

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)

("Castlevview" or the "Company")



DISPOSAL OF SHAREHOLDING IN COLLINS PROPERTY PROJECTS PROPRIETARY LIMITED

1. Introduction and rationale

Castlevview, through its wholly-owned subsidiary U Reit Collins Proprietary Limited ("U Reit"), holds 25.7% of the issued share capital of Collins Property Projects Proprietary Limited ("CPP"). CPP is a subsidiary of JSE-listed Collins Property Group Limited ("Collins") and is predominantly a South African logistics and industrial focused portfolio valued at R10.5 billion and with a net asset value of approximately R3.6 billion.

Shareholders are advised that U Reit has entered into a series of inter-conditional agreements with Collins, in terms of which, if implemented, Collins will acquire the 25.7% of the issued shares of CPP held by U Reit (the "CPP Sale Shares") that it does not own in exchange for the issue to U Reit of in aggregate 72 751 197 new Collins ordinary shares (the "Consideration Shares") (the "Proposed Transaction").

The implementation of the Proposed Transaction will result in CPP becoming a wholly-owned subsidiary of Collins and U Reit holding 21.78% of the issued ordinary shares of Collins.

U Reit subscribed for shares in CPP in 2019 in order to gain exposure to the fast growing and relatively defensive logistics and industrial property sectors. As part of U Reit's original investment in CPP, CPP undertook to apply for REIT status in due course.

The Proposed Transaction will result in U Reit effectively swapping its 25.7% interest in CPP for a 21.78% interest in Collins in anticipation of Collins being granted REIT status. This will give Castlevview a meaningful position in a JSE-listed REIT, with board representation and improved share liquidity. The Proposed Transaction will also result in Collins having full ownership of CPP, which is its principal operating subsidiary.

2. Terms of the Proposed Transaction

2.1. Transaction mechanics

U Reit and Collins have entered into an indivisible, inter-conditional transaction in terms of which, on the first business day after the fulfilment of the conditions precedent set out below (the "Closing Date"), U Reit will sell the CPP Sale Shares to Collins in exchange for the issue of in aggregate 72 751 197 new Collins ordinary shares at an effective issue price of R13.64 per share for an aggregate disposal consideration of R992 000 681.

2.2. Conditions precedent

The Proposed Transaction is subject to the fulfilment of the following conditions precedent:

- U Reit concluding agreements to procure finance in the amount of R333 000 000, and such agreements becoming unconditional;
- Collins shareholders approving such resolutions as required to:
 - increase its authorised but unissued share capital; and

- amend its memorandum of incorporation to include a provision to the effect that Collins will, *inter alia*, not voluntarily relinquish REIT status without first obtaining shareholder approval by way of an ordinary resolution, and the filing of such resolutions by the Companies and Intellectual Property Commission;
- the JSE granting Collins REIT status;
- the Competition Authorities granting approval for the Proposed Transaction;
- Tradegro Holdings Proprietary Limited waiving any rights of first refusal, pre-emptive rights or other similar rights which it may have in respect of the CPP Sale Shares;
- Collins concluding the agreement in respect of the internal restructuring of the Collins Group on terms acceptable to U Reit, and such agreement becoming unconditional;
- Collins, CPP and U Reit obtaining the requisite board approvals and CPP and U Reit obtaining the requisite shareholder approvals for the implementation of the Proposed Transaction.

2.3. Dividends

The CPP Sale Shares will be sold to Collins *cum* any dividend, distribution or right declared, paid or made after the Closing Date.

On the Closing Date, Collins will settle the consideration payable for the CPP Sale Shares, including the allotment and issue of the Consideration Shares *cum* any dividend, distribution or right declared, paid or made after the Closing Date.

2.4. Material adverse change

U Reit shall be entitled to cancel the Proposed Transaction at any time prior to the Closing Date by written notice to Collins if any event has occurred after 28 February 2023 which individually or in aggregate has or is reasonably likely to have the effect of:

- reducing the consolidated net asset value of the Collins Group from its mutually agreed level as at 28 February 2023 (being R4 555 598 080) to less than R4 455 598 080 (which shall be valued on the same basis as per the mutually agreed methodology) provided that any reduction in the Collins Group's net asset value as a consequence of a disposal of any asset by CPP or a subsidiary of CPP shall be disregarded for purposes of assessing whether a material adverse change has occurred; and/or
- reducing Collins' interest in any assets specifically identified by U Reit, being assets not owned by CPP and which were of key consideration to U Reit in its assessment of the consolidated net asset value of Collins and its decision to enter into the Proposed Transaction.

2.5. Undertakings, warranties and indemnities

The agreements in respect of the Proposed Transaction include undertakings, warranties and indemnities that are standard for a transaction of this nature.

3. Financial information

3.1. CPP

The financial information set out below is extracted from the audited results of the CPP group for the year ended 28 February 2023 prepared in terms of IFRS. The financial information set out below has not been reviewed or reported on by a reporting accountant in terms of section 8 of the JSE Listings Requirements and is the responsibility of the Company's directors.

The net property income attributable to CPP amounted to R1 259 433 155 for the year ended 28 February 2023.

As at 28 February 2023, the net asset value of CPP was R3 578 733 561.

3.2. Collins

The following profitability metrics are attributable to Collins for the year ended 28 February 2023:

Dividend per share (Rand)	0.30
Basic earnings per share (Rand)	0.62
Basic headline earnings per share (Rand)	0.45

4. Categorisation

The Proposed Transaction constitutes a category 2 acquisition in terms of the JSE Listings Requirements and is therefore not subject to shareholder approval.

21 August 2023

Designated advisor

JAVACAPITAL

Legal advisor

WHITE & CASE