

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

SALE OF WOODMEAD COMMERCIAL PARK RETAIL ASSET

1. INTRODUCTION

The board of directors of Texton (the “**Board**”) is pleased to advise shareholders that the Company (the “**Seller**”) has entered into an agreement with Benav Properties Proprietary Limited (the “**Purchaser**”) on 12 May 2022 (the “**Agreement**”) to dispose of Woodmead Commercial Park located in Woodmead, Johannesburg (the “**Disposal**” or the “**Property**” or the “**Sale**”)

2. RATIONALE

Texton has received an offer for the Property at a premium to its last disclosed book value. Post the sale of the Golddurb Retail Asset announced on SENS on 10 December 2021, Texton has limited exposure to retail assets in its direct property portfolio. As such the Board has decided to exit the sector to focus on repurposing its office assets and pursue its SME strategy.

The proceeds of the Sale will be utilised to repay debt and invest to further develop its SME strategy. Furthermore, the recycling of capital will provide flexibility for future opportunities to diversify investment into other asset classes which appear attractively priced.

3. TERMS OF THE SALE

The purchase price payable is R132.5 million (the “**Sale Consideration**”) and will be settled in cash and with the provision of a vendor loan. The vendor loan will be R20 million and has the following terms associated with it:

- The loan is subject to a 36 month term
- 50% of the loan is repayable after 24 months
- The remaining capital balance is payable at the end of the term of the loan being 36 months
- The interest rate of the loan is prime plus 4%
- Interest is serviced monthly.

The Sale is subject to the following condition precedents (“**Condition Precedents**”):

- the Purchaser confirms that it is satisfied with its due diligence investigation undertaken in respect of the Property by no later than the 2nd June 2022;
- by no later than the 26th of June 2022 the Purchaser receives written confirmation that it has been granted loan funding on standard terms and conditions typical for a transaction of this nature; and
- finalisation of all requisite Seller board approvals
- finalisation of the required finance documents associated with the vendor loan.

The effective date of the Disposal will be the date on which all Condition Precedents have been fulfilled and the transfer date will be the date of registration of transfer of ownership of the Property.

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

4. FINANCIAL AND PROPERTY SPECIFIC INFORMATION

Details of the Property are as follows:

Location	Sector	GLA (m ²)	Weighted average rental (R/m ²) per month	Net rental income (R) PA	Book value (R million)	Sale Consideration (R million)
17 Waterval Crescent South, Woodmead, Sandton, 2191	Retail	13 197	R92.01	R14 144 527 ¹	114.300 ²	132.500 ³ .

Notes:

1. Unaudited net rental income attributable to the Property for the six months ended 31 December 2021 was R6 841 411
2. Audited book value as at the year ended 30 June 2021
3. The Sale Consideration in respect of the Property is considered its fair market value, as determined by the Board. The Board is not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.
4. The financial information contained in this announcement has not been reviewed or reported on by a reporting accountant.

5. CATEGORISATION OF THE SALE

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

SANDTON
13 May 2022

CORPORATE ADVISER AND SPONSOR TO TEXTON
Investec Bank Limited