sample size	Total Annual Remuneration R
Top 5%	2	5,589,649.50
Bottom 5%	2	148,119.95
Statutory Pay Gap Ratio		38:1

Committee focus areas in 2027

The committee will provide oversight and make recommendations to the Board on matters within its mandate. The main areas of focus relates to the assessment of short-term and long-term KPIs for the 2027 financial year oversee the implementation of King oversee the implementation of King V and monitor any further changes to the Companies Act.

Nomination-related matters

A transparent nomination and selection process is followed regarding Board appointments. The committee identifies, evaluates and recommends appointees to Board committees to the Board for approval. Appointments of non-executive directors are made in terms of the Company's MOI, which provides that non-executive directors who have served for three years will retire by rotation but may, if eligible, offer themselves for re-election. At least one-third of non-executive directors retire by rotation annually in accordance with the MOI. At the AGM in November 2026, Andrew Hannington and Wayne van der Vent will retire at the AGM and have indicated their willingness and availability for re-election. Appointments are confirmed initially at the first AGM of shareholders following their appointment and thereafter at a minimum of three-year intervals.

Committee performance

The committee's performance is assessed annually by the company secretary. This is done informally by observations and formally via a checklist to ensure that the committee has discharged it's mandate.

The committee is satisfied that it has fulfilled its role and responsibilities in terms of its mandate and that the Group's remuneration policy achieved its objectives for the year.

We intend for remuneration disclosure to be transparent, easy to understand and aligned with the interests of all shareholders.

We look forward to your support of the remuneration resolutions at the AGM.



Andrew Hannington
Chairperson of the nominations and remuneration committee

30 October 2026

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee has the pleasure of submitting its report to shareholders.

ROLE, FUNCTION AND COMPOSITION

The committee is a statutory committee that assists the Board in monitoring the Group's governance, environmental, compliance and ethics programmes. The statutory duties of the committee are set out in sections 72(4) and (5) of the Companies Act, read with regulation 43 of the Companies Regulations, 2011, as well as the committee's terms of reference and annual work plan. The committee's terms of reference and annual work plan were reviewed during the year. The committee met two times during the year. Attendance at committee meetings is disclosed on **page 59**.

During the financial year, the committee comprised three non-executive directors, two of whom were independent non-executive directors. The committee is chaired by a non-executive director. Executive management has access to the skills and expertise of the committee to assist in designing and implementing processes and programmes necessary to discharge its obligations.

COMMITTEE FOCUS AREAS IN 2026

Transformation

During the year, the committee provided oversight over the implementation of the Company's transformation strategy. Texton has an approved plan in place to regain its level 4 B-BBEE rating (currently on level 5). Regular feedback on the progress of the plan is provided to the committee.

Texton has an established employment equity plan in place. New staff recruitments are made in line with the approved plans provided a suitable candidate can be found. During the current year, there were three appointments made. The candidates were an African female and two white African males. The committee has sight of the approved plan and receives feedback on the progress of the plan.

Investing in our people

Another focus area of the committee has been the training and upskilling of employees. During the current year, the committee received feedback on the progress made in relation to employee engagement, identification of development areas and plans put in place to address development areas and succession planning. The committee receives feedback and reports on employee engagement, succession planning and talent management.

ETHICS

The committee has been delegated to support the Board with the governance of ethics. During the period under review, the committee reviewed the updated code of conduct. All directors and employees have agreed to commit to the Company's code of conduct. The committee is made aware of any unethical behaviour or need for training and is provided with plans to address any gaps or non-compliance.

ENVIRONMENTAL

Texton has invested in a solar installations at its Investment Place, 151 Katherine Street and Bryanston Gate properties to the value of c.R9,6 million. The solar systems on average are generating sufficient energy to provide 43,9% of the buildings required power for the day and have provided a total output of 749,5 megawatt-hours for the year. Texton is currently evaluating other properties in its portfolio that would benefit from solar initiatives and has identified the Scott Street property at which solar will be installed during October 2026. Texton has also successfully installed boreholes at our Bryanston Gate, Scott Street and Investment Place office parks. The boreholes are currently being used primarily for irrigation and we are already seeing the benefits of decreased municipal water consumption. Management continues to assess further opportunities across the portfolio to reduce reliance on municipal services.

GOVERNANCE

During the year, the committee reviewed its terms of reference and recommended these to board for approval. The committee work plan was reviewed and updated.

COMPLIANCE WITH LAWS AND REGULATIONS

Via the audit and risk committee and the social and ethics committee, Texton monitors compliance with the relevant laws and regulations applicable to Texton. A specific focus area of the committee was compliance with health and safety regulations in relation to the SA and UK portfolio as well as implementation and monitoring of POPIA policies.

HEALTH AND SAFETY

The committee was updated on the Company's progress to display Energy Performance Certificates (EPCs) on all South African buildings. Texton has completed all EPCs on required buildings. The committee also received reports on building compliance, fire safety risks identified and occupational health related to the property management of the SA investment property portfolio. The SA property management team has an appointed compliance officer who monitors all buildings and provides detailed reports that are reviewed by the committee on a periodic basis. Reports on the UK buildings are prepared by the UK property managers on a periodic basis, detailing the building condition, any non-compliance with laws and regulations, any work that need to be carried out and any risks identified. These reports were reviewed by the committee on a periodic basis.

There were no material non-compliance issues to report for the year.

MEDIUM-TERM FOCUS

In the medium term (2027 to 2028), the committee will focus on:

- ensuring ongoing ethics awareness and training
- oversight over the regulatory requirements of property management and the Company's building compliance programme
- Texton's transformation strategy and B-BBEE compliance
- monitoring the implementation of enterprise and supplier development across the Group
- monitoring progress against POPIA implementation for asset managers
- safety and health in the workplace
- employment plan equity and human resources development
- cybersecurity and IT governance
- ESG

Looking forward, the committee will discharge its responsibilities in terms of its mandate and terms of reference in accordance with the recommendations of King IV™, the JSE Listings Requirements and the Companies Act.



Marcel Golding
Chairperson of the social and ethics committee
30 October 2026

ANNUAL FINANCIAL STATEMENTS

REPOSITION AND REPURPOSE

We continually reposition and repurpose our portfolio assets to unlock value through improving our product offering.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Texton Property Fund Limited, comprising the statement of financial position at 30 June 2026, 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) ("Companies Act") and the JSE Limited Listings Requirements ("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.

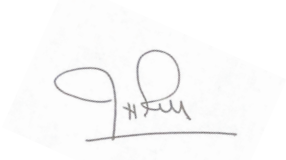
The directors assessed the ability of the Company and its subsidiaries ("the Group") to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

Each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on **pages 76** to **163** 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 and its consolidated subsidiaries 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, and we have 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 auditor deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving the directors.

APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements of Texton Property Fund Limited as identified in the first paragraph, were approved by the Board of directors on 25 September 2026 and signed on their behalf by:



JH Rens
Chief executive officer



HSP Welleman*
Chief financial officer

* *Mr Welleman was the Chief financial officer at the time of the signing the financial statements on 25 September 2026.*
Mr Welleman resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.

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 2026 and that the returns are true, correct and up to date.



CorpStat Governance Services Proprietary Limited
Company secretary

25 September 2026

DIRECTORS' 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. Our direct property portfolio is valued at R1,9 billion as at 30 June 2026 (2025: R1,9 billion) and our international indirect property investment portfolio amounts to R243.7 million (2025: R415.4 million). The direct property portfolio includes commercial and retail properties. Texton is focused on robust and disciplined capital allocation. We are strategically reinvesting heavily into our direct property investments which are in centralised nodes in both South Africa ("SA") and the United Kingdom ("UK"), and deploying capital into high-quality property investments in developed markets with best-in-class asset managers.

Subsidiaries

Subsidiaries	Location	% owned
Discus House Proprietary Limited	South Africa	100
Imperial Com Props Proprietary Limited	South Africa	100
Investage 183 Proprietary Limited	South Africa	100
Nungu Trading 88 Proprietary Limited	South Africa	100
TexStores Proprietary Limited	South Africa	100
Texton Property Investments UK Limited	United Kingdom	100
US TP Investments 1 LLC	United States of America	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

^ *This entity was liquidated on 27 February 2025.*

FINANCIAL RESULTS

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

GOING CONCERN

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 Group's liquidity position, access to committed banking facilities, and ongoing compliance with REIT regulatory and debt covenant requirements. During this assessment, it was noted that the Group's current liabilities exceed its current assets, due to a banking facility falling due in January 2027. The Company will engage with relevant bank regarding the renewal of the facility. The Group has a successful track record of renewing facilities with its banking partners and at the date of this report there is no reason to believe that the facility will not be renewed. In addition, there are no covenant breaches and the Group has sufficient cash and undrawn facilities available to settle the outstanding amount.

The directors consider that the Group has adequate resources to continue operating for the foreseeable future and realise its assets and settle its liabilities in the ordinary course of business. As such, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

BANKING FACILITIES

Texton has unlimited borrowing powers in terms of the Memorandum of Incorporation ("MOI"), but the Group has maintained its debt levels below 60% of its gross asset value in accordance with JSE Listings Requirements for REITs. The Group is also subject to certain financial covenants with the strictest being a 50% loan-to-value ("LTV") covenant on its bank borrowings. The Group's overall debt was R686 million (2025: R709 million) at the reporting date as detailed in note 17 to the consolidated financial statements.

SALE OF NON-CORE PROPERTIES

As at 1 July 2025, one property (Wale Street Chambers) was classified as held for sale. This property was sold during November 2025 for R1,195 million. The funds were applied towards debt reduction. Further details are provided in note 12.

There are no properties held for sale at year-end.

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any events other than disclosed in this report, that will have a material impact on the results or disclosures of the company which have occurred subsequent to the end of the reporting period.

Disposal of Properties located in Johannesburg

Subsequent to year-end, the Group signed sale agreements for the disposal of two properties located in Greenstone, Johannesburg. The sale value agreed for Greenstone Office Building 14 amounted to R10.8 million and Greenstone Office Building 9 amounted to R23.4 million. The agreements were signed on 11 and 20 July 2026, respectively and each were subject to a number of conditions precedents, most notable due diligence periods in favour of the purchasers and final Group board approvals. As at the date of issuing the financial statements, all conditions were fulfilled and the transaction will be completed in due course.

DECLARATION OF DIVIDEND

The Board of directors of Texton ("the Board") is pleased to announce that Texton has declared a final dividend of 18,45 cents (2025: 20,13* cents) per share for the year ended 30 June 2026.

Salient dates	2026
Declaration date	Friday, 25 September 2026
Last day to trade cum dividend	Tuesday, 20 October 2026
Trading ex-dividend commences	Wednesday, 21 October 2026
Record date	Friday, 23 October 2026
Payment date	Monday, 26 October 2026

* *refers to the dividend declared in April 2025.*

NO CHANGES TO THE BOARD

There were no changes to the board during the year.

The details relating to directors and their interest in shares can be found in note 33 to the annual financial statements.

COMPANY SECRETARY

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

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 330,059,664 (2025: 330,059,664).

AUDITOR

BDO South Africa Incorporated will be recommended to shareholders at the AGM 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 Group.

SEPARATE ANNUAL FINANCIAL STATEMENTS

Separate statutory annual financial statements for Texton Property Fund Limited in accordance with IFRS® Accounting Standards and the requirements of the Companies Act have been prepared and issued as separate financial statements. Please refer to these financial statements for the company balances, transactions and disclosures. These have been issued separately for ease of reference purposes and can be found on the Company's website.

HOLDING COMPANY

Texton has no holding Company and the main shareholders are detailed in Annexure C.

REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (the "audit committee") takes pleasure in presenting its report for the year ended 30 June 2026.

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 the Group and reviewing any risk management reports in this regard; and
- reviewing management's assessment of the Group to continue as a going concern.

The audit committee confirms that it has fulfilled all of 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 industry practice and prohibits the Company from entering into speculative derivative transactions not in the ordinary course of business.

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 auditor 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 2026. The outcome of the evaluation performed was satisfactory.

EXTERNAL AUDITOR

The audit committee nominated BDO South Africa Incorporated ("BDO"), as the external auditor for the current year, having satisfied itself that they are independent of the Group. The external auditor has unrestricted access to the audit committee.

The audit committee approved the terms of the auditor's engagement letter, their audit plan and budgeted audit fees for the audit of the Group consolidated and Company separate annual financial statements for the year ended 30 June 2026.

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

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 to 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.

FINANCIAL DIRECTOR

HSP Welleman continued in his role as Financial Director of Texton throughout the year.

In terms of paragraph 5.7(h)(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.

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 Group does not warrant an internal audit function.

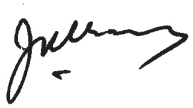
INTERNAL FINANCIAL CONTROLS

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

In accordance with paragraph 5.7(h)(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.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

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



John Macey
Chairman of the Audit and Risk Committee

25 September 2026

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Texton Property Fund Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Texton Property Fund Limited and its subsidiaries ("the group") set out on **pages 86** to **147**, which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Texton Property Fund Limited and its subsidiaries as at 30 June 2026, and its consolidated financial performance and consolidated 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 Consolidated Financial Statements*** section of our report. We are independent of the group in accordance with the ***Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors*** (IRBA Code), as applicable to audits of financial statements of public interest entities, 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

Overall materiality	R28,090,775 1,25% of Total Consolidated Assets
Rationale for benchmark applied	We selected total consolidated assets as the benchmark because the group is principally engaged in property investment and users' assessments are significantly influenced by the scale and value of the group's investment property and broader asset base. In determining the percentage applied to the benchmark, we exercised professional judgment having regard to the group's listed status, ownership and financing structure, the nature of its operations, and the expected sensitivity of users of the consolidated financial statements to misstatements.

Group Audit Scope

We planned and performed the group audit to obtain sufficient appropriate audit evidence as a basis for our opinion on the consolidated financial statements. In determining the group audit scope, we considered the structure of the group, the nature and financial significance of its components, the locations in which the group operates, and the assessed risks of material misstatement of the consolidated financial statements.

The group comprises 11 components, including the holding company. We performed audit procedures on the financial information of the holding company and targeted audit procedures on specified balances, classes of transactions and disclosures at the remaining components, based on their financial significance and the group risks identified. All audit work for purposes of the group audit was performed by the group engagement team, without the involvement of component auditors.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated 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 group's investment property portfolio is split between South Africa, the United States of America and the United Kingdom, with a total fair value in the consolidated statement of financial position of R1,886 million as at 30 June 2026 (R1,896 million: 2025). The group'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 group using a methodology that is similar to that used by the independent valuers. For the South African properties, 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. For the United States of America and the United Kingdom properties, the property valuations were prepared based on the equivalent yield or income capitalisation method whereby the fair value of property is determined by applying an equivalent yield to a market-related rental into perpetuity. The valuation of investment property was considered to be a matter of most significance in our audit of the consolidated financial statements for the year ended 30 June 2026, due to the significance of the balance, the significance of the estimates and the level of judgement involved.	The audit procedures we performed included, amongst others, the following: • 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 experts ("management's experts"). This included inspecting professional qualifications, registrations and scope of the work performed. 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. We found the valuation methodologies applied to be consistent with the requirements of IFRS Accounting Standards and with generally accepted valuation approaches for the relevant property classes; • We agreed the recorded fair values of investment properties to the applicable external valuation reports or management's internal valuation models, as relevant. No material exceptions were noted; • For the South African properties, the following audit procedures were performed on the valuation of the investment property: ° We assessed the key assumptions used in the determination of fair values for all South African properties as follows: • The forecast revenue applied in the first year of the discounted cash flow ("DCF") was assessed for reasonableness. 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 procedures performed, the forecast rental revenue applied in the DCF models was within a range we considered reasonable; • We assessed the first-year forecast operating costs by comparing them with current-year actual costs, approved budgets, contractual information and available post-year-end information, where applicable; • We assessed the reasonableness 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 reasonableness of the discount and exit capitalisation rates applied by comparing them with available market data for comparable investment properties.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Property (Notes 5) continued The valuation of investment property was considered to be a matter of most significance in our audit of the consolidated financial statements for the year ended 30 June 2026, due to the significance of the balance, the significance of the estimates and the level of judgement involved.	° 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 reasonableness of the: • Forecast revenue applied in the discounted cash flow ("DCF") models; • Future growth in operating cost 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. • For the audit of the United States of America (USA) and the United Kingdom (UK) properties, the following audit procedures were performed on the valuation of the investment property: ° We assessed the key assumptions used in the determination of fair values for the USA and UK properties as follows: • Assessed the key assumptions used in the equivalent yield or income capitalisation method, including the equivalent yield and market-related rental income, by comparing them with market data and lease agreements. ° In addition to the above, we requested an external, independent auditor's valuation expert to independently assess and conclude on the reasonableness of the key assumptions used in the equivalent yield or income capitalisation method. • 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

The directors are responsible for the other information. The other information comprises the information included in the documents titled "Texton Property Fund (Registration Number 2005/019302/06) Consolidated Annual Financial Statements for the year ended 30 June 2026" and "Texton Property Fund (Registration Number 2005/019302/06) Separate Annual Financial Statements for the year ended 30 June 2026", 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 Texton Property Fund Integrated Annual Report 2026, 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 consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 group'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 group'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 consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Texton Property Fund Limited for 6 years.

BDO South Africa Incorporated
Registered Auditors



Stephan Cillié
Director
Registered Auditor

25 September 2026

123 Hertzog Boulevard
Foreshore
Cape Town
8001

STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	Notes	Group 2026 R'000	Group 2025 R'000
ASSETS			
Non-current assets		**2,139,250**	2,327,013
Investment property	**5**	**1,886,098**	1,896,115
Equipment	**6**	**7,488**	7,213
Tenant installation	**7**	**3,085**	5,493
Unlisted investments	**14**	**240,219**	413,258
Lease commissions	**8**	**2,360**	2,734
Other receivables	**9**	**–**	2,200
Current assets		**108,012**	145,144
Trade and other receivables	**10**	**20,440**	22,452
Income tax receivable	**13**	**4,898**	5,522
Cash and cash equivalents	**11**	**82,674**	117,170
Investment property held for sale	**12**	**–**	1,195
Total assets		**2,247,262**	**2,473,352**
EQUITY AND LIABILITIES			
Equity		**1,507,486**	1,716,003
Share capital	**15**	**2,282,278**	2,472,286
Accumulated loss		**(771,033)**	(804,199)
Share-based payment reserve	**38**	**6,577**	4,501
Foreign Currency Translation Reserve	**16**	**(15,908)**	37,700
Total equity attributable to owners of the parent		**1,501,914**	1,710,288
Non-controlling interests		**5,572**	5,715
Non-current liabilities		**533,548**	669,779
External loans and derivative financial instruments	**17**	**530,617**	667,159
Deferred tax	**18**	**2,931**	2,620
Current liabilities		**206,228**	87,570
External loans and derivative financial instruments	**17**	**155,634**	42,036
Trade and other payables	**19**	**48,874**	45,534
Income tax payable	**13**	**1,720**	–
Total equity and liabilities		**2,247,262**	**2,473,352**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2026

	Notes	Group 2026 R'000	Group 2025 R'000
Investment property income	20	**271,008**	262,884
Straight-line rental adjustment		**(6,332)**	(2,963)
Property income		**264,676**	259,921
Impairment on trade receivables	10	**(5,188)**	(2,486)
Property expenses	21	**(117,179)**	(111,595)
Net property income		**142,309**	145,840
Other income	23	**7,452**	18,450
Administrative expenses		**(40,905)**	(42,839)
Reversal of impairment/(Impairment) on vendor financing	9	**1,800**	(784)
Foreign exchange gains/(losses)	24	**5,618**	(41,401)
Operating profit		**116,274**	79,266
Finance income	25	**8,354**	21,360
Finance costs	26	**(63,638)**	(80,654)
Fair value adjustments	27	**(23,910)**	76,349
Profit before tax		**37,080**	96,321
Taxation expense	28	**(3,604)**	1,552
Profit for the year		**33,476**	97,873
Profit for the year attributable to:			
Owners of Parent		**33,188**	97,209
Non-controlling interest		**288**	664
		33,476	97,873
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(53,608)**	51,854
Total comprehensive (loss)/income for the year		**(20,132)**	149,727
(Loss)/Profit and total comprehensive (loss)/income attributable to:			
Equity holders of the company		**(20,420)**	149,063
Comprehensive income, attributable to non-controlling interests		**288**	664
		(20,132)	149,727
Basic earnings per share			
Basic earnings per share (cents)	34	**10,14**	29,65
Diluted earnings/(loss) per share (cents)	34	**10,06**	29,41

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2026

	Share capital R'000	Foreign currency translation reserve R'000	Share based payment reserve R'000	Accumulated loss R'000	Attributable to owners of the parent R'000	Non-controlling interests R'000	Total R'000
Balance as at 30 June 2024	2,713,178	(14,154)	1,145	(781,376)	1,918,793	–	1,918,793
Total comprehensive loss for the year	–	51,854	–	97,209	149,063	664	149,720
Profit for the year	–	–	–	97,209	97,209	664	97,873
Exchange difference on translation of foreign operations	–	51,847	–	–	51,847	–	51,847
Dividends recognised as distributions to shareholder	–	–	–	(120,032)	(120,032)	–	(120,032)
Transaction costs relating to repurchase	(97)	–	–	–	(97)	–	(97)
Share based payment transaction	–	–	3,356	–	3,356	–	3,356
Return of capital	(240,795)	–	–	–	(240,795)	–	(240,795)
Acquisition of non-controlling interest in investment property	–	–	–	–	–	5,051	5,051
Balance as at 30 June 2025	**2,472,286**	**37,700**	**4,501**	**(804,199)**	**1,710,288**	**5,715**	**1,716,003**
Total comprehensive (loss)/income for the year	**–**	**(53,608)**	**–**	**33,166**	**(20,442)**	**(143)**	**(20,585)**
Profit for the year	**–**	**–**	**–**	**33,188**	**33,188**	**288**	**33,476**
Exchange difference on translation of foreign operations	**–**	**(53,608)**	**–**	**(22)**	**(53,630)**	**(431)**	**(54,061)**
Share based payment transaction	**–**	**–**	**2,076**	**–**	**2,076**	**–**	**2,076**
Return of capital	**(190,008)**	**–**	**–**	**–**	**(190,008)**	**–**	**(190,008)**
Balance as at 30 June 2026	**2,282,278**	**(15,908)**	**6,577**	**(771,033)**	**1,501,914**	**5,572**	**1,507,486**
Notes	**15**		**38**				

STATEMENT OF CASH FLOWS

for the year ended 30 June 2026

	Notes	Group 2026 R'000	Group 2025 R'000
Cash flows from operating activities			
Cash generated by operations	29	**132,075**	94,364
Interest received	25	**4,315**	16,855
Interest paid		**(24,526)**	(48,041)
Dividends paid	31	**–**	(120,032)
Dividends received		**6,589**	12,973
Tax paid	28	**(30)**	(2,955)
Net cash inflow/(outflow) from operating activities		**118,423**	(46,836)
Cash flows from investing activities			
Additions to equipment	6	**(3,095)**	(2,752)
Acquisition of investment property	5	**–**	(89,820)
Additions to investment property	5	**(15,194)**	(1,130)
Proceeds on disposal of investment property classified as held for sale		**–**	104,888
Return of investment	36	**583**	2,435
Vendor finance repayments	9	**–**	29,060
Commission Paid	8	**(1,241)**	(1,304)
Return of capital on unlisted investment		**695**	2,071
Investment in unlisted investments	14	**(15,117)**	(43,335)
Proceeds on disposal of unlisted investments	14	**139,043**	165,496
Tenant installation incurred	7	**(580)**	(887)
Net cash inflow/(outflow) from investing activities		**105,093**	164,722
Cash flows from financing activities			
Return of Capital	15	**(189,425)**	(240,795)
Transaction costs relating to the rights issue		**–**	(97)
Non-controlling interest in Investment Property		**–**	5,715
Proceeds from external loans and derivative financial instruments	30	**29,300**	73,218
Repayments of external loans and derivative financial instruments	30	**(86,863)**	(114,723)
Net cash outflow from financing activities		**(246,988)**	(276,682)
Net decrease in cash and cash equivalents for the year		**(23,472)**	(158,796)
Cash and cash equivalents at the beginning of the year		**117,170**	261,036
Effect of exchange rate movement on cash and cash equivalents		**(11,024)**	14,930
Cash and cash equivalents at the end of the year	11	**82,674**	117,170

MATERIAL ACCOUNTING POLICY INFORMATION

PREPARATION OF THE FINANCIAL STATEMENTS

The material accounting policies applied in the preparation of the consolidated 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 consolidated financial statements were authorised for issue by the Board of directors on 25 September 2026.

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 consolidated annual financial statements include the financial statements of Texton Property Fund Limited ("Texton" or "the Company" or "the Fund"), its subsidiary companies, joint ventures and controlled trust (together referred to as the Group and individually as Group companies). Where reference is made to the "Group", this means the Company or the Group as appropriate in the context in which it applies.

Subsidiaries are set out in the Directors' Report.

1.2 Statement of compliance

The Group 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 Listings Requirements.

1.3 Basis of measurement

The financial statements are prepared on the historical cost basis, unless otherwise stated. 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 Group is a going concern.

1.4 Functional and presentation currency

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

1.5 Use of estimates and judgements

Significant Estimates

The most significant 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 exit capitalisation rates.

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

Other areas of significant judgement and estimation:

- 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 probability of default percentages applied to calculate the ECLs. For further information, refer to note 10.
- Valuation of unlisted investments. For more information, refer to note 14.

2. ACCOUNTING POLICIES

2.1 Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of the holding company, its subsidiaries and controlled trusts. A separate set of Company annual financial statements is drafted and are signed on the same day as the consolidated financial statements.

Subsidiaries

Subsidiaries are entities over which the Group has control. The Group 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 from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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 Group'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 Group and a joint venture are eliminated to the extent of the Group'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.

2.2 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 Group'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 or 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 Group measures financial assets either at amortised cost or fair value through profit or loss.

The Group 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 Group'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 they are measured at amortised cost.

The Group's non-derivative 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 11 for the composition of trade and other receivables.

  The Group adopts the simplified approach to measuring expected credit losses which uses a lifetime ECLs for all trade receivables.

- **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 disposed.

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

  Refer to note 10 for the composition of other 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.

- **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 Group's accounting policy for borrowing costs.

Derivative financial instruments

The Group utilises derivative financial instruments when necessary to hedge its exposure to interest rate risks and foreign currency risks arising from operational, financing and investment activities. The Company does not hold or issue derivative financial instruments for trading purposes and hedge accounting is not applied

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. The gain or loss on measurement to fair value is recognised immediately in profit or loss.

The Group did not enter into any derivative financial instruments during the year.

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.

2.3 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 Group 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.

2.4 Equipment

Recognition and measurement

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

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
Motor vehicles	5 years

2.5 Impairment

Non-derivative financial assets

- **Trade receivables**
  The Group recognises a loss allowance for ECLs on trade and other receivables which are financial assets. The amount of ECLs is updated at each reporting period. The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs (the so-called "simplified approach" of IFRS 9), which represents the ECLs 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.

  The Group makes use of a provision matrix as a practical expedient in the determination of ECLs on trade and other receivables. The provision matrix is based on historical 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 the reporting date.

  The customer base is diverse with significantly different loss patterns for different customer segments. The Group 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, are presented in note 11.

- **Other receivables**
  The Group recognises a loss allowance for ECLs on other receivables that are carried at amortised cost. The amount of ECLs 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 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 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.

  Refer to note 9 for further detail.

  An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the loan's carrying amount through a loss allowance account.

Non-financial assets

The carrying amounts of the Group'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.

2.6 Lease commissions

Lease commissions represent incremental costs incurred by the Group 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.
- 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.

2.7 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 Group 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 measurement being recognised in profit or loss.

2.8 Treasury shares

Company shares held by subsidiaries are classified as treasury shares on consolidation and presented as a deduction from equity. These shares are held at cost in the consolidated financial statements.

Statement of financial position presentation

On purchase, the cost of the shares acquired is deducted from equity. Subsequently, any gain or loss on the sale or cancellation of the Company's own equity instruments is recognised directly in equity.

Statement of comprehensive income presentation

Dividends received on own shares are eliminated from Group profit for the year.

Earnings per share

In calculating the basic earnings per share, the treasury shares are deducted from the weighted average number of shares in issue. The issued number of shares is not reduced by the treasury shares for the purpose of the dividend per share calculations.

2.9 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.

2.10 Leases

Lessor accounting

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

The Group 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 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 are recognised as an expense.

Modifications to an operating lease are accounted for 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 Group is party to lease contracts as lessee for the use of property and information technology ("IT") equipment.

The Group 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.

- **Right of use asset**
  The Group recognises the right-of-use asset at the commencement date of the lease. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Group, any lease payments made in advance of the lease commencement date, less any incentives received.

  Right-of-use assets recognised as investment property are subsequently measured at fair value.

- **Low-value leased assets**
  Rentals for the low-value leased assets are recognised in other operating expenses. Low-value assets include IT equipment. The Group has applied the exemption in IFRS 16 for this asset, and a lease liability and right-of-use asset have 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**
  Lease contracts with a term of less than 12 months is considered a short-term lease. The Group has applied the exemption in IFRS 16, and a lease liability and right-of-use asset have not been recognised.

  These lease payments are expensed as incurred.

2.11 Revenue

Revenue comprises rental income and recovery of expenses, excluding value added tax ("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 Group recovering costs of providing the tenant with services as determined by the lease agreement. The Group 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 Group 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 SA properties and payment is due within the month either by the 1st or 15th of the month depending on the terms of the lease. For the properties located in the UK, rental is billed and received quarterly.

2.12 Finance income and finance costs

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

Finance costs comprise interest expense on bank balances, interest on 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.

2.13 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group 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.

Foreign operations

The assets and liabilities of foreign operations, including goodwill (where applicable) and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (Rand) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at the monthly average rate which approximates the actual rate.

Foreign currency translation reserve

Foreign currency differences on translation of the financial position and results of a foreign operation into the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is disposed of, in part so that control is lost, or in full, the relevant amount in the foreign currency translation reserve is reclassified to profit or loss as part of the profit or loss on disposal.

Where the settlement of a monetary item receivable from foreign operations is neither planned nor likely in the foreseeable future, foreign currency gains or losses arising from such item are considered to form part of the net investment in the foreign operation and are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

2.14 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 services on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' service provided to the statement of financial position date. The Group does not provide any retirement or post-retirement benefits.

Equity-settled share-based employee remuneration

For equity-settled share-based payment transactions, the Group 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 Group cannot estimate reliably the fair value of the goods or services received, the Group measures their fair value, and their corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The Group 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 Group. 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.

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 Group 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.

2.15 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 the reporting date and any adjustment for tax payable or receivable for previous years.

The Group is a REIT as defined by Section 25BB of the SA 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 section 25BB of the Income Tax Act are subject to SA 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 Group is a REIT as defined by section 25BB of the SA 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 profit distributions, no deferred tax is raised on items such as a 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 section 25BB. 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.

United Kingdom and United States of America

The subsidiaries in the UK and US are subject to the normal corporation tax ("CIT") legislation in the UK and US and the special REIT rules do not apply.

A deferred tax asset has been recognised on tax losses to the extent that there are future taxable profits against which it can be offset. Recognised tax losses relate to tax obligations under CIT. A deferred tax liability is recognised on capital allowances utilised to be recouped through sale and fair value adjustments of investment property as these are to be recovered entirely through sale.

2.16 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 Group directly or indirectly, through one or more intermediaries, controls or is controlled by or is in common control with. These include the subsidiaries and Group entities. Related parties also include the directors and the entities connected to the above.

2.17 Headline earnings per share

Headline earnings per share is calculated by dividing the headline earnings attributable to shareholders of the Group by the weighted average number of shares outstanding during the year, adjusted for treasury shares held.

Headline earnings per share is calculated in terms of circular 01/2023 issued by the South African Institute of Chartered Accountants.

2.18 Net asset value ("NAV") per share and net tangible asset value less deferred tax per share

NAV per share is calculated by dividing the equity of the Group by the number of shares in issue at year-end adjusted for treasury shares held.

Net tangible asset value per share is calculated by dividing the equity excluding deferred tax of the Group by the number of shares in issue at year-end adjusted for treasury shares held.

2.19 Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Group's chief executive officer to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

Segment results that are reported to the chief executive officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire investment property and property, plant and equipment.

2.20 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 installations ceases once the property is classified as held for sale or derecognised.

3. RISK MANAGEMENT

The Company's Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The audit and risk committee is responsible for developing the Group's risk management policies, and evaluating and improving the effectiveness of risk management, control and governance processes within the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. In respect of financial reporting risks, the Audit and Risk committee also oversees how management monitors compliance with the Group's risk management policies and procedures.

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

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

Note 3 presents information about the Group's exposure to each of the above risks, the Group'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 Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from tenants. Credit risk also arises from the Group's cash balances held with financial institutions.

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 Group'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, for example, when a debtor has been placed under liquidation or when a thorough investigation of the tenant's financial position has been done and it has been found that the tenant is unable to pay and higher legal cost to recover the receivable than what is owed would be incurred. Trade receivables which have been written off are not subject to enforcement activities.

The Group 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 economic conditions of the industry, geographical location and tenant types 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 (SA/UK);
- 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").

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 SA 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 PD has been kept stable compared to the prior year, given the global recession.

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

Loss given default

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

The Group adopts the general approach to measuring expected credit losses for all other receivables. Refer to note 9 for more information relating to the assumptions used in the calculation.

Cash and cash equivalents

The Group deposits funds with various financial institutions in SA, UK and USA. From a credit perspective, the Group places reliance on the published credit ratings of the major rating agencies together with the Group's own analysis and research.

Liquidity risk

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

The Group'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 Group'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 Group monitors its net liquidity position on a continuous basis by means of expected cash flows. The Group 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 37.2 for the 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 Group's perspective, the main market risks at present pertain to interest rates (both in SA and the UK) and the foreign exchange rates (principally the GBP/ZAR and USD/ZAR exchange rates). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks as and when needed. All such transactions are carried out within the Treasury policy guidelines as set by the Audit and Risk Committee.

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

The Group did not enter into any derivative instruments during the year.

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

- **Foreign currency risk**
  The Group's transactions are predominantly entered into in the respective functional currency of the Company and the individual subsidiaries. However, the Company utilises GBP borrowings and consequently is exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. The translation of foreign operations to the presentation currency of Texton is not taken into account when considering foreign currency risk.

  The Group is exposed to currency risk in terms of GBP borrowings and distributions from subsidiaries. The Group is also exposed to currency risk in terms of its USD unlisted investments and distributions from its investments.

  Refer to note 37.3 for the sensitivity analysis for interest rate and foreign currency risk.

Capital risk management

The Group'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.

The capital structure of the Group consists of external loans and trade and other payables disclosed in notes 17 and 19 and equity as disclosed in the statement of financial position. The Group monitors capital on the basis of the gearing ratio(Loan to value ratio), refer to note 17.

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

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. FAIR VALUES

A number of the Group'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 Group 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 Standard, including the level in the fair value hierarchy in which such valuations should be classified.

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

Investment property

Independent valuation companies and the directors, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group'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 credit worthiness, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property.

Unlisted investments

Texton has two types of unlisted investments which are measured at fair value.

Level 2 investments:

The fair value is determined with reference to the published NAV of the underlying REITs being the Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC and the Starwood Real Estate Income Trust Offshore Fund SPC. The NAV is an observable input at which market transactions take place.

Level 3 investments:

Level 3 investments comprise the Group's interests in PadSplit, Cadre Real Estate, Greenpoint, Apollo, and Faropoint. 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.

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.

Refer to Note 39.5 for further information.

5. INVESTMENT PROPERTY

	GROUP				
	Cost R'000	Cumulative fair value adjustments R'000	Cumulative straight-line rental adjustment R'000	Cumulative foreign currency adjustment R'000	Carrying amount R'000
30 June 2026					
Investment property	**1,891,621**	**(7,025)**	**26,682**	**(25,180)**	**1,886,098**
30 June 2025					
Investment property	**1,876,427**	**(9,228)**	**33,014**	**(4,098)**	**1,896,115**

	Notes	30 June 2026 R'000	30 June 2025 R'000
Reconciliation of movement in investment property for the year			
Balance at the beginning of the year		**1,896,115**	2,003,670
Acquisitions		**–**	89,820
Additions		**15,194**	1,130
Straight-line rental adjustment		**(6,332)**	(2,963)
Foreign currency translation adjustment		**(21,082)**	20,932
Fair value adjustments	**27**	**2,203**	100,381
Transfer from investment property held for sale	**12**	**–**	47,500
Transfer to investment property held for sale	**12**	**–**	(364,355)
Balance at the end of the year		**1,886,098**	**1,896,115**
Reconciliation of closing balance of investment properties to valuation report.			
Value as per valuation report		**1,891,543**	1,904,344
Net Prepaid Commission – Investment Property		**(2,360)**	(2,735)
Net Tenant Installations – Investment Property		**(3,085)**	(5,494)
Value of Properties		**1,886,098**	**1,896,115**

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 have been no movements to and from level 3 during the year.

The Group'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.

Investment property and property held for sale amounting to R1,7 billion (2025: R1,7 billion) have been pledged as security in respect of the loans disclosed in note 17.

5. INVESTMENT PROPERTY continued

The table below sets out the number of properties that have been selected by the directors to be externally valued as at 30 June 2026.

	% of portfolio	Number of properties	30 June 2026 R'000	30 June 2025 R'000
South Africa				
SA internally valued	64%	14	**611,600**	578,000
SA externally valued	36%	8	**1,082,600**	1,099,300
Total investment property	100%	22	**1,694,200**	1,677,300
SA internally valued	0%	0	**–**	1,195
SA externally valued	0%	0	**–**	–
Total investment property held for sale	0%	0	**–**	1,195
Total SA properties	0%	22	**1,694,200**	1,678,495
United Kingdom				
UK internally valued	100%	2	**111,801**	–
UK externally valued	0%	0	**–**	137,224
Total investment property	100%	2	**111,801**	137,224
Total UK properties	100%	2	**111,801**	137,224
United States of America				
USA internally valued	100%	1	**85,542**	89,820
USA externally valued	0%	0	**–**	–
Total investment property	100%	1	**85,542**	89,820
Total				
Total internally valued	67%	16	**808,943**	667,820
Total externally valued	33%	8	**1,082,600**	1,236,524
Total investment property	100%	24	**1,891,543**	1,904,344
Total internally valued	0%	0	**–**	1,195
Total externally valued	0%	0	**–**	–
Total investment property held for sale*	0%	0	**–**	1,195
Total properties	100%	24	**1,891,543**	**1,905,539**

* *Refer to note 12.*

Details of SA valuations

Details of the external independent valuers are as follows:

Peter Parfitt (Dip Val, MIV SA, RICS) of Quadrant Properties (Pty) Ltd 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 2026.

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 five properties in the SA portfolio as at 30 June 2026.

5. INVESTMENT PROPERTY continued

Valuation technique

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

Significant unobservable inputs

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

	30 June 2026 %	30 June 2025 %
1) Discount rates used are included below (weighted average in brackets):		
Sector		
Office	**13,50 – 15,00 (14,71)**	13,58 – 15,25 (14,50)
Retail	**14,25**	14,00
2) Exit capitalisation rate for year 5 used are included below (weighted average in brackets):		
Sector		
Office	**10,00 – 11,00 (10,43)**	9,75 – 11,00 (10,42)
Retail	**9,75**	10
3) The future revenue growth rate for the 5 year projection is included below (weighted average in brackets):		
Sector		
Office	**4,0 – 7,0 (5,14)**	4,0 – 5,0 (4,5)
Retail	**5,8**	4,0 – 5,0
4) The future growth in operating costs (excluding municipal costs) used are included below (weighted average in brackets):		
Sector		
Office	**3,83 – 6,5 (4,8)**	4,8 – 6,5 (5,21)
Retail	**4,79**	5,31
5) The vacancy rates used are included below (weighted average in brackets):		
Sector		
Office	**0,25 – 15,0 (4,90)**	0,5 – 16 (4,41)
Retail	**2,00**	3,00

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, would result in an increase in projected net operating income, and thus an increase in valuation.

5. INVESTMENT PROPERTY continued

	30 June 2026 R'000	30 June 2025 R'000
Sensitivity analysis to exit capitalisation rates		
Exit capitalisation rate increases by 1%	**(96,672)**	(92,482)
Exit capitalisation rate decreases by 1%	**110,338**	112,160
Sensitivity analysis to discount rates		
Discount rate increases by 1%	**(61,346)**	(59,277)
Discount rate decreases by 1%	**63,142**	61,979
Sensitivity analysis to market rentals		
Market rental decreases by 1%	**(16,383)**	(22,566)
Market rental increases by 1%	**16,398**	19,704
Sensitivity analysis to future growth in operating costs		
Future growth in operating costs decreases by 1%	**8,091**	6,687
Future growth in operating costs increases by 1%	**(9,084)**	(7,842)
Sensitivity analysis to vacancy rates		
Vacancy rates decreases by 1%	**22,152**	19,222
Vacancy rates increases by 1%	**(22,402)**	(22,414)

Details of valuation – USA

For the USA portfolio, the property was internally valued.

Valuation techniques

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

Significant unobservable inputs

	30 June 2026 USD %	30 June 2025 USD %
1) Annual market rentals per square foot used are included below:		
Sector		
Industrial	**7,00**	7,00
2) Equivalent yields used are included in the below table:		
Sector		
Industrial	**7,70**	7,41

5. INVESTMENT PROPERTY continued

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 2026 R'000	30 June 2025 R'000
Sensitivity analysis to equivalent yields		
Equivalent yield increases by 1%	**(9,838)**	(14,598)
Equivalent yield decreases by 1%	**12,776**	19,221
Sensitivity analysis to market rentals		
Market rental decreases by 1%	**(855)**	(1,216)
Market rental increases by 1%	**855**	1,216

Details of valuation – UK

Details of the external independent valuers are as follows:

For the UK portfolio, all properties were externally valued in the current year.

The valuation has been carried out in accordance with the current edition of the RICS Valuation – Professional Standards, published by The Royal Institution of Chartered Surveyors (the Red Book).

Valuation techniques

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

Significant unobservable inputs

	30 June 2026 GBP %	30 June 2025 GBP %
1) Annual market rentals per square foot used are included below (weighted average in brackets*)		
Sector		
Industrial	**5,51**	5,25
Retail	**11,25**	12,26
2) Equivalent yields used are included in the below table (weighted average in brackets*):		
Sector		
Industrial	**7,2**	6,4
Retail	**8,5**	9,5

* *Weighted average equals rates used as we have only one building in each category.*

5. INVESTMENT PROPERTY continued

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 2026 R'000	30 June 2025 R'000
Sensitivity analysis to equivalent yields		
Equivalent yield increases by 1%	**(12,923)**	(16,301)
Equivalent yield decreases by 1%	**16,801**	21,167
Sensitivity analysis to market rentals		
Market rental decreases by 1%	**(1,146)**	(1,460)
Market rental increases by 1%	**1,146**	1,460

6. EQUIPMENT

6.1 Balances for the year

	GROUP		
Balance at 30 June 2026	**At cost R'000**	**Accumulated depreciation R'000**	**Carrying amount R'000**
Equipment	**23,602**	**(16,428)**	**7,174**
Motor vehicles	**367**	**(172)**	**195**
Fixtures and fittings	**1,505**	**(1,505)**	**–**
Computer equipment	**937**	**(818)**	**119**
	26,411	**(18,923)**	**7,488**
Balance at 30 June 2025			
Equipment	22,069	(15,032)	7,037
Motor vehicles	165	(147)	18
Fixtures and fittings	207	(156)	51
Computer equipment	866	(759)	107
	23,307	**(16,094)**	**7,213**

6. EQUIPMENT continued

6.2 Movements for the year

Movements for the year ended 30 June 2026	GROUP Carrying amount as at 1 July 2025 R'000	Additions R'000	Depreciation R'000	Carrying amount as at 30 June 2026 R'000
Equipment	**7,037**	**1,533**	**(1,396)**	**7,174**
Motor vehicles	**18**	**202**	**(25)**	**195**
Fixtures and fittings	**51**	**1,298**	**(1,349)**	**–**
Computer equipment	**107**	**71**	**(59)**	**119**
	7,213	**3,104**	**(2,829)**	**7,488**

Movements for the year ended 30 June 2025	Carrying amount as at 1 July 2024 R'000	Additions R'000	Depreciation R'000	Carrying amount as at 30 June 2025 R'000
Equipment	6,913	2,603	(2,479)	7,037
Motor vehicles	46	–	(28)	18
Fixtures and fittings	98	–	(47)	51
Computer equipment	–	150	(43)	107
	7,057	**2,753**	**(2,597)**	**7,213**

7. TENANT INSTALLATION

	GROUP 30 June 2026 R'000	30 June 2025 R'000
At cost	**36,182**	35,602
Accumulated depreciation	**(33,097)**	(30,109)
Carrying amount	**3,085**	5,493
Opening carrying amount	**5,493**	7,620
Additions	**580**	1,230
Depreciation	**(2,988)**	(3,357)
Closing carrying amount	**3,085**	**5,493**

8. LEASE COMMISSIONS

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening carrying amount	**2,734**	3,386
Commissions incurred during the year	**1,241**	1,304
Amortisation of letting commission	**(1,615)**	(1,956)
Closing carrying amount	**2,360**	**2,734**

9. OTHER RECEIVABLES

Other receivables consist of vendor financing and deferred receivables related to the sale of certain properties during the year.

		GROUP	
	Stage of loan	**30 June 2026 R'000**	**30 June 2025 R'000**
Non-current			
Deferred payment on sale of property@	**Non-performing**	**–**	4,000
Expected credit loss		**–**	(1,800)
Total Non-current other receivables		**–**	**2,200**
Current			
Vendor Financing			

@ *R4 million of the proceeds from the sale of the Rynlal property was deferred under the terms of the sale agreement, contingent on the purchaser concluding a lease with the City of Tshwane for parking. Having reassessed the probability of recovering this amount, the directors consider it irrecoverable and it has accordingly been written off in full.*

Impairment

An ECL allowance is recognised for all other receivables and is monitored at the end of each reporting period. Other receivables are written off when there is no reasonable expectation of recovery.

Reconciliation of credit loss allowance

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**(1,800)**	(1,016)
Loss allowances on new other receivables	**–**	(784)
Reversal of allowances	**1,800**	–
Closing balance	**–**	**(1,800)**

9. OTHER RECEIVABLES continued

Credit rating framework and credit loss allowance

In order to determine the credit loss allowance, 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

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's 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. During the current year there the only remaining other receivable was written off. All other receivables have been settled during the year.

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Trade receivables	**13,256**	14,733
Deposits	**4,595**	4,571
Tenant recovery account	**6,480**	7,868
Supplier and Enterprise development loans	**1,001**	1,015
Allowance for impairment	**(8,727)**	(11,008)
	16,605	17,179
Prepayments	**3,835**	4,842
Other receivables	**–**	431
Total trade and other receivables	**20,440**	**22,452**

Exposure to credit risk

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

An ECL 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.

10. TRADE AND OTHER RECEIVABLES continued

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.

Even though the customer base is widespread, management monitors tenant credit risk by grouping them according to their credit characteristics. Trade receivables were grouped as follows: government, large listed and Small and Medium Enterprises ("SME's"). The provision for credit losses is therefore based on the accounts receivable age analysis along these risk groupings. The loss allowance provision is determined as follows:

	GROUP				
Tenant class	**Current R'000**	**30 days R'000**	**60 days R'000**	**>90 days R'000**	**Total R'000**
30 June 2026					
Government					
– Gross carrying amount	**63**	**–**	**–**	**–**	**63**
– Loss allowance (%)	**–**	**–**	**–**	**–**	**–**
– Credit loss allowance	**–**	**–**	**–**	**–**	**–**
Net amount	**63**	**–**	**–**	**–**	**63**
Large listed					
– Gross carrying amount	**–**	**–**	**–**	**–**	**–**
– Loss allowance (%)	**–**	**–**	**–**	**–**	**–**
– Credit loss allowance	**–**	**–**	**–**	**–**	**–**
Net amount	**–**	**–**	**–**	**–**	**–**
Small and Medium Enterprises					
– Gross carrying amount	**12,392**	**1,683**	**215**	**10,979**	**25,268**
– Loss allowance (%)	**0,65**	**0,25**	**61,04**	**77,52**	**34,54**
– Credit loss allowance	**(81)**	**(4)**	**(131)**	**(8,511)**	**(8,727)**
Net amount	**12,311**	**1,679**	**84**	**2,468**	**16,540**
Total trade and other					
– Gross carrying amount	**12,455**	**1,683**	**215**	**10,979**	**25,331**
– Loss allowance (%)	**0,65**	**0,25**	**61,04**	**77,52**	**34,45**
– Credit loss allowance	**(81)**	**(4)**	**(131)**	**(8,511)**	**(8,727)**
Net amount	**12,374**	**1,679**	**84**	**2,468**	**16,604**

10. TRADE AND OTHER RECEIVABLES continued

Tenant class	Current R'000	30 days R'000	60 days R'000	>90 days R'000	Total R'000
30 June 2025					
Government					
– Gross carrying amount	1,147	–	–	–	1,147
– Loss allowance (%)	–	–	–	–	–
– Credit loss allowance	–	–	–	–	–
Net amount	**1,147**	**–**	**–**	**–**	**1,147**
Large listed					
– Gross carrying amount	5	–	6	–	11
– Loss allowance (%)	–	–	66,67	–	36,43
– Credit loss allowance	(0)	–	(4)	–	(4)
Net amount	**5**	**–**	**2**	**–**	**7**
Small and Medium Enterprises					
– Gross carrying amount	12,654	–	1,414	12,966	27,033
– Loss allowance (%)	0,74	–	35,73	80,28	40,72
– Credit loss allowance	(94)	–	(505)	(10,409)	(11,008)
Net amount	**12,560**	**–**	**909**	**2,557**	**16,024**
Total trade and other					
– Gross carrying amount	13,806	–	1,420	12,966	28,191
– Loss allowance (%)	0,68	–	35,86	80,28	39,06
– Credit loss allowance	(94)	–	(509)	(10,409)	(11,012)
Net amount	**13,712**	**–**	**911**	**2,557**	**17,179**

Reconciliation of credit loss allowance

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**(11,008)**	(8,196)
Amounts written off	**3,535**	–
Loss allowances on new trade receivables	**(556)**	(668)
Increase in allowances	**(698)**	(2,144)
Closing balance	**(8,727)**	**(11,008)**

Gross trade receivables has decreased by R1.5 million compared to 2025 largely as a result of improved cash collections and writing off old legal debt that could not be recovered. These write offs went through a strict approval process and was only written off after all possible efforts to recover the amounts ere exhausted.

10. TRADE AND OTHER RECEIVABLES continued

Sensitivity analysis

Movements in the "PD" rates used would have the following impact on the ECL provision:

	30 June 2026 R'000	30 June 2025 R'000
– PD rates increase by 10%	**1,248**	1,035
– PD rates decrease by 10%	**(1,248)**	**(1,035)**

Movements in the "LGD" rates used would have the following impact on the ECL provision

	30 June 2026 R'000	30 June 2025 R'000
– LGD rates increase by 10%	**1,248**	1,035
– LGD rates decrease by 10%	**(1,248)**	**(1,035)**

11. CASH AND CASH EQUIVALENTS

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Cash and cash equivalents comprise:		
Cash		
SA bank balances	**35,860**	24,072
UK bank balances	**46,815**	93,098
	82,675	117,170
	82,675	**117,170**

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 an ECL of Rnil was raised.

Absa	Baa3 (Moody's Investor Services)
Standard Bank	Baa3 (Moody's Investor Services)
Investec	Baa3 (Moody's Investor Services)
HSBC	A3 (Moody's Investor Services)
GoldmanSachs	A2 (Moody's Investor Services)
Nedbank	Baa3 (Moody's Investor Services)

12. INVESTMENT PROPERTY HELD FOR SALE

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**1,195**	70,957
Transferred from investment property	**–**	364,355
Transferred to investment property	**–**	(47,500)
Fair value adjustments	**–**	145
Disposals	**(1,195)**	(386,763)
Closing balance	**–**	1,195
Breakdown of closing balance		
Cost	**–**	1,195
Cumulative straight-line adjustment	**–**	–
Cumulative fair value adjustment	**–**	–
Cumulative equipment	**–**	–
Cumulative commissions	**–**	–
Cumulative tenant installations	**–**	–
Closing balance	**–**	**1,195**

The items classified as held for sale was transferred during the year.

These disposals are in line with the Group's strategy of reducing the non-core portfolio of assets and in terms of improving the overall balance sheet strength.

Assets of Rnil (2025: 1.1 million) are included in the South African segment. No assets from the UK segment are included under assets held for sale.

13. CURRENT TAX ASSETS AND LIABILITIES

Current tax assets and liabilities comprise the following balances:

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Current tax assets that cannot be set off	**4,898**	5,522
Total current tax asset per the statement of financial position	**4,898**	5,522
Current tax liabilities that cannot be set off	**(1,720)**	–
Total current tax liability per the statement of financial position	**(1,720)**	**–**

14. UNLISTED INVESTMENTS

Texton has invested in the US with five investments, and in the UK with one investment, as set out below:

2026

US investments	Fair value Hierarchy	Commitment $'000	Undrawn Commitment $'000	Market Value $'000	Market Value R'000	Dividend Income R'000
Blackstone Real Estate Income Trust*	**Level 2**	**–**	**–**	**–**	**–**	**–**
Starwood Real Estate Income Trust*	**Level 2**	**12,000**	**–**	**4,308**	**70,563**	**6,362**
PadSplit Investment**	**Level 3**	**2,500**	**–**	**1,173**	**19,220**	**–**
Cadre real estate investment***	**Level 3**	**5,000**	**–**	**2,293**	**37,577**	**–**
GIM Investments/Apollo*****	**Level 3**	**5,500**	**3,979**	**1,088**	**17,826**	**–**
Faropoint industrial value Fund III******	**Level 3**	**2,000**	**100**	**2,064**	**33,814**	**227**
		27,000	**4,079**	**10,925**	**179,000**	**6,589**

UK investments	Fair value Hierarchy	Commitment £'000	Undrawn Commitment £'000	Market Value £'000	Market Value R'000	Dividend Income R'000
Greenpoint/Infinium	**Level 3**	**2,650**	**164**	**2,818**	**61,219**	**–**
		2,650	**164**	**2,818**	**61,219**	**–**

2025

US investments	Fair value Hierarchy	Commitment $'000	Undrawn Commitment $'000	Market Value $'000	Market Value R'000	Dividend Income R'000
Blackstone Real Estate Income Trust*	Level 2	6,500	–	6,280	111,268	4,607
Starwood Real Estate Income Trust*	Level 2	12,000	–	6,420	113,750	8,366
PadSplit Investment**	Level 3	2,500	–	1,479	26,197	–
Cadre real estate investment***	Level 3	5,000	–	2,673	47,365	–
GIM Investments/Apollo*****	Level 3	5,500	4,452	1,075	19,054	–
Faropoint industrial value Fund III******	Level 3	2,000	48	2,079	36,830	–
		33,500	**4,500**	**20,007**	**354,463**	**12,973**

UK investments	Fair value Hierarchy	Commitment £'000	Undrawn Commitment £'000	Market Value £'000	Market Value R'000	Dividend Income R'000
Greenpoint/Infinium	Level 3	2,650	413	2,416	58,794	–
		2,650	**413**	**2,416**	**58,794**	**–**

14. UNLISTED INVESTMENTS continued

2026

Investment	Opening Balance	Acquisitions	Disposals/ Redemptions	Return of capital
Blackstone Real Estate Income Trust*	**111,267**	**–**	**(109,061)**	**–**
Starwood Real Estate Income Trust*	**113,750**	**–**	**(29,982)**	**–**
PadSplit Investment**	**26,197**	**–**	**–**	**(695)**
Cadre real estate investment***	**47,365**	**1,507**	**–**	**–**
Greenpoint/Infinium****	**58,795**	**5,704**	**–**	**–**
GIM Investments/Apollo*****	**19,054**	**7,906**	**–**	**–**
Faropoint industrial value fund III******	**36,830**	**–**	**–**	**–**
	413,258	**15,117**	**(139,043)**	**(695)**

Investment	Fair Value Adjustments	Interest received	Foreign currency translation movement	Closing Value
Blackstone Real Estate Income Trust*	**115**	**–**	**(2,322)**	**–**
Starwood Real Estate Income Trust*	**(4,293)**	**–**	**(8,912)**	**70,563**
PadSplit Investment**	**(4,423)**	**–**	**(1,859)**	**19,220**
Cadre real estate investment***	**(15,334)**	**4,039**	**–**	**37,577**
Greenpoint/Infinium****	**3,470**	**–**	**(6,750)**	**61,219**
GIM Investments/Apollo*****	**(7,011)**	**–**	**(2,123)**	**17,826**
Faropoint industrial value fund III******	**1,053**	**–**	**(4,069)**	**33,814**
	(26,423)	**4,039**	**(26,034)**	**240,219**

14. UNLISTED INVESTMENTS continued

2025

Investment	Opening Balance	Acquisitions	Disposals/ Redemptions	Return of capital
Blackstone Real Estate Income Trust*	116,150	–	–	–
Starwood Real Estate Income Trust*	184,976	–	(57,046)	–
PadSplit Investment**	32,911	–	–	(2,071)
Cadre real estate investment***	49,237	–	–	–
Greenpoint/Infinium****	33,737	17,215	–	–
GIM Investments/Apollo*****	8,744	8,328	–	–
Faropoint industrial value fund III******	17,339	17,753	–	–
	443,094	**43,296**	**(57,046)**	**(2,071)**

Investment	Fair Value Adjustments	Interest received	Foreign currency translation movement	Closing Value
Blackstone Real Estate Income Trust*	(83)	–	(4,800)	111,267
Starwood Real Estate Income Trust*	(12,062)	–	(2,118)	113,750
PadSplit Investment**	(4,601)	–	(43)	26,197
Cadre real estate investment***	(6,377)	4,505	–	47,365
Greenpoint/Infinium****	4,941	–	2,902	58,795
GIM Investments/Apollo*****	902	–	1,080	19,054
Faropoint industrial value fund III******	210	–	1,528	36,830
	(17,070)	**4,505**	**(1,450)**	**413,258**

Investment in Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC and Starwood Real Estate Income Trust Offshore Fund SPC*

Texton Property Investments UK Limited holds investments in Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC ("BREIT Offshore") and Starwood Real Estate Income Trust Offshore Fund SPC ("SREIT Offshore"). SREIT Offshore and BREIT Offshore are Cayman feeder funds for investments into BREIT and SREIT. The price of the underlying shares that are purchased in SREIT Offshore and BREIT Offshore is determined by NAV of the respective underlying investment fund. The NAV is displayed publicly on the website of the respective funds and is determined monthly in arrears. All transactions occur at NAV, and liquidity is provided monthly in the form of share buybacks which also occur at NAV. SREIT and BREIT are considered to be traded in dealer markets. Both of these investments are classified as level 2 fair value investments.

BREIT Redemption

Texton Property Investments Limited ("TPI UK") has fully sold down its investment in Blackrock Real Estate Income Trust ("BREIT") through a redemption of remaining 4,945.45 shares during the year, the proceeds on the disposal amounted to $6,3 million (R109 million).

SREIT Redemption

During the year, 86,399.72 shares were redeemed, the proceeds on the disposal amounted to $1,8 million (R30 million).

14. UNLISTED INVESTMENTS continued

PadSplit investment **

Texton has invested in WC ORT Homes Investor LP, a Delaware limited partnership sponsored by Watchung Capital as the general partner. The vehicle focuses on aggregating and operating single-family residential homes in target markets such as Houston, Atlanta, and Dallas. Texton participates as a limited partner through a capital commitment, which is drawn down over time as investments are executed. Texton's equity share is proportional to its committed and funded capital relative to the total capital raised by the partnership. The general partner (Watchung Capital) controls day-to-day management, while Texton has a purely passive role. Liability is limited to Texton's capital commitment. Distributions are made on a pro rata basis according to the partnership agreement, after returning capital, fees, and carried interest allocations to the general partner.

Cadre real Estate investment***

Texton has entered into an Investment Advisory Agreement with Cadre Real Estate Management ("Cadre") to invest in U.S. real estate, targeting multifamily, industrial, select office, and hospitality assets. Investments are executed through Delaware limited partnerships, where Texton participates as a limited partner, contributing via a mix of equity and debt. The equity interest is determined by Texton's proportional contribution of capital to each underlying investment vehicle relative to total committed funds. Texton's role is passive, with Cadre retaining discretion over investment selection, execution, and ongoing asset management. Texton's liability is capped at the agreed commitment, and contributions are only called when needed. Distributions flow back to Texton pro rata with its ownership share, after fees (management, administration, commitment) and performance incentives (Cadre's share of sponsor promote).

Greenpoint/Infinium:****

Texton is a limited partner in GreenPoint Infinium Holdings, LP, a partnership governed by the laws of England and Wales, investing in the European commercial parking sector. Texton's investment is structured as a committed capital amount, drawn down in tranches by the general partner through capital calls. The equity ownership percentage is determined by the ratio of Texton's total contributed capital to the aggregate committed and drawn capital of all partners. Liability is expressly limited to its commitment, and Texton has no obligation to contribute beyond this.

Distributions follow a tiered waterfall structure:

(i) return of capital,
(ii) an 8% preferred return (compounded annually) to limited partners,
(iii) thereafter, 80% of profits to LPs and 20% to the general partner. Texton has no role in day-to-day management.

GIM Investments/Apollo*****

Through TPI No. 2 Limited, Texton committed capital to the US Community Housing II Cell of GIM Investments PCC Ltd, a protected cell company registered in Guernsey. The cell invests primarily through Apollo funds in the U.S. manufactured housing sector. Texton's investment is structured as a subscription amount into cellular shares of the cell, drawn in tranches as investment opportunities are executed. The equity percentage is determined by the number of subscribed shares relative to the total shares issued in the cell. Liability is limited to the agreed subscription amount, with no recourse beyond that.

Diversification limits (e.g., no more than 25% in a single deal or geography) protect investors from concentration risk. Distributions are made from net proceeds of investments, proportionally to shareholders, after deduction of arrangement, management, and performance fees.

Faropoint industrial value fund III******

Through TPI UK No. 2 Limited, Texton subscribed USD 2 million as a limited partner in Faropoint Industrial Value Fund III, LP, a Delaware limited partnership investing in U.S. industrial real estate. The investment is structured as a committed capital subscription, drawn via capital calls. Texton's equity interest is proportional to its contribution relative to the aggregate capital of all limited partners. Liability is limited to the USD 2 million commitment, and no further contributions can be required. Distributions follow a private equity-style waterfall: return of capital, preferred return to limited, followed by profit-sharing with the general partners as a carried interest.

15. SHARE CAPITAL

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Authorised		
2,000,000 (2025: 2,000,000) ordinary shares of no par value		
Issued		
330,059,664 (2025: 330,059,664) ordinary shares of no par value	**2,471,117**	2,661,125
	2,471,117	2,661,125
31,961,169 (2025: 31,961,169) treasury shares of no par value	**(188,839)**	(188,839)
	2,282,278	**2,472,286**

	30 June 2026 R'000	**30 June 2025 R'000**
Treasury shares		
The Group holds treasury shares via Discus House Proprietary Limited ("Discus House"), a subsidiary of Texton. Discus House holds 31,853,013 shares (2025: 31,853,013).		
Ordinary shares of no par value		
Opening balance	**2,472,286**	2,713,178
Less: Return of Contributed Tax Capital#	**(190,008)**	(240,795)
Rights issue	**–**	(97)
Shares issued	**–**	–
Transaction costs relating to rights issue	**–**	(97)
Closing balance	**2,282,278**	**2,472,286**

 # The Board announced in October 2025 that it had approved and declared a 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. ("Return of CTC"). This return of capital is not a dividend and reduces the share capital balance.

Share reconciliation

	GROUP	
	30 June 2026 Number of shares	**30 June 2025 Number of shares**
Ordinary shares of no par value		
Opening balance	**298,098,495**	298,098,495
• Shares in issue	**330,059,664**	330,059,664
• Treasury shares	**(31,961,169)**	(31,961,169)
Movement during the year	**–**	–
Closing balance	**298,098,495**	298,098,495
• Shares in issue	**330,059,664**	330,059,664
• Treasury shares	**(31,961,169)**	(31,961,169)

16. FOREIGN CURRENCY TRANSLATION RESERVES

Classification of reserves

The foreign currency translation reserve arose from the conversion of Texton Property Investments UK Limited from their functional currency, GBP, to SA Rand and from the conversion of TP US from USD to SA Rand on consolidation and from the conversion of the loan to TP US where settlement is neither planned nor likely in the foreseeable future and are considered to form part of the net investment in foreign operations. The loan provided to TP US, is the only loan that is provided to entities in foreign operations.

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**37,700**	(14,154)
Movement through other comprehensive income	**(53,608)**	51,854
Closing balance	**(15,908)**	**37,700**

The closing exchange rate as at 30 June 2026 was R21,72:GBP1 (2025: R24,33:GBP1) and the average exchange rate for the 12 months ended 30 June 2026 was R22,68:GBP1 (2025: R23,55:GBP1). The closing exchange rate as at 30 June 2026 for USD to GBP was USD1.33:GBP1 (2025: USD1.37:GBP1), the average rate for the 12 months ended 30 June 2026 was USD1.34:GBP1 (2025: USD1.29:GBP1). The closing exchange rate as at 30 June 2026 for USD was R16,39:USD1 (2025: R17,72:USD1), the average rate for the 12 months ended 30 June 2026 was R16,87:USD1 (2025: R17,86:USD1).

17. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS

Summary

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Standard Bank Limited (note 17.1)	**510,610**	521,295
Investec Private Bank Limited (note 17.2)	**139,074**	147,682
Symetra Life Insurance Company	**36,567**	40,218
	686,251	**709,195**
Reconciliation of Non-current and current portion		
Non-current portion	**530,617**	667,159
Current portion	**155,634**	42,036
	686,251	**709,195**

17. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS continued

17.1 Standard Bank Limited

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Standard Bank Loan Facility	**645,270**	644,181
Less cash available in rolling credit facility	**(133,560)**	(122,575)
Carried at amortised cost	**511,710**	521,606
Net structuring fees capitalised to loan	**(1,100)**	(311)
	510,610	521,295
Amounts to be settled within 12 months included in current liabilities	**(16,560)**	(41,814)
	494,050	**479,481**

				GROUP	
Facility	**Maturity date**	**Variable base rate**	**Margin %**	**30 June 2026 R'000**	30 June 2025 R'000
R150.0 million (2025: R150.0 million)*	30 June 2027	Prime	(1.55)	**16,560**	27,425
Rnil million (2025: R103.7 million)#	30 September 2025	3 month JIBAR	2.10	**–**	41,814
Rnil million (2025: R452.3 million)#	30 September 2026	3 month JIBAR	2.25	**–**	452,367
R247.6 million (2025: Rnil million)#	30 November 2029	3 month JIBAR	1.80	**247,637**	–
R247.5 million (2025: Rnil million)#	30 November 2030	3 month JIBAR	1.83	**247,513**	–
				511,710	**521,606**

* *R150.0 million (June 2025: R150.0 million) rolling credit facility. A net amount of R10.9 million was deposited into the facility during the year and R133.5 million (2025: R122.5 million) is available for draw down.*

During the period under review renewed our loan facilities with Standard bank on the below terms:
- The total facility was split into two tranches of R247 million each
- Tranche 1 expires in Nov 2029 and bears interest at JIBAR + 1,8%
- Tranche 2 expires in Nov 2030 and bears interest at JIBAR + 1,83%
- The covenants remain

Texton has a security special purpose vehicle ("SPV"), Imvula Income RF Proprietary Limited, in which all SA mortgage bonds are registered. Imvula then issues guarantees to the various funders. Guarantees relate to the Group's own liabilities which are already fully disclosed.

The Standard Bank loans are secured by mortgage bonds over land and buildings located in SA with a value of R1,280.7 million (2025: R1,226.9 million).

17. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS continued

17.2 Investec Private Bank Limited

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Investec Loan Facility	**184,996**	185,096
Less cash available in rolling credit facility	**(45,834)**	(37,174)
Carried at amortised cost	**139,162**	147,922
Net structuring fees capitalised to loan	**(88)**	(240)
	139,074	147,682
Amounts to be settled within 12 months included in current liabilities	**(139,074)**	(222)
	–	**147,460**

				GROUP	
Facility	**Maturity date**	**Variable base rate**	**Margin %**	**30 June 2026 R'000**	**30 June 2025 R'000**
R125.0 million (2024: R125 million)	30 March 2027	Prime	(0,75)	**124,874**	124,874
R60.0 million (2024: R60 million)*	30 March 2027	Prime	(0,75)	**14,200**	23,048
				139,074	**147,922**

* *R60.0 million (June 2025: R60.0 million) rolling credit facility. A further R8.0 million has been deposited into the facility during the year and R45.8 million (2025: R37.1 million) available for draw down.*

Texton has a security SPV, Imvula Income RF Proprietary Limited, in which all SA 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 SA with a value of R413.5 million (2025: R410.4 million).

17. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS continued

17.3 Symetra Life Insurance Company

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Carried at amortised cost	**36,567**	40,218
Net structuring fees capitalised to loan		
	36,567	40,218
Amounts to be settled within 12 months included in current liabilities	**–**	–
	36,567	40,218
Carried at fair value through profit or loss		
Amounts to be settled within 12 months included in current liabilities	**–**	–
Interest rate swaps	**–**	–
	–	–

				GROUP	
Facility	**Fixed base rate (%)**	**Inception date**	**Maturity date**	**30 June 2026 R'000**	**30 June 2025 R'000**
USD 2.3 million (2025: USD 2.3 million)	6,81	15 July 2024	02 August 2029	**36,567**	40,218
				36,567	40,218

The Symetra Life Insurance Company loan is secured by mortgage bonds over Kimwell Drive, an industrial building located in North Carolina and indirectly owned by the Group, with a value of USD 5.2 million (2025: USD 5.2 million).

17. EXTERNAL LOANS AND DERIVATIVE FINANCIAL INSTRUMENTS continued

17.4 Bank covenants

Funder	Group LTV		Facility LTV		Group interest cover		Facility interest cover	
	Trans-action covenant (%)	Actual covenant (%)	Trans-action covenant (%)	Actual covenant (%)	Trans-action covenant (times)	Actual covenant (times)	Trans-action covenant (times)	Actual covenant (times)
2026								
Standard	**50**	**28,1**	**55**	**40,0**	**2.0**	**2.45**	**1.75**	**2.32**
Investec	**50**	**28,1**	**–**	**–**	**1.8**	**2.45**	**–**	**–**
2025								
Standard	50	25,3	55	43,0	2.0	2.21	1.75	1.87
Investec	50	25,3	–	–	1.8	2.21	–	–

Covenant breaches during the year

Standard Bank

There were no covenant breaches with Standard Bank at 30 June 2026.

Investec

There were no covenant breaches with Investec at 30 June 2026.

17.5 Managing interest rate benchmark reform and associated risks

The global reform of interest benchmarks includes the replacement of some interbank offered rates ("IBOR") with alternative benchmark interest rates. The Group has exposure to IBORs on some of its loans and borrowings held with South African banks. 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.

On 3 December 2025, the South African Reserve Bank ("SARB") formally confirmed that JIBAR will be discontinued, with its final publication on 31 December 2026, after which all JIBAR tenors will be considered non-representative. As part of the transition, the Market Practitioners Group's "no new JIBAR" milestone took effect on 1 May 2026, prohibiting new JIBAR-linked contracts (subject to limited defined exceptions) from that date.

Legacy contracts still referencing JIBAR at cessation will convert to ZARONIA in accordance with their contractual fallback provisions.

	30 June 2026 R'000	30 June 2025 R'000
Liabilities exposed to ZAR JIBAR maturing after 30 June 2026		
External loans	**495,150**	**494,181**
Total	**495,150**	**494,181**

18. DEFERRED TAX

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Deferred tax asset	**–**	–
Deferred tax asset comprises:		
Tax losses	**–**	–
Deferred tax liability	**2,931**	2,620
Deferred tax liability comprises:		
Capital allowances	**(2,931)**	(2,620)
The movement in deferred tax during the year is as follows:		
Opening balance deferred tax liability	**(2,620)**	4,568
Recognised in profit or loss	**1,230**	(1,981)
Closing balance deferred tax asset	**–**	–
Closing balance deferred tax liability	**2,931**	2,620

South Africa

The Group is a REIT as defined by Section 25BB of the SA 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 section 25BB. 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% (2025: 27%).

United Kingdom

A deferred tax asset has been recognised on tax losses to the extent that there are future taxable profits against which it can be offset. Recognised tax losses relate to tax obligations to His Majesty's Revenue and Customs under CIT. A deferred tax liability is recognised on capital allowances utilised to be recouped through sale and fair value adjustments of investment property as these are to be recovered entirely through sale.

The UK CIT rate increased to 25% with effect from 1 April 2023. This rate change was substantially enacted in the UK prior to 30 June 2021. Therefore, a rate of 25% is used in calculating the reversal of deferred tax provisions. All deferred tax regarding investment property revaluations and capital allowances claimed will reverse at 25% unless there is an intention to sell off the remaining properties before 1 April 2023.

19. TRADE AND OTHER PAYABLES

Trade and other payables comprise:

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Financial instruments		
Trade and other payables	**3,682**	3,934
Deposits received	**13,478**	12,778
Accrued expenses	**16,757**	14,535
Other payables	**1,578**	1,503
Non-financial instruments		
Income received in advance	**12,591**	11,422
VAT payable	**802**	1,385
Total trade and other payables	**48,889**	45,558

20. INVESTMENT PROPERTY INCOME

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Rental income	**204,229**	198,294
Recoveries of utilities from tenants	**66,779**	64,590
	271,008	262,884

20.1 Sources of revenue

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Contracts with customers	**271,008**	262,884

21. PROPERTY EXPENSES

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Cleaning	**4,207**	3,831
Commissions amortised	**1,615**	1,956
Depreciation Other fixed asset	**2,758**	2,562
Depreciation tenant installation	**2,988**	3,357
Electricity consumption	**37,498**	33,594
Gardens and landscaping	**1,875**	1,799
Insurance	**4,412**	4,798
Levies	**4,219**	4,271
Other municipal charges	**3,111**	2,401
Other property-related expenses*	**7,772**	9,104
Property management fees	**2,810**	618
Rates and taxes	**24,675**	26,044
Rental paid	**1,059**	1,404
– Variable rent paid	**1,059**	1,129
– Fixed rental paid	**–**	275
Repairs and maintenance	**4,847**	3,846
– Recovered from tenants	**2,690**	1,854
– Not recovered from tenants	**2,157**	1,992
Security	**8,602**	8,537
Water consumption	**4,056**	3,212
Waterproofing	**675**	261
	117,179	**111,595**

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

22. AUDIT FEES

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Fees paid for the audit of the consolidated financial statements	**2,100**	2,226
Fees paid for the statutory audit of subsidiaries	**1,069**	1,047
	3,169	**3,273**

23. OTHER INCOME

Other income comprises:

	Notes	GROUP 30 June 2026 R'000	GROUP 30 June 2025 R'000
Sundry income		**280**	3,042
Dividends on unlisted investments		**6,589**	12,973
Reversal of impairment	**36**	**583**	2,435
		7,452	**18,450**

24. FOREIGN EXCHANGE GAINS AND LOSSES

Foreign exchange gains and losses recognised comprise:

	GROUP 30 June 2026 R'000	GROUP 30 June 2025 R'000
Amounts recognised in profit or loss	**5,618**	(41,401)
Foreign exchange gains and losses reconciliation		
Realised foreign exchange losses	**–**	(4,285)
Unrealised foreign exchange (losses)/gains	**5,618**	(37,116)
	5,618	**(41,401)**

25. FINANCE INCOME

	GROUP 30 June 2026 R'000	GROUP 30 June 2025 R'000
Bank and other cash	**4,315**	16,855
Interest from offshore investments	**4,039**	4,505
	8,354	**21,360**

26. FINANCE COSTS

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Amortised cost		
Standard Bank Limited (variable)	**47,829**	58,053
Investec Private Bank Limited (variable)	**12,023**	13,145
HSBC (variable)	**–**	3,937
Symetra Life Insurance Company	**2,606**	2,479
Banks and other	**137**	–
Amortisation of structuring costs	**1,043**	3,040
	63,638	**80,654**

27. FAIR VALUE ADJUSTMENTS

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Investment property	**2,509**	100,381
Loss on disposal of property	**4**	(7,053)
Investment property classified as held for sale	**–**	146
Loss on disposal of assets	**–**	(54)
Financial instruments at fair value through profit or loss		
Unlisted Investments	**(26,423)**	(17,070)
	(23,910)	**76,350**

28. INCOME TAX

28.1 Income tax recognised in profit or loss:

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
SA normal tax expense		
Prior year	**(78)**	(875)
UK normal tax expense		
Current year	**(2,297)**	446
Deferred tax		
Current year	**(1,230)**	1,981
	(3,605)	**1,552**

28. INCOME TAX continued

28.2 The income tax for the year can be reconciled to the accounting profit/(loss) as follows:

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Profit before income tax	**37,080**	96,321
Income tax at statutory rate – 27% (2025: 27,0%)	**(10,012)**	(26,007)
Effect of items that are exempt from taxation:		
Fair value adjustments on investment properties	**(2,861)**	26,701
Fair value adjustments on unlisted investments	**(2,141)**	(8,700)
Effect of difference in tax treatment of items:		
Amortization, depreciation and wear and tear	**1,432**	1,284
Pre-paid expenditure	**31**	208
ECL and bad debt	**(77)**	(1,948)
Movement in provisions	**192**	328
Amounts received in advance	**(68)**	(252)
Other	**(760)**	(88)
Non-deductible expenses*	**(892)**	(1,236)
Non-taxable items	**(1,399)**	(748)
UK Normal tax expense – adjustment in respect of prior years	**–**	(182)
Underprovisions in prior years	**–**	875
Current year assessed loss not recognised	**3,345**	14
Impact of change in tax rates on deferred taxes	**–**	–
S6quat rebates	**39**	3,115
Foreign tax differential**^	**64**	(12,856)
Qualifying section 25BB REIT distribution	**16,712**	17,939
	3,605	**(1,552)**
Effective tax rate (%)	**(9,72)**	1,61

* *Non-deductable expenses consist of professional fees and repairs and maintenance that were considered to be of a capital nature.*

** *Relates to the difference in tax rate between SA and UK.*

^ *Mostly relates to revaluation gains not giving rise to deferred tax in the UK segment due to Group losses and foreign dividends received not taxable in the UK.*

The income tax for the period comprises current and deferred income tax and is recognised in profit or loss 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.

SA taxation

The Group is a REIT and all subsidiaries in the Group are "controlled companies"(as defined by the Income Tax Act"). The Group applies judgement in determining what sources of income constitute "rental income" as defined by section 25BB of the Income Tax Act, after deducting "qualifying distributions".

UK taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

28. INCOME TAX continued

28.2 The income tax for the year can be reconciled to the accounting profit/(loss) as follows: continued

US taxation

The Group is exposed to US taxation via its holdings in TP US Investments LLC, which owns the investment in PadSplit.

Non-US investors are subject to net basis US income taxation and US tax filing requirements on income that effectively connected with a US trade or business ("ECI"). ECI is subject to US income tax at regular US income tax rates, which is currently 21% for corporations.

Non-US investors are subject to a 30% gross-basis US withholding tax on certain types of US source income that is not effectively connected with a US trade or business. This tax applies to dividends, interest, rent, royalties, and other fixed or determinable annual or periodical income. The tax may be reduced or eliminated by treaty.

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Income tax paid		
Income tax receivable at the beginning of the year	**4,898**	4,898
Income tax payable at the beginning of the year	**624**	(1,872)
Current year normal tax charged to profit or loss*	**(2,374)**	(429)
Foreign currency translation difference	**–**	(30)
Income tax payable at the end of the year	**1,720**	(624)
Income tax receivable at the end of the year	**(4,898)**	(4,898)
	(30)	**(2,955)**

* *Reconciliation to income tax per the statement of comprehensive income.*

	30 June 2026 R'000	**30 June 2025 R'000**
– Normal tax	**(2,374)**	(429)
– Deferred tax	**(1,230)**	1,981
	(3,604)	**1,552**

29. CASH GENERATED BY OPERATIONS

	Notes	GROUP 30 June 2026 R'000	GROUP 30 June 2025 R'000
Profit before tax		**37,080**	96,321
Adjusted for:			
Amortisation and depreciation		**7,431**	7,939
(Reversal of impairment)/Impairment allowance		**(4,081)**	2,813
Dividends received	**14**	**(6,589)**	(12,973)
Reversal of impairment of investment in JV	**36**	**(583)**	(2,435)
Bad debt write off		**7,469**	4
Finance income	**25**	**(8,354)**	(21,360)
Straight-line adjustment		**6,332**	2,963
Finance costs	**26**	**63,638**	80,654
Fair value adjustments	**27**	**23,914**	(83,402)
Share-based payment expense	**38**	**2,076**	3,356
Profit on disposal of asset		**–**	(29)
Unrealised foreign exchange gains or losses*		**–**	23,255
Leave pay accrual		**24**	(876)
Structuring fees amortised		**474**	–
Non-cash flow items		**(2,102)**	(569)
Profit on disposal of investment property	**26**	**(4)**	7,053
Cash generated before working capital changes		**126,725**	102,714
Changes in working capital			
– Decrease in trade and other receivables		**938**	129
– (Decrease)/Increase in trade and other payables		**4,412**	(8,479)
Cash generated by operations		**132,075**	94,364

* *Included in the FCTR movement in note 14.*

30. LIABILITIES ARISING FROM FINANCING ACTIVITIES

	GROUP								
			Non-cash changes						
	1 July R'000	Net repayment Cash flows* R'000	Foreign exchange movement R'000	Changes in fair values R'000	Non-cash flow movements^ R'000	Re-classification R'000	Structuring fees amortised R'000	Interest accrual R'000	Total R'000
30 June 2026									
Non-current interest bearing borrowings	**667,109**	**(57,563)**	**(3,003)**	**–**	**36,682**	**(113,598)**	**1,112**	**(123)**	**530,617**
Current interest bearing borrowings	**42,036**	**–**	**–**	**–**	**–**	**113,598**	**–**	**–**	**155,634**
Total liabilities from financing activities	**709,145**	**(57,563)**	**(3,003)**	**–**	**36,682**	**–**	**1,112**	**(123)**	**686,251**
30 June 2025									
Non-current interest bearing borrowings	152,197	(81,723)	4,708	–	(201,219)	793,195	369	(418)	667,109
Current interest bearing borrowings	835,231	–	–	–	–	(793,195)	–	–	42,036
Total liabilities from financing	**987,428**	**(81,723)**	**4,708**	**–**	**(201,219)**	**–**	**369**	**(418)**	**709,145**

* *Reconciliation of cash flow.*

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Proceeds from external loans and derivatives	**29,300**	33,000
Repayments of external loans and derivatives	**(86,863)**	(114,723)
	(57,563)	**(81,723)**

^ *Non cash flow movements relate to proceeds on disposals of investment property settled directly by the attorneys and interest paid directly from the RCF as well as the raising of the bond on the USA property, Kimwell.*

31. DIVIDENDS PAID AND RETURN OF CAPITAL

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Dividends paid	**–**	(120,032)
Return of contributed tax capital	**(190,008)**	(240,795)
Total distributions paid	**(190,008)**	**(360,827)**

Texton is a listed REIT and as per paragraph 13.28(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".

32. COMMITMENTS

	GROUP	
	30 June 2026 R'000	**30 June 2025* R'000**
Operating leases – as lessor (income)		
Minimum lease payments receivable		
– Within one year	**174,308**	174,896
– Second year	**77,495**	94,950
– Third year	**34,321**	48,957
– Fourth year	**11,985**	25,375
– Fifth year	**10,423**	9,793
– Later than 5 years	**5,987**	16,592
Contractual cash inflows	**314,518**	370,563
– straight-line rental adjustment	**26,682**	33,014
Future book revenue	**341,200**	**403,577**

* *2025 numbers have been restated to reflect the correct operating lease income values.*

Operating lease income represents rentals received by the Group for its properties. Leases are negotiated for an average term of 1.90 years (2025: 2.23 years) in SA and 7.48 years (2025: 4.44 years) in the UK. Rentals on the properties escalate at an average rate of 5,09% per annum (2025: 4,9%).

Capital Commitments		
Capital improvements in respect of Investment Properties		
Approved and committed	**–**	–
Approved and uncommitted	**37,202**	15,004
	37,202	**15,004**
Capital Commitments		
Capital improvements in respect of unlisted investments		
Approved and committed	**70,462**	90,175
Approved and uncommitted	**–**	–
	70,462	**90,175**
Operating Expense		
Contractual commitments in respect of general maintenance to investment property		
– Within one year	**5,323**	4,513
– Two to five years	**3,876**	3,185
	9,199	**7,697**

33. RELATED PARTIES

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

Subsidiary	Location	% owned
Discus House Proprietary Limited	South Africa	100
Imperial Com Props Proprietary Limited	South Africa	100
Investage 183 Proprietary Limited	South Africa	100
Nungu Trading 88 Proprietary Limited	South Africa	100
TexStores (Pty) Ltd	South Africa	100
Texton Property Investments UK Limited	United Kingdom	100
US TP Investments 1 LLC	United States of America	100
Controlled entities		
Vunani Property Investment Trust	South Africa	100
Joint ventures		
Inception (Reading) S.a.r.l. – Broad Street Mall (liquidated April 2025)	United Kingdom	50

Entity name	Nature of relationship and related party transactions
Oak Tech Trading (Pty) Ltd	Oak Tech Trading (Pty) Ltd has 97,214,624 ordinary shares pledged as security for 30 months relating to borrowings in the amount of R85.7 million as at 30 June 2026. 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 South Africa (Pty) Ltd	See above. During the current year, Texton Group paid rental fees of R333,089 (2025: R737,629) to the related party.
Rex Trueform Group Limited	Rex Trueform Group Limited is a related party through common shareholding of Marcel Golding. During the prior year an amount of R96,659 was paid to Rex Trueform as an underwriter fee.

33. RELATED PARTIES continued

33.1 Compensation paid to directors and prescribed officers

30 June 2026	Fees paid R'000	Salaries, bonuses and performance-related payments R'000	Total before IFRS 2 R'000	Share based compen-sation R'000	Total remuneration R'000
Executive Directors					
HSP Welleman	**–**	**5,674***	**5,674**	**1,211**	**6,884**
JH Rens	**–**	**5,506***	**5,506**	**866**	**6,371**
Non-executive Directors					
MJA Golding (Chairman)	**507**	**–**	**507**	**–**	**507**
RA Franco	**–**	**–**	**–**	**–**	**–**
Independent Non-executive Directors					
AJ Hannington	**376**	**–**	**376**	**–**	**376**
JR Macey	**463**	**–**	**463**	**–**	**463**
W van der Vent	**347**	**–**	**347**	**–**	**347**
Total compensation paid to directors and prescribed officers	**1,693**	**11,179**	**12,873**	**2,076**	**14,949**

* *Included in this amount is a payment made relating to the return of capital.*

30 June 2025	Fees paid R'000	Salaries, bonuses and performance-related payments R'000	Total before IFRS 2 R'000	Share based compen-sation R'000	Total remuneration R'000
Executive Directors					
HSP Welleman	–	7,087*	7,087	1,806	8,893
JH Rens	–	6,709*	6,709	1,550	8,259
Non-executive Directors					
MJA Golding (Chairman)	464	–	464	–	464
RA 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	**1,584**	**13,796**	**15,380**	**3,356**	**18,736**

33. RELATED PARTIES continued

33.2 Directors' holdings

30 June 2026	Direct	Indirect	Total	% holding
MJA Golding*	–	**61,856,844**	**61,856,844**	**18,74**
RA Franco*	–	**137,408,024**	**137,408,024**	**41,63**
JR Macey	**5,744**	**36,925**	**42,669**	**0,01**
	5,744	**199,301,793**	**199,307,537**	**60,39**

30 June 2025	Direct	Indirect	Total	% holding
MJA Golding*	–	61,856,844	61,856,844	18,74
RA Franco*	–	137,408,024	137,408,024	41,63
JR Macey	5,744	36,925	42,669	0,01
	5,744	**199,301,793**	**199,307,537**	**60,39**

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

There has been no change in the shares held by directors between the end of the financial year and the annual financial statements were signed.

34. EARNINGS AND HEADLINE EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share was based on the profit/(loss) attributable to shareholders of R40.5 million (2025: R96.0 million profit) and weighted average number of shares outstanding of 330,059,664 (2025: 330,059,664).

Headline earnings per share

The calculation of headline earnings per share was based on the earnings attributable to shareholders of R37.9 million (2025: R2.0 million) and a weighted average number of shares outstanding of 330,059,664 (2025: 330,059,664).

	GROUP	
	30 June 2026 '000 Number of shares	**30 June 2025 '000 Number of shares**
Shares in issue entitled to dividends	**330,060**	330,060
Weighted average number of shares in issue	**330,060**	330,060
Add: Weighted potential dilutive impact of conditional shares**	**2,704**	2,704
Diluted weighted average number of shares in issue	**332,764**	332,764

** *The conditional shares granted in terms of the Share Incentive Scheme have a weighted average dilutive effect of 2,704,360 on the weighted average shares in issue. In the prior year the impact was 2,704,360.*

34. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

	GROUP			
	30 June 2026		30 June 2025	
	Gross R'000	Net R'000	Gross R'000	Net R'000
Earnings				
Profit/(Loss) attributable to shareholders	**–**	**33,476**	–	97,873
Headline earnings				
Profit/(Loss) attributable to shareholders	**–**	**33,476**	–	97,873
Fair value adjustment investment property	**(2,509)**	**(2,509)**	(100,381)	(100,381)
Fair value adjustment investment property held for sale	**–**	**–**	(91)	(91)
Reversal of impairment	**(583)**	**(583)**	(2,435)	(2,435)
Loss on sale of property held for sale	**(4)**	**(4)**	7,053	7,053
Headline earnings attributable to shareholders	**–**	**30,380**		2,019
The difference between gross and net relates to deferred tax on the UK valuations.				
Basic earnings per share (cents)		**10,14**		29,65
Diluted earnings per share (cents)		**10,06**		29,41
Headline earnings per share (cents)		**9,20**		0,61
Diluted headline earnings per share (cents)		**9,13**		0,61

35. OPERATING SEGMENTS

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

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

2026

30 June 2026	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Storage R'000	Total R'000
SA direct property						
Investment property income	**226,172**	**20,910**	**–**	**6,576**	**–**	**253,658**
Straight-line rental adjustment	**(5,997)**	**(335)**	**–**	**–**	**–**	**(6,332)**
Segment revenue	**220,175**	**20,575**	**–**	**6,576**	**–**	**247,326**
ECL on trade receivables	**(5,519)**	**376**	**46**	**(71)**	**(3)**	**(5,171)**
Rates and taxes expense	**(23,923)**	**(129)**	**–**	**–**	**–**	**(24,052)**
Electricity expense	**(32,353)**	**(5,144)**	**–**	**–**	**–**	**(37,497)**
Other Property expenses	**(43,906)**	**(5,434)**	**(103)**	**(3)**	**(1,771)**	**(51,217)**
Net property income	**114,474**	**10,244**	**(57)**	**6,502**	**(1,774)**	**129,389**
Other income	**71**	**10**	**5**	**–**	**712**	**798**
Administrative expenses	**–**	**–**	**–**	**(56)**	**(37,666)**	**(37,722)**
Impairment on vendor financing	**1,800**	**–**	**–**	**–**	**–**	**1,800**
Operating profit	**116,345**	**10,254**	**(52)**	**6,446**	**(38,728)**	**94,265**
Finance income	**1,731**	**111**	**–**	**1**	**4,542**	**6,385**
Finance costs	**(25)**	**(101)**	**–**	**–**	**(60,896)**	**(61,022)**
Fair value adjustments	**10,427**	**400**		**–**	**–**	**10,827**
Total segment result	**128,478**	**10,664**	**(52)**	**6,447**	**(95,082)**	**50,455**
Investment property	**1,568,812**	**119,942**	**–**	**–**	**–**	**1,688,754**
Equipment	**7,254**	**76**	**–**	**–**	**158**	**7,488**
Tenant installation	**3,032**	**53**	**–**	**–**	**–**	**3,085**
Letting Commission	**2,356**	**5**	**–**	**–**	**–**	**2,361**
Trade and other receivables	**14,749**	**1,781**	**557**	**4**	**1,145**	**18,236**
Cash and cash equivalents	**18,507**	**1,366**	**34**	**11,463**	**4,490**	**35,860**
Income tax receivable	**–**	**–**	**–**	**–**	**4,898**	**4,898**
Total segment assets	**1,614,710**	**123,223**	**591**	**11,467**	**10,691**	**1,760,682**
Other financial liabilities	**–**	**–**			**(649,684)**	**(649,684)**
Deferred tax	**–**	**–**	**–**	**–**	**(3,101)**	**(3,101)**
Trade and other payables	**(27,195)**	**(9,044)**	**–**	**(236)**	**(5,294)**	**(41,769)**
Income tax payable	**–**	**–**	**–**	**–**		**–**
Total segment liabilities	**(27,195)**	**(9,044)**	**–**	**(236)**	**(658,079)**	**(694,554)**

35. OPERATING SEGMENTS continued

30 June 2026	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Total R'000
UK direct property					
Investment property income	–	4,886	3,468	–	8,354
Straight-line rental adjustment	–	–	–	–	–
Segment revenue	–	4,886	3,468	–	8,354
ECL on trade receivables	–	(17)	–	–	(17)
Property expenses	–	(570)	(577)	–	(1,147)
Net property income	–	4,299	2,891	–	7,190
Other income	–	–	65	–	65
Administrative expenses	–	–	–	(2,767)	(2,767)
Foreign exchange losses	–			5,618	5,618
Operating profit	–	4,299	2,956	2,851	10,106
Finance income	–	–	–	1,970	1,970
Finance costs	–	–	–	(12)	(12)
Fair value adjustments	–	(3,065)	(6,020)	–	(9,085)
Total segment result	–	1,234	(3,064)	4,809	2,979
Investment property	–	49,963	61,838	–	111,801
Deferred tax	–	–	–		–
Trade and other receivables	–	86	251		337
Cash and cash equivalents	–	1,768	7,675	28,463	37,906
Total segment assets	–	51,817	69,764	28,463	150,044
Other financial liabilities	–	–	–	–	–
Deferred tax	–	(1,019)	(19,137)	21,077	921
Trade and other payables	–	(1,995)	(4,311)	2,232	(4,074)
Income tax payable	–	–	–	(1,720)	(1,720)
Total segment liabilities	–	(3,014)	(23,448)	21,589	(4,873)

35. OPERATING SEGMENTS continued

30 June 2026	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Total R'000
US direct property					
Investment property income	–	–	**8,997**	–	**8,997**
Straight-line rental adjustment	–	–	–	–	–
Segment revenue	–	–	**8,997**	–	**8,997**
ECL on trade receivables	–	–	–	–	–
Rates and taxes	–	–	**(623)**	–	**(623)**
Property expenses	–	–	**(2,581)**	–	**(2,581)**
Net property income	–	–	**5,793**	–	**5,793**
Other income	–	–	–	–	–
Administrative expenses	–	–	**(307)**	–	**(307)**
Loss from joint venture	–	–	–	–	–
Restructure of loans and borrowings	–	–	–	–	–
Foreign exchange losses	–	–	–	–	–
Operating profit	–	–	**5,486**	–	**5,486**
Finance income	–	–	–	–	–
Finance costs	–	–	**(2,606)**	–	**(2,606)**
Fair value adjustments	–	–	**767**	–	**767**
Impairment of interest in joint venture	–	–	–	–	–
Loss on disposal of subsidiary	–	–	–	–	–
Capital items	–	–	–	–	–
Total segment result	–	–	**3,647**	–	**3,647**
Investment property	–	–	**85,542**	–	**85,542**
Cash and cash equivalents	–	–	**8,909**	–	**8,909**
Total segment assets	–	–	**94,451**	–	**94,451**
Other financial liabilities	–	–	**(36,567)**	–	**(36,567)**
Lease Liability	–	–	–	–	–
Deferred tax	–	–	–	–	–
Trade and other payables	–	–	**(3,010)**	–	**(3,010)**
Income tax payable	–	–	–	–	–
Total segment liabilities	–	–	**(39,577)**	–	**(39,577)**

35. OPERATING SEGMENTS continued

30 June 2026	Investments R'000	Total R'000
International investments		
Other income	**6,588**	**6,588**
Administrative expenses	**(172)**	**(172)**
Foreign exchange loss	**–**	**–**
Operating profit	**6,416**	**6,416**
Fair value	**(26,423)**	**(26,423)**
Total segment result	**(20,007)**	**(20,007)**
Unlisted investments	**240,219**	**240,219**
Trade and other receivables	**1,866**	**1,866**
Total segment assets	**242,085**	**242,085**

35. OPERATING SEGMENTS continued

30 June 2026	Office R'000	Retail R'000	Industrial R'000	Investments R'000	Corporate R'000	Storage R'000	Total R'000
Total							
Investment property income	**226,172**	**25,796**	**12,465**	**–**	**6,576**	**–**	**271,009**
Straight-line rental adjustment	**(5,997)**	**(335)**	**–**	**–**	**–**	**–**	**(6,332)**
Segment revenue	**220,175**	**25,461**	**12,465**	**–**	**6,576**	**–**	**264,677**
ECL on trade receivables	**(5,519)**	**359**	**46**	**–**	**(71)**	**(3)**	**(5,188)**
Rates and taxes expense	**(23,923)**	**(129)**	**(623)**	**–**	**–**	**–**	**(24,675)**
Electricity expense	**(32,353)**	**(5,144)**	**–**	**–**	**–**	**–**	**(37,497)**
Property expenses	**(43,906)**	**(6,004)**	**(3,261)**	**–**	**(3)**	**(1,771)**	**(54,945)**
Net property income	**114,474**	**14,543**	**8,627**	**–**	**6,502**	**(1,774)**	**142,372**
Other income	**71**	**10**	**70**	**6,588**	**–**	**712**	**7,451**
Administrative expenses	**–**	**–**	**(307)**	**(172)**	**(56)**	**(40,433)**	**(40,968)**
Impairment on vendor financing	**1,800**	**–**	**–**	**–**	**–**	**–**	**1,800**
Foreign exchange gains/(losses)	**–**	**–**	**–**	**–**	**–**	**5,618**	**5,618**
Operating profit	**116,345**	**14,553**	**8,390**	**6,416**	**6,446**	**(35,877)**	**116,273**
Finance income	**1,731**	**111**	**–**	**–**	**1**	**6,512**	**8,355**
Finance costs	**(25)**	**(101)**	**(2,606)**	**–**	**–**	**(60,908)**	**(63,640)**
Fair value adjustments	**10,427**	**(2,665)**	**(5,253)**	**(26,423)**	**–**	**–**	**(23,914)**
Total segment result	**128,478**	**11,898**	**531**	**(20,007)**	**6,447**	**(90,273)**	**37,074**
Investment property	**1,568,812**	**169,905**	**147,380**	**–**	**–**	**–**	**1,886,097**
Property, plant and equipment	**7,254**	**76**	**–**	**–**	**–**	**158**	**7,488**
Tenant installation	**3,032**	**53**	**–**	**–**	**–**	**–**	**3,085**
Other receivables	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Letting commission	**2,356**	**5**	**–**	**–**	**–**	**–**	**2,361**
Unlisted investments	**–**	**–**	**–**	**240,219**	**–**	**–**	**240,219**
Deferred tax	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Trade and other receivables	**14,749**	**1,867**	**808**	**1,866**	**4**	**1,145**	**20,439**
Cash and cash equivalents	**18,507**	**3,134**	**16,618**	**–**	**11,463**	**32,953**	**82,675**
Non-current assets classified as held for sale	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Income tax receivable	**–**	**–**	**–**	**–**	**–**	**4,898**	**4,898**
Total segment assets	**1,614,710**	**175,040**	**164,806**	**242,085**	**11,467**	**39,154**	**2,247,262**
Other financial liabilities	**–**	**–**	**(36,567)**	**–**	**–**	**(649,684)**	**(686,251)**
Deferred tax	**–**	**(1,019)**	**(19,137)**	**–**	**–**	**17,976**	**(2,180)**
Trade and other payables	**(27,195)**	**(11,039)**	**(7,321)**	**–**	**(236)**	**(3,062)**	**(48,853)**
Income tax payable	**–**	**–**	**–**	**–**	**–**	**(1,720)**	**(1,720)**
Total segment liabilities	**(27,195)**	**(12,058)**	**(63,025)**	**–**	**(236)**	**(636,490)**	**(739,004)**

35. OPERATING SEGMENTS continued

2025

30 June 2025	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Storage R'000	Total R'000
SA direct property						
Investment property income	214,639	21,823	–	3,964	–	240,426
Straight-line rental adjustment	(4,497)	1,534	–	–	–	(2,963)
Segment revenue	210,142	23,357	–	3,964	–	237,463
ECL on trade receivables	(2,236)	(201)	–	(51)	–	(2,488)
Rates and taxes expense	(26,171)	319	(21)	–	–	(25,873)
Electricity expense	(28,725)	(4,813)	–	–	–	(33,538)
Other Property expenses	(39,682)	(6,135)	(303)	(3)	(2,074)	(48,197)
Net property income	113,328	12,527	(324)	3,910	(2,074)	127,367
Other income	143	31	–	–	2,446	2,620
Administrative expenses	(126)	(35)	–	(35)	(38,601)	(38,797)
Impairment on vendor financing	(1,001)	34	56	–	127	(784)
Operating profit	112,344	12,557	(268)	3,875	(38,102)	90,406
Finance income	1,505	127	728	–	4,764	7,124
Finance costs	(54)	(11)	–	–	(72,611)	(72,676)
Fair value adjustments	99,658	(11,571)		–	–	88,087
Total segment result	213,453	1,102	460	3,875	(105,949)	112,941
Investment property	1,549,187	119,876	–	–	–	1,669,063
Equipment	6,921	122	–	3	167	7,213
Tenant installation	5,401	92	–	–	–	5,493
Other receivables	2,200	–	–	–	–	2,200
Letting commission	2,703	31	–	–	–	2,734
Trade and other receivables	16,649	3,426	546	26	719	21,366
Cash and cash equivalents	13,648	1,910	14	5,850	2,650	24,072
Non-current assets classified as held for sale	1,195	–	–	–	–	1,195
Income tax receivable	–	–	–	–	4,898	4,898
Total segment assets	1,597,904	125,457	560	5,879	8,434	1,738,234
Other financial liabilities	–	–	–	–	(669,216)	(669,216)
Deferred tax	–	–	–	–	(3,102)	(3,102)
Trade and other payables	(26,999)	(7,458)	(30)	(184)	(4,638)	(39,309)
Income tax payable	–	–	–	–	–	–
Total segment liabilities	(26,999)	(7,458)	(30)	(184)	(676,956)	(711,627)

35. OPERATING SEGMENTS continued

30 June 2025	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Total R'000
UK direct property					
Investment property income	–	5,388	9,080	–	14,468
Straight-line rental adjustment	–	–	–	–	–
Segment revenue	–	5,388	9,080	–	14,468
ECL on trade receivables	–	2	–	–	2
Property expenses	–	(499)	(1,178)	–	(1,677)
Net property income	–	4,891	7,902	–	12,793
Other income	–	–	2,857	–	2,857
Administrative expenses	–	(61)	(80)	(3,553)	(3,694)
Foreign exchange losses	–	–	–	(20,159)	(20,159)
Operating profit	–	4,830	10,679	(23,712)	(8,203)
Finance income	–	–	–	9,731	9,731
Finance costs	–	–	–	(5,598)	(5,598)
Fair value adjustments	–	(1,453)	9,922	–	8,469
Total segment result	–	3,377	20,601	(19,579)	4,399
Investment property	–	59,366	77,858	–	137,224
Deferred tax	–	–	–	–	–
Trade and other receivables	–	88	223	–	311
Cash and cash equivalents	–	1,412	2,627	83,034	87,073
Income tax receivable	–	–	–	606	606
Total segment assets	–	60,866	80,708	83,640	225,214
Other financial liabilities	–	–	–	–	–
Deferred tax	–	(776)	(21,434)	22,692	482
Trade and other payables	–	(1,855)	(775)	–	(2,630)
Income tax payable	–	–	–	–	–
Total segment liabilities	–	(2,631)	(22,209)	22,692	(2,148)

35. OPERATING SEGMENTS continued

30 June 2025	Office R'000	Retail R'000	Industrial R'000	Corporate R'000	Total R'000
US direct property					
Investment property income	–	–	7,990	–	7,990
Straight-line rental adjustment	–	–	–	–	–
Segment revenue	–	–	7,990	–	7,990
ECL on trade receivables	–	–	–	–	–
Rates and taxes	–	–	(171)	–	(171)
Property expenses	–	–	(2,139)	–	(2,139)
Net property income	–	–	5,680	–	5,680
Other income	–	–	–	–	–
Administrative expenses	–	–	(273)	–	(273)
Loss from joint venture	–	–	–	–	–
Restructure of loans and borrowings	–	–	–	–	–
Foreign exchange losses	–	–	–	–	–
Operating profit	–	–	5,407	–	5,407
Finance income	–	–	–	–	–
Finance costs	–	–	(2,380)	–	(2,380)
Fair value adjustments	–	–	(3,137)	–	(3,137)
Impairment of interest in joint venture	–	–	–	–	–
Loss on disposal of subsidiary	–	–	–	–	–
Capital items	–	–	–	–	–
Total segment result	–	–	(110)	–	(110)
Investment property	–	–	89,828	–	89,828
Property, plant and equipment	–	–	–	–	–
Tenant installation	–	–	–	–	–
Investment in joint venture	–	–	–	–	–
Other receivables	–	–	–	–	–
Other Non-current assets	–	–	–	–	–
Deferred tax	–	–	–	–	–
Restricted cash	–	–	–	–	–
Trade and other receivables	–	–	–	–	–
Cash and cash equivalents	–	–	6,025	–	6,025
Non-current assets classified as held for sale	–	–	–	–	–
Income tax receivable	–	–	–	–	–
Total segment assets	–	–	95,853	–	95,853
Other financial liabilities	–	–	(39,979)	–	(39,979)
Lease Liability	–	–	–	–	–
Deferred tax	–	–	–	–	–
Trade and other payables	–	–	(2,496)	–	(2,496)
Income tax payable	–	–	–	–	–
Total segment liabilities	–	–	(42,475)	–	(42,475)

35. OPERATING SEGMENTS continued

30 June 2025	Investments R'000	Total R'000
International investments		
Other income	12,973	12,973
Administrative expenses	(75)	(75)
Foreign exchange loss	(21,242)	(21,242)
Operating profit	(8,344)	(8,344)
Finance income	4,505	4,505
Fair value	(17,090)	(17,090)
Total segment result	(20,929)	(20,929)
Unlisted investments	413,258	413,258
Trade and other receivables	44	44
Total segment assets	413,302	413,302

35. OPERATING SEGMENTS continued

30 June 2025	Office R'000	Retail R'000	Industrial R'000	Investments R'000	Corporate R'000	Storage R'000	Total R'000
Total							
Investment property income	214,639	27,211	17,070	–	3,964	–	262,884
Straight-line rental adjustment	(4,497)	1,534	–	–	–	–	(2,963)
Segment revenue	210,142	28,745	17,070	–	3,964	–	259,921
ECL on trade receivables	(2,236)	(199)	–	–	(51)	–	(2,486)
Rates and taxes expense	(26,171)	319	(192)	–	–	–	(26,044)
Electricity expense	(28,725)	(4,813)	–	–	–	–	(33,538)
Property expenses	(39,682)	(6,634)	(3,620)	–	(3)	(2,074)	(52,013)
Net property income	113,328	17,418	13,258	–	3,910	(2,074)	145,840
Other income	143	31	2,857	12,973	–	2,446	18,450
Administrative expenses	(126)	(96)	(353)	(75)	(35)	(42,154)	(42,839)
Impairment on vendor financing	(1,001)	34	56	–	–	127	(784)
Foreign exchange gains/(losses)	–	–	–	(21,242)	–	(20,159)	(41,401)
Operating profit	112,344	17,387	15,818	(8,344)	3,875	(61,814)	79,266
Finance income	1,505	127	728	4,505	–	14,495	21,360
Finance costs	(54)	(11)	(2,380)	–	–	(78,209)	(80,654)
Fair value adjustments	99,658	(13,024)	6,785	(17,090)	–	–	76,329
Total segment result	213,453	4,479	20,951	(20,929)	3,875	(125,528)	96,301
Investment property	1,549,187	179,242	167,686	–	–	–	1,896,115
Property, plant and equipment	6,921	122	–	–	3	167	7,213
Tenant installation	5,401	92	–	–	–	–	5,493
Other receivables	2,200	–	–	0	–	–	2,200
Letting commission	2,703	31	–	–	–	–	2,734
Unlisted investments	–	–	–	413,258	–	–	413,258
Deferred tax	–	–	–	–	–	–	–
Trade and other receivables	16,649	3,514	769	44	26	719	21,721
Cash and cash equivalents	13,648	3,322	8,666	–	5,850	85,684	117,170
Non-current assets classified as held for sale	1,195	–	–	–	–	–	1,195
Income tax receivable	–	–	–	–	–	5,504	5,504
Total segment assets	1,597,904	186,323	177,121	413,302	5,879	92,074	2,472,603
Other financial liabilities	–	–	(39,979)	–	–	(669,216)	(709,195)
Deferred tax	–	(776)	(21,434)	–	–	19,590	(2,620)
Trade and other payables	(26,999)	(9,313)	(3,301)	–	(184)	(4,638)	(44,435)
Income tax payable	–	–	–	–	–	–	–
Total segment liabilities	(26,999)	(10,089)	(64,714)	–	(184)	(654,264)	(756,250)

36. INVESTMENT IN JOINT VENTURE: INCEPTION (READING) S.A.R.L – BROAD STREET MALL

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**0**	0
Funds received from joint	**(583)**	(2,435)
Reversal of impairment	**583**	2,435
Closing balance	**–**	0

Additional distribution of R583,000 (2025: R2.4 million) was received during the year from the joint venture in excess of the carrying amount. Refer note 23.

The Group had a 50% (2025: 50%) interest in Broad Street Mall and Texton exercised joint control. This interest was accounted for using the equity method. The company's principal place of business in the UK is a company incorporated in Luxembourg.

On 25 June 2022, Board Street Mall was successfully sold to a 3rd party. Inception (Reading) S.a.r.l was liquidated on 27 February 2025.

37. RISK MANAGEMENT

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

The Group 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 Group's risk management policies.

The Group'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 Group as a whole; and
- efficient liquidity management and control of funding.

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

37. RISK MANAGEMENT continued

37.1 Classification of financial instruments

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

		GROUP			
		At amortised cost		Fair value through profit or loss	
	Notes	30 June 2026 R'000	30 June 2025 R'000	30 June 2026 R'000	30 June 2025 R'000
Financial assets					
Other receivables	9	**–**	2,200	**–**	–
Loan to joint venture	36	**–**	–	**–**	–
Unlisted investments	15	**–**	–	**240,219**	413,258
Trade and other receivables	10	**16,605**	17,179	**–**	–
Cash and cash equivalents	11	**82,674**	117,170	**–**	–
		99,279	136,549	**240,219**	413,258
Financial liabilities					
External loans and financial instruments	17	**686,251**	709,195	**–**	–
Trade and other payables	19	**35,496**	32,753	**–**	–
		721,747	741,948	**–**	–

Financial instruments that are carried at amortised cost, due to the fact that interest is market-related; the amortised cost approximates the fair value.

37.2 Liquidity risk

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

The Group 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 forecast cash flows and the maturity profile of financial liabilities. As at 30 June 2026, a portion of the Group's borrowings, being the Investec facility, is due to mature within the next 12 months. Refer to note 40 (going concern) for the directors' assessment of this liquidity risk and the Group's ability to continue as a going concern.

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

	GROUP				
	Carrying amount R'000	Contractual cash flows R'000	Less than 1 year R'000	2–3 years R'000	4–5 years R'000
30 June 2026					
Non-interest-bearing	**35,496**	**35,496**	**35,496**	**–**	**–**
Fixed interest rate instruments	**36,567**	**44,270**	**2,490**	**4,980**	**36,799**
Variable interest rate instruments	**649,684**	**967,920**	**256,840**	**391,151**	**319,929**
Non-derivative financial liabilities	**721,747**	**1,047,686**	**294,826**	**396,131**	**356,728**
30 June 2025					
Non-interest-bearing	32,753	32,753	32,753	–	–
Fixed interest rate instruments	40,218	51,429	2,739	5,478	43,212
Variable interest rate instruments	668,977	752,746	102,934	649,812	–
Non-derivative financial liabilities	741,948	836,928	138,426	655,290	43,212

37. RISK MANAGEMENT continued

37.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group'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 returns. The Group 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 Group is exposed to interest rate risk as it borrows funds at variable interest rates.

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Fixed rate instruments		
Financial liabilities	**(36,567)**	(40,218)
	(36,567)	(40,218)
Variable rate instruments	**99,279**	134,349
Financial assets	**(649,684)**	(668,977)
Financial liabilities	**(550,405)**	(534,628)

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.

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Effect on equity and profit or loss		
50 bps increase	**(2,752)**	(2,673)
50 bps decrease	**2,752**	2,673

The Group adopts a policy to manage its exposure to changes in interest rates on borrowings on a fixed basis. This is achieved by entering into fixed rate swap instruments. During the financial year the Group did not enter into such instruments. All such transactions are carried out within the guidelines of the Audit and Risk Committee. As a consequence, in the current year the Group is not 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.

Short-term receivables and payables and investments are not directly exposed to interest rate risk.

37. RISK MANAGEMENT continued

37.3 Market risk continued

Currency risk

Currency risk related to investments in foreign operations for SA Operations

The Group has interests in entities which operate in the UK. A portion of the Group's revenue is earned in the UK. The Group is exposed to fluctuations in the GBP exchange rate. The Group also has exposure to the USD-denominated investments and the Group has exposure to fluctuations in the USD exchange rate. The Group matches its financing currency with its earnings i.e. GBP-denominated debts is used to finance UK operations to ensure that there is no mismatch in financing costs.

Currency risk related to foreign transactions

The Group operates predominantly within its own common monetary area and therefore the Group has no significant currency risk with regard to its South African operational activities. During 2025 and 2024 it was not the Group's policy to hedge transactions which are denominated in a currency other than the entity's functional currency, which only occurs with loans for acquisitions in foreign countries.

The following significant exchange rates applied during the year:

	2026		2025	
	Closing rate R	Average rate R	Closing rate R	Average rate R
GBP	**21,89**	22,68	**24,33**	23,51
USD	**16,44**	16,90	**17,72**	17,86

Sensitivity analysis

A 10% strengthening of the Rand against the USD and the GBP 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.

	GROUP	
	30 June 2026 '000	30 June 2025 '000
Unlisted investments (USD)	**(17,962)**	(35,452)
Unlisted investments (GBP)	**(6,169)**	(5,879)

A 10% weakening of the Rand against the USD and the GBP as at 30 June would have the equal but opposite effect on the currency to the amount shown above on the basis that all variables remain the same.

37.4 Credit risk

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

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

	GROUP	
	30 June 2026 R'000	30 June 2025 R'000
Trade and other receivables – Gross Carrying amount	**25,332**	28,187
Trade and other receivables allowance	**(8,727)**	(11,008)
Other Receivables	**–**	2,200
Cash and cash equivalents	**82,674**	117,170
	99,279	136,549

37. RISK MANAGEMENT continued

37.5 Fair values

The carrying value of the assets and liabilities carried at amortised cost approximate their 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 and variable rate liabilities are substantially the same as the carrying amounts reflected on the statement of financial position.

Fair value hierarchy

The Group 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 Group 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 Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like 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. 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.

Investments at fair value in level 3 represent investment properties, investment properties held for sale and unlisted investments.

Investment properties and investment properties held for sale

A detailed reconciliation, as well as a sensitivity analysis of all major assumptions, have been included as part of the investment property (note 5). All fair value adjustments were accounted for in profit or loss.

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.

37. RISK MANAGEMENT continued

37.5 Fair values continued

Fair value hierarchy 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.

- 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

In this way, our comfort is derived not from replicating each underlying model, but from evaluating the robustness of the managers' valuation processes and governance.

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. Further, these underlying inputs are not developed by the Group and are not reasonably available to the Group.

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.

	GROUP			
Valuation method	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
30 June 2026				
Unlisted Investments	**–**	**70,563**	**169,656**	**240,219**
Investment properties	**–**	**–**	**1,886,098**	**1,886,098**
Investment property held for sale	**–**	**–**	**–**	**–**
30 June 2025				
Unlisted Investments	–	225,018	188,240	413,258
Investment properties	–	–	1,896,115	1,896,115
Investment property held for sale	–	–	1,195	1,195

37. RISK MANAGEMENT continued

37.5 Fair values continued

Fair value hierarchy continued

Type	Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
Level 2 fair values			
The following table shows the valuation techniques used in measuring level 2 fair values:			
Other financial assets – interest in Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC	The fair value of the investment is determined with reference to the published price which is based on the underlying NAV of the underlying REIT being The Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC, a private unlisted REIT.	Not applicable	Not applicable
Other financial assets – interest in Starwood Real Estate Income Trust Offshore Fund SPC (SREIT offshore)	The fair value of the investment is determined with reference to the published price which is based on the underlying NAV of the underlying REIT being Starwood Real Estate Income Trust Offshore Fund SPC, a private unlisted REIT.	Not applicable	Not applicable
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: PadSplit, Greenpoint, Cadre, Apollo and Faropoint	Texton will rely on the sponsor valuations to determine fair value at each valuation date. These valuations in turn are based on the underlying NAV of the investments.	Not applicable	Not applicable

38. SHARE-BASED PAYMENT RESERVE

	GROUP	
	30 June 2026 R'000	**30 June 2025 R'000**
Opening balance	**4,501**	1,145
Expense/(credit) recognised in profit or loss	**2,076**	3,356
Closing balance	**6,577**	4,501

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.

38. SHARE-BASED PAYMENT RESERVE continued

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-Jun-26	30-Jun-27	
HSP Welleman					
Opening shares	**63,360**	**106,667**	**–**	**–**	**170,027**
Shares awarded	**–**	**–**	**1,125,000**	**250,000**	**1,375,000**
Total shares awarded	**63,360**	**106,667**	**1,125,000**	**250,000**	**1,545,027**
JH Rens					
Opening shares	**–**	**176,000**	**–**	**–**	**176,000**
Shares awarded	**–**	**–**	**733,333**	**250,000**	**983,333**
Total shares awarded	**–**	**176,000**	**733,333**	**250,000**	**1,159,333**

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.

Details of the plan

The shares awarded under tranche 2 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 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 period only.

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.

39. EVENTS AFTER THE REPORTING DATE

The following events are reported:

Disposal of Properties

Subsequent to year-end, the Group signed sale agreements for the disposal of two properties located in Greenstone, Johannesburg. The sale value agreed for Greenstone Office Building 14 amounted to R10.8 million and Greenstone Office Building 9 amounted to R23.4 million. The agreements were signed on 11 and 20 July 2026, respectively and each were subject to a number of conditions precedents, most notable due diligence periods in favour of the purchasers and final Group board approvals. As at the date of issuing the financial statements, all conditions were fulfilled and the transaction will be completed in due course.

Declaration of dividend

The Board of directors of Texton ("the Board") is pleased to announce that it has approved and declared a dividend of 18,45 cents per ordinary share.

40. GOING CONCERN

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

It is noted that as at 30 June 2026, the Group's current liabilities exceed its current assets, due to a banking facility falling due in January 2027. The Company will engage with relevant bank regarding the renewal of the facility. The Group has a successful track record of renewing facilities with its banking partners and at the date of this report there is no reason to believe that the facility will not be renewed. In addition, there are no covenant breaches and the Group has sufficient cash and undrawn facilities available to settle the outstanding amount.

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 Group'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.

41. STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FOR THE FIRST TIME AT 30 JUNE 2026

The standards, amendments and interpretations effective for the first time in the current financial year has 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 Group
Amendments to IAS 1: Classification of liabilities as current or Non-current	Annual periods beginning on or after 1 January 2024.	The amendments aims at providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.	This amendment was early adopted by the Group during the year ended 30 June 2023.
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, where it is not, require an entity to estimate the spot exchange rate, together with related disclosures.	This amendment became effective for the Group for the first time in the current financial year. As the Group's foreign operations (UK and North American structures) transact in currencies that remain freely exchangeable, the amendment did not have a material impact on the Group.
IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with covenants)	Annual periods beginning on or after 1 January 2024.	Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with that condition after the reporting period. The amendments also provide clarification on the meaning of "settlement" for the purpose of classifying a liability as current or Non-current.	This amendment was early adopted by the Group during the year ended 30 June 2023.
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.

42. 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 2026, 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 Group
IFRS 18 Presentation and Disclosure in Financial Statements	Annual periods beginning on or after 1 January 2027.	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting 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 financial statements.

ANNEXURE A

SA REIT BEST PRACTICE DISCLOSURES (NON-IFRS MEASURES)

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

SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE

	Notes	30 June 2026 R'000	30 June 2025 R'000
Profit or loss per income statement		**33,476**	97,873
Accounting/specific adjustments:		**38,908**	(74,419)
Fair value adjustments to:			
– Investment property	**27**	**(2,509)**	(100,381)
– Fair value gains on unlisted investments	**27**	**26,423**	17,070
Depreciation and amortisation of intangible assets	**@**	**7,432**	7,910
Gains or losses on modification of financial instruments			
Deferred tax movement recognised in profit or loss	**SoCI**	**1,230**	(1,981)
Straight-lining operating lease adjustment	**SoCI**	**6,332**	2,963
Adjustments arising from investing activities:		**(4)**	7,053
(Gains)/losses on disposal of:	**27**		
– Investment property held for sale		**(4)**	7,053
Foreign exchange and hedging items:		**(5,618)**	41,401
Foreign exchange gains or losses relating to capital items – realised and unrealised	**SoCI**	**(5,618)**	41,401
Other adjustments:		**(30)**	(2,955)
Tax paid	**SoCF**	**(30)**	(2,955)
SA REIT FFO:		**66,732**	68,953
@ Depreciation and amortisation recon			
Depreciation of Tenant installation	**7**	**2,988**	3,357
Depreciation of Leasing commission	**8**	**1,615**	1,956
Depreciation of Other assets	**6**	**2,829**	2,597
		7,432	7,910
Number of shares outstanding at end of period (net of treasury shares)		**298,099**	298,099
SA REIT FFO cents per share:		**22,39**	23,13

SA REIT FUNDS FROM OPERATIONS (SA REIT FFO) PER SHARE continued

Distributable income	Notes	30 June 2026 R'000	30 June 2025 R'000
Revenue	**SoCI**	**271,008**	262,884
Impairment losses on tenant debtors	**SoCI**	**(5,188)**	(2,486)
Property expenses	**SoCI**	**(117,179)**	(111,595)
Other income	**SoCI**	**7,452**	18,450
Administrative expenses	**SoCI**	**(40,905)**	(42,839)
Impairment loss on vendor financing	**SoCI**	**1,800**	(784)
Depreciation and amortisation	**@**	**7,432**	7,910
Net finance cost		**(55,284)**	(59,294)
– Finance income	**SoCI**	**8,354**	21,360
– Finance cost	**SoCI**	**(63,638)**	(80,654)
Taxation		**(3,604)**	1,552
Total distributable earnings		**65,532**	73,798
Number of shares outstanding used for dividends		**298,099**	298,099
Distributable income per share before pay-out ratio: (cents per share)		**21,98**	24,76

SA REIT NET ASSET VALUE (SA REIT NAV)

	Notes	30 June 2026 R'000	30 June 2025 R'000
Reported NAV attributable to the parent	**SoFP**	**1,501,914**	1,710,288
Adjustments:			
Dividend to be declared		**(55,000)**	–
Deferred tax	**SoFP**	**2,931**	2,620
SA REIT NAV:		**1,449,845**	1,712,908
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)		**298,099**	298,098
Dilutive number of shares in issue		**298,099**	298,098
SA REIT NAV per share (cents)	**#**	**486,36**	574,61

 # Represents NAV per share prior to taking into account the Return of Capital of 63,74 cents. When taking into consideration the Return of Capital to be paid, the NAV per share amounts to 510,87 cents.

SA REIT COST-TO-INCOME RATIO

	Notes	30 June 2026 R'000	30 June 2025 R'000
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)	**SoCI**	**(117,179)**	(111,595)
Administrative expenses per IFRS income statement	**SoCI**	**(40,905)**	(42,839)
Exclude:			
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**@**	**7,432**	7,910
Operating costs		**(150,652)**	(146,524)
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**204,229**	198,294
Utility and operating recoveries per IFRS income statement		**66,779**	64,590
Gross rental income	**SoCI**	**271,008**	262,884
SA REIT cost-to-income ratio (%)		**55,6**	55,7

@ Recon

	Notes	30 June 2026 R'000	30 June 2025 R'000
Depreciation of Tenant installation	**7**	**2,988**	3,357
Depreciation of Leasing commission	**8**	**1,615**	1,956
Depreciation of Other assets	**6**	**2,829**	2,597
		7,432	7,910

SA REIT ADMINISTRATIVE COST-TO-INCOME RATIO

	Notes	30 June 2026 R'000	30 June 2025 R'000
Administrative costs			
Administrative expenses as per IFRS income statement	**SoCI**	**(40,905)**	(42,839)
Administrative costs total		**(40,905)**	(42,839)
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)	**20**	**204,229**	198,294
Utility and operating recoveries per IFRS income statement	**20**	**66,779**	64,590
Gross rental income	**SoCI**	**271,008**	262,884
SA REIT administrative cost-to-income ratio (%)		**15,1**	16,3

SA REIT GLA VACANCY RATE

	30 June 2026 m²	30 June 2025 m²
Gross lettable area of vacant space	**22,961**	22,135
Gross lettable area of total property portfolio	**136,050**	137,959
SA REIT GLA vacancy rate (%)	**16,9**	16,0

COST OF DEBT

	Notes	30 June 2026 %	30 June 2025 %
		South Africa	
Variable interest-rate borrowings			
Floating reference rate plus weighted average margin	**17.1 and 17.2**	**8,72**	9,82
Fixed interest-rate borrowings			
Weighted average fixed rate		**n/a**	n/a
Pre-adjusted weighted average cost of debt:		**8,72**	9,82
Adjustments:			
Impact of interest rate derivatives		**0,00**	0,00
All-in weighted average cost of debt – ZAR:		**8.72**	9,82

All in weighted average cost of debt is calculated based on rates and principle amounts outstanding as disclosed in note 17 to the audited financial statements.

		United States of America	
Fixed interest-rate borrowings			
Fixed rate	**17.4**	**6,81**	6,81
Pre-adjusted weighted average cost of debt:		**6,81**	6,81
Adjustments:			
Impact of interest rate derivatives		**0,00**	0,00
All-in weighted average cost of debt – USA		**6,81**	6,81
All-in weighted average cost of debt – Group		**8,62**	9,65

SA REIT LOAN-TO-VALUE

	Notes	30 June 2026 R'000	30 June 2025 R'000
Gross debt	**17**	**686,251**	709,195
Less:			
Cash and cash equivalents	**11**	**(82,674)**	(117,170)
Net debt		**603,577**	592,025
Total assets – per Statement of Financial Position	**SoFP**	**2,247,262**	2,473,352
Less:			
Cash and cash equivalents	**11**	**(82,674)**	(117,170)
Trade and other receivables	**SoFP**	**(20,440)**	(22,452)
Carrying amount of property-related assets		**2,144,148**	2,333,730
SA REIT loan-to-value ("SA REIT LTV") (%)		**28,1**	25,4

ANNEXURE B

SCHEDULE OF PROPERTIES

Property name	Geographic location	GLA (m^2)*	Weighted average rental per m^2	Acquisition date	Purchase price R'000	Valuation R'000	Address
SOUTH AFRICA							
Offices							
Foretrust	Western Cape	24,395	@	14 February 2012	249,500	400,000	Roggebaai, Cape Town
Bryanston Gate	Gauteng	16,639	107.16	01 April 2014	174,000	228,000	Bryanston, Johannesburg
Wellington Road	Gauteng	13,611	89.74	17 March 2014	102,500	123,000	Parktown, Johannesburg
151 Katherine Street	Gauteng	10,524	93.89	11 August 2011	104,000	146,000	Sandton, Johannesburg
Belvedere Place	Gauteng	10,895	110.54	02 October 2006	70,400	116,000	Sunninghill, Johannesburg
The Grid	Gauteng	4,528	179.28	18 January 2016	105,400	63,200	Rivonia, Johannesburg
Investment Place	Gauteng	6,625	108.40	02 October 2006	48,000	94,700	Hyde Park, Johannesburg
377 Rivonia Boulevard	Gauteng	4,886	@	06 November 2012	64,500	56,600	Rivonia, Johannesburg
Scott Street	Gauteng	4,729	123.23	18 September 2014	107,805	52,000	Waverley, Johannesburg
1 Osborne Lane	Gauteng	3,828	115.06	12 September 2014	48,326	48,000	Bedfordview, Johannesburg
Greenstone Building 11	Gauteng	3,415	100.36	01 August 2013	47,376	40,500	Greenstone Hill, Edenvale
Loop Street	Western Cape	2,323	@	11 August 2011	37,100	42,100	CBD, Cape Town
Greenstone Building 10	Gauteng	2,285	89.04	01 August 2013	33,305	30,900	Greenstone Hill, Edenvale
Greenstone Building 2	Gauteng	2,391	@	30 October 2013	54,348	34,600	Greenstone Hill, Edenvale
Greenstone Building 12	Gauteng	2,326	@	01 August 2013	34,059	33,900	Greenstone Hill, Edenvale
Greenstone Building 9	Gauteng	1,822	108.90	11 August 2011	18,000	23,400	Greenstone Hill, Edenvale
Greenstone Building 15	Gauteng	1,126	92.08	01 August 2013	16,485	11,000	Greenstone Hill, Edenvale
Greenstone Building 14	Gauteng	1,099	86.72	01 August 2013	16,516	10,800	Greenstone Hill, Edenvale
Greenstone Building 5	Gauteng	789	@	01 August 2013	11,551	9,400	Greenstone Hill, Edenvale
Greenstone Building 6	Gauteng	635	@	11 August 2011	14,180	8,600	Greenstone Hill, Edenvale
Greenstone Coffee Shop	Gauteng	107	@	01 August 2013	1,565	1,500	Greenstone Hill, Edenvale
Total South African offices		**118,978**			**1,358,916**	**1,574,200**	

@ *Single tenanted building.*

* *GLA includes mothballed and under development.*

Property name	Geographic location	GLA (m²)	Weighted average rental per m²	Acquisition date	Purchase price R'000	Valuation R'000	Address
SOUTH AFRICA							
Retail							
Kempstar Mall	Gauteng	6,017	207,89	31 December 2014	107,454	120,000	Kempton Park, Johannesburg
Total South African retail		**6,017**			**107,454**	**120,000**	
Total South African portfolio		**124,995**			**1,466,370**	**1,694,200**	
UNITED KINGDOM							
Industrial							
Heddon Booker Warehouse	England	3,960		27 February 2015	29,160	61,838	Burton-on-Trent, England
Total United Kingdom industrial		**3,960**			**29,160**	**61,838**	
Retail							
Parc Pensarn	Wales	1,789	250,23	27 May 2015	57,355	49,963	Carmarthen, Wales
Total United Kingdom retail		**1,789**			**57,355**	**49,963**	
Total United Kingdom portfolio		**5,749**			**86,515**	**111,801**	
UNITED STATES OF AMERICA							
Industrial							
Kimwell Drive	USA	5,342		15 July 2024	92,040	85,542	North Carolina, USA
Total USA industrial		**5,342**			**92,040**	**85,542**	
Total property portfolio		**136,086**			**1,644,925**	**1,891,543**	

* *GLA includes mothballed and under development*

ANNEXURE C

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 30 June 2026

SHAREHOLDER SPREAD

	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued capital
1 – 1,000	1,181	76,84	92,415	0,03
1,001 – 10,000	178	11,58	689,568	0,21
10,001 – 100,000	136	8,85	4,272,492	1,29
100,001 – 1,000,000	27	1,76	7,841,840	2,38
Over 1,000,000	15	0,98	317,163,349	96,09
Total	**1,537**	**100,00**	**330,059,664**	**100,00**

DISTRIBUTION OF SHAREHOLDERS

	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued capital
Close Corporations	7	0,46	609,467	0,18
Collective Investment Schemes	1	0,07	1,028,939	0,31
Custodians	7	0,46	750,764	0,23
Foundations & Charitable Funds	5	0,33	2,508,737	0,76
Investment Partnerships	3	0,20	4,067	0,00
Private Companies	35	2,28	224,188,510	67,92
Public Companies	2	0,13	7,351,292	2,23
Retail Shareholders	1,435	93,36	53,843,290	16,31
Retirement Benefit Funds	1	0,07	3,000	0,00
Stockbrokers & Nominees	6	0,39	994,937	0,30
Treasury	2	0,13	31,961,169	9,68
Trusts	33	2,15	6,815,492	2,06
Total	**1,537**	**100,00**	**330,059,664**	**100,00**

SHAREHOLDER TYPE

	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued capital
Non-Public Shareholders	**10**	**0,67**	**231,268,706**	**70,07**
Directors and associates of the company	8	0,53	199,307,537	60,39
Treasury	2	0,13	31,961,169	9,68
Public Shareholders	**1,492**	**99,33**	**98,790,958**	**29,93**
Total	**1,502**	**100,00**	**330,059,664**	**100,00**

BENEFICIAL SHAREHOLDERS WITH A HOLDING GREATER THAN 3% OF THE ISSUED SHARES

	Number of Shares	% of issued capital
Oak Tech Trading (Pty) Ltd	**97,214,624**	**29,45**
Thibault Reit Limited	**64,594,305**	**19,57**
Kloof Capital South Africa (Pty) Ltd	**47,209,321**	**14,30**
Oak Tech Properties (Pty) Ltd	**40,905,398**	**12,39**
Discus House (Pty) Ltd	**31,853,013**	**9,65**
Heriot Investments (Pty) Ltd	**11,711,126**	**3,55**
Total	**293,487,787**	**88,92**
Total number of shareholdings	**1,537**	
Total number of shares in issue	**330,059,664**	

SHARE PRICE PERFORMANCE

Opening Price 01 July 2025	R2,65
Closing Price 30 June 2026	R2,64
Closing High for period	R4,50
Closing Low for period	R2,60
Number of shares in issue	330,059,664
Volume traded during period	2,290,093
Ratio of volume traded to shares issued (%)	0,69
Rand value traded during the period	R7,158,503
Price/earnings ratio as at 30 June 2026 (%)	(0,66)
Earnings yield as at 30 June 2026 (%)	–
Dividend yield as at 30 June 2026 (%)	–
Market capitalisation at 30 June 2026	R871,357,513

DEFINITIONS

AGM	Annual General Meeting
B-BBEE	Broad-based black economic empowerment
Board	Board of directors
BREIT	Offshore Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC
CBD	Central business district
CCIRS	Cross-currency interest rate swap
CEO	Chief executive officer
CFO	Chief financial officer
CIT	Normal corporation tax legislation in the UK
Companies Act	Companies Act of South Africa (Act 71 of 2008), as amended
COVID-19/the pandemic	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
CPI	Consumer Price Index
CSI	Corporate social investment
CSP	Conditional Share Plan
DCF	Discounted cash flow
ECL	Expected credit loss
ESG	Environmental, social and governance
GBP	British pound sterling
GLA	Gross lettable area
IASB	International Accounting Standards Board
IBOR	Interbank Offered Rate
IFRS	International Financial Reporting Standards
International <IR> Framework	International Integrated Reporting Framework of the International Sustainability Standards Board
IT	Information technology
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
King IV™	King IV Report on Corporate Governance for South Africa, 2016™
kl	Kilolitre
KPI	Key performance indicator

kW	Kilowatt
kWh	Kilowatt hour
LED	Light-emitting diode
LGD	Loss given default
LIBOR	London Interbank Offered Rate
LTI	Long-term incentive
LTV	Loan-to-value
MOI	Memorandum of Incorporation
NAV	Net asset value
NRLS	Non-resident landlord scheme
PD	Probability of default
POPIA	Protection of Personal Information Act (Act 4 of 2013)
PV	Photovoltaic
REIT	Real Estate Investment Trust
RICS	Royal Institution of Chartered Surveyors
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Service
SENS	Stock Exchange News Service
SME	Small-medium enterprises
SONIA	Sterling Overnight Index Average
SPV	Special purpose vehicle
SREIT	Offshore Starwood Real Estate Income Trust Offshore Fund SPC
STI	Short-term incentive
Texton	Texton Property Fund Limited, Registration number: 2005/019302/06

CORPORATE INFORMATION

TEXTON PROPERTY FUND LIMITED

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

PHYSICAL AND REGISTERED ADDRESS

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

BOARD OF DIRECTORS

MA Golding (Non-executive chairperson)
JR Macey (Lead independent non-executive)
JH Rens^ (Chief executive officer)
HSP Welleman*# (Chief financial officer)
AJ Hannington (Independent non-executive)
W van der Vent (Independent non-executive)
RA Franco (Non-executive)

^ *Appointed 22 August 2024*
* *Executive director*
\# *Previously CEO; assumed CFO role 22 August 2024*
Pienaar Welleman was the CFO during the FY26. He resigned as an Executive Director and Chief Financial Officer of the Company, effective 7 October 2026 and serving a 2-month notice period ending 7 December 2026.

COMPANY SECRETARY

Corpstat Governance Services Proprietary Limited,
Fernridge Office Park, Block 4,
First Floor, 5 Hunter Street,
Randburg, 2194

AUDITOR

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

SPONSOR

Investec Bank Limited
100 Grayston Drive
Sandton 2031

TRANSFER SECRETARY

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

SHAREHOLDERS' DIARY

Financial year-end	30 June 2026
Publication of audited results	25 September 2026
Integrated Annual Report and notice of Annual General Meeting posted to shareholders	30 October 2026
Annual General Meeting	30 November 2026

TEXTON

PROPERTY FUND

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