

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)
("Castleview")

SHORT-FORM ANNOUNCEMENT: UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2022 AND CHANGES TO THE BOARD OF DIRECTORS

KEY FINANCIAL HIGHLIGHTS

	31 August 2022	31 August 2021	% change
Revenue (Rand)	30 248 874	27 903 754	8.40%
Headline earnings per share (cents)	22.38	21.17	5.72%
Earnings per share (cents)	199.21	44.75	345.16%
Distribution per share (cents)	-	-	-
Net asset value per share (cents)	610.13	454.44	34.26%

NATURE OF THE BUSINESS

Castleview is a property holding and investment company that is invested in two well-located shopping centres, namely, Pier 14 Shopping Centre in Govan Mbeki Road, Gqeberha (formerly Port Elizabeth), which is defined as a small regional shopping centre with 29 690m² of rentable space and is anchored by large national tenants such as Shoprite, Pep, Ackermans and Mr Price, and, secondly, Cravenby Shoprite, which is a convenience shopping centre of 3,301m², located in Goodwood, Cape Town, anchor tenanted by Shoprite and Pep.

TRADING PERFORMANCE

The period under review was characterised by the continued improvement in the performance of the retail centres owned by the fund following the COVID-19 pandemic. Notwithstanding the return of loadshedding, which negatively impacted trading at the fund's shopping centres, turnovers increased compared to the same period last year. Turnover of tenants at Pier 14 increased by 4.4% year-on-year, with foot traffic increasing by 11.1%. Total vacancies at Pier 14 increased from 5.7% in February 2022 to 6.2% by end August 2022. Retail vacancies increased from 4.2% to 5.5%, offices were static at 14.2%, whilst vacancies in the residential tower decreased from 5.8% to 0.8%. Cravenby Shoprite, which transferred to the fund on 19 May 2021, has one vacancy of 47m².

Revenue for the period of R30.2 million was 8.4% higher than that for August 2021 of R27.9 million as a result of the inclusion of Cravenby Shoprite for the full six-months and only a portion of the comparable reporting period. Operating costs rose by 31.8% from R13.6 million to R17.9 million, largely as a result of: costs of R0.85 million associated with the Transaction being expensed during the period; higher municipal costs at Pier 14; costs associated with Cravenby Shoprite for the full reporting period; and, budgeted annual repairs and maintenance being carried out earlier in the financial year than in the twelve months to 28 February 2022. Finance costs rose by 11.2% to R6.5 million as a result of the debt used to purchase Cravenby Shoprite, as well as the rise in borrowing rates during the period. Between November 2021 and the end of the reporting period, the prime interest rate in South Africa rose from 7% to 9%.

Taking into consideration the gains on fair value adjustment attributable to the investment property of R69.2 million and on interest rate derivatives of R2.9 million, the profit attributable to shareholders for the year was R78.0 million, compared to a R16.2 million in the same period last year. Distributable earnings for the period equated to 21.52 cents (Feb 2022: 44.74 cents). SA REIT Funds from operations for the six-month period equated to R6.63 million or 16.17 cents per share (12-months to Feb 2022: R16.73 million or 44.74 cents).

DISTRIBUTION

The board has resolved not to declare an interim distribution for the 6 months ended 31 August 2022.

SUBSEQUENT EVENTS

Subsequent to the date of reporting, Castleview has concluded the acquisition of a portfolio of direct and indirect property assets from subsidiaries of I Group Investments Proprietary Limited (the "Transaction"). In addition to the Transaction, Castleview has entered into share subscription agreements with two companies in terms of which those companies have subscribed for an aggregate of 51 908 876 new Castleview shares in terms of a specific authority to issue shares for cash.

CHANGES TO THE BOARD OF DIRECTORS

Shareholders are advised that Colin Dockrall, the current financial director ("FD") of the Company, resigned from his role with effect from Friday, 4 November 2022. The board of directors of Castleview (the "Board") thanks Colin for his invaluable contribution to Castleview and wishes him well in his future endeavours.

James Day will assume the role of FD with effect from Monday, 7 November 2022. James is a CA(SA) with extensive experience in the listed property sector, as well as key commercial expertise in executing on commercial asset acquisitions and developments.

The Board welcomes James and looks forward to his future contributions to Castleview.

SHORT FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of Castleview. This short-form announcement is only a summary of the information in the full announcement 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/2022/JSE/isse/CVWE/HY2023.pdf>

Castleview's website at https://castleview.co.za/wp-content/uploads/Castleview_Investors_22_11_Summarised-Interim-Results.pdf

Copies of the full announcement may be requested by emailing Colin Dockrall at colin@castleview.co.za or the designated advisor, Java Capital at sponsor@javacapital.co.za.

7 November 2022

Designated advisor
Java Capital