

CASTLEVIEW PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/290413/06)

JSE share code: CVW

ISIN: ZAE000251633

(Approved as a REIT by the JSE)

(“Castlevue” or the “Company” or the “Group”)



SHORT-FORM ANNOUNCEMENT: REVIEWED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 28 FEBRUARY 2023

KEY FINANCIAL HIGHLIGHTS

	28 February 2023	28 February 2022	% change
Revenue (Rand 000's)	1 079 385	57 619	1 773.31%
Headline earnings per share (cents)	18.98	52.16	(63.61%)
Earnings per share (cents)	386.54	50.57	664.37%
Distribution per share (cents)	-	44.74	(100.00%)
Net asset value per share (cents)	863.91	460.92	87.43%

NATURE OF THE BUSINESS

Castlevue Property Fund is a property holding and investment company that was listed as a REIT on the AltX of the JSE on 20 December 2017. Castlevue invests in direct property investments – where the Company owns the properties – and indirect property investments – where property is owned via other real estate companies with separate management teams – with the goal of maximising total returns to its shareholders.

The acquisition of the I Group portfolio in September 2022 resulted in the Company acquiring a diversified, well-located and high quality portfolio of South African and Polish direct, and South African indirect assets across all property sectors and repositioned the company as a mid-tier REIT with a net asset value of R8.1 billion and total assets of R22.1 billion at February 2023.

TRADING PERFORMANCE

Due to the change in Castlevue's year-end from February 2023 to March 2023, which was announced on SENS on 15 December 2022, the attached results are for the twelve months to 28 February 2023, representing the second interim period for the 2023 financial year.

The period under review was characterised by the transition of the Company from a direct, South African property owner to a global property owner, diversified across various property sectors through the acquisition of the I Group portfolio in September 2022 and the successful acquisition of controlling stakes in both Emira and Transcend. This substantial change to the group has resulted in an increase in total assets of the Company to R22.1 billion (2022: R371.8 million) with a corresponding increase in debt funding to R10.8 billion (2022: R191.7 million). The Group had a market capitalisation of R5.7 billion based on a share price of R6.10 at the reporting date and a net asset value of R8.1 billion which equates to a net asset value of R8.64 per share. The loan to value ratio, net of cash, is 49.78%.

The revenue of the group increased to R1.1 billion (2022: R57.6 million). Income that is derived from equity accounted investments is now substantial at R401.5 million due to the associate and joint venture investments acquired. Profit has increased to R2.1 billion, primarily as a result the bargain purchase gain recognised on the business combinations during the period. Excluding the bargain purchase gain, profit would have been R386.8 million.

Finance costs have increased substantially with the growth of the business, to R437.1 million (2022: R12.4 million). The increase is also in part due to the rise borrowing costs across the portfolio as a result of interest rate increases in South Africa and Europe. The group manages its interest rate risk with the respective business unit with a large portion of debt that is either fixed or hedged.

As previously reported, the board has resolved to declare a dividend on an annual basis after the publication of the year-end results. With these results being for the second interim period ended 28 February 2023, no dividend has been declared, but a dividend is expected to be declared after the publication of the results for the 13 months ended 31 March 2023, which should be published on or about 22 June 2023.

DISTRIBUTION

The board has resolved not to declare an interim distribution for the 12 months ended 28 February 2023.

SUBSEQUENT EVENTS

During the 12 month period, the Company entered into share subscription agreements with K2018365895 (South Africa) Proprietary Limited and K2018365955 (South Africa) Proprietary Limited, both related parties of the ultimate holding company, I Group Investments Proprietary Limited, and with the Women's Soccer League Proprietary Limited (the “**Specific Issue**”).

Subsequent to period end, the Specific Issue was approved by Castlevue shareholders, and 41 666 666 shares were issued to the subscribers at an issue price of R6.48 per share for an aggregate amount of R269 995 998.68. The Company expects to issue the remaining 6 172 840 shares, representing an aggregate value of R40 000 003.20, during July 2023.

REVIEW CONCLUSION

The reviewed condensed interim financial statements for the twelve months ended 28 February 2023 have been reviewed by RSM South Africa Inc, who expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the Company's registered office together with the accompanying financial information.

SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Castlevue. This short-form announcement is only a summary of the information in the full announcement released on SENS and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement as a whole.

The full announcement is available on:
the JSE website at: <https://senspdf.jse.co.za/documents/2023/JSE/isse/CVWE/Interim23.pdf>; and
Castlevue's website at <https://castlevue.co.za/investors/>.

Copies of the full announcement may be requested, by emailing James Day at dayj@castlevue.co.za or the designated advisor, Java Capital at sponsor@javacapital.co.za.

7 June 2023

Designated advisor

JAVACAPITAL