

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 HERMANSTAD INDUSTRIAL PARK – INDUSTRIAL 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 Property Genius (Pty) Ltd and Cream Magenta 228 (Pty) Ltd (the "**Purchaser**") on 24 June 2022 (the "**Agreement**") to dispose of Hermanstad Industrial Park located in Hermanstad, Pretoria (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. Texton has limited exposure to industrial 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 Small and Medium Enterprise ("**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 R133.5 million (the "**Sale Consideration**") and will be settled in cash.

The Sale is subject to the following condition precedents ("**Condition Precedents**") to be fulfilled by no later than 12 July 2022:

- the Purchaser confirms that it is satisfied with its due diligence investigation undertaken in respect of the Property;
- 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.

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	Net rental income (R million)	Book value (R million)	Sale Consideration (R million)

			(R/m ²) per month			
800 Moot Street, Hermanstad, Pretoria.	Industrial	43 988	R34.02	R4.358	132.000 ²	133.500 ³ .

Notes:

1. Unaudited net rental income attributable to the Property for the six months ended 31 December 2021 was R4 358 372.
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
27 JUNE 2022

CORPORATE ADVISER AND SPONSOR TO TEXTON
Investec Bank Limited