

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**” or the “**Company**”)



DISPOSAL BY EMIRA OF ITS WESTERN CAPE PORTFOLIO

1. Introduction and rationale

Shareholders are advised that Emira Property Fund Limited (“**Emira**”), a 59.3%-owned subsidiary of Castleview, and Emira’s wholly owned subsidiaries (Lowmer Investments Proprietary Limited, Freestone Property Investments Proprietary Limited, Monagon Properties Proprietary Limited and Radidough Prop 509 Proprietary Limited) have agreed to dispose of 13 predominantly industrial and office properties situated in the Western Cape (the “**Properties**”) to Spear REIT Limited (“**Spear**”) for an aggregate consideration of R1 146 000 000 (inclusive of VAT at a rate of 0%) (the “**Purchase Consideration**”) (the “**Transaction**”).

Emira is a diversified REIT listed on the Main Board of the JSE with a portfolio of local and offshore assets. Spear is a JSE-listed REIT, which invests in high-quality income generating real estate across the Western Cape.

The Transaction forms part of Emira’s strategy to recycle capital. The net proceeds of the Transaction will initially be used to reduce Emira’s debt and subsequently to fund new acquisitions in accordance with Emira’s investment policy.

2. Terms of the Transaction

The Properties comprise 12 freehold properties, in respect of which Emira has concluded a sale of rental enterprises agreement, and one leasehold property, known as Freeway Business Park, in respect of which Emira has concluded a separate sale of rental enterprises agreement (the “**Freeway Business Park Sale Agreement**”).

The effective date of the Transaction in respect of each Property will be the date of registration of transfer of the Property into Spear’s name, and in the case of Freeway Business Park, the date on which the deed of assignment of the notarial lease in respect of Freeway Business Park is registered (the “**Transfer Date**”).

The Purchase Consideration will be paid in cash against registration of transfer of each Property (and registration of the aforesaid deed of assignment in the case of Freeway Business Park). Emira and Spear will use their respective commercial endeavours to ensure that transfer of each of the Properties is registered on the same day, but the Transaction is not conditional upon such simultaneous registration.

In the event that transfer of any Property occurs after 1 October 2024, other than as a result of any delays caused by Emira or any cause not within the reasonable control of Spear and Emira, the purchase consideration in respect of such Property will increase by 0.5% per month (not compounded and reduced *pro rata* for any period of less than a month).

Emira has agreed to pay a transaction fee of R22 500 000 to Spear, which will be paid by Emira on the Transfer Date.

If Emira wishes to incur any capital expenditure on any of the Properties prior to the Transfer Date, it will obtain the prior written approval of Spear. Spear will refund Emira such capital expenditure up to a maximum amount of R15 000 000.

The lease in respect of 1 468m² of the property known as 9 Long Street is set to expire on 31 October 2024. Emira has provided Spear with a rental guarantee to the extent that the premises become vacant during a 24-month period commencing on the Transfer Date. The rental guarantee will cover an agreed gross rental, as well as any shortfall between such agreed gross rental and the rentals contracted for by Spear.

The Transaction remains subject to the fulfilment, or waiver (as the case may be) of the following conditions precedent:

- PRASA, as the owner of Freeway Business Park, consents to the transfer of the notarial lease in respect of the Freeway Business Park from Emira to Spear;
- Spear receives final approval of the funding of not less than 50% of the Purchase Consideration. In principle approval was granted prior to the signature of the agreements in respect of the Transaction;
- Spear has complied with all JSE Listings Requirements in respect of the Transaction and obtains shareholder approval for the Transaction, as required by the JSE Listings Requirements; and
- Approval by the Competition Authorities.

The agreements contain undertakings, warranties and indemnities which are normal for a transaction of this nature.

3. Property specific information

Property name	Sector	GLA (m ²)	Weighted average rental (R/m ²) ⁽¹⁾	Purchase price attributable to each Property (R)
14-16 Boston Circle	Industrial	7 899	71.18	57 000 000
9 Long Street	Office	9 528	140.51	133 150 000
Boundary Terraces	Office	8 020	230.58	210 500 000
Chiappini House	Office	1 024	187.72	20 000 000
Freeway Park	Industrial	7 753	102.56	69 000 000
Hamilton House	Office	3 247	165.53	60 750 000
Newlands Terraces	Office	4 531	140.74	73 600 000
Northpoint Industrial Park	Industrial	16 415	81.44	141 000 000
Parklands Health Centre	Urban Retail	2 487	205.65	49 500 000
Steelpark Industrial Park	Industrial	9 362	54.34	54 000 000
The Studios Atlas Gardens	Industrial	9 301	72.16	64 500 000
The View - Tygervalley	Office	6 448	203.93	122 500 000
Waterside Place	Offices	4 840	152.34	90 500 000

Note:

1. Weighted average rental per m² for March 2024, excluding storage, patio, balcony and parking rental and recoveries.

The purchase price of the Properties is considered to be fair market value, as determined by the directors of Emira. The directors of Emira are not registered as professional advisors or as professional associate advisors in terms of the Property Valuers Profession Act, No 47 of 2000.

4. Financial information

The net expected cash proceeds payable to Emira from the Transaction are approximately R1 120 900 000. The net operating income of the Properties, based on the unaudited financial statements of Emira (prepared in terms of IFRS) for the six months ended 31 September 2023, is c.R50 040 459.

5. Categorisation

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

2 April 2024

Designated advisor

JAVACAPITAL