



VUKILE
PROPERTY FUND

REAL ESTATE. REAL GROWTH.

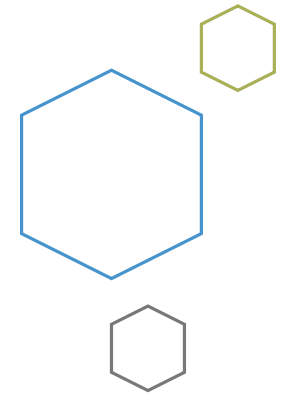


Interim Results Presentation
for the six months ended 30 September 2019

www.vukile.co.za

AGENDA

- 1** Introduction
Laurence Rapp
- 2** Southern African Retail Portfolio Overview
Itumeleng Mothibeli
- 3** Castellana Properties Overview
Alfonso Brunet
- 4** Debt, Treasury and Financial Performance
Laurence Cohen
- 5** Strategic plans and prospects
Laurence Rapp
- 6** Q&A
- 7** Appendices





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1

Introduction
Laurence Rapp

Profile

Who we are

- ◆ High quality, low risk, **Retail REIT** operating in southern Africa and Spain
- ◆ Significant **geographic diversification** enhances the quality of earnings
- ◆ **45% of assets** located in Spain with **47% of profits** generated from Castellana
- ◆ Strong **operational focus** with a core competence in **active asset management**
- ◆ Aim for **simplicity** and **transparency**
- ◆ Operate with a clarity of **vision, strategy** and **structure**
- ◆ Prudent **financial management** and strong **capital markets expertise**
- ◆ **Entrepreneurial approach** to deal making
- ◆ Strong focus on **governance** and **leadership**
- ◆ History of strong **shareholder returns** with CAGR of **19.4%** since listing
- ◆ Vukile listed on the **JSE and NSX**
- ◆ **82,5%** held subsidiary Castellana Property Socimi listed on the **MAB** (Madrid junior board)

Highlights

Clear strategic direction and a strong operational focus paying off

- ◆ **3.5% increase** in dividends in line with guidance to 80.84 cents per share
- ◆ **Outstanding retail performance in Spain**
 - Investment property increased to €1 028m from €916m
 - Acquisition of Puerta Europa Mall for €56.8m and additional El Corte Ingles units for €37m
 - Reduced vacancy to 1.4% for the period with 6.7% positive reversions and 21% growth on new leases
 - Maintaining a rent collection rate of over 99%
 - EPRA NAV increased by 3.14% to €594m equating to €6.89 per share
- ◆ **Continued strong operational results from defensive portfolio in southern Africa**
 - Retail vacancies reduced to 2.8% with 82% retail tenant retention
 - Like-for-like growth in net property income of 6.1%
 - 3.5% like-for-like trading density growth, and rent-to-sales ratio down to 5.9%
 - Cost-to-income ratio well contained at 16.9% of all expenses
 - Acquired Mdantsane Shopping Centre for R516.5m in November 2019
- ◆ **Robust balance sheet management leading to upgraded credit rating**
 - Corporate long-term credit rating upgraded to AA-(za)
 - Interest cover ratio of 6.4 times
 - Loan-to-value ratio of 40.8% with 86.5% of debt hedged
- ◆ **47% of earnings** now generated in Spain
 - Acquired additional stake in Castellana for €38.9m through buying out the underwriter
 - Lowest risk deal to buy our own assets

Group overview – consolidated property assets of R35bn

Well diversified exposure across macro economic drivers



Clarity of vision and strategic intent

Focus areas

- ◆ **Maintain defensive position in SA with mid- to lower income retail focused assets**
 - Keep driving operational efficiencies
 - Identify opportunities to expand and strengthen existing assets
 - Very selective appetite for acquisitions but limited stock available at the right price
- ◆ **Well poised to capitalize on Castellana's position in the market and gain a dominant market share**
 - Currently 8th largest Socimi and 7th in market share based on GLA
 - Proven business model in terms of consolidation, growth in rents and value add opportunities that is ready to be scaled further
 - Deliver on the ECI revamp projects
 - Attractively priced deal flow and corporate opportunities are available
 - Need to ascertain market support to pursue this strategy
- ◆ **The journey has begun towards greater customer centricity**
 - Drive towards innovation to ensure long term sustainability in a dynamically changing environment
 - Pilots currently underway in both SA and Spain and engaging more actively with proptech
 - Will develop into a core competence
- ◆ **Actively manage the LTV back down to around 35%**
 - Maintain strong balance sheet with a focus on risk management metrics
 - Clearly defined plans to sell assets and pay down ZAR denominated debt
 - Potential to introduce an equity investor into Castellana which will be a significant driver of Group LTV
 - Action plan driven more by market sentiment than an evaluation of risk



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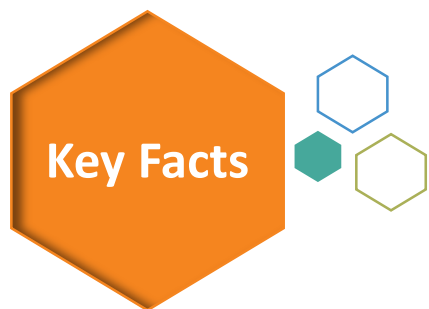
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2

Southern African Retail Portfolio Overview
Itumeleng Mothibeli

Key retail portfolio metrics

Direct southern African Retail Portfolio



- ◆ Portfolio Value
R14.6bn
- ◆ **45** Properties
- ◆ GLA
860 570m²



- ◆ Average asset value
R325m
- ◆ Average discount rate
13.4%
- ◆ Average exit capitalisation rate
8.5%



- ◆ National exposure
 - **83% GLA**
 - **80% Rent**
- ◆ Top 10 tenants
 - **53% GLA**
 - **44% Rent**
- ◆ WALE of
3.8 years
- ◆ Tenant retention of
82%



- ◆ Reversions
+ 1.9%
- ◆ Vacancies
 - **2.8% GLA**
 - **3.0% Rent**
- ◆ Contractual escalations
7.0%
- ◆ Base rentals
R139.26/m²
- ◆ Like-for-like net income growth
6.1%



- ◆ Rent-to-sales ratio
5.9%
- ◆ Average annual trading density
R29 186/m²
- ◆ Annualised growth in trading densities
 - **3.5% like-for-like**
 - **4.7% including asset management interventions**
- ◆ Net cost to property revenue
16.9%

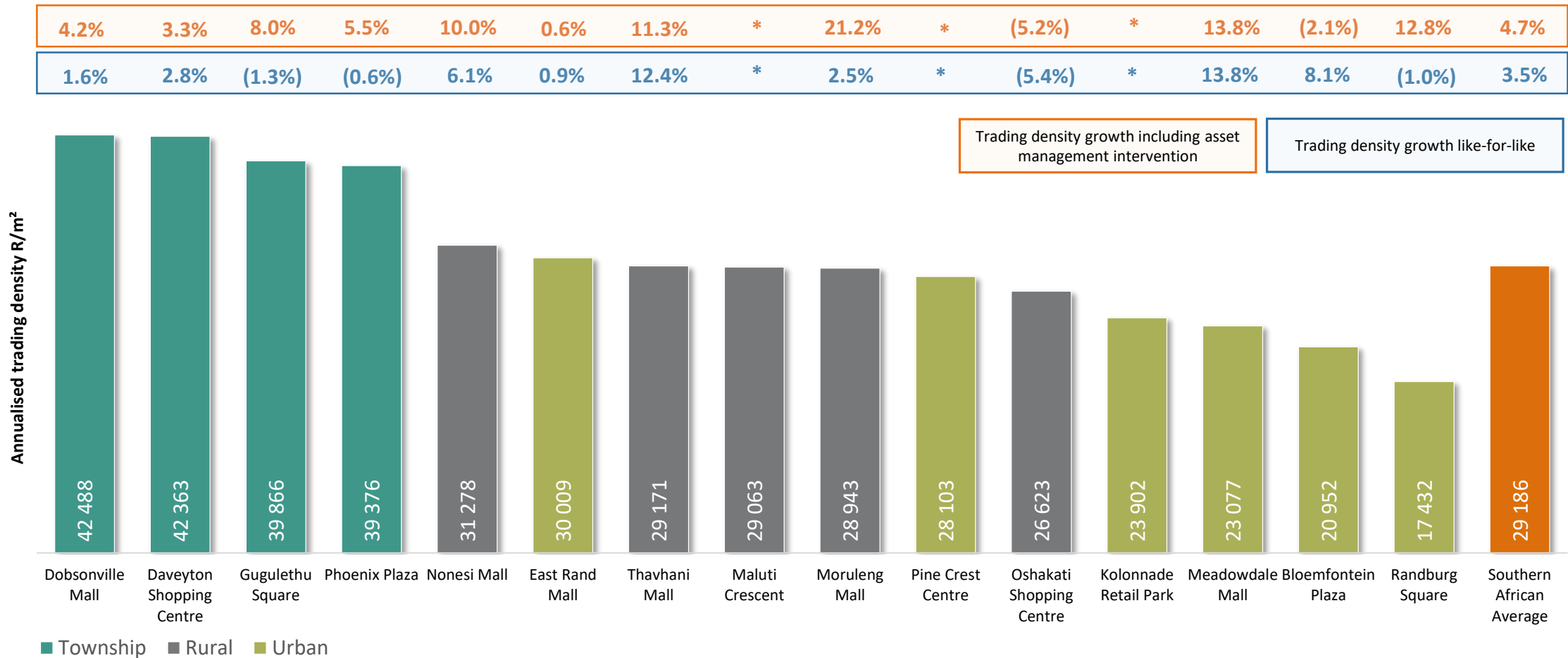
Key themes driving the continued performance

Operational efficiencies and innovation

- ◆ Focused operational efficiencies have driven improved portfolio metrics;
 - Robust portfolio composition process has ensured that our defensive nodally dominant assets continue to see retailer demand – **introduced 92 new brands** to the portfolio between April and September 2019
 - Absorption of leasing and capital projects functions have resulted in **decreased vacancies** and **improved tenant relations**
 - Value extraction desk providing **insights** which have led to increased **exposure to performing categories**, and replacing or **rightsizing** under performers
 - Energy management savings now a substantial part of maintaining a **competitive cost to income ratio**
 - Interplay between trading statistics and affordability still very much at **industry leading levels**
 - Continue to effectively spend on assets to ensure **sustainable occupancy** and growth based on a scientific building condition assessment approach
- ◆ Innovation
 - **Customer insights** journey well underway, significant milestones achieved
 - Redesigned **property management** relationship, for best of breed, mutually symbiotic **hybrid model**
 - Reviewed **soft services** approach yielding positive benefits straight to bottom line
 - Investigating more creative ways for **debt collecting** and the management of **hard services**

Retail portfolio trading statistics for Top 15 properties

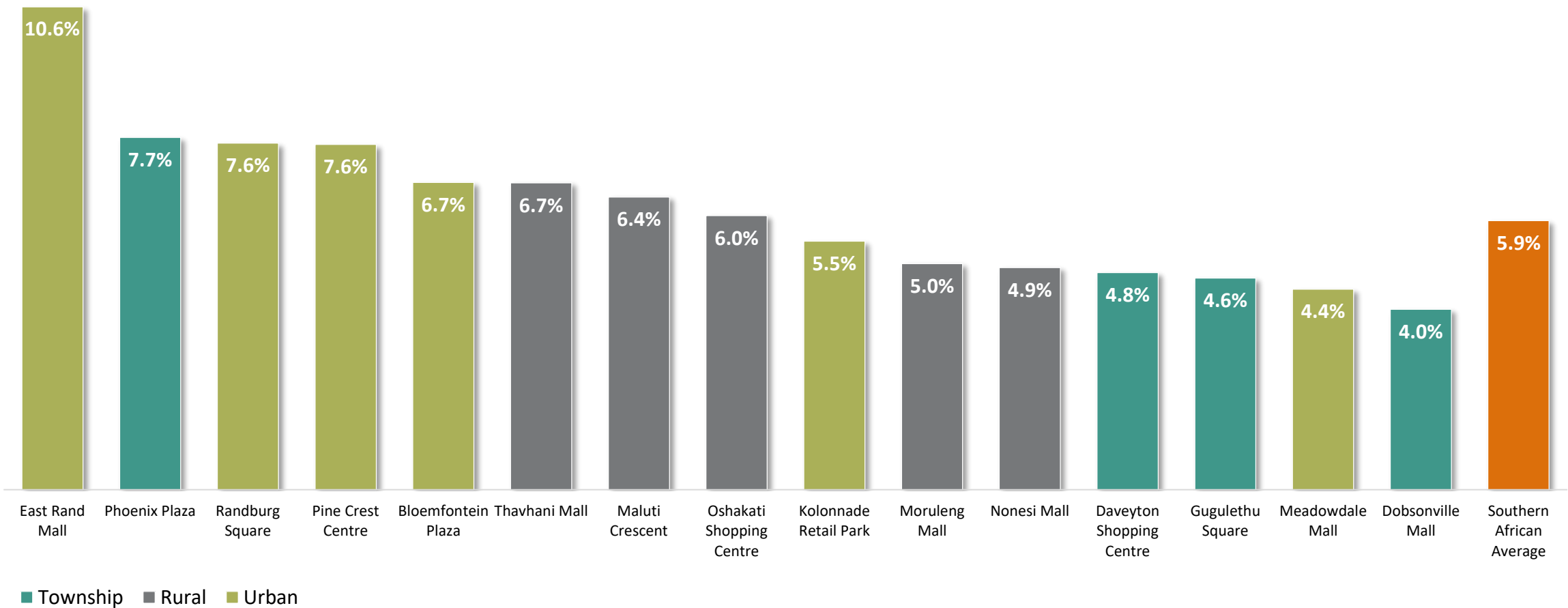
Delivering strong growth off already high trading densities



Note: Annualised trading density calculated using monthly trading density over 12 months. Trading density like-for-like growth calculated on stable tenants.
 * Trading density like-for-like growth excludes Pine Crest, Maluti Crescent, Thavhani Mall and Kolonnade as recent developments/refurbishments/acquisition.

Rent-to-sales ratio by Top 15 properties

Continuing to provide very profitable centres for our tenants



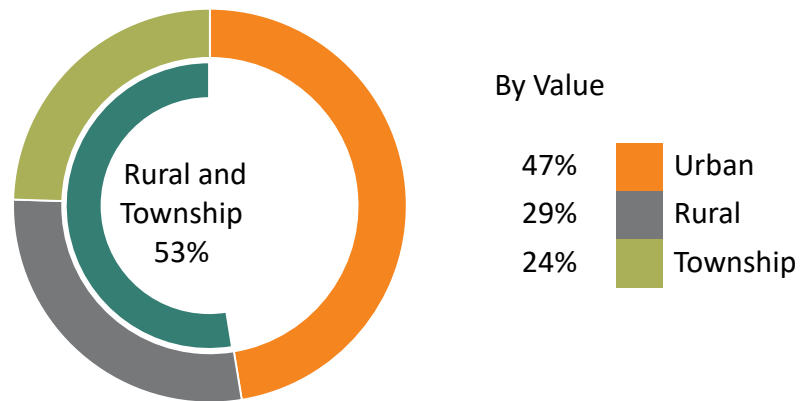
Retail insights

Defensive portfolio with further potential for rental growth

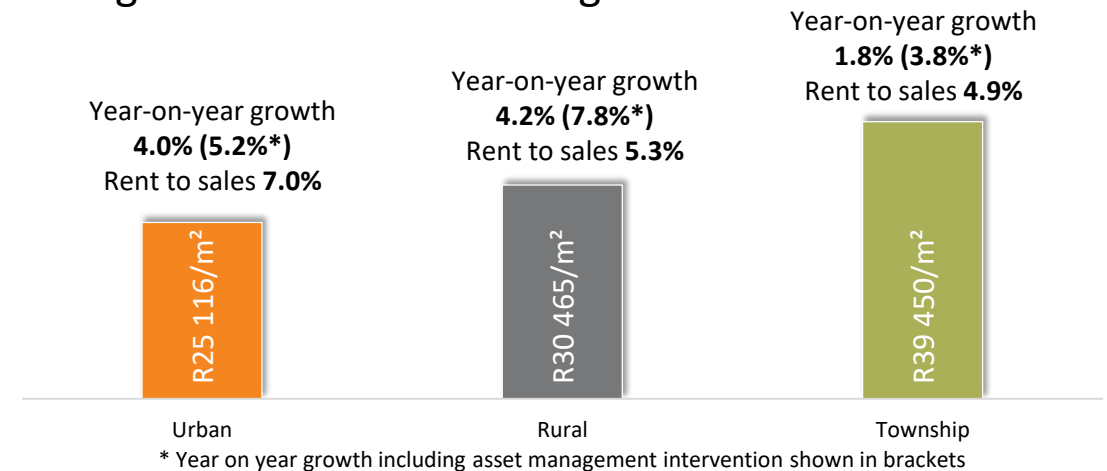
Segment Focus

- ◆ Rural and township centres that account for 53% of the portfolio value showed a year-on-year trading density growth of 3.2%
- ◆ The low rent to sales ratio of 5.1% in the rural and township centres creates an opportunity for further rental growth
- ◆ Overall rent to sales improved marginally from 6.0% to 5.9% which augurs well for further portfolio growth
- ◆ Rural and township centres are seeing an increase in diversity of the tenant mix through rightsizing of suites
- ◆ Groceries (23% exposure) grew by 4.0% and 13 out of the 14 tenant categories showed growth, with only department stores growing at (1%)
- ◆ Overall trading densities are up 3.5% over the past year, as compared to 1% in the preceding period
- ◆ Growth has been driven by an improved performance of fashion, supermarkets, health and beauty, sporting goods, bottle stores and accessories, all which form a significant portion of the Township and Rural portfolio's tenant mix

Segmental Profile - by Value



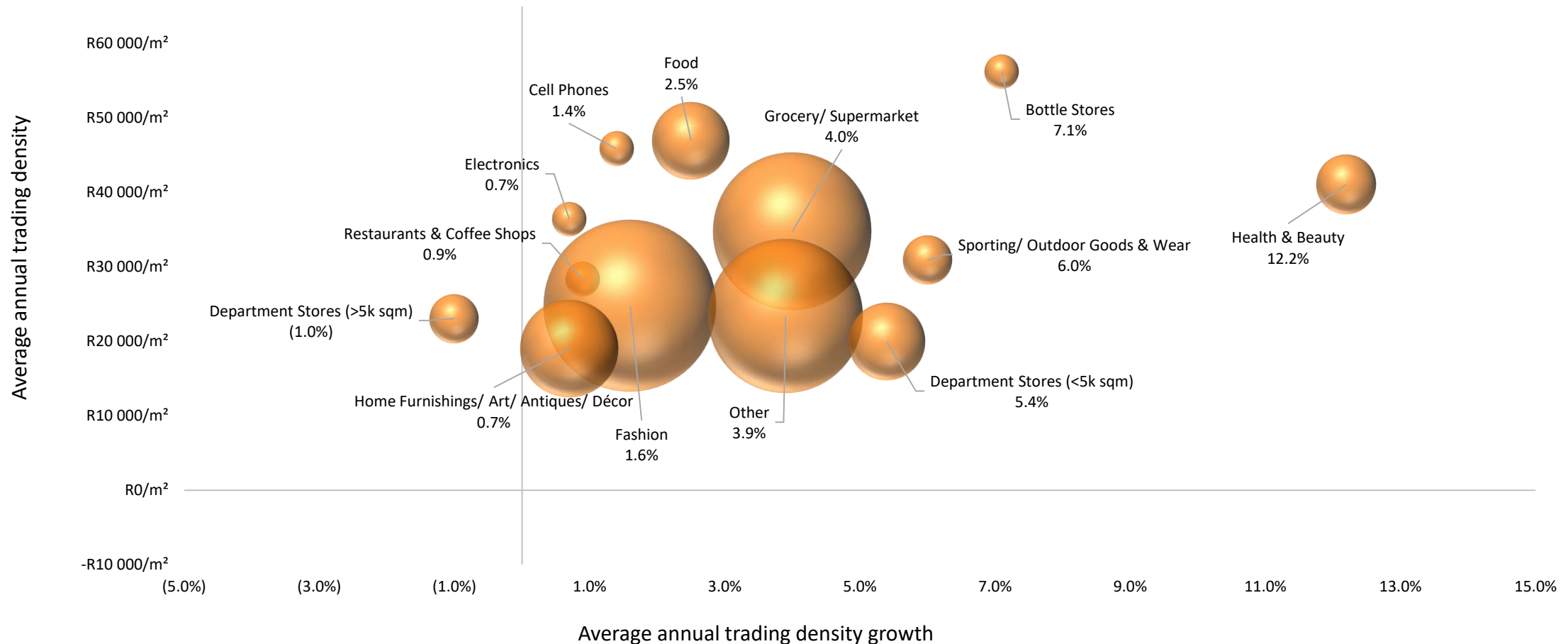
Segmental Profile – Trading Statistics



Retail category performance

Increased exposure to strong performing health and beauty and second tier fashion tenants

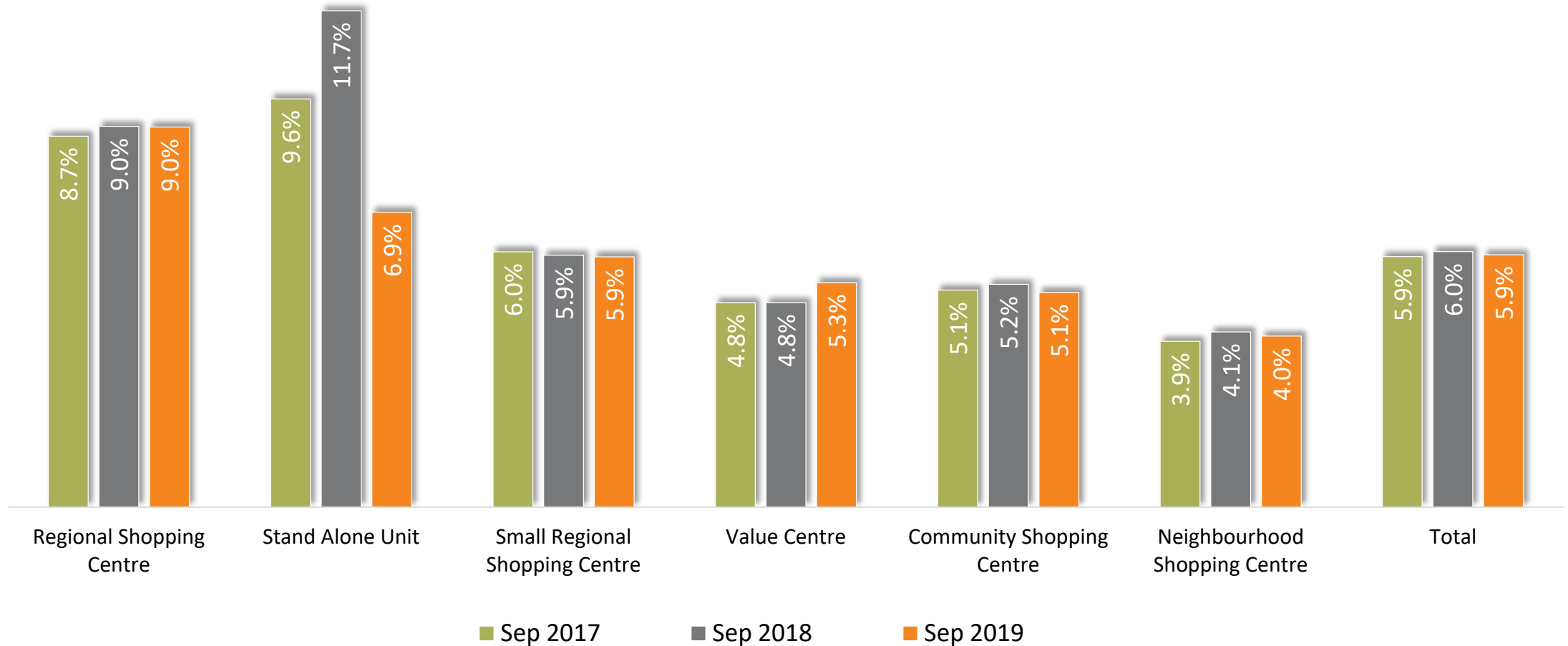
Decreased exposure to challenged department stores, restaurants and medical



Tenant affordability

Rent to sales holding steady across the portfolio through tough market conditions over the past 3 years

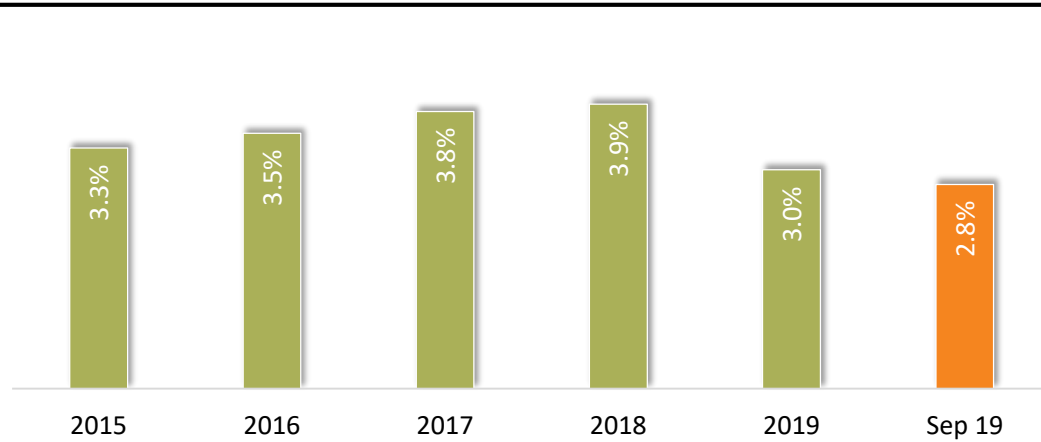
Average annual rent-to-sales ratio



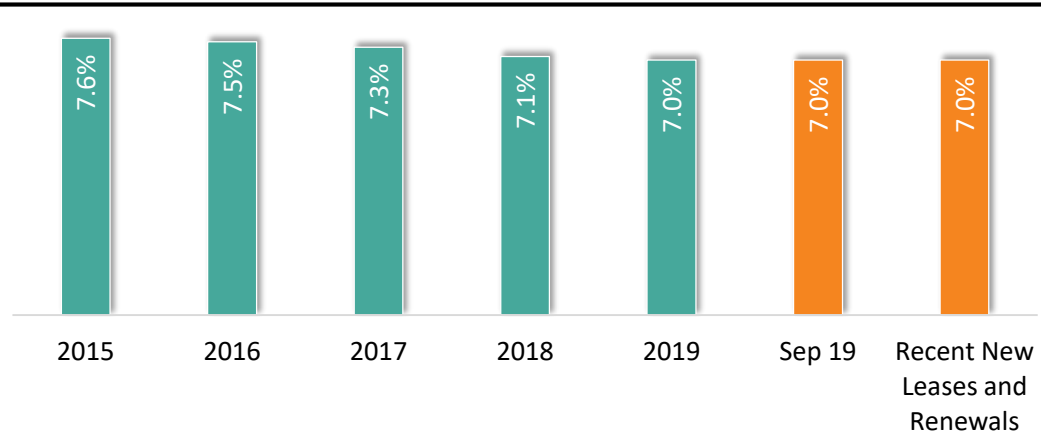
Tenant affordability

Consistently strong metrics

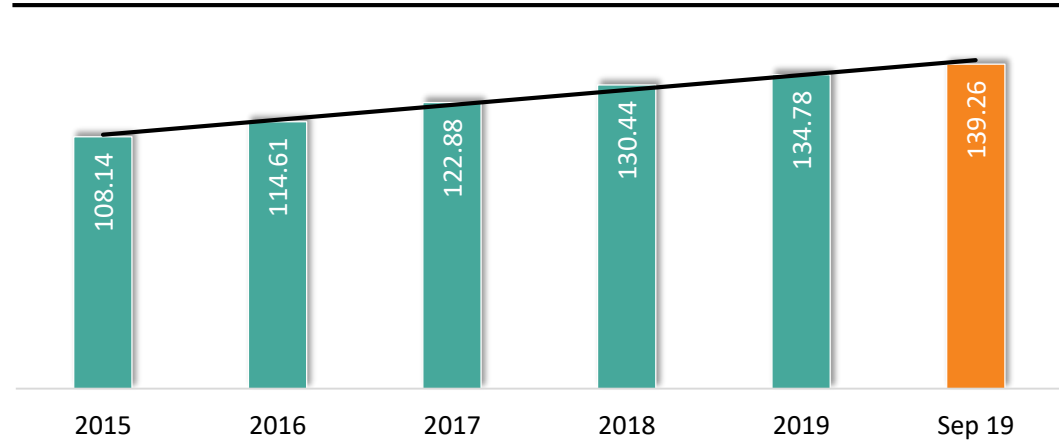
Retail Vacancy Profile by GLA



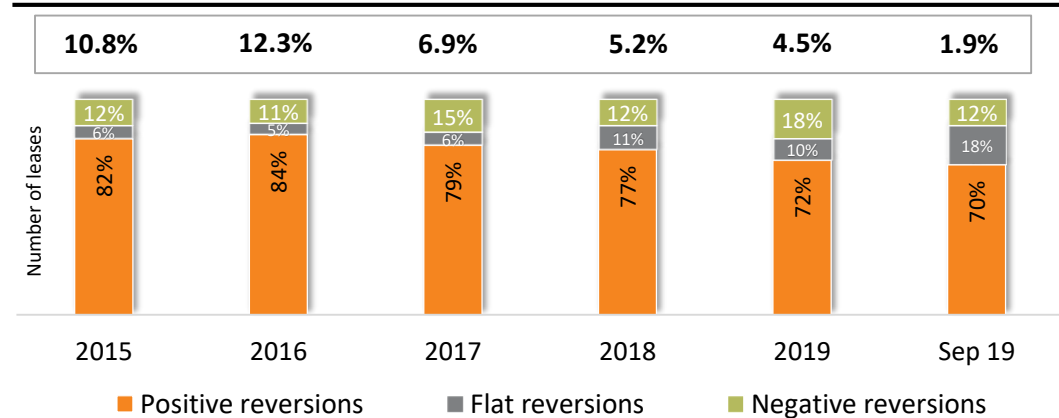
Retail Contractual Escalations



Retail Average Base Rentals (excl. Recoveries)



Retail Rent Reversions



Operational capital expenditure

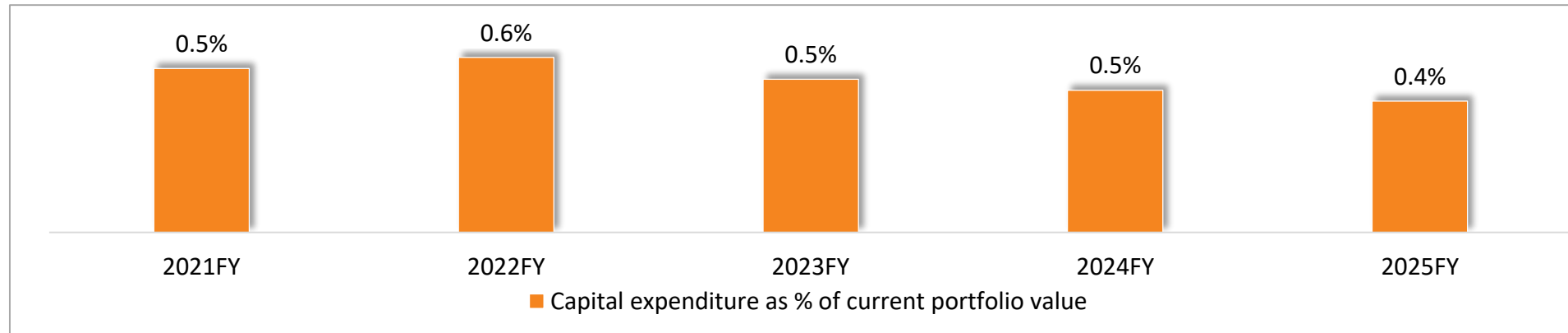
Continued investment in assets and statutory compliance

◆ Framework and knowledge base

- Bottom up building condition assessments complete on all assets within the portfolio
- Includes spend in respect of preventative, rehabilitation and replacement capital
- Buildings assessed on 132 elements covering structure, internal/external works and OHS act requirements

◆ Key figures

- Five year rolling budget totalling c.R70m per annum
- 2021FY compliance aspects estimated at R65m
- 2021FY income enhancing maintenance projects estimated at R10m



Effective brownfields investments

Value add of recent redevelopment projects



Average annual value density escalation since redevelopment completion	Average 3-year historical net operating income growth
6.2%	5.0%
9.3%	5.3%
17.6%	8.5%
11.4%	7.3%
6.2%	9.2%

Extension and upgrade

Pine Crest Shopping Centre, Pinetown, KZN

- ◆ Upgraded centre relaunched 25 July 2019
- ◆ New mall on Kings Road and Food Court with 20 new brands
- ◆ 5% comparable turnover growth with 20% growth overall since relaunch
- ◆ Increased dwell times with entertainment and pause areas
- ◆ Go Durban rapid transport soon to be opened
- ◆ Focus on brand awareness and customer relations

Key Metrics

Additional GLA	3 327m²
Commencement Date	April 2018
Completion Date	July 2019
Trading density	R28 986/m² pa

R200m

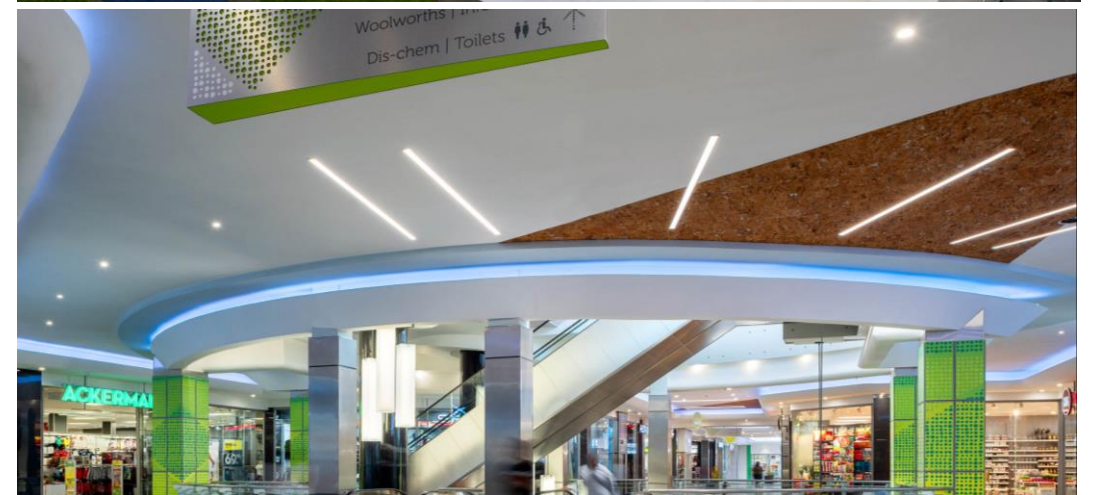
Total Capex

7.4%

Projected yield
on Capex

10.2m

Footfall



WOOLWORTHS



New acquisition

Mdantsane City Shopping Centre, Mdantsane, Eastern Cape

Dominant asset located in Mdantsane, one of the largest townships in South Africa. It is situated on the main arterial route through Mdantsane. Mdantsane City has over 90 shops with upside asset management and expansion potential. It has a high national tenant component of 78%

R516.5m

Acquisition Price

78%

National and International Brands

9.6m

Footfall



Key Metrics

GLA	36 265m²
Catchment	156 000 people
Trading density	R28 000/m² pa
Rent to sales ratio	4.70%
Average Rent	R125.80/m²
Purchase Date	15 November 2019



Acquisitions and sales

Transferred during the year

Property acquired	Location	Sector	Price R'm	Date of transfer
Mdantsane City Shopping Centre	Mdantsane, Eastern Cape	Retail	516.5	Nov-19

Property sold	Location	Sector	Price R'm	Date of transfer
Sandton Linbro Galaxy Drive	Sandton, Gauteng	Motor	17.4	Aug-19
Sandton Sunninghill Sunhill Park	Gauteng	Office	44.0	Dec-19

Property to be sold	Location	Sector	Price R'm	Date of transfer
Midrand Vacant Land	Gauteng	Land	34.5	Terms agreed, agreement to be signed
Namibian Retail Portfolio	Namibia	Retail	920.0	Terms agreed, Due Diligence completed and under offer (Q2FY20)
AIH transaction	Gauteng/KZN	Commercial/ Industrial	700.0	Agreement signed with CPs to be fulfilled (Q2FY20)

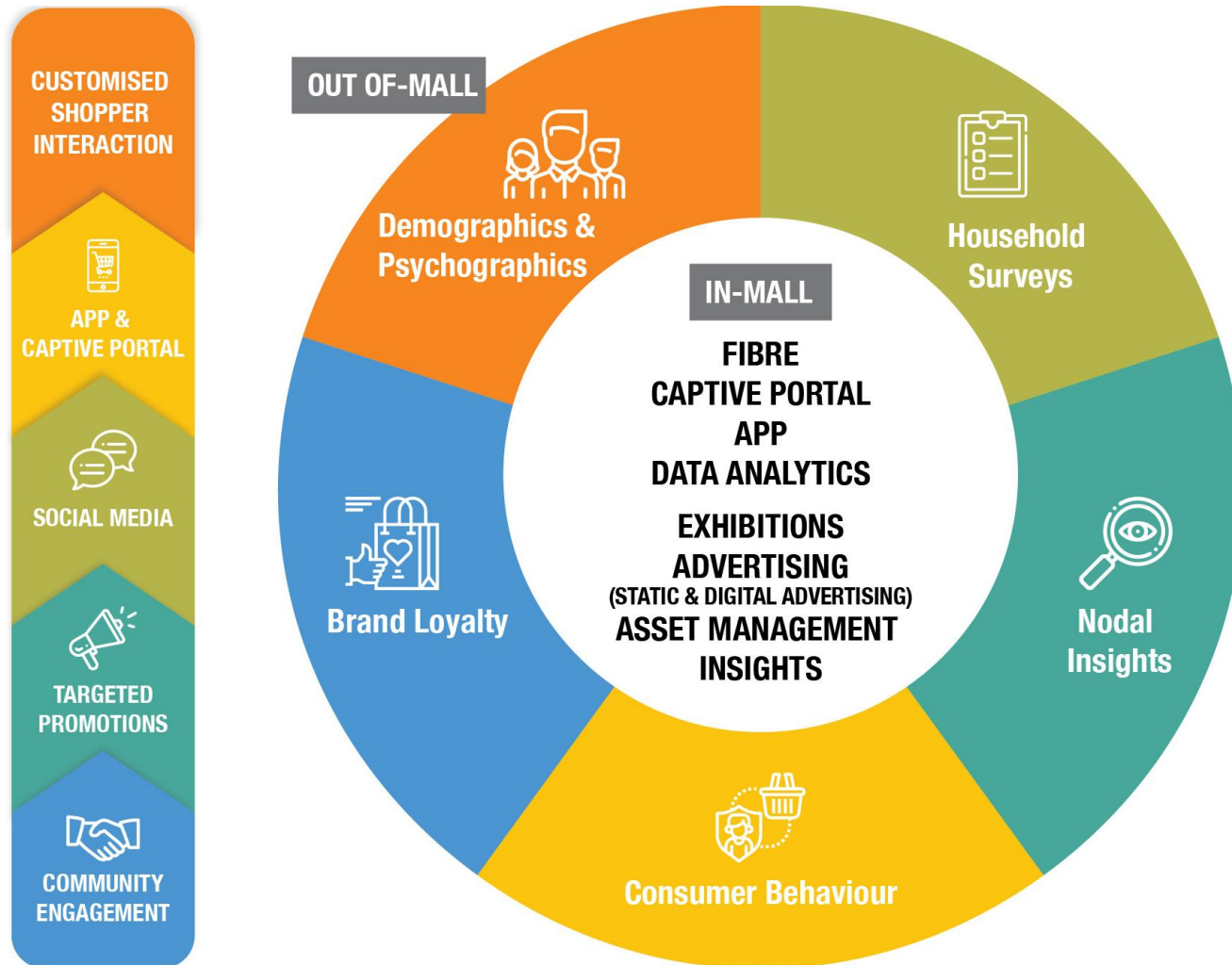
Retail of the future

Customer driven centres to prevail

- ◆ **Positive customer experience** will be the key differentiator in sustaining footfall in the future
- ◆ Data accumulation in order to **listen, involve and interact** on an individualised manner with shoppers will be key to the sustainability of retail assets
- ◆ Shopping centre environment ripe for **digital disruption**
 - understanding the customer enables us to self disrupt and be at the forefront of this rapid change
- ◆ **Shoppertainment** is nodally specific – let customers tell you how they want to be entertained and how to add value to their lives
- ◆ Make your asset part of the **community** which it serves – figuratively drop the fences
- ◆ We have therefore invested in a 3 pillar **customer insights strategy** to future proof the portfolio
 - Gather data to understand our current customer and maintain loyalty
 - Understanding the nodal dynamics and market insights in which the asset resides
 - Engage and interact effectively with customers throughout their customer journey

Customer centricity and insights

Developing core competence in customer centricity to drive better leasing decisions and tenant mix



◆ 3 primary pillars of customer insights journey

– In-Mall

Understand and interact with current tenants and customers to maintain loyalty with the use of technology

– Out of-Mall

Understand market insights in the nodal context and use that to position the mall as the primary retail destination

– Shopper interaction and engagement

Interact with customers throughout the customer journey

– Bottom up approach to customer engagement

◆ Best of breed partnerships and joint ventures to execute all legs of strategy

◆ Adding value for our shoppers

Alternative income management

Significant milestones achieved with platform now in place



Fibre to the business project completed. Open Access contracts for tenants now available



Wi-Fi installed at 2 properties, East Rand Mall approved for Dec 2019 go-live



4 Tenants are advertising via the **WiFi Captive Portal**



More than **76 000 shoppers** have already registered via the WiFi captive portal



The **shopper app** is being finalised - to be deployed at **Hillfox & Dobsonville** by Jan 2020



Will generate **consumer behaviour insights** from data captured



Innovative Ideas Incentive Campaign launched via the Vuka Social Media site. Mailer campaign started to promote



Exhibitions income management portal improved to increase income and drive operational efficiency



Energy and water management

Achievements

Impact on cost-to-income ratio

- Electricity contributes 42% to total expenses, with an average year-on-year escalation of 9%
- 4% of the portfolio's electricity is generated by **renewable resources**, curbing our largest expense item by 100bps positive impact on the net cost-to-income ratio
- Goal to increase renewable resource contribution to total electricity consumption to **8%**

Installations since 2016

- 12 PV plants
= 28 000 PV panels
- 9.3 MWp
= 1 600 Houses
= R14m annually
- Optimised metering and billing improvements of R2m annual saving
- Sustainable water savings of 18 000 kl p.a.
= 700 swimming pools

Work in progress

- 2.6 MWp to be completed before **February 2020**

Meadowdale Mall - phase 1  351 kWp R0.6m saving Completed February 2016	East Rand Mall  1 000 kWp R1.8m saving Completed December 2016	Oshakati  550 kWp R2.9m saving Completed March 2017	Hillfox - phase 1  754 kWp R1.4m saving Completed November 2017
Vereeniging Bedworth Centre  1000 kWp R1.8m saving Completed June 2018	Meadowdale Mall - phase 2  849 kWp R1.5m saving Completed January 2019	Letlhabile Mall  806 kWp R1.0m saving Completed January 2019	Mbombela Shoprite Centre  400 kWp R0.5m saving Completed January 2019
Springs Mall  325 kWp R0.6m saving Completed July 2019	Kolonnade Retail Park  1 300 kWp R2.0m saving Completed July 2019	Hammanskraal Renbro  642 kWp R1.0m saving Completed October 2019	Hillfox - phase 2  430 kWp R0.6m saving Completed October 2019



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Castellana Properties Overview

Alfonso Brunet

Highlights

A transformational period, now the eighth largest Socimi in Spain by market capitalisation

◆ **Gross Asset Value exceeds €1bn** for the first time

- Accretive acquisitions and revaluation growth driven by increased NOI grew portfolio over the €1bn mark

◆ **Active asset management** continues to increase income and value

- Vacancies reduced to 1.4% from 2.1%, with high quality tenants
- 74 new leases signed (renewals and new contracts) generating additional annualised NOI of c.€1.6m
- 80% of GLA in ECI redevelopment projects already committed
- GRI up 4.70% like-for-like

◆ **Acquisition of Puerta Europa** shopping centre presents significant value-add opportunities

- Dominant, high performing centre presents **numerous opportunities to grow income**

◆ **Successful acquisition** of additional units at Bahia Sur and Los Arcos opens up opportunities to transform centres

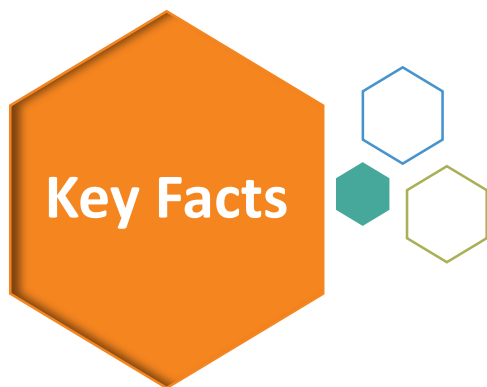
- El Corte Ingles boxes unlocks additional value-add opportunities to enhance income and customer offerings

◆ **Growth in EPRA NAV of 3.14%** to €6.89 per share

- Generating a yield of 6.6%

Key portfolio metrics

A premier retail SOCIMI in Spain



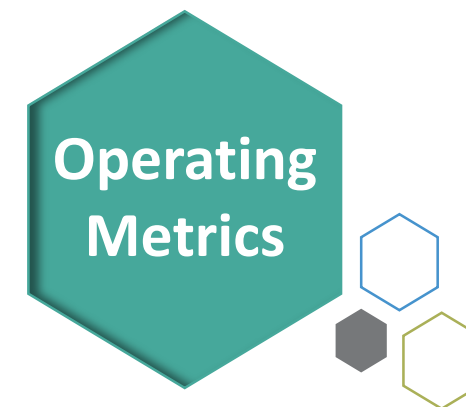
- ◆ Portfolio Value of **€1 028m**
- ◆ **18** Properties
- ◆ GLA **373 022m²**
- ◆ **97.4% Retail** by value



- ◆ Average asset value **€57m**
- ◆ Average discount rate **7.9%**
- ◆ Average exit capitalisation rate **6.1%**



- ◆ **93%** of retail space let to national tenants
- ◆ **37%** of income from top 10 tenants
- ◆ WALE of **14.2 years** ⁽ⁱ⁾
- ◆ **99.3%** rent collection rate



- ◆ **19.17%** increase in **reversions** and **new lettings**
- ◆ **98.6% Occupancy**
- ◆ Average base rentals **€14.38/m²/month**
- ◆ **4.7%** Like-for-like **growth** in rental income

(i) WALE is to expiry of lease excluding break options

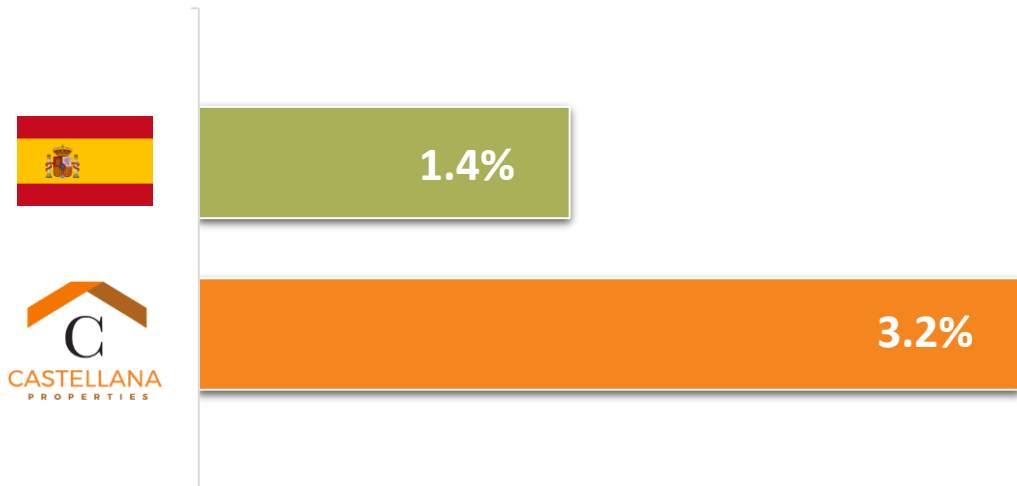
Sales & footfall – continuing to grow

Sales performance up 3.2% Like-for-Like, Footfall up 5.3% YTD to September 2019

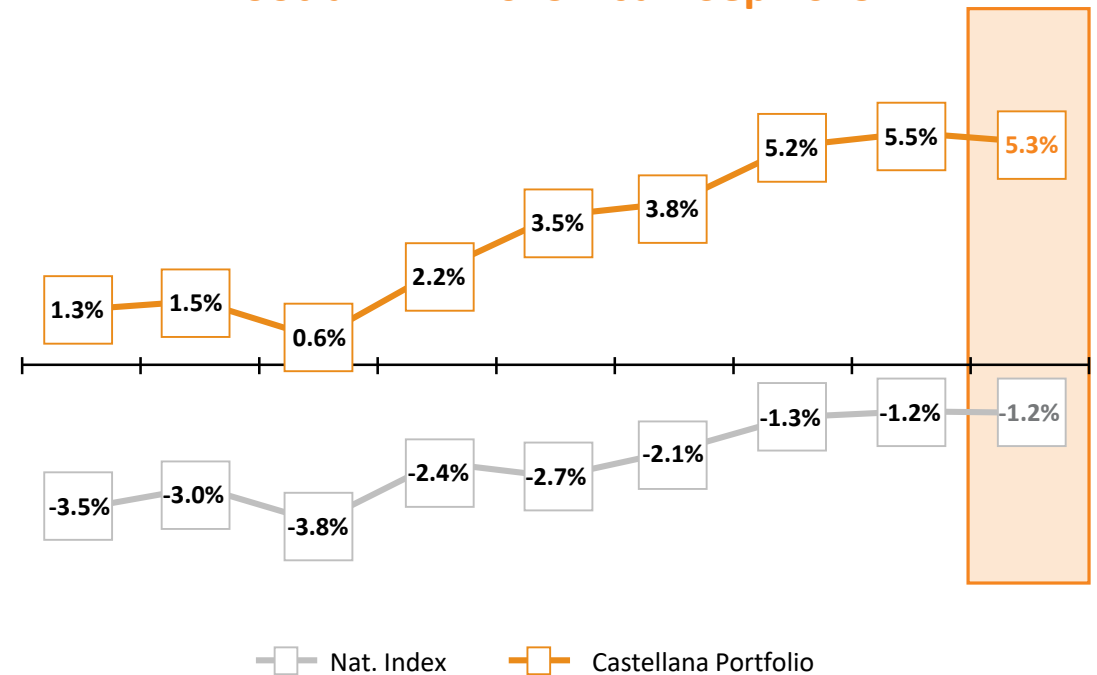
Total Sales
H1 2020: **€178.7m**

Total Footfall
H1 2020: **16.5m** people

Sales growth – H1 2020 vs H1 2019



Footfall YTD 2019 – Jan-Sep 2019



Leasing activity – positive reversions

Positive reversions across the portfolio over the period with strong collection rates



74

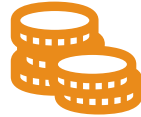
LEASES SIGNED

29

RENEWALS

45

NEW CONTRACTS



€5.1m

NEW RENT SIGNED

€2.96m

RENEWALS

€2.22m

NEW CONTRACTS



30 228 m²

GLA SIGNED

22 038m²

RENEWALS

8 190m²

NEW CONTRACTS



19.17%

AV. RENT/M² INCREASE
ON PASSING RENTS

6.71%

RENEWALS

21.03%

NEW CONTRACTS

OCCUPANCY INCREASED TO c.**99%**

30TH SEPT. 2019

98.61%

31ST MARCH 2019

97.86%

RENT ARREARS REDUCED BY **4.23%**

30TH SEPT. 2019

0.68%

31ST MARCH 2019

0.71%

RENT COLLECTION OF c.**99.32%**

COLLECTED

€41.86m

INVOICED

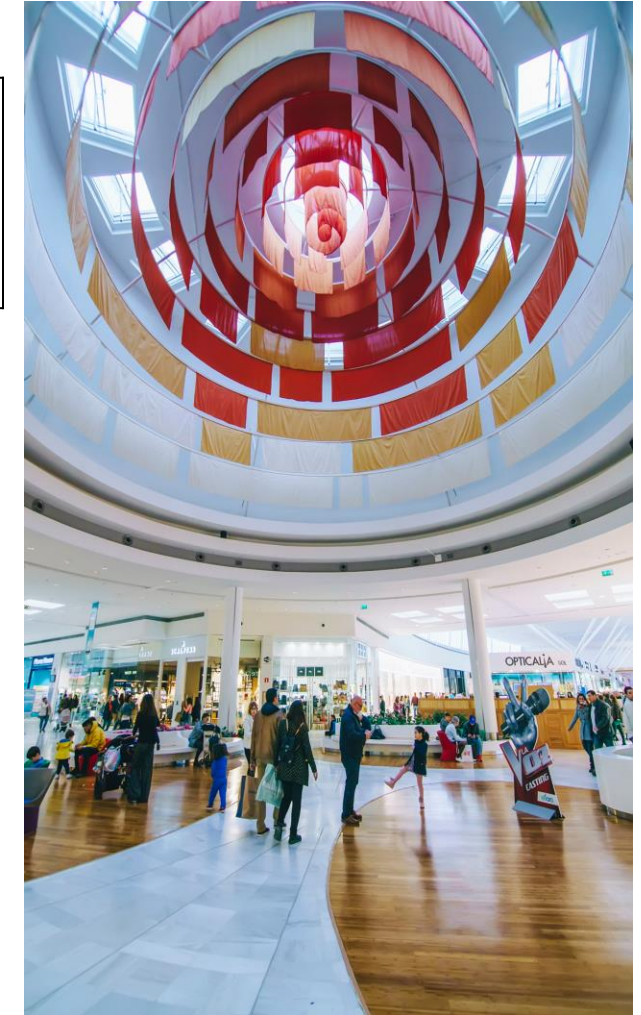
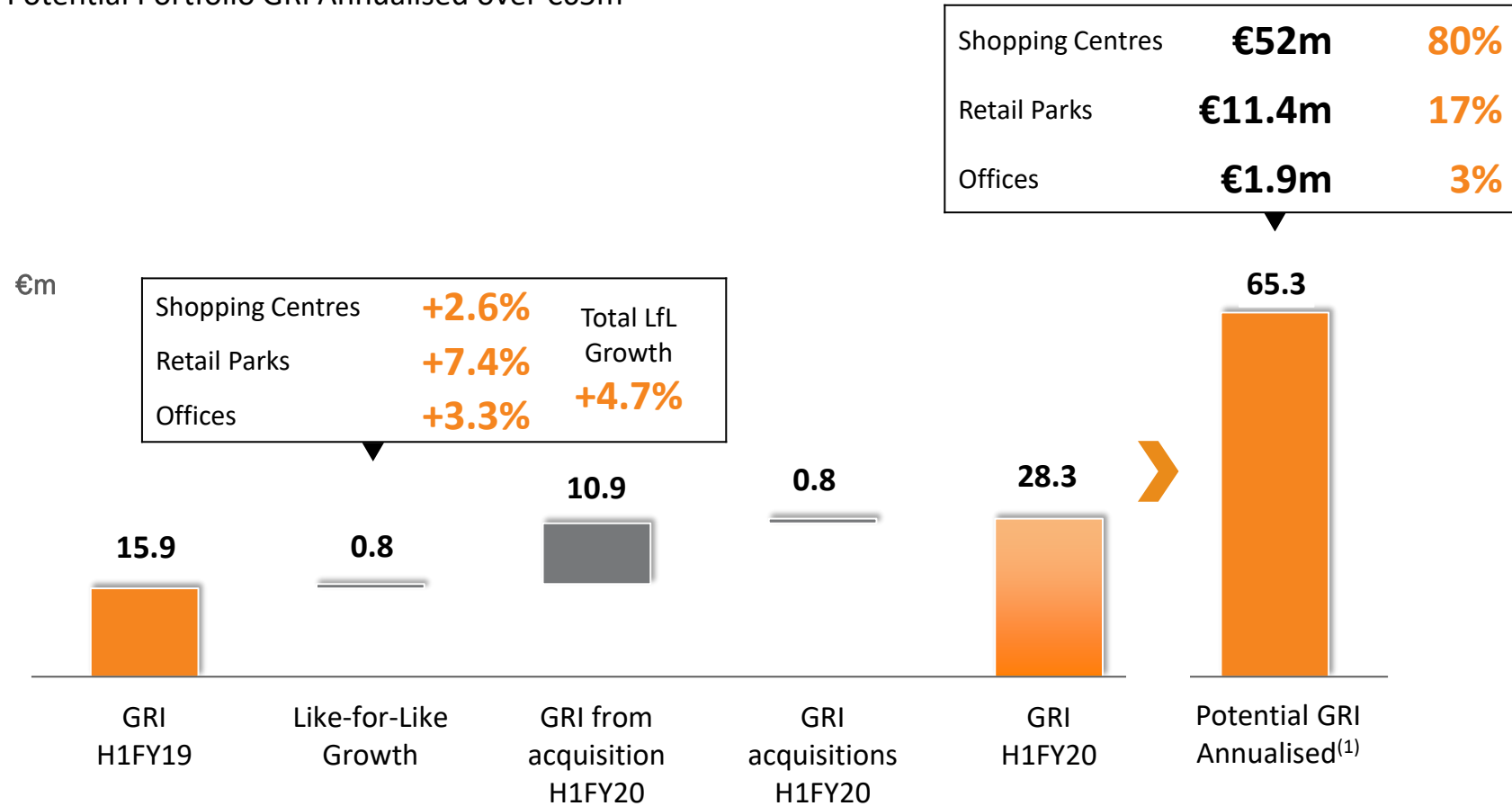
€42.15m

Value creation

GRI Bridge and Breakdown

Life-for-Like Growth of 4.7% for H1FY20

Potential Portfolio GRI Annualised over €65m



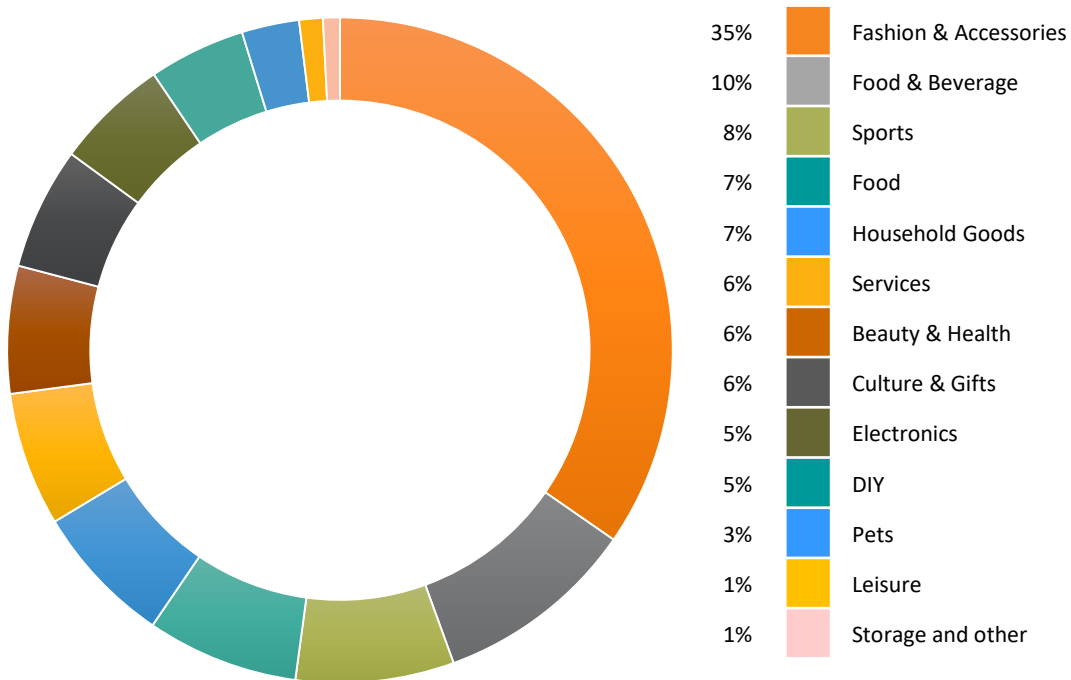
(1) Annualised GRI considering new units acquired during H1FY20 and under Repositioning Project

Tenant mix

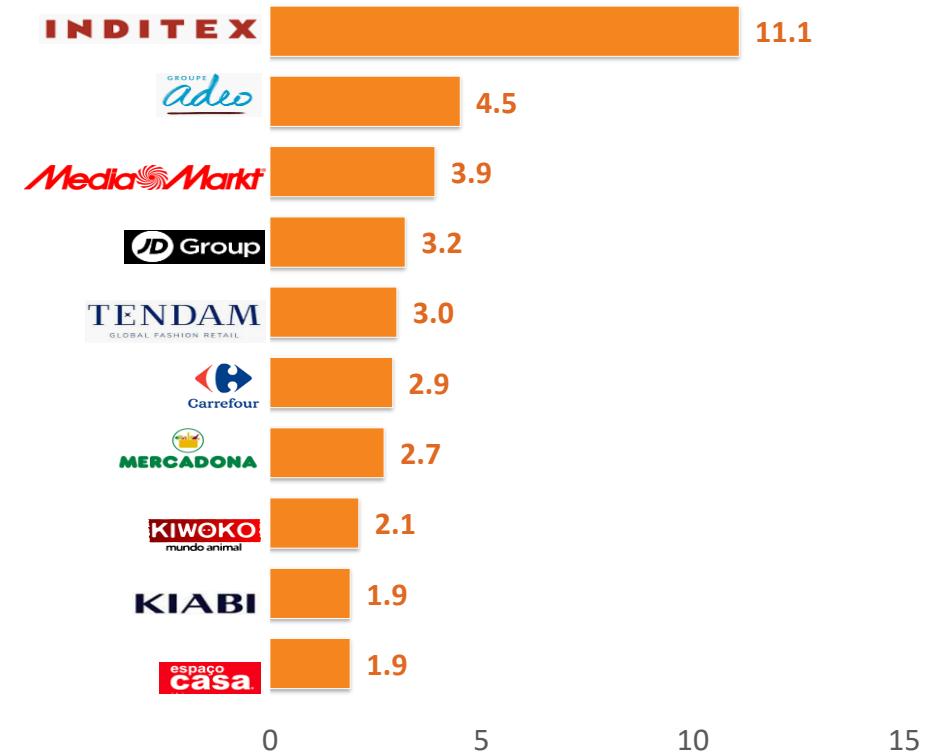
Highly diversified retail mix leading to sustainable, high quality and low risk income streams

Assets 16	GLA 356 278 m²	WALE ⁽ⁱ⁾ 14.2 years	Occupancy 98.6%
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Category profile by Rent
30 September 2019



Top 10 Tenants by Rent
30 September 2019

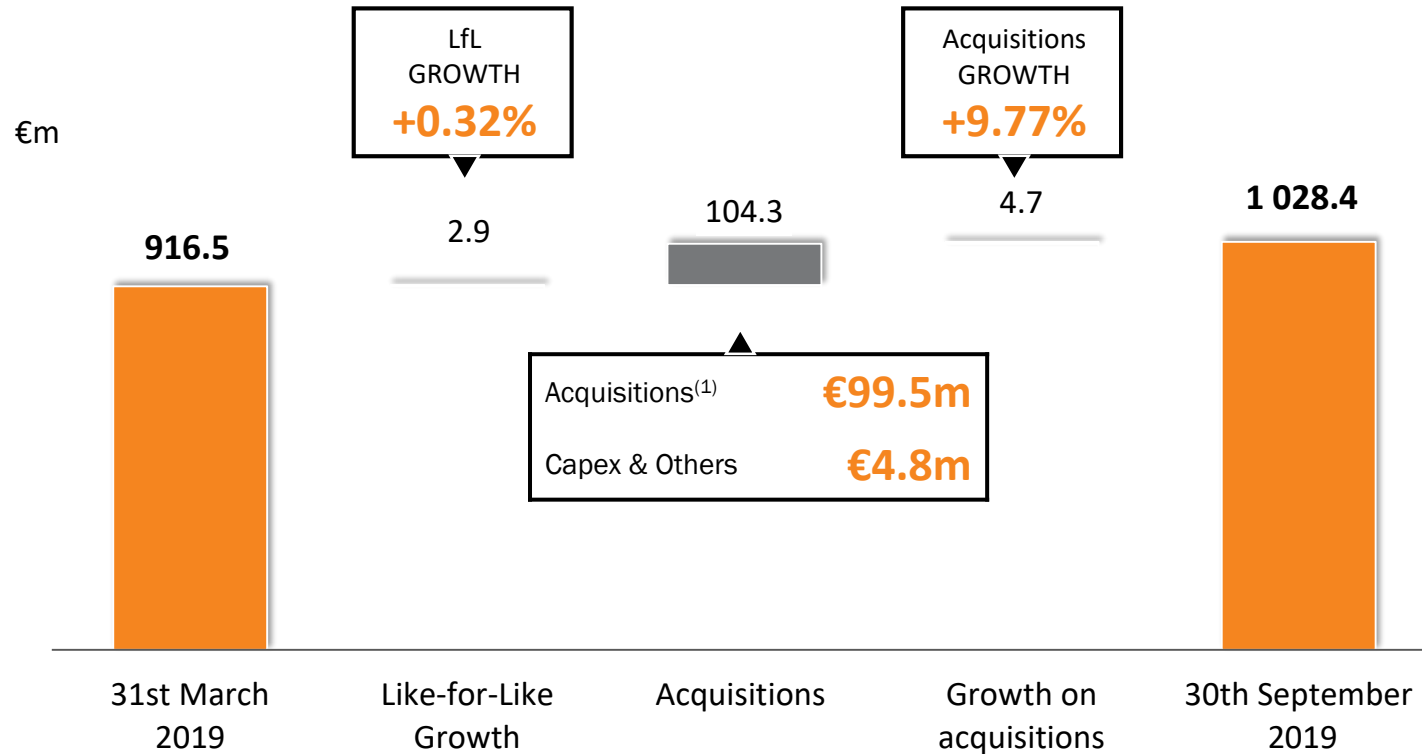


(i) WALE is to expiry of lease excluding break options

Value creation

GAV Bridge and Breakdown

- ◆ Portfolio revaluation of €7.5m in 6 months from 31 March 2019
- ◆ Portfolio Gross Asset Value over €1bn with acquisitions of c.€100m⁽¹⁾ during H1FY20
- ◆ Current value does not include the expected NOI growth of c.€5m on the ECI projects



(1) Asset purchase price includes transaction costs



New acquisition – Puerta Europa

Dominant shopping centre in Algeciras offering stable and growing NOI

Dominant centre in port city of Algeciras with under-market rentals and above average sales performance offers attractive NOI growth profile

Key Metrics

GLA	29 757m ²
Catchment	260 000 people
Average OCR	10%
Average Rent	€14.18/m ²
Purchase Date	31 July 2019

€56.8m

Acquisition Price

96%

National and International Brands

4.6m

Footfall



PRIMARK®

YELMO CINES

MERCADONA
SUPERMERCADOS DE CONFIANZA

lefties



ZARA



Additional acquisitions

Strategic acquisitions to enhance existing assets



Acquisition Date: 18/06/2019

Price ⁽¹⁾: €3.59m

GLA: 2 624m²



Acquisition Date: 27/05/2019

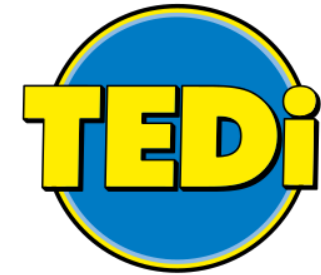
Price ⁽¹⁾: €36.8m

GLA: 23 000 m²

Accretive acquisition of Phase 2 at Pinatar Park to further strengthen the tenant mix

Acquisition allows for expanded value-adding repositioning projects in both Bahia Sur and Los Arcos

Key Tenants





Asset Management Growth Drivers

Repositioning Projects

Value creation – repositioning project – Bahia Sur 1 / 2

Further entrenching the dominance of the centre



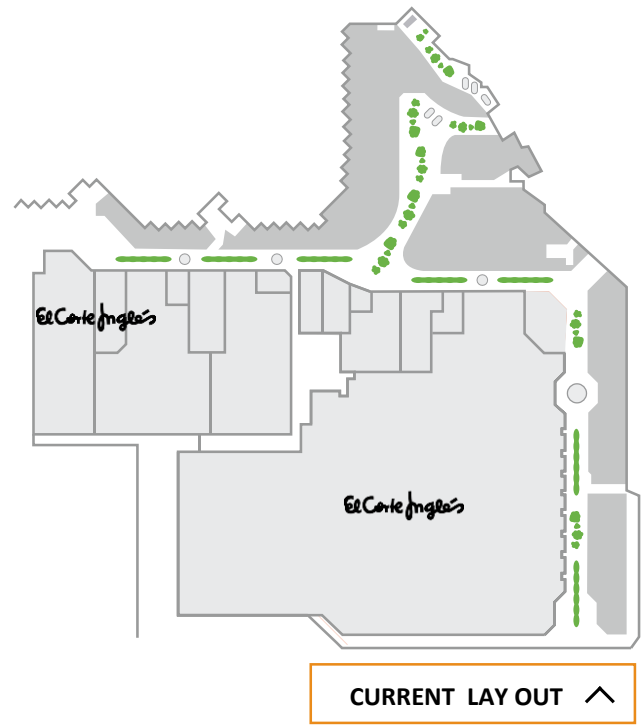
Value creation – repositioning project – Bahia Sur 2 / 2



Acquisition of El Corte Ingles unit to reinforce the dominance of the centre, bringing new and exciting tenants to the Cadiz region

RETURN METRICS

Acquisition Cost	€19.5m
Capex Budget	€17.8m
Additional NOI created	€2.25m
Cash on cash	9.60%



14
New Brands

19 000m²
GLA Affected



85.3 %
of GLA signed
and committed

**YELMO CINES
PREMIUM**
New premium cinemas
with 6 cinema screens

Value creation – repositioning project – Los Arcos 1 / 2

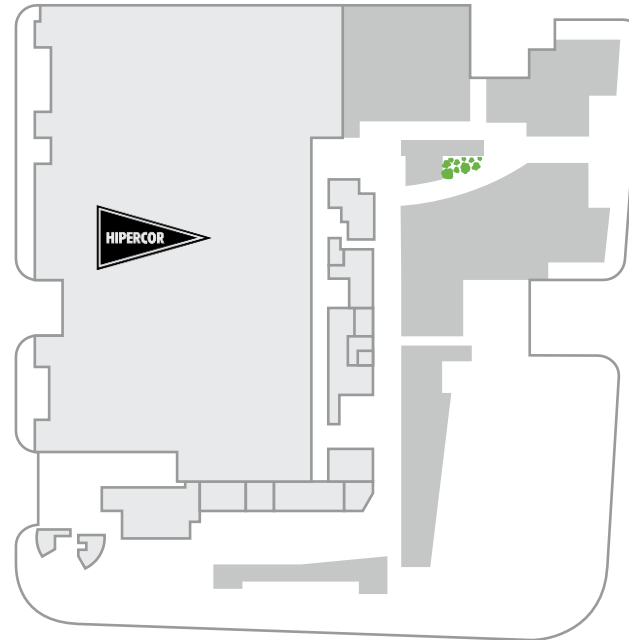
Upgrading the dominant city centre shopping centre



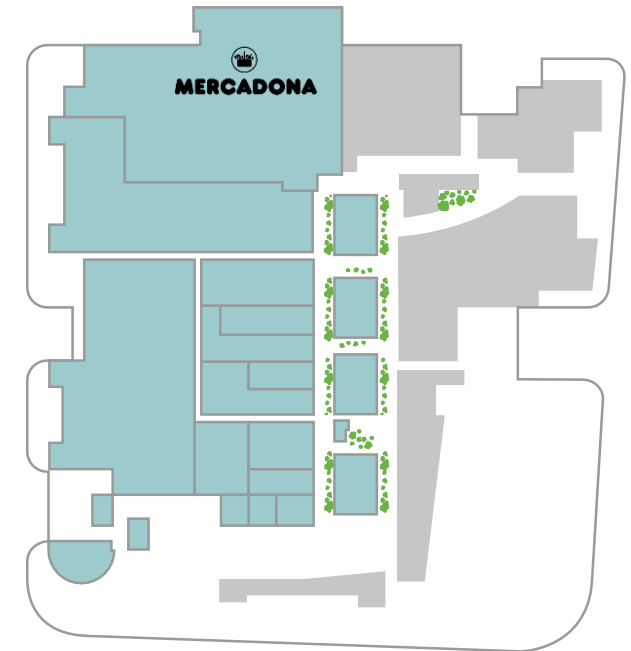
Value creation – repositioning project – Los Arcos 2 / 2



Acquisition of Hipercor unit enabling improved tenant mix along with street level reconfiguration



CURRENT LAY OUT ^



FUTURE LAY OUT ^

RETURN METRICS

Acquisition Cost	€17.3m
Capex Budget	€6.3m
Additional NOI created	€1.36m
Cash on cash	9.01%

14

New Brands

11 000m²

GLA Affected

86.1%

of GLA signed and committed



MERCADONA

New supermarket, category leader in grocery sector in Spain

Value creation – repositioning project – El Faro 1 / 2

Increasing the leisure and F&B component to further entrench dominance



Value creation – repositioning project – El Faro 2 / 2



Unlocking value by transforming former DIY box into attractive F&B Plaza

Return Metrics

Capex Budget	€4.5m
Additional NOI created	€0.25m
Cash on cash	8.83%

14
New Brands

11 000m²
GLA Affected

39.6 %
of GLA signed
and committed

FUTURE LAY OUT ^

**YELMO CINES
PREMIUM**
1st premium cinemas in the
region with 6 cinema screens



Growth drivers

Continued focus on Asset Management

Leroy Merlin



- ◆ 5 units agreed to be converted from Aki to Leroy Merlin with total GLA of 18 832 m²
- ◆ MGR increase of 13.2%
- ◆ Mandatory periods extended to 4 years more
- ◆ Improvement of tenant mix with Leroy Merlin, being the category leader of the DIY sector

Habaneras SC enhanced tenancy



- ◆ New F&B area reconfiguration in upper floor (2 restaurants moved from ground floor and a new restaurant lease signed)
- ◆ Replacement of 2 units located in ground floor with a new lease signed with Sfera
- ◆ 3rd Miniso shop opened in Spain in September

Inditex Group consolidation



- ◆ Total GLA renovated/resized of 5 549 m²
- ◆ Units resized in Habaneras and Los Arcos SCs , an increase of 83% of the tenant GLA
- ◆ Inditex Group is present in all our shopping centres with a total GLA of 28 457 m²

Capex on the rest of the portfolio

€25m of value-adding capex spread across the portfolio

	Project	Est. Capex	Progress
1	Vallsur <ul style="list-style-type: none"> Reconfiguration of first floor 	€10m	In concept phase
2	Habaneras <ul style="list-style-type: none"> Re-sizing of fashion boxes and introduction of F&B 	€2.6m	100% complete
3	Granaita SC <ul style="list-style-type: none"> New stand-alone units integrating the three nodes with green areas 	€2.0m	In concept phase
4	Pinatar <ul style="list-style-type: none"> Purchase of phase 2 	€4.0m	100% complete

Focus on the customer

The beginning of the journey

- ◆ New Data sources to **better know** our customers
- ◆ Signed agreement with leading telecoms business on accessing customer big data sources
- ◆ First phase **already launched** in pilot shopping centres
- ◆ **B2C communication campaigns** launched in the three SCs currently under works to minimize the impact and **create anticipation** about what's coming
- ◆ **Leasing materials** on track for repositioning projects
- ◆ **New WIFI Captive Portal** in progress to be installed in the SCs. Unlimited and free WIFI for customers that are part of the Loyalty Program
- ◆ **Bring the cities to our centres** – initiate regular events linked to our communities



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4

Debt, Treasury and Financial Performance

Laurence Cohen

Group debt and foreign exchange policy

A prudent and structured approach to managing risk

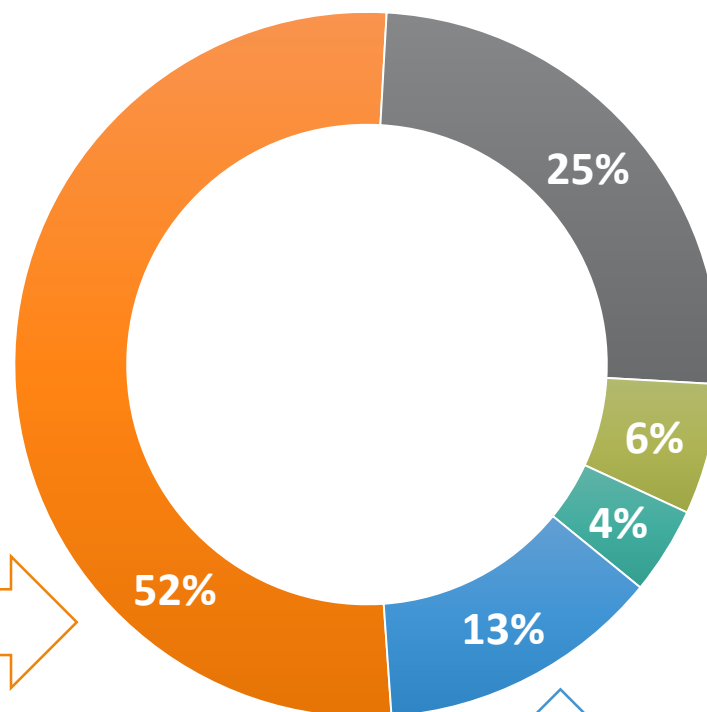
- ◆ A multi-banked approach across **diversified sources of funding**
- ◆ Always maintain significant revolving credit facilities and undrawn debt facilities
 - to facilitate liquidity and allow flexibility
- ◆ Minimum of **75%** of interest bearing debt to be hedged with a minimum **3 year** fixed rate (swap) maturity profile
- ◆ No more than **25%** of total interest bearing debt to **mature within any one financial year**
- ◆ Internal management policy for **loan-to-value** ratio to be in the range of **35% to 40%**
- ◆ Acquisitions of **Euro assets** to be **funded with Euro loans** to minimise adverse foreign exchange fluctuations on Vukile's earnings, assets and liabilities
- ◆ On average **75%** of foreign dividends to be hedged by way of forward exchange contracts over a **3-year to 5-year** period

Group debt overview

Group debt from diversified sources of funding

Group Debt	Sep-19 (Rbn)	Mar-19 Rbn)
SA	7.4	5.9
Spain	8.1	7.3
Total	15.5	13.2

**Consolidated
Castellana bank debt
- non-recourse to Vukile**



**Diversified DCM
investor base**

- SA bank debt (EUR)
- SA bank debt (ZAR)
- SA bank debt (GBP)

No. of bank funders	
SA	5
Spain	7
Total	12

Key debt and hedging metrics

Interest rates and foreign currencies conservatively hedged

	Sep-19	Mar-19	Internal Policy at Group level
Interest-bearing debt hedged	86.5%	95.7%	> 75%
Maturity profile – fixed rates and swaps	3.4 years	3.6 years	> 3 years
Group cost of funding	4.0%	4.5%	
Undrawn facilities	R1.2bn	R1.4bn	
Net EUR dividend hedged (5 years)	82%	52%	
Corporate long-term credit rating	AA _(ZA)	A _(ZA)	

Interest cover ratio (ICR)

ICR reflects strong cashflows to comfortably service interest

	Group	Southern Africa	Spain
Interest cover ratio	6.4 times	8.0 times	5.3 times
Interest cover covenant level	2 times	2 times	2 times
ICR stress level margin (% EBITDA reduction to respective covenant levels)	69%	75%	62%
ICR stress level amount (EBITDA reduction to respective covenant levels)	R1450m	R832m	€40m

Loan-to-value ratio (LTV)

Stress testing reveals the strength of the balance sheet

	Group	Southern Africa	Spain	Internal Policy at Group level
Loan-to-value (net of cash and cash equivalents)	40.8 %	38.8%	42.9%	35% - 40%
Loan-to-value covenant level	50%	50%	65%	
LTV stress level margin (% asset value reduction to respective covenant levels)	18%	21%	34%	
LTV stress level amount (asset value reduction to respective covenant levels)	R6.1bn	R3.7bn	€350m	

Management plans to reduce LTV

LTV target range: 35% - 40%

- ◆ **Reduce LTV** to \pm 35% over the next 6 – 12 months
- ◆ Discussions progressing for introduction of **strategic shareholder in Castellana** to help fund further growth

Current LTV

40.8%



Sale of Namibian assets

(1.7%)



Sale of non-core office & industrial assets

(1.1%)



Sale of non-core retail assets

(1.5%)



Introduction of strategic shareholder in Castellana (€100m)

(1.8%)

Potential LTV

34.7%

Simplified income statement

	Sep-19 Rm	Sep-18 Rm	Variance %
Revenue	1 763	1 240	42.2
SA	1 040	930	11.8
Spain	723	310	100.0
Property Expenses	(543)	(426)	27.5
Net property income	1 220	814	49.9
SA	640	574	11.5
Spain	580	240	100.0
Corporate administration expenses	(140)	(97)	44.3
Income from listed investments	113	96	17.7
Operating profit before finance costs	1 193	813	46.7
Net finance costs	(139)	(129)	7.8
Profit before taxation	1 054	684	54.1
Taxation	(14)	(17)	17.6
Profit for the period	1 040	667	55.9
Non controlling interests	(88)	(25)	
Attributable to Vukile Group	952	642	48.3

Distributable earnings

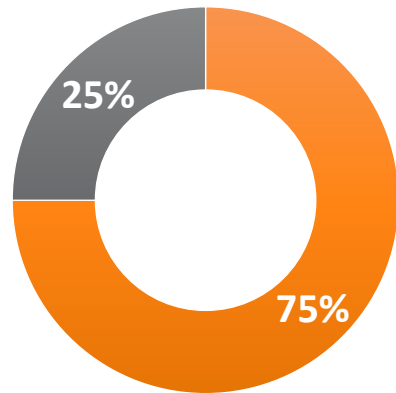
Reconciliation to dividends per share

	Sep-19 Rm	Sep-18 Rm	Variance %
Attributable to Vukile Group	952	642	48.3
Non-IFRS adjustments:	(105)	71	
Profit before tax of subsidiary (Castellana)	(111)	-	
Listed investments (Fairvest/Arrowhead)	1	-	
Non-cash impact of IFRS 16 (Leases)	3	-	
Antecedent dividend	2	71	
Available for distribution to Vukile shareholders	847	713	
Dividend (Rm)	773	702	
Shares in issue (for dividend)	956 226 628	875 339 319	
Dividend per share	80.84	78.10	3.5

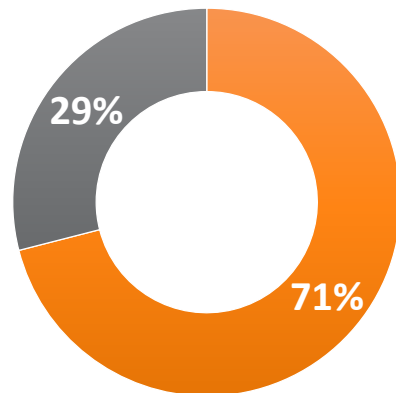
Geographical segment analysis

Spain increased its contribution to 48% of net property income

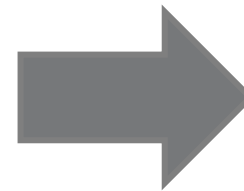
6 months to September 2018



Revenue

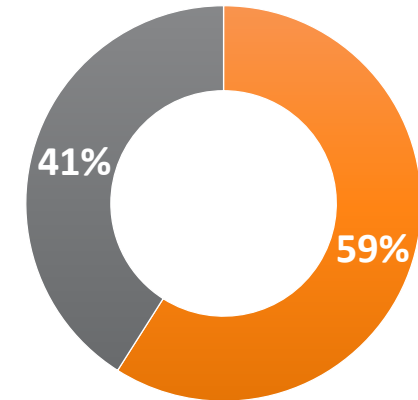


Net Property income

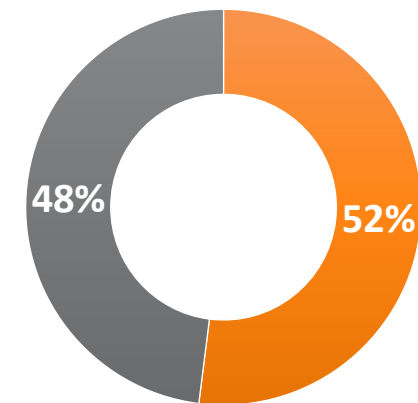


- Southern Africa
- Spain

6 months to September 2019



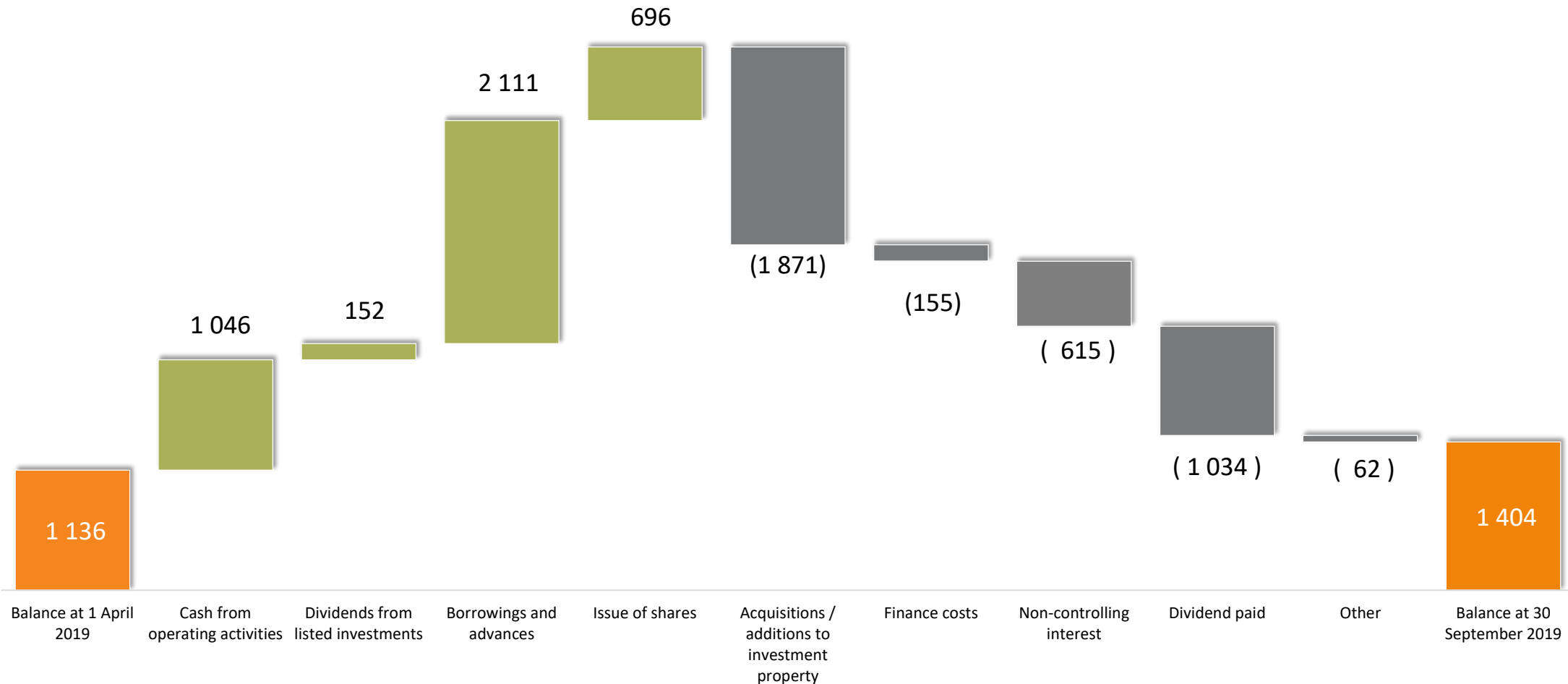
Revenue



Net property income

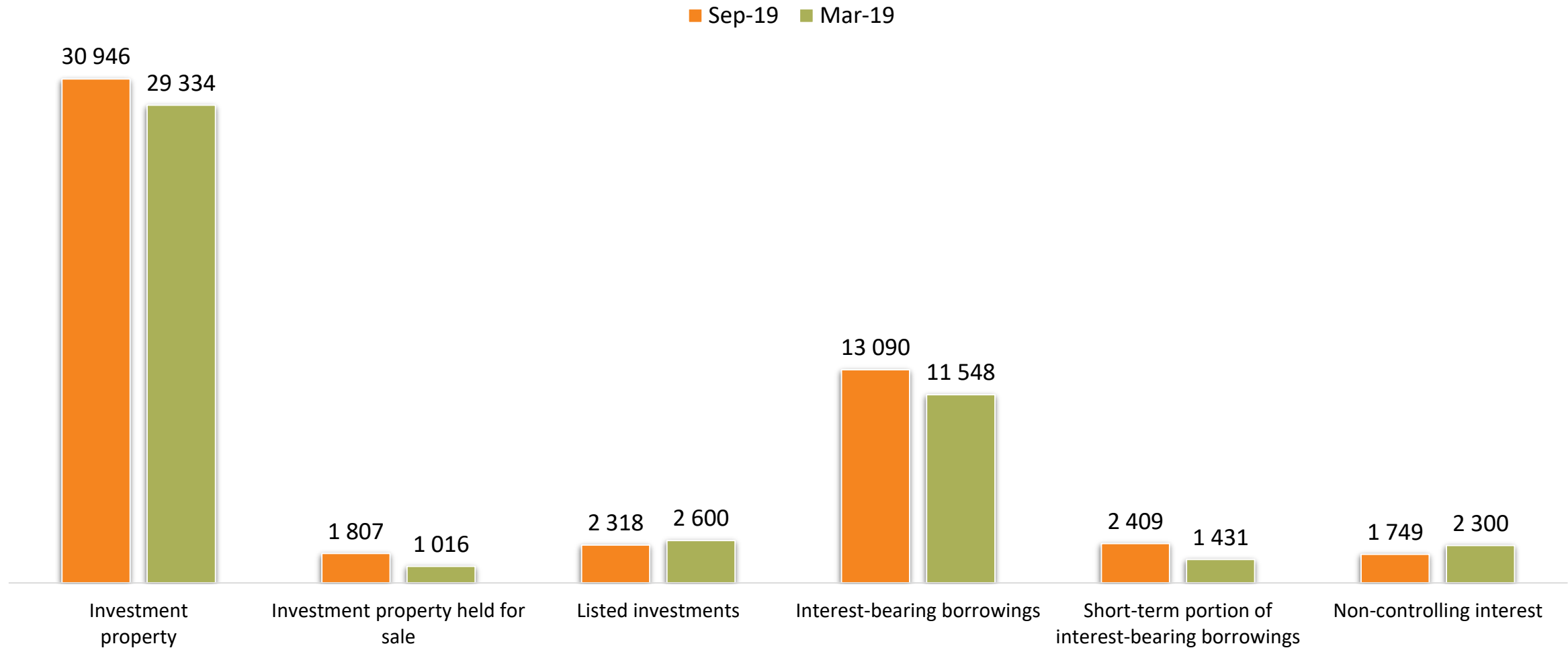
Group net cash flow – (Rm)

Dividend fully covered by cash flows from operating activities



Group balance sheet – (Rm)

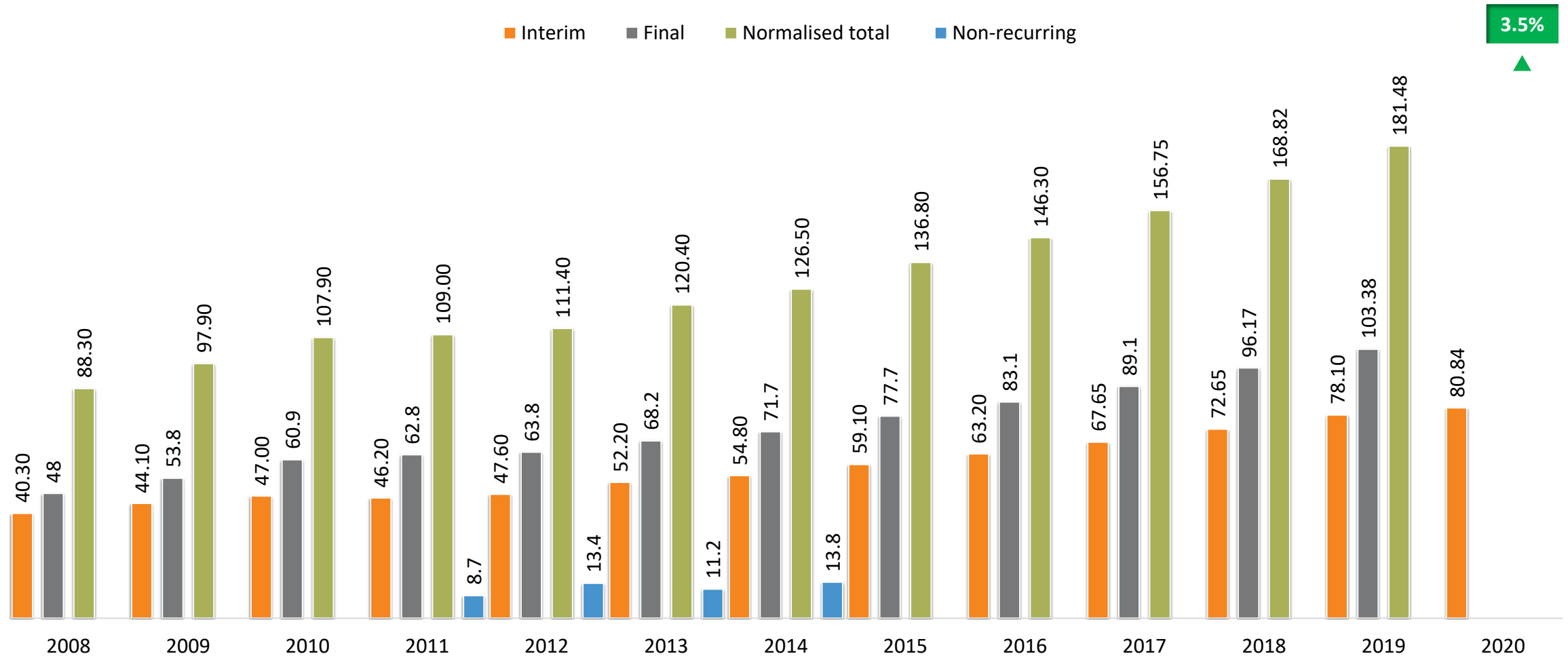
Summarised movement in assets and liabilities



Distribution history

Continuing 16 year trend of unbroken growth in distributions

Cents per share





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Strategic plans and prospects

Laurence Rapp

AIH transaction – A powerful partnership to drive transformation between two complimentary partners

Two aspects to the deal

Sale of office and industrial portfolio to Mbako Property Fund

- ◆ Portfolio sold for **R700m**
- ◆ Senior bank debt of **R475m** already approved
- ◆ Vukile to provide a guarantee for **R125m** or c.18% of the transaction
- ◆ AIH to inject **R100m** equity
 - Main CP still to be filled
 - Already in process
- ◆ Vukile to receive **R700m** in cash on closing
 - To be applied to reduce SA debt
- ◆ No Vukile ownership in Mbako Property Fund
 - Opportunistic fund operating across sectors
 - More value add and capital growth focus versus income based
 - Managed by new AIH/Vukile external asset management company

Creation of a Property Asset Management Company

- ◆ Compelling partnership designed to create a black women's property asset management business
- ◆ Owned **70%** by AIH and **30%** by Vukile
- ◆ Further Vukile contribution to **sector transformation** through skills transfer and enterprise development
- ◆ Will be **incubated by Vukile** during the build-up phase
- ◆ Vukile contribution of skills, expertise, systems and infrastructure
- ◆ Looking to recruit top talent
- ◆ Infuse the Vukile DNA into the JV
- ◆ AIH to bring deal flow and ability to attract capital

Listed investments

Looking for opportunities to recycle into core strategies

Arrowhead - (c.11.3%)

- ◆ Remains non-core and ideally looking to exit but not attractive at current levels
- ◆ Concerned about strategic direction and absence of a catalyst to drive a re-rating
- ◆ Believe asset sales and share buy-backs should be part of management strategy

Atlantic Leaf - (34.9%)

- ◆ Satisfied with operations and strategic direction of the business
- ◆ Will consider an exit at the right price in order to redeploy funds into Spain
- ◆ Continue to work with management to find solutions and appropriate exit for Vukile

Fairvest - (26.6%)

- ◆ Aligned to Vukile core retail focus
- ◆ No immediate plans to exit but will continue to monitor total shareholder's returns

Southern Africa

Internally focussed strategy to drive operational performance

- ◆ Anticipate another **challenging period** ahead for the local economy
- ◆ Portfolio is **defensively positioned** with **92%** retail exposure with a specific focus on LSMs 1-7
- ◆ Defensive tenant mix with approximately **80% national tenants** and large grocery component at low rent to sales ratios
- ◆ Local activity will be focused on **expansions and upgrades** to existing centres
- ◆ Continued strong **operational focus** to drive results with a specific objective to **reduce vacancies and operating costs**
- ◆ Look to introduce **new tenants** to add variety to the shopping centres
- ◆ Growing focus on **customer analytics** and alternative income streams gathering momentum
- ◆ **Installation of fibre** at 35 centres is a key foundation for our future strategy and is complete
- ◆ Will invest further in South Africa; its about buying the **right assets at the right price** where good underwriting is key
- ◆ Look to **recycle non-core assets** and investments where appropriate without harming earnings momentum
- ◆ Retain an **opportunistic and entrepreneurial approach to deal-making** but always to be strategically consistent with our retail focus and **driven by long term fundamentals**

Spanish strategy

Building off a solid foundation with potential to become a dominant market participant

- ◇ Spanish **retail and economic fundamentals** remain positive; not an over-retailed market with 560 retail assets
 - Spanish consumer and **social culture** together with large **tourist market** provides a defensive position against online retail sales
- ◇ Remain focused on **the retail sector** including retail parks and shopping centres
- ◇ Critical to our success is that we **operate as locals on the ground**
- ◇ Focus on value added **asset management** initiatives and driving operational excellence
- ◇ Currently seeing very **good deal flow** with Castellana known as a **credible and trustworthy buyer**
- ◇ Good **organic acquisition opportunities** aligned to existing assets including buying owner occupied boxes
- ◇ Strong focus on **corporate governance**
- ◇ Internal management structure with complete alignment between key staff and investors through the recently implemented **long term incentive plan** that rewards growth in dividends as the key metric
- ◇ **Opportunity** to really dominate the market
 - Private Equity funds need to return capital and sell assets
 - Negative perception of retail means less competition for assets
 - Need to be alert to exciting corporate opportunities
- ◇ Confident we can deliver on vision to be the dominant market player but the pace thereof will be **contingent on shareholder support** for the strategy

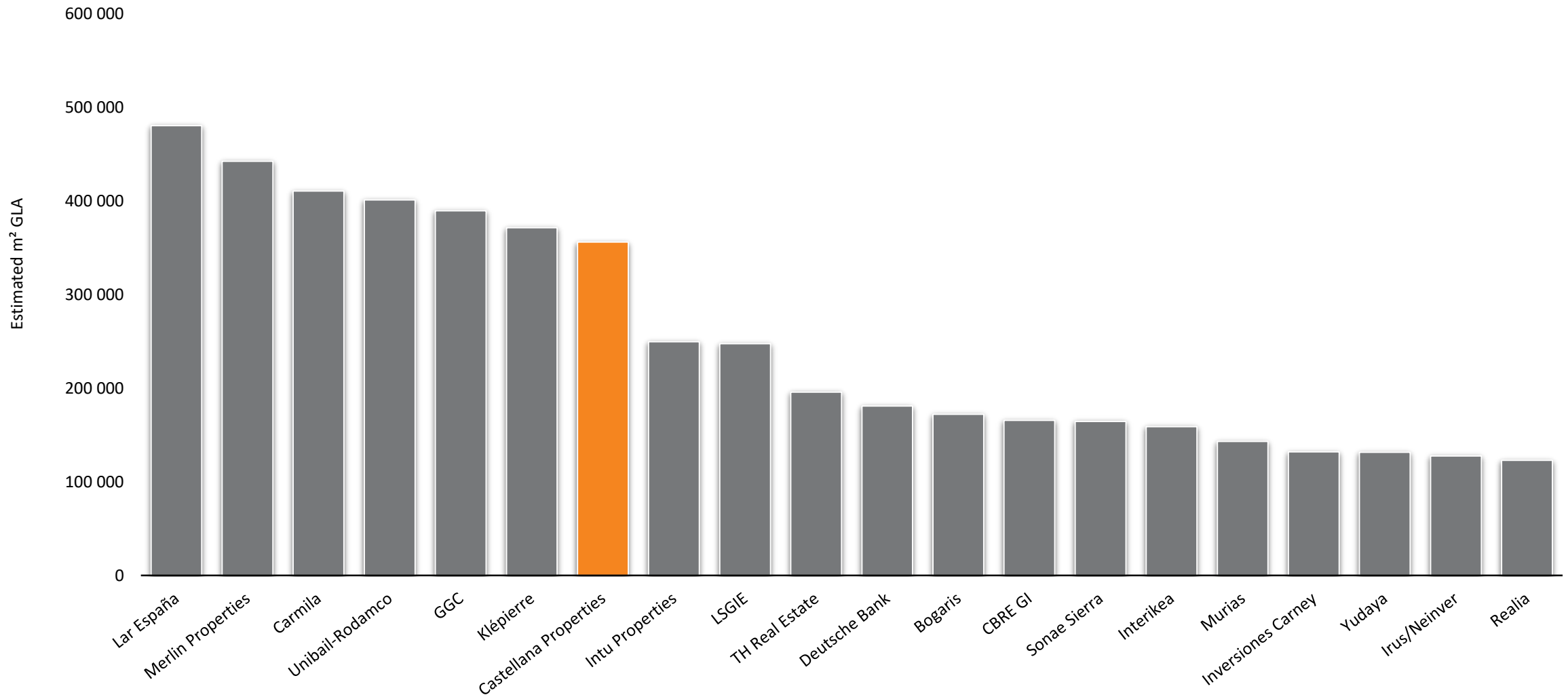
Growth path optionality

Additive strategies but will need strong shareholder support to quickly lead the market



Castellana is the seventh largest institutional retail owner in Spain by GLA

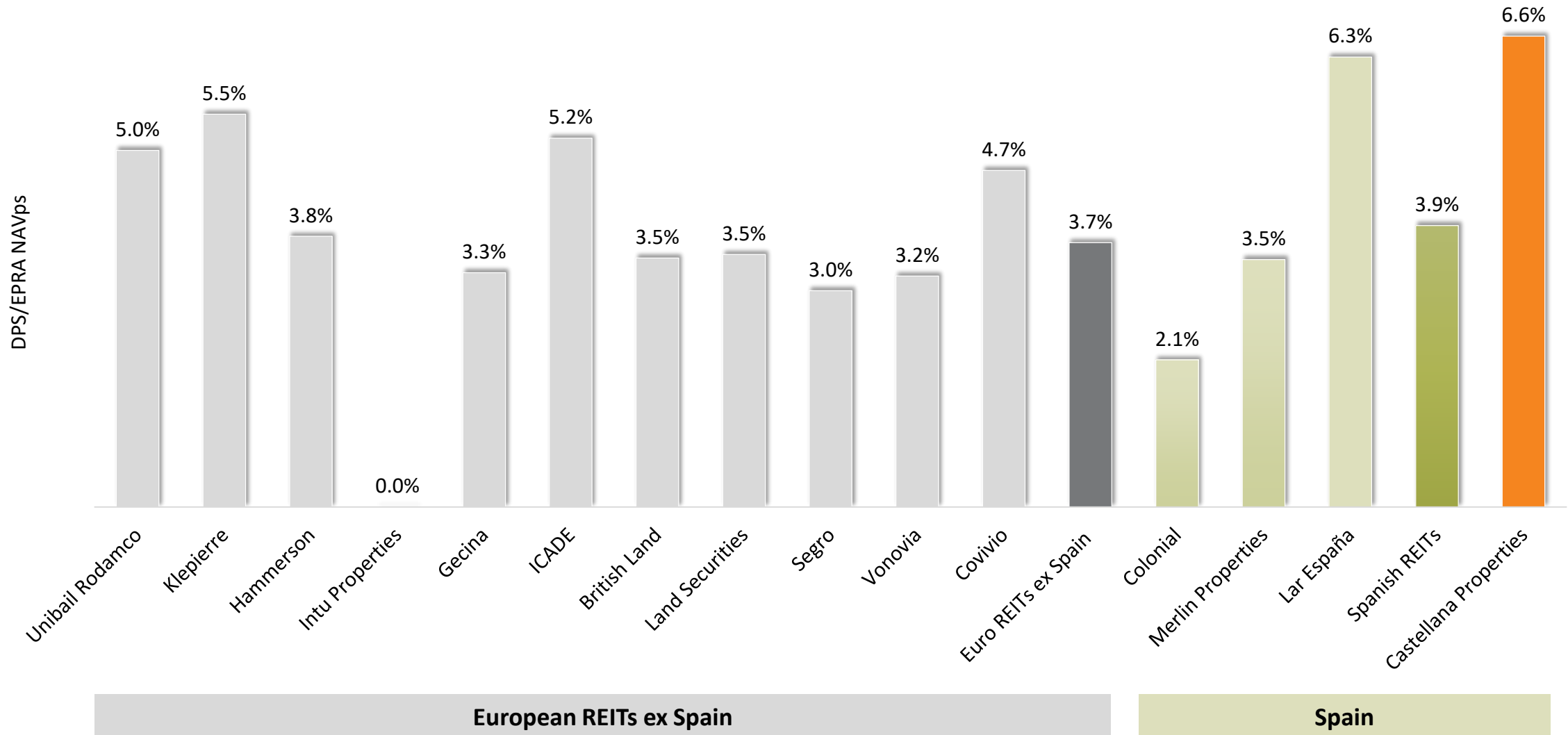
On the cusp of a market leading position



Source: CBRE

Castellana relative to its Spanish and European peers

Castellana offers an attractive dividend yield vs EPRA NAV relative to European and Spanish peers



Source: ACF

How we think about the business

Value lies in the sum of the parts



- ◆ Castellana valued based on its European-denominated and sourced income streams
- ◆ Very much a rand hedge and the use of FECs removes the volatility in earnings making them more predictable
 - Provides a further boost to the expected growth in Euro dividends by locking in the ZAR depreciation against the EURO
 - In no way diminishes the rand hedge nature of the cashflows or the company
- ◆ SA business valued relative to its peers taking into account the quality of the assets, ongoing strong operating metrics, tight sector focus, specialisation and long term sustainability
- ◆ Collectively providing a very well diversified, low risk income stream with a nearly 50% rand hedge element that will provide solid growth in dividends going forward

Prospects

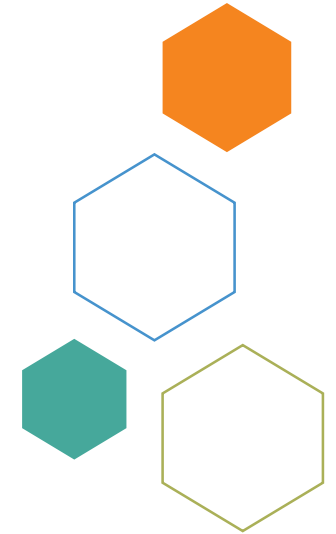
- ◇ The Vukile business remains in very good shape; **operationally, financially and strategically**
- ◇ Clearly **focused retail strategy and specialisation** in both South Africa and Spain is providing benefits in each of these markets as seen by the strong operational performances
- ◇ At group level, the macro-economic **benefits of diversification** for South African investors is evident
- ◇ Decision making is all geared towards making the right decisions for the **long term sustainability** of the business and trying to ensure we are not caught up in short termism
- ◇ Will continue to remain very focused on **balance sheet strength** and overall **risk management**
- ◇ The business remains very **well positioned for long-term sustainability and growth**
- ◇ Reaffirm guidance for the year of growth in dividends of between **3% to 5%**
 - Forecast is not contingent on any deals taking place in the remainder of the year
 - Important to note that the current forecast for FY2020 contains certain costs and base related items that are providing a drag of approximately 2% in the current year which should not repeat going forward



Acknowledgements



- ◆ Board
- ◆ Property managers
- ◆ Service providers
- ◆ Brokers and developers
- ◆ Tenants
- ◆ Investors
- ◆ Funders
- ◆ Colleagues





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6

Q&A



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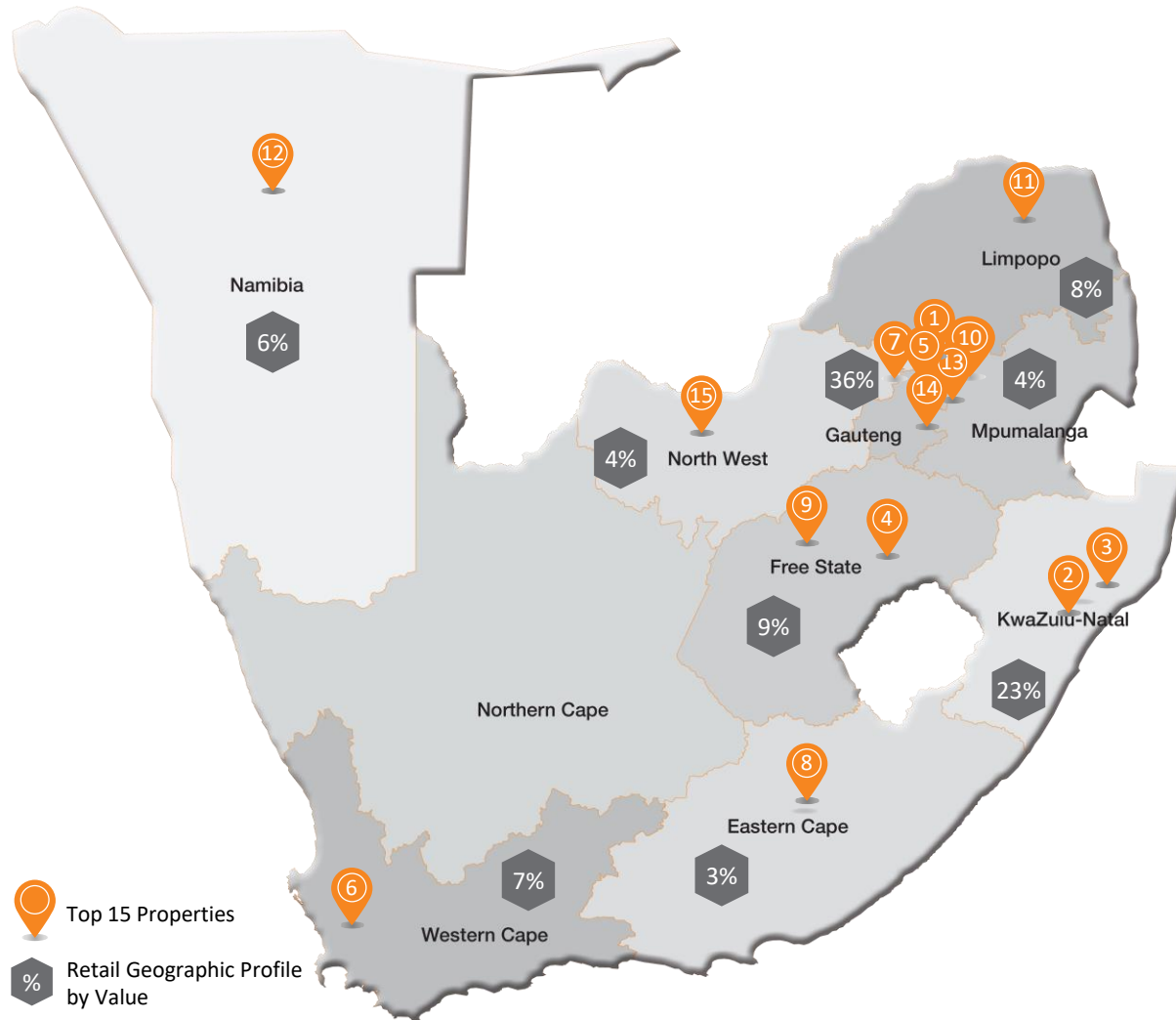
REAL ESTATE. REAL GROWTH.



Appendices

Southern Africa retail footprint








Retail portfolio profile (Top 15 properties 65% of portfolio by value)



- 1 East Rand Mall
- 2 Pine Crest
- 3 Phoenix Plaza
- 4 Maluti Crescent
- 5 Kolonnade Retail Park
- 6 Gugulethu Square
- 7 Dobsonville Mall
- 8 Nonesi Mall
- 9 Bloemfontein Plaza
- 10 Meadowdale Mall
- 11 Thavhani Mall
- 12 Oshakati
- 13 Daveyton
- 14 Randburg Square
- 15 Moruleng Mall

High quality retail assets

Top 15 assets

	East Rand Mall	Pine Crest	Phoenix Plaza	Maluti Crescent	Kolonnade Retail Park
GAV	R1 448m	R1 155m	R 939m	R 808m	R 547m
 Region	Gauteng	KwaZulu-Natal	KwaZulu-Natal	Free State	Gauteng
 Gross Lettable Area	68 404m ²	43 431m ²	24 231m ²	35 303m ²	39 665m ²
 Monthly Rental	R277/m ²	R184/m ²	R280/m ²	R159/m ²	R111/m ²
 National Tenant exposure	94%	88%	79%	94%	89%
 Vukile Ownership	50%	100%	100%	100%	100%
 Approx. Footfall	10.5m	10.8m	10.2m	9.5m	8.9m ⁽ⁱ⁾
 Vacancy	1.9%	2.2%	2.6%	Fully let	Fully let

(i) Estimate

High quality retail assets













Top 15 assets (cont.)

	Gugulethu Square	Dobsonville Mall	Nonesi Mall	Bloemfontein Plaza	Meadowdale Mall
					
GAV	R 545m	R 545m	R 507m	R 458m	R 454m
 Region	Western Cape	Gauteng	Eastern Cape	Free State	Gauteng
 Gross Lettable Area	25 323m ²	26 438m ²	27 898m ²	43 771m ²	49 487m ²
 Monthly Rental	R166/m ²	R146/m ²	R131/m ²	R92/m ²	R83/m ²
 National Tenant exposure	89%	89%	97%	55%	81%
 Vukile Ownership	100%	100%	100%	100%	67%
 Approx. Footfall	11.2m	10.4m	8.2m	8.6m	9.9m ⁽ⁱ⁾
 Vacancy	1.3%	1.3%	Fully let	1.2%	Fully let

(i) Estimate

High quality retail assets

Top 15 assets (cont.)

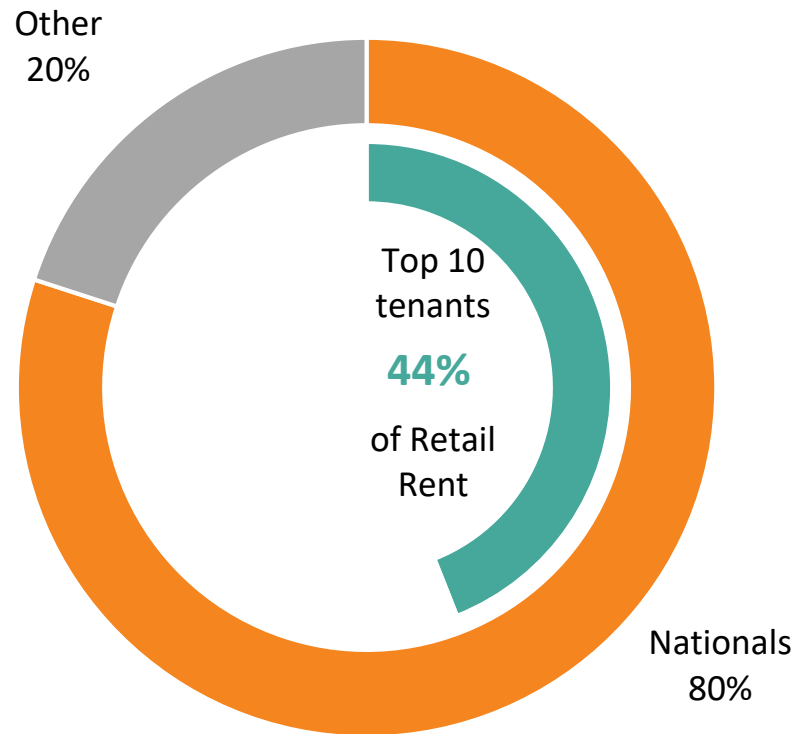
	Thavhani Mall	Oshakati Shopping Centre	Daveyton Shopping Centre	Randburg Square	Moruleng Mall
					
GAV	R 447m	R 428m	R 428m	R 413m	R 411m
 Region	Limpopo	Namibia	Gauteng	Gauteng	North West
 Gross Lettable Area	53 345m ²	24 632m ²	17 774m ²	40 777m ²	31 593m ²
 Monthly Rental	R174/m ²	R143/m ²	R172/m ²	R107/m ²	R126/m ²
 National Tenant exposure	93%	94%	82%	81%	85%
 Vukile Ownership	33.33%	100%	100%	100%	80%
 Approx. Footfall	9.8m	5.6m ⁽ⁱ⁾	8.3m	7.7m	4.2m
 Vacancy	Fully let	2.2%	3.3%	4.4%	5.9%

(i) Estimate

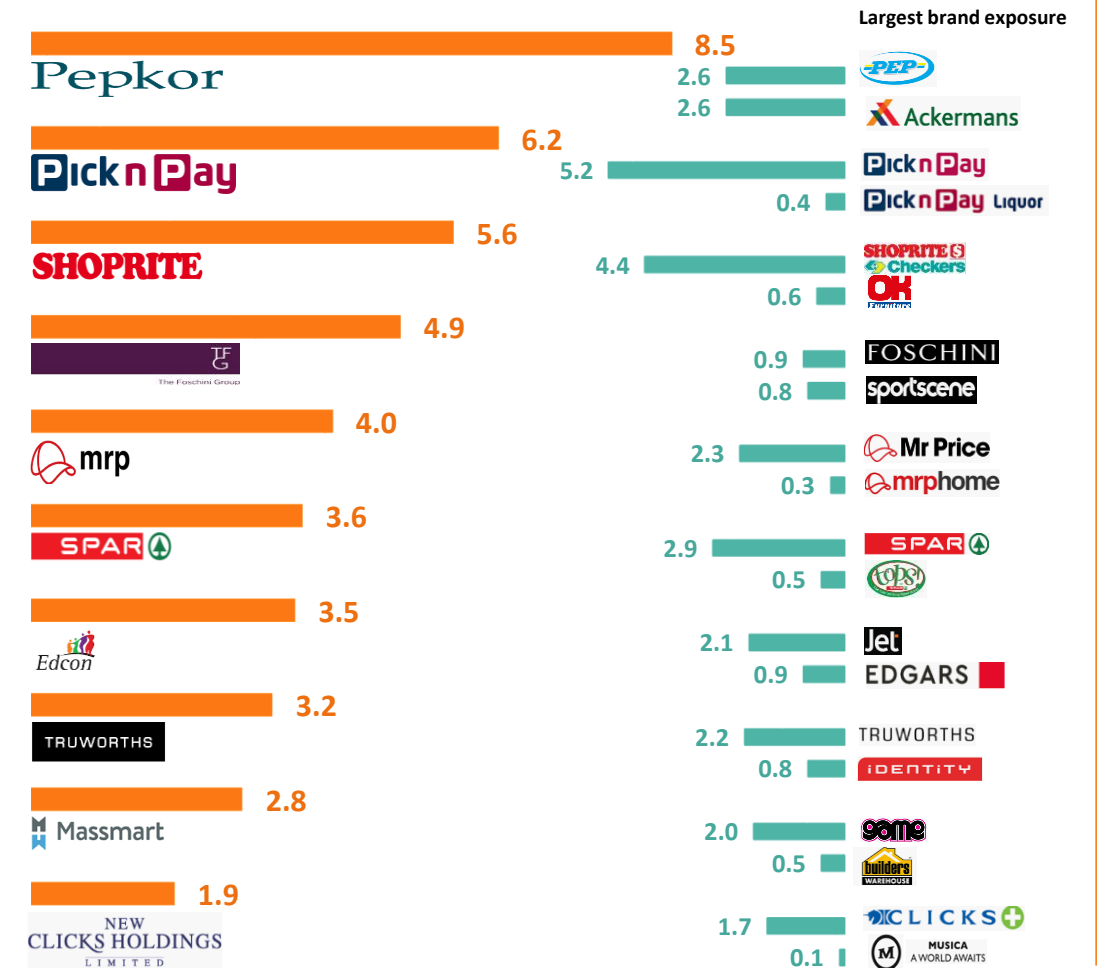
Retail tenant exposure

Direct Southern African Retail Portfolio

Tenant profile - by Contractual Rent



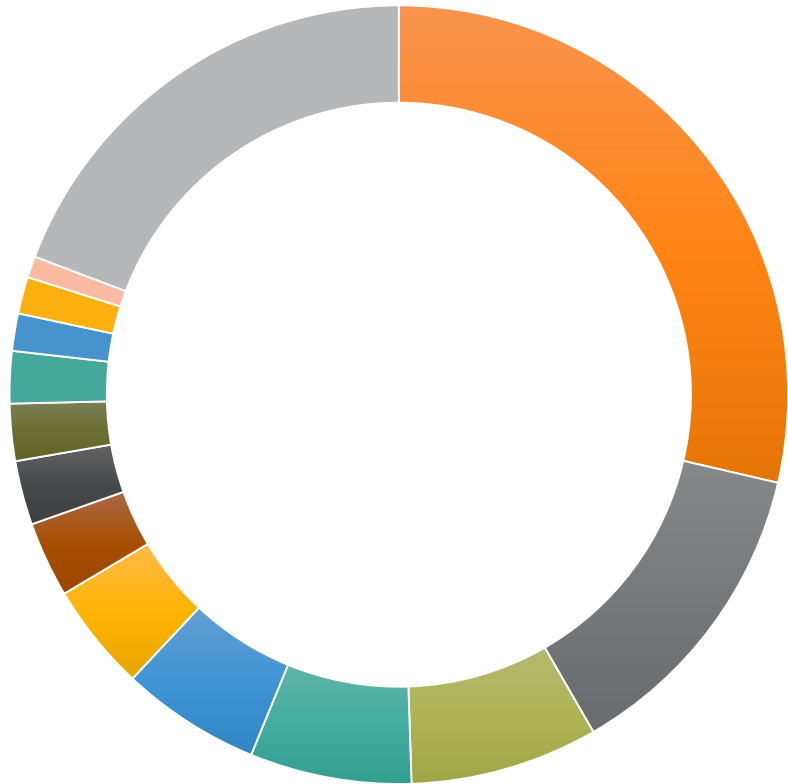
Top 10 tenants - by Contractual Rent



Retail category exposure

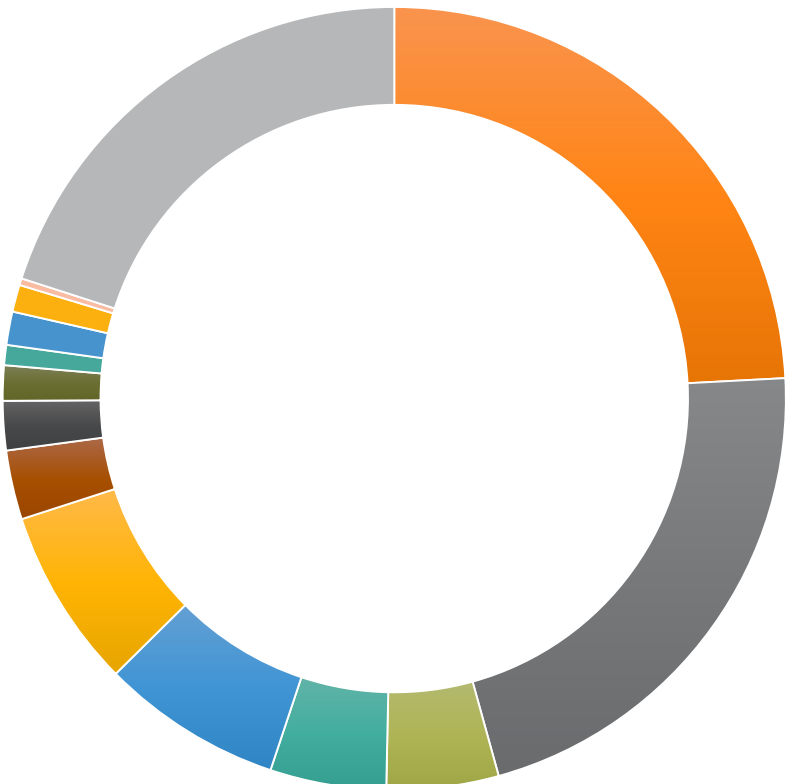
Well diversified mix of tenant categories

Category profile by rent



- 29% Fashion
- 13% Grocery/ Supermarket
- 8% Banking
- 7% Food
- 6% Home Furnishings/ Art/ Décor
- 4% Department Stores
- 3% Health & Beauty
- 3% Sporting/ Outdoor Goods & Wear
- 2% Restaurants & Coffee Shops
- 2% Cell Phones
- 2% Bottle Stores
- 1% Electronics
- 1% Accessories
- 19% Other

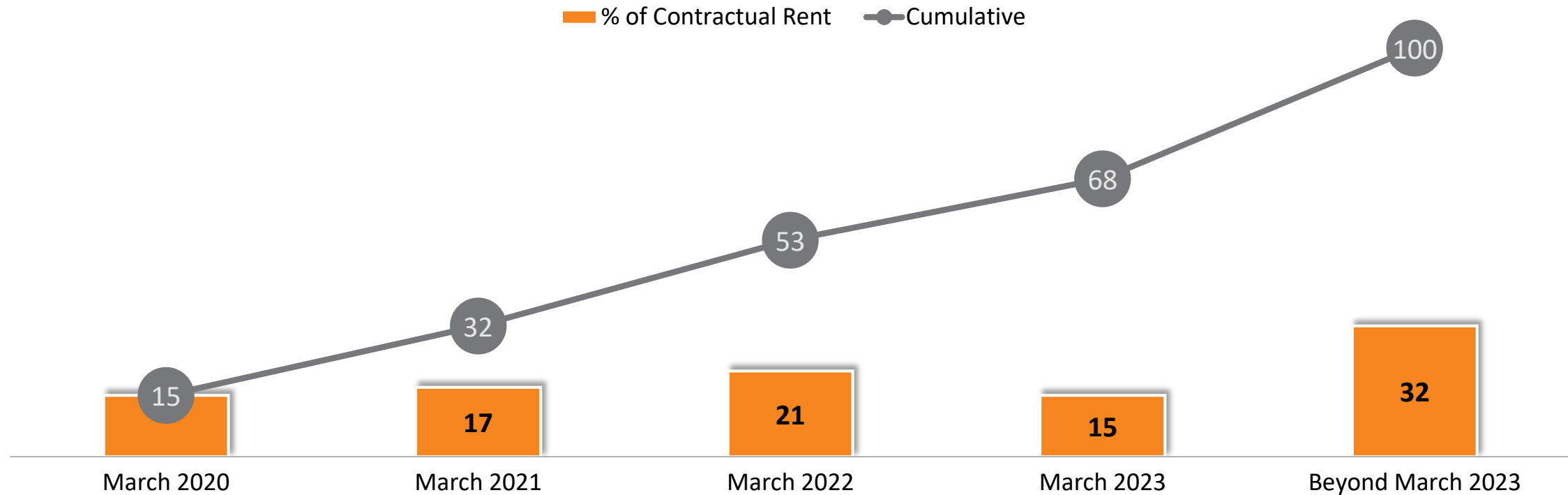
Category profile by GLA



- 24% Fashion
- 22% Grocery/ Supermarket
- 5% Banking
- 5% Food
- 8% Home Furnishings/ Art/ Décor
- 7% Department Stores
- 3% Health & Beauty
- 2% Sporting/ Outdoor Goods & Wear
- 1% Restaurants & Coffee Shops
- 1% Cell Phones
- 1% Bottle Stores
- 1% Electronics
- 0% Accessories
- 20% Other

Retail tenant expiry profile

47% of contractual rent expiring in FY2023 and beyond (WALE 3.8 years)



For the 6 months ended 30 September 2019 retail leases were concluded with:

- ◇ Total contract value R561m
- ◇ Total rentable area 68 154m²
- ◇ Tenant Retention 82%

Retail vacancies

36 Properties Fully let or with vacancies lower than 1 000m²

Fully Let

- Durban Workshop
- Germiston Meadowdale Mall
- Giyani Plaza
- Mbombela Truworths Centre
- Piet Retief Shopping Centre
- Pretoria Kolonnade Retail Park
- Queenstown Nonesi Mall
- Rustenburg Edgars Building
- Soshanguve Batho Plaza
- Tohoyandou Thavhani Mall
- Ulundi King Senzangakona Shopping Centre

Vacancy lower than 1 000m²

- Pinetown Pine Crest (937m²; 2.2%)
- Emalaheni Highland Mews (841m²; 5%)
- Vereeniging Bedworth Centre (748m²; 2.2%)
- Boksburg East Rand Mall (641m²; 1.9%)
- Durban Phoenix Plaza (635m²; 2.6%)
- Katutura Shoprite Centre (610m²; 5.7%)
- Daveyton Shopping Centre (582m²; 3.3%)
- Oshakati Shopping Centre (532m²; 2.2%)
- Bloemfontein Plaza (517m²; 1.2%)
- Hammanskraal Renbro Shopping Centre (466m²; 3.5%)
- Monsterlus Moratiwa Crossing (461m²; 3.8%)
- Pietermaritzburg The Victoria Centre (436m²; 4.2%)
- Ondangwa Shoprite Centre (420m²; 7.1%)
- Roodepoort Ruimsig Shopping Centre (399m²; 3.5%)
- Soweto Dobsonville Mall (337m²; 1.3%)
- Gugulethu Square (323m²; 1.3%)
- KwaMashu Shopping Centre (293m²; 2.6%)
- Tzaneen Maake Plaza (243m²; 2.2%)
- Hammarsdale Junction (238m²; 1.2%)
- Atlantis City Shopping Centre (215m²; 1%)
- Elim Hubiyeni Shopping Centre (173m²; 1.4%)
- Makhado Nzhelele Valley Shopping Centre (130m²; 2.5%)
- Ermelo Game Centre (84m²; 1.3%)
- Springs Mall (48m²; 0.4%)
- Ga-Kgapane Modjadji Plaza (27m²; 0.9%)

Vacancy greater than 1 000m²

- Roodepoort Hillfox Power Centre (2 951m²; 7.7%)
- Mbombela Shoprite Centre (2 871m²; 20.5%)
- Windhoek 269 Independence Avenue (2 101m²; 16.4%)
- Letlhabile Mall (1 826m²; 10.7%)
- Randburg Square (1 803m²; 4.4%)
- Moruleng Mall (1 494m²; 5.9%)
- Oshikango Shopping Centre (1 095m²; 12%)

Development Vacancy

- Welgedacht Van Riebeeckshof Shopping Centre (531m²; 10.3%)
- Phuthaditjhaba Maluti Crescent (297m²; 0.8%)

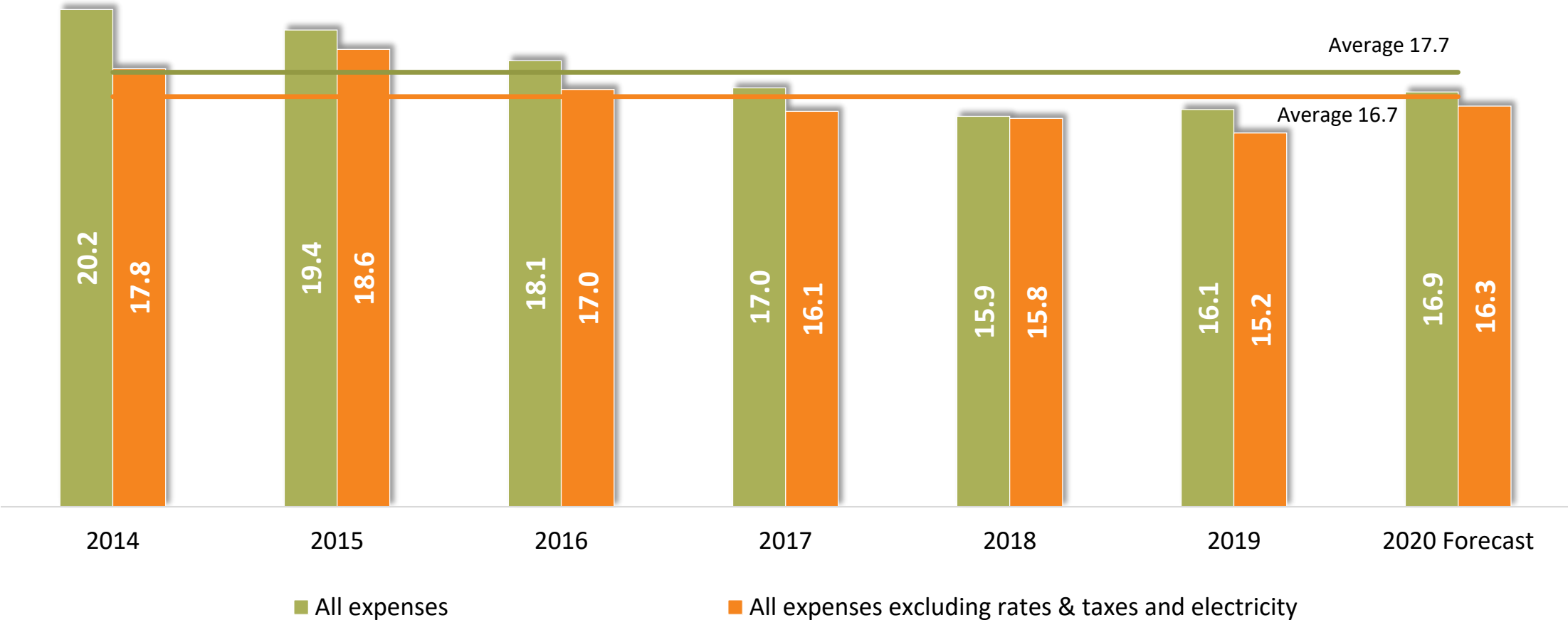
36
77%
1.6% Properties of Retail Portfolio GLA Vacant

7
18%
9.0% Properties of Retail Portfolio GLA Vacant

2
5%
2.9% Properties of Retail Portfolio GLA Development Vacancy

Ratio of net cost to property revenue – retail portfolio

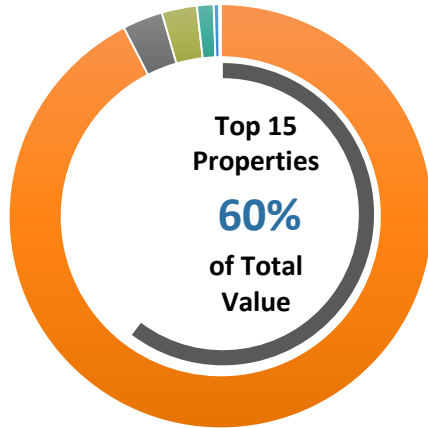
Good progress in cost containment



Southern African total portfolio composition

Top 15 assets make up 60% of the total portfolio

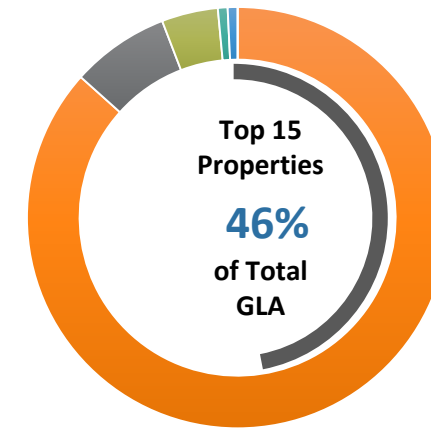
Sectoral Profile - by Value



By Value

92%	Retail
3%	Industrial
3%	Offices
1%	Motor Related
0.4%	Residential
0.1%	Vacant Land

Sectoral Profile - by GLA



By GLA

87%
7%
4%
1%
1%
0%

Geographic Profile - by Value



By Value

40%	Gauteng
21%	KwaZulu-Natal
8%	Free State
8%	Western Cape
7%	Limpopo
6%	Namibia
4%	North West
3%	Mpumalanga
3%	Eastern Cape

Geographic Profile - by GLA



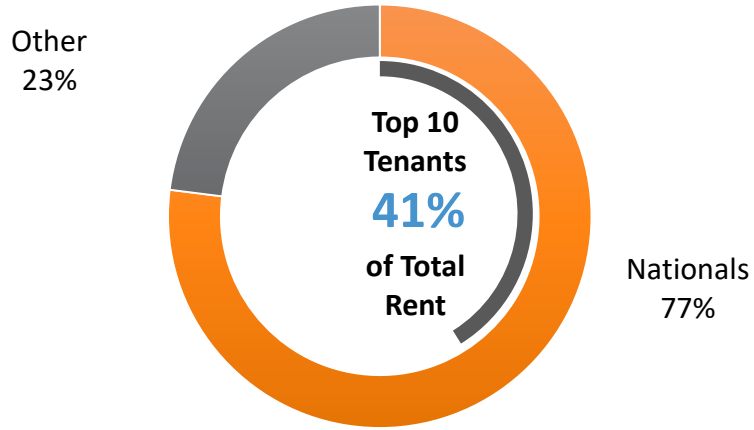
By GLA

44%
16%
8%
6%
7%
6%
5%
5%
3%

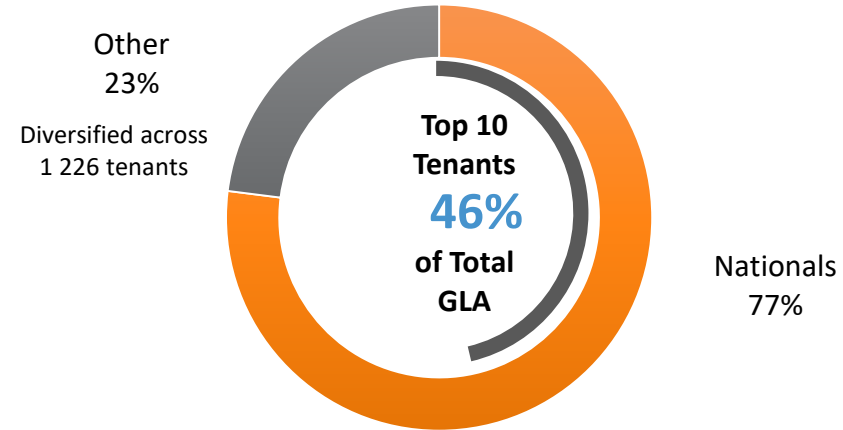
Southern African total portfolio tenant exposure

Low risk with 77% national tenants

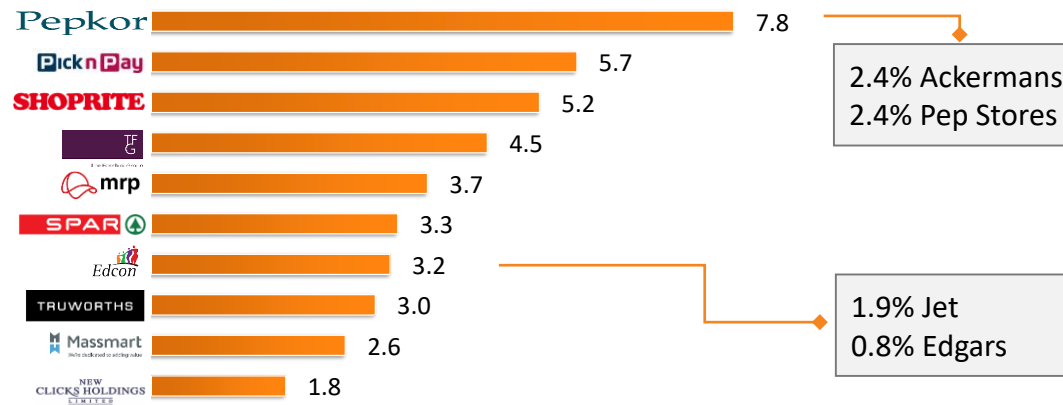
Top 10 Tenants - by Contractual Rent



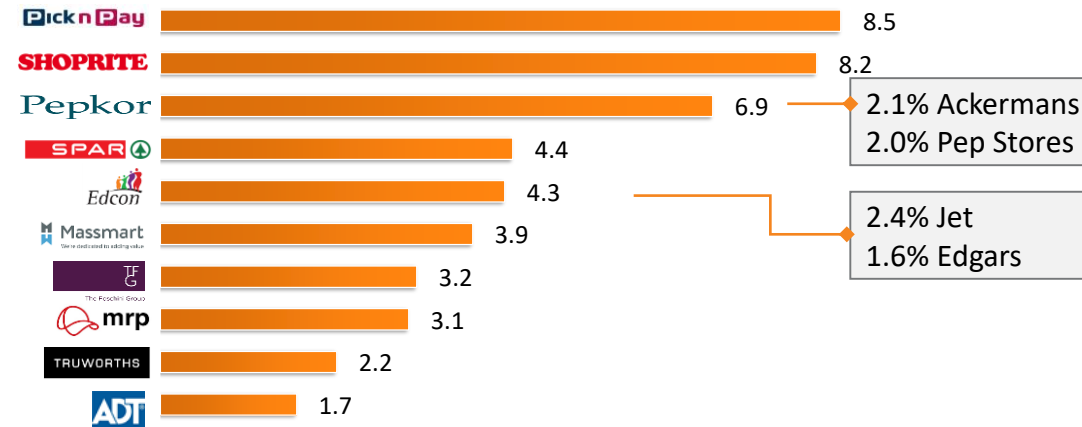
Top 10 Tenants - by occupied GLA



Tenant Profile - by Contractual Rent (%)

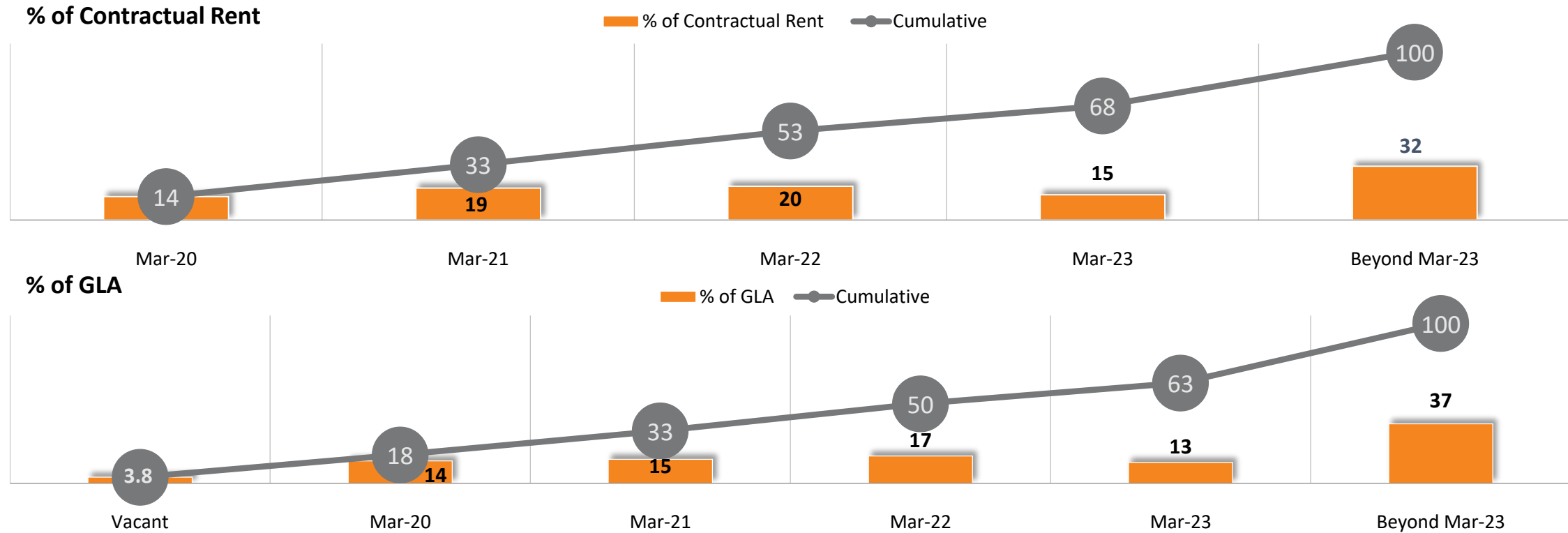


Tenant Profile - by occupied GLA (%)



Southern African total portfolio tenant expiry profile

47% of contractual rent expiring in FY2023 and beyond (WALE 3.7 years)

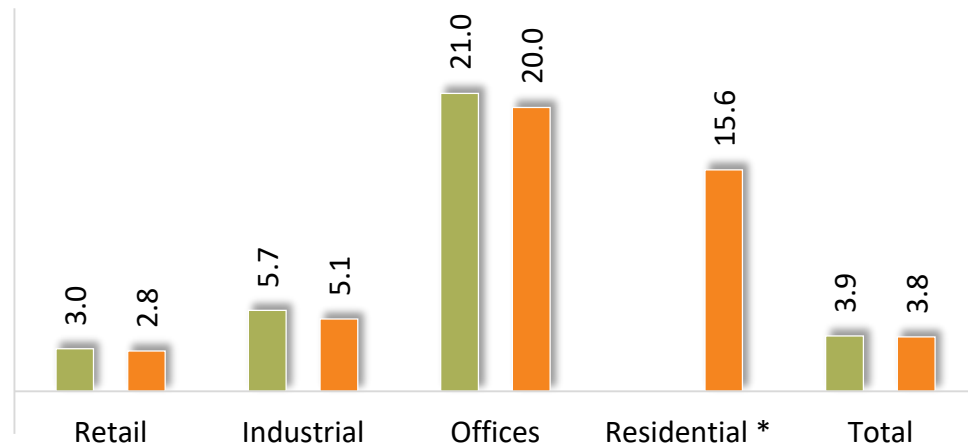
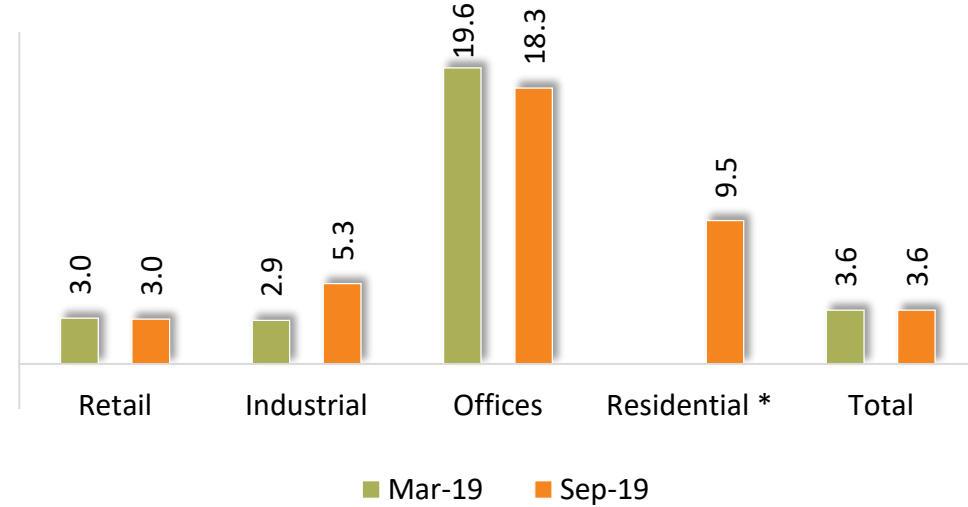


For the 6 months ended 30 September 2019 leases were concluded with:

- ◆ Total contract value R596m
- ◆ Total rentable area 83 209m²
- ◆ Tenant Retention 80% (retail retention 82%)

Southern African total portfolio vacancy profile

Vacancy contained at 3.6% of contractual rent



Excluding development vacancy

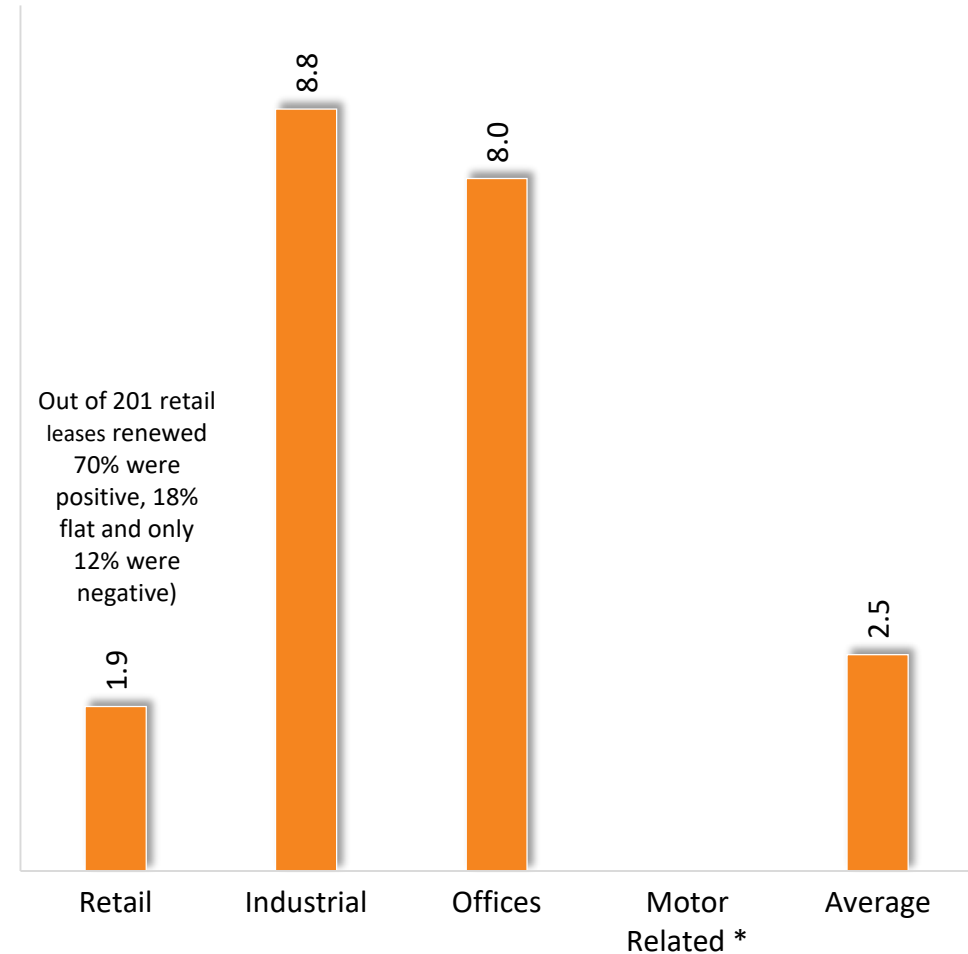
* Residential units were previously measured in number of units and not GLA and vacant rental is now included together with the change to measurement in GLA

Southern African total portfolio lease renewals

Positive reversions



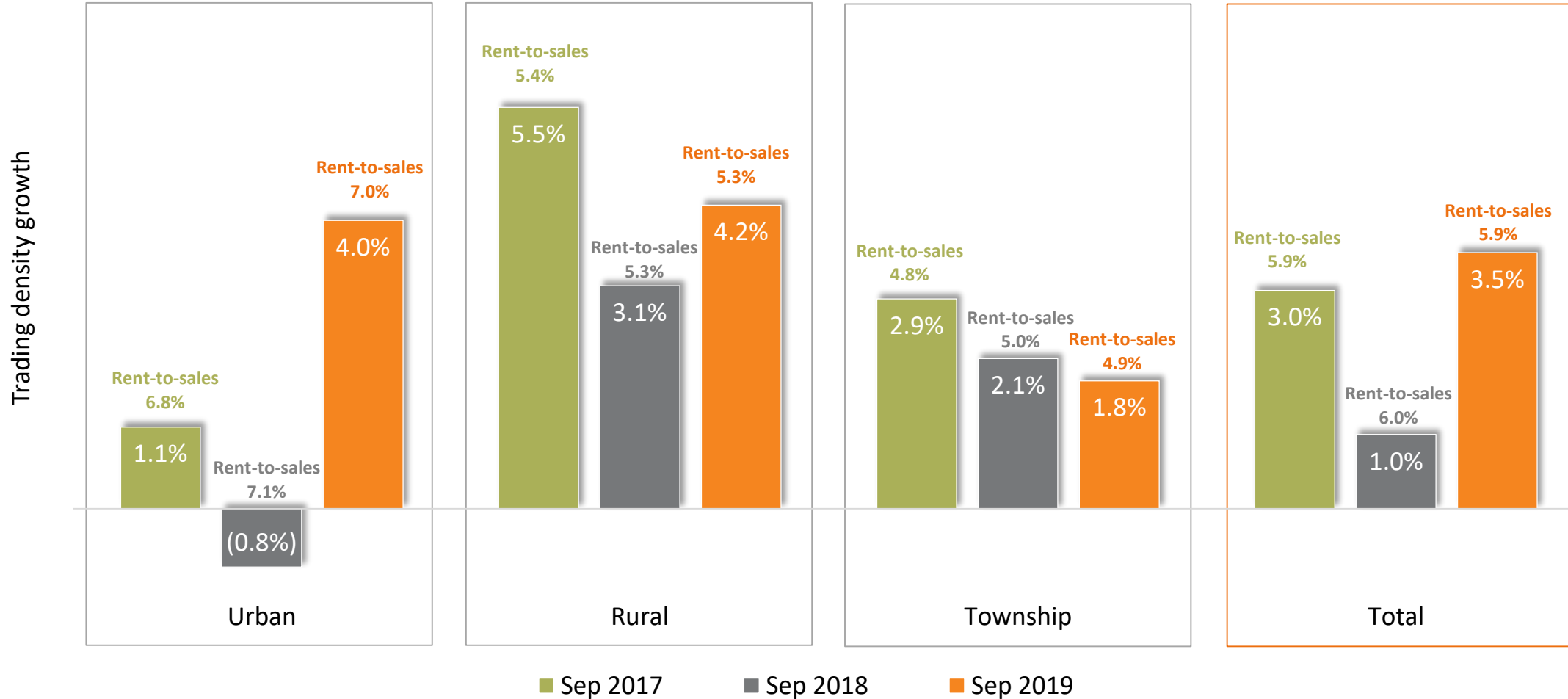
Lease renewals
percentage
escalation on
expiry rentals



* No motor related leases concluded during the period

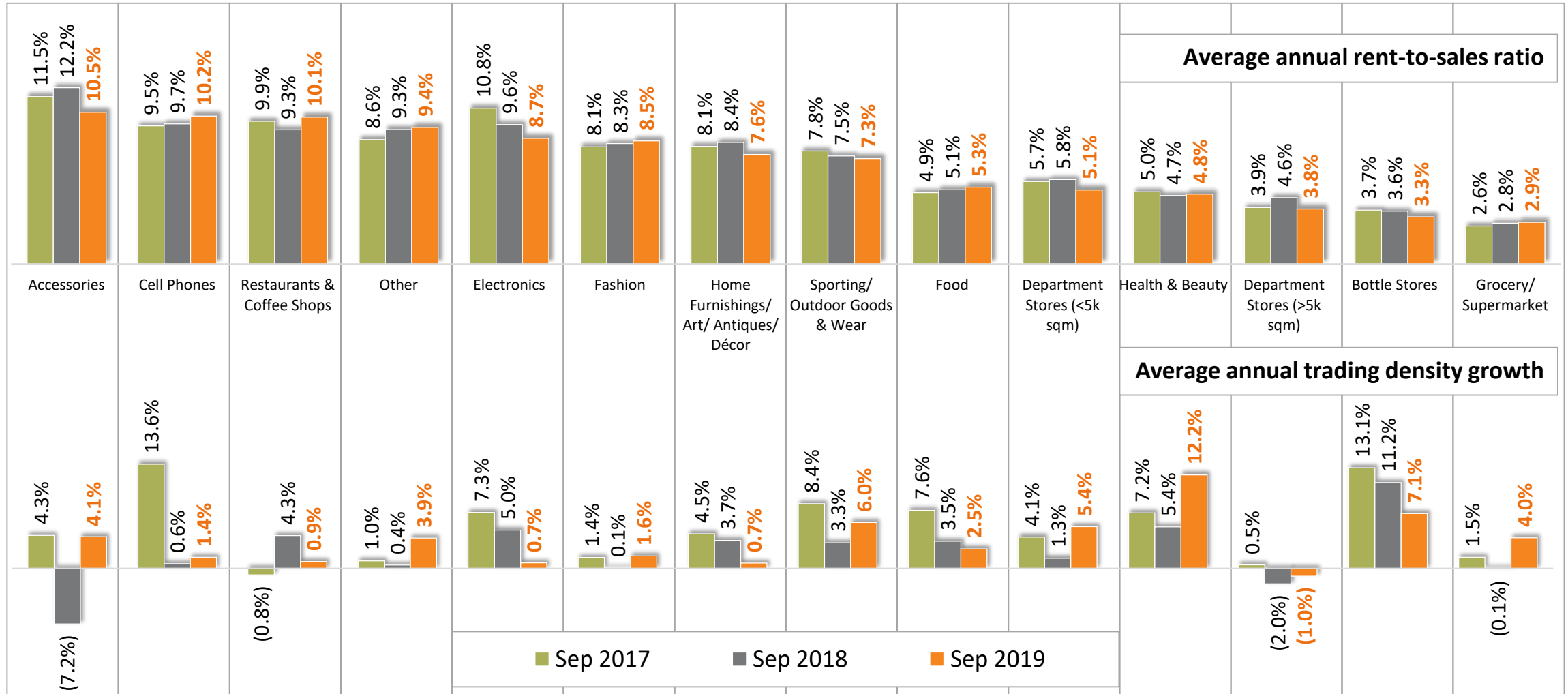
Trading density growth

Sustained trading density growth at competitive occupancy costs



Tenant category, affordability and performance

Capacity for growth remains

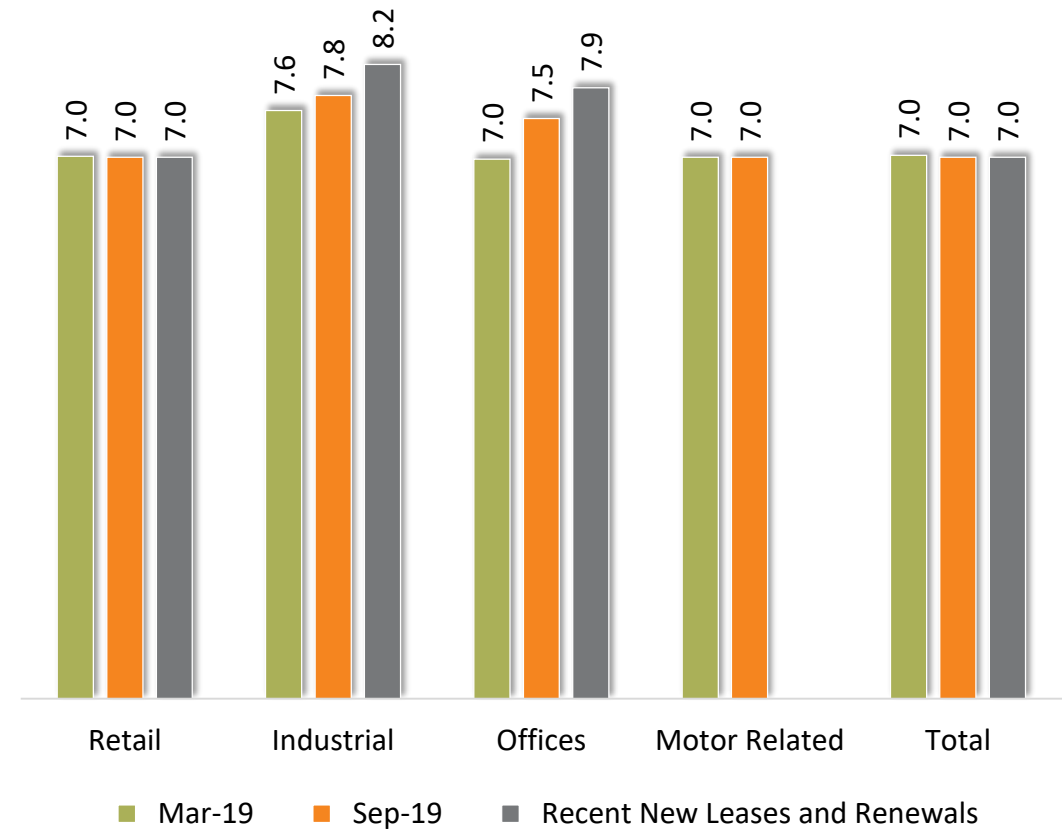


Southern African total portfolio contracted rental escalation profile

Rental escalations still ahead of inflation

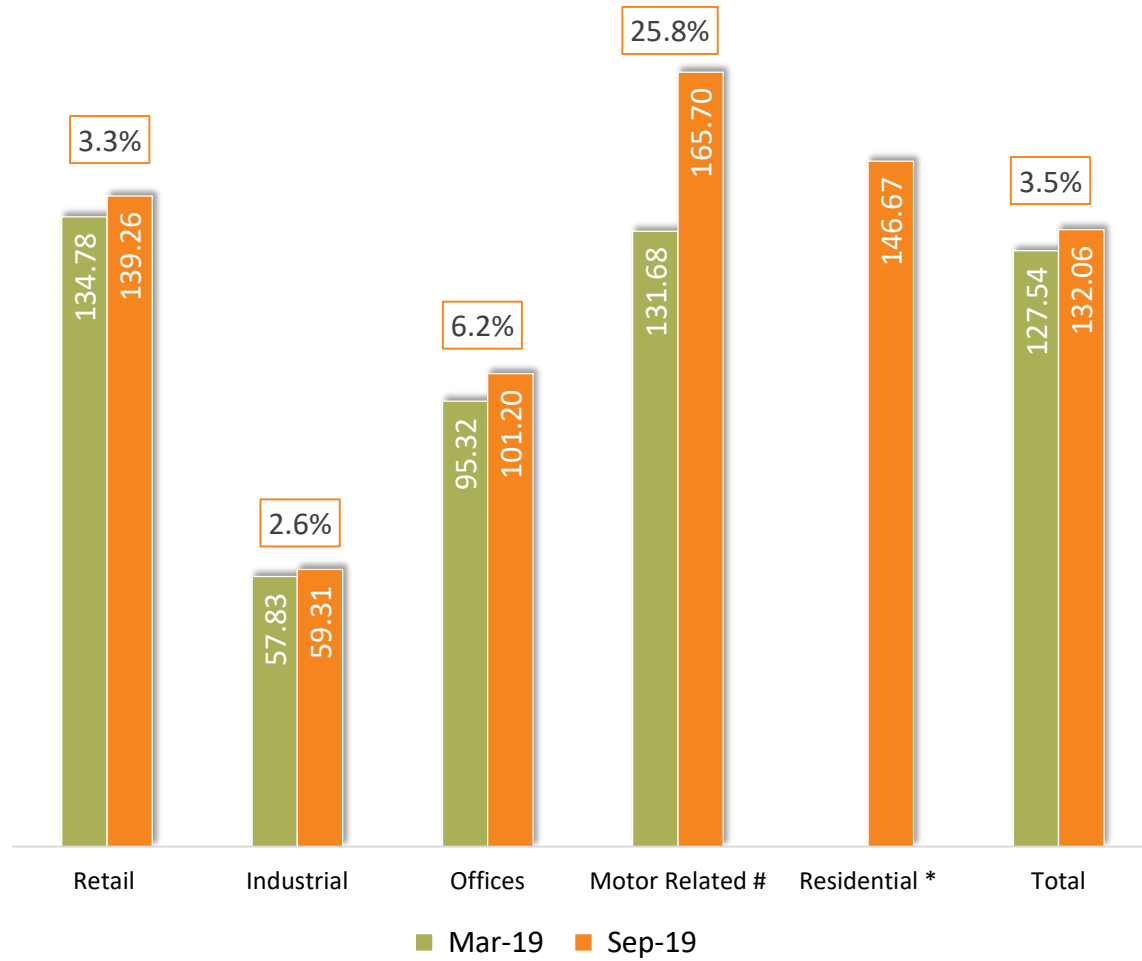


Escalation percentage



Southern African total portfolio weighted average base rentals – R/m²

Excluding recoveries



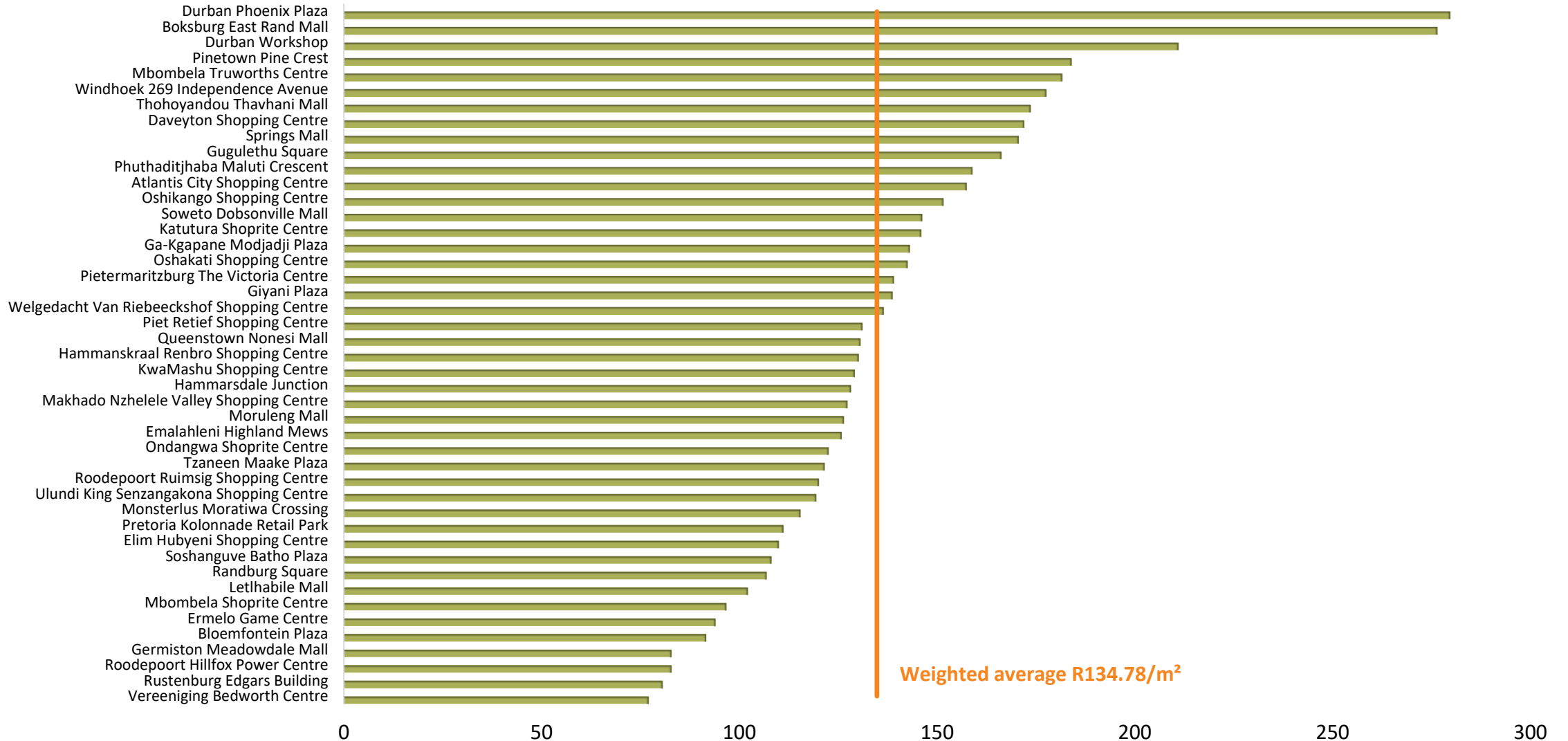
The increase in average rate for motor related properties is due to the sale of Linbro Galaxy drive which carried lower rentals. The 6-month growth in rental rates on the remainder of the motor related portfolio was 3.1%.

* Residential units were previously measured in number of units and not GLA therefore no average rental based on R/m² was calculated in March 2019.



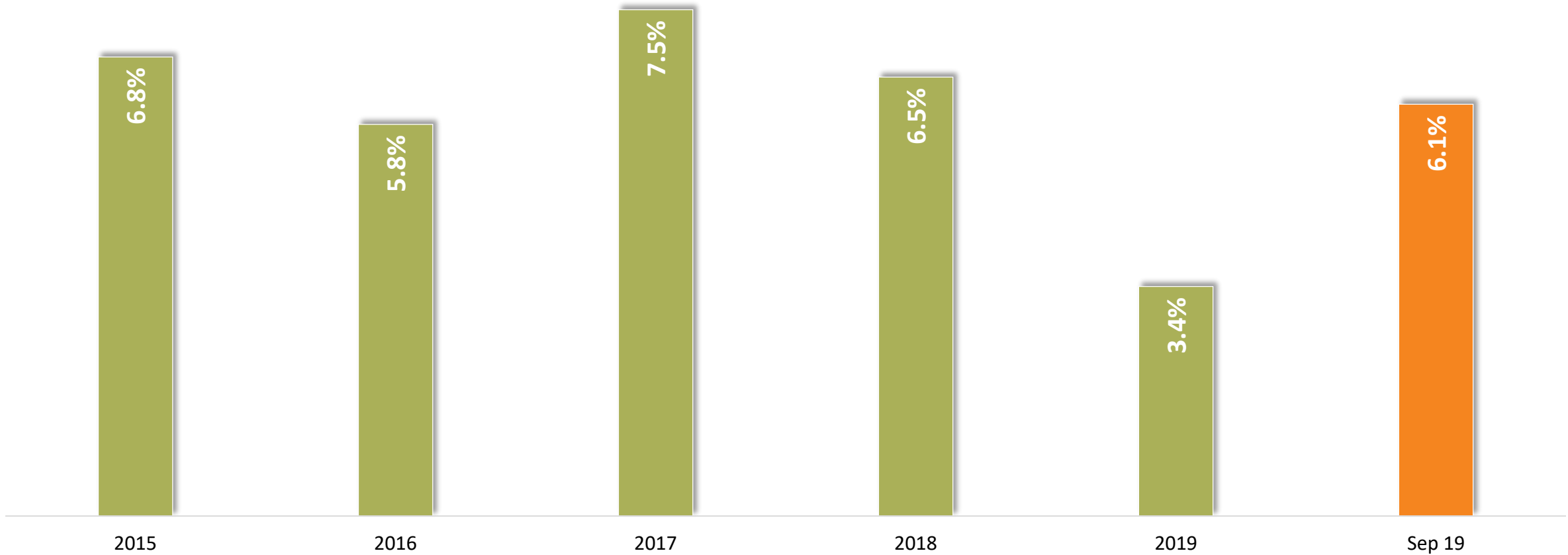
Weighted average base rentals R/m² (excluding recoveries)

Southern African Retail portfolio



Growth in net profit from southern African property operations

Like-for-like growth of 6.1%

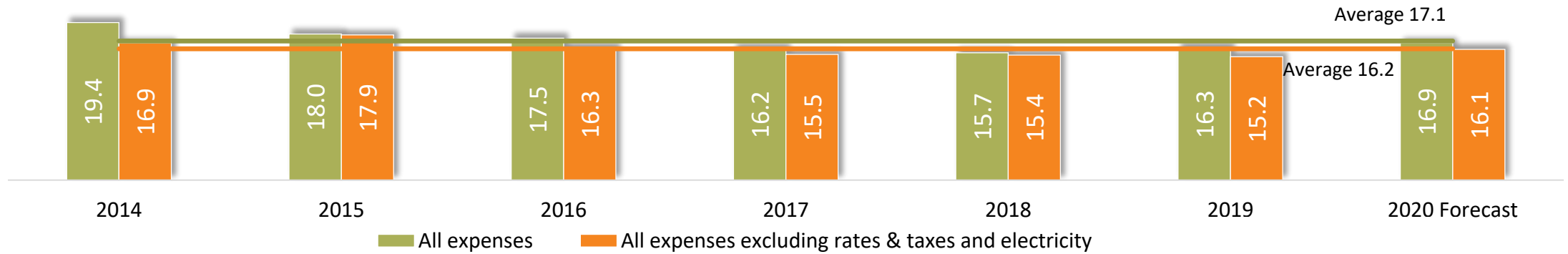


Note: Historic data per Company Annual Results.

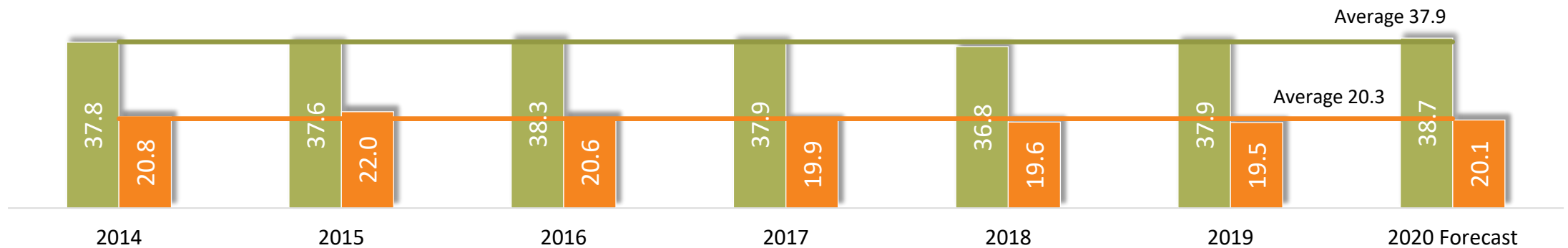
Southern African total portfolio – ratio of cost to property revenue

Containing cost ratios

Net cost to property revenue



Gross cost to property revenue



* Current portfolio including acquisitions excluding sales

Valuation methodology

Southern African property portfolio

Science vs. art

Valuations are based on multiple assumptions which involve some subjectivity. The key is consistency in applying the same methodology over time. We've applied consistent views and methodology since listing, with minor improvements to the model in refining risk assessment and the build-up of discount and exit cap rates

Valuation policy

The portfolio is internally valued using the Discounted Cash Flow method and benchmarked against external valuations. 50% of the portfolio is externally valued every six months, ensuring that the total portfolio value is reviewed by external valuers once a year

Comparison – directors' vs. external valuation

The difference between the directors' and external valuations were consistently within a narrow range of on average approximately 2% over the past 6 years

Calculation of base discount rate

The rolling 10 year government bond is used as base rate, to which a general property risk premium is applied. Further risk premiums are applied per individual property depending on risk. This property specific risk is evaluated annually using a bespoke comprehensive risk / expected return model

Calculation of exit capitalisation rate

100bps risk loading for uncertainty of future cash flows is applied to the initial yield (discount rate less expected income growth) to calculate the exit capitalisation rate

Hold Period

The hold period for valuation of multi tenanted properties is 4 years and single tenanted properties 10 years

Properties on leasehold land

- Value minimum of
- discounted cashflow over leasehold period with zero residual value or
 - discounted cashflow over 4 years plus perpetuity value of the 5th year's net income



VUKILE
PROPERTY FUND

REAL ESTATE. REAL GROWTH.

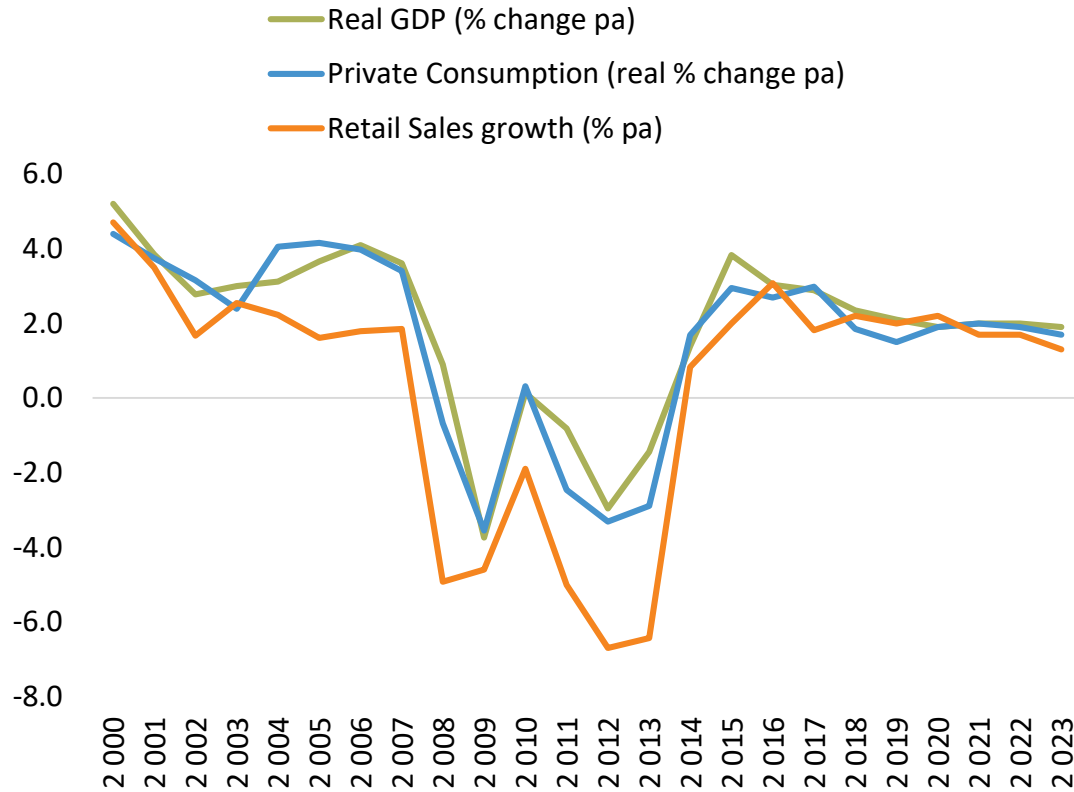


Appendix B
Spanish Portfolio

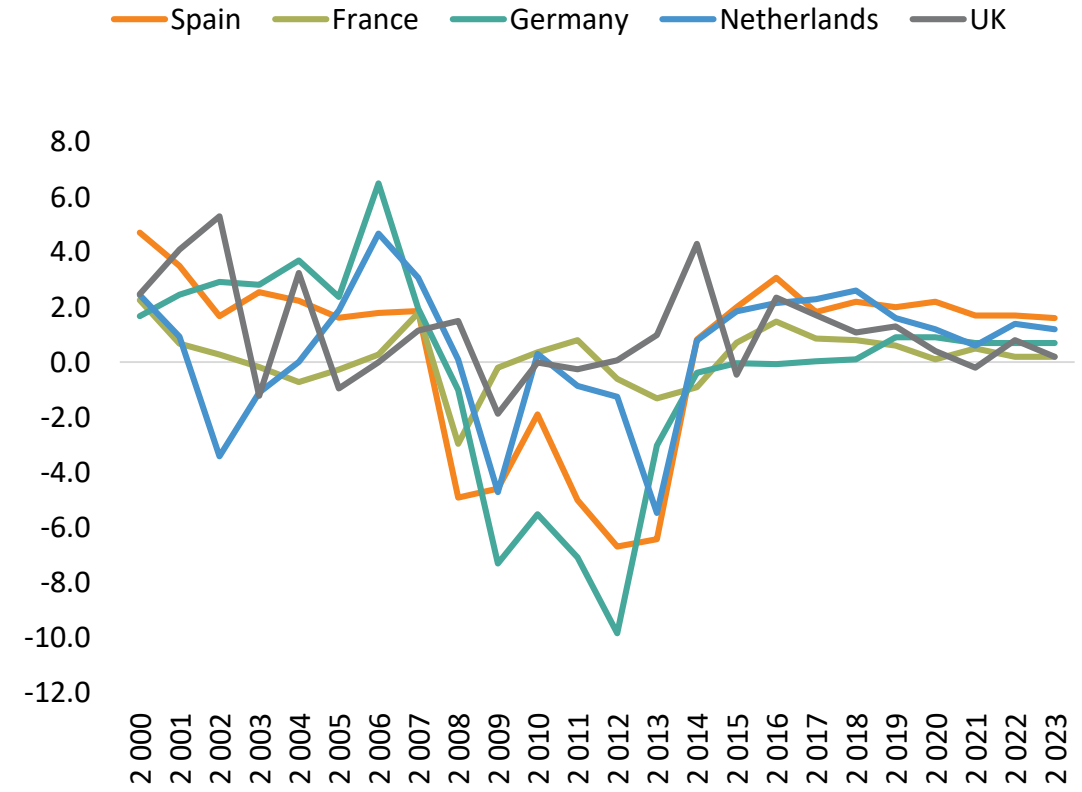
Spanish market outlook and political environment

Spain still outperforming European peers

Spain Economic Indicators (1)



Retail Sales (% change pa) (1)

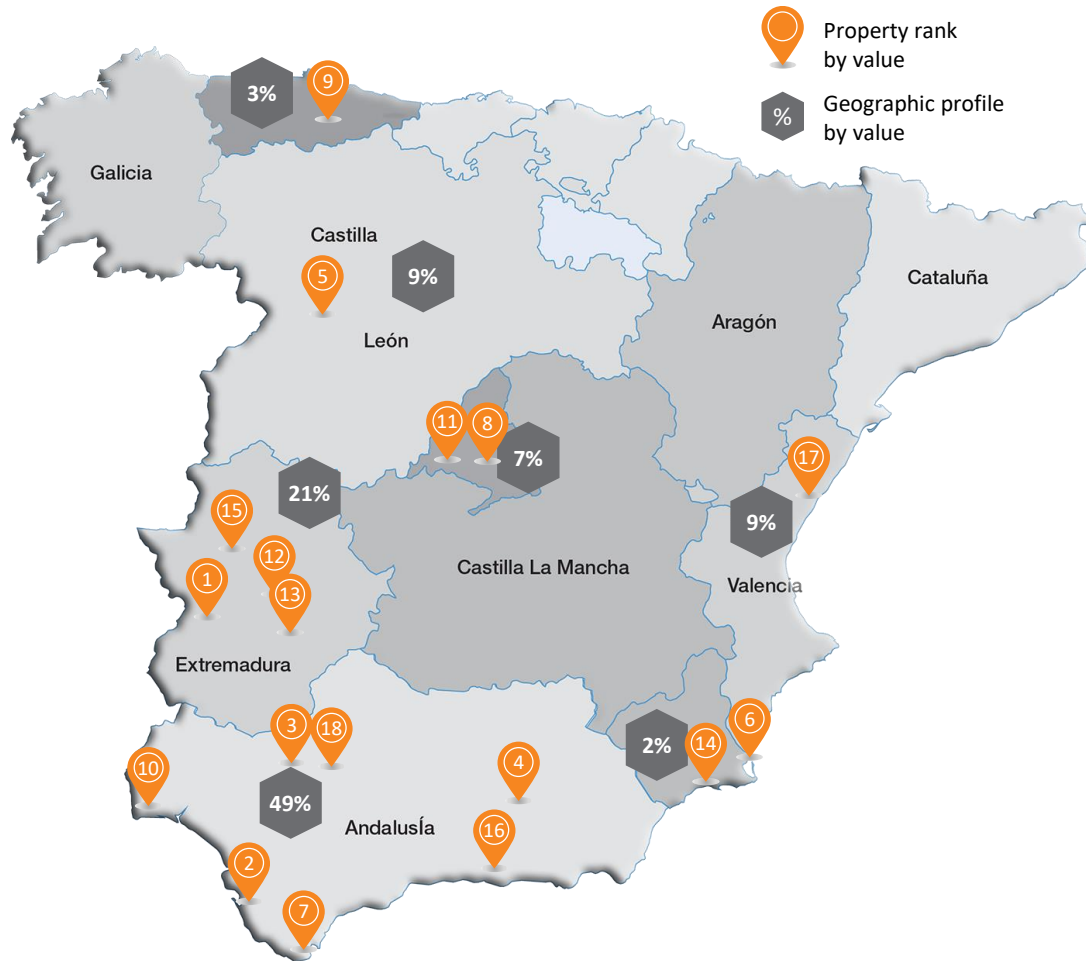


◆ Despite political uncertainty, Spain still growing at better rates than Core Europe

(1) Deloitte

Spanish portfolio footprint

Spain portfolio profile



- | | | | |
|---|-------------------------------------|----|----------------------------|
| 1 | El Faro | 10 | Marismas del Polvorín |
| 2 | Bahía Sur | 11 | Edificio Alcobendas |
| 3 | Los Arcos | 12 | La Heredad |
| 4 | Granaita Retail Park ⁽ⁱ⁾ | 13 | La Serena ⁽ⁱⁱⁱ⁾ |
| 5 | Vallsur | 14 | Pinatar Park |
| 6 | Habaneras | 15 | Mejostilla |
| 7 | Puerta Europa | 16 | Motril Retail Park |
| 8 | Parque Oeste ⁽ⁱⁱ⁾ | 17 | Ciudad del Transporte |
| 9 | Parque Principado | 18 | Edificio Bollullos |

(i) Granaita is the integration of the former Kinopolis Retail Park, Kinopolis Leisure Centre and Alameda City Store into one asset.

(ii) Parque Oeste comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

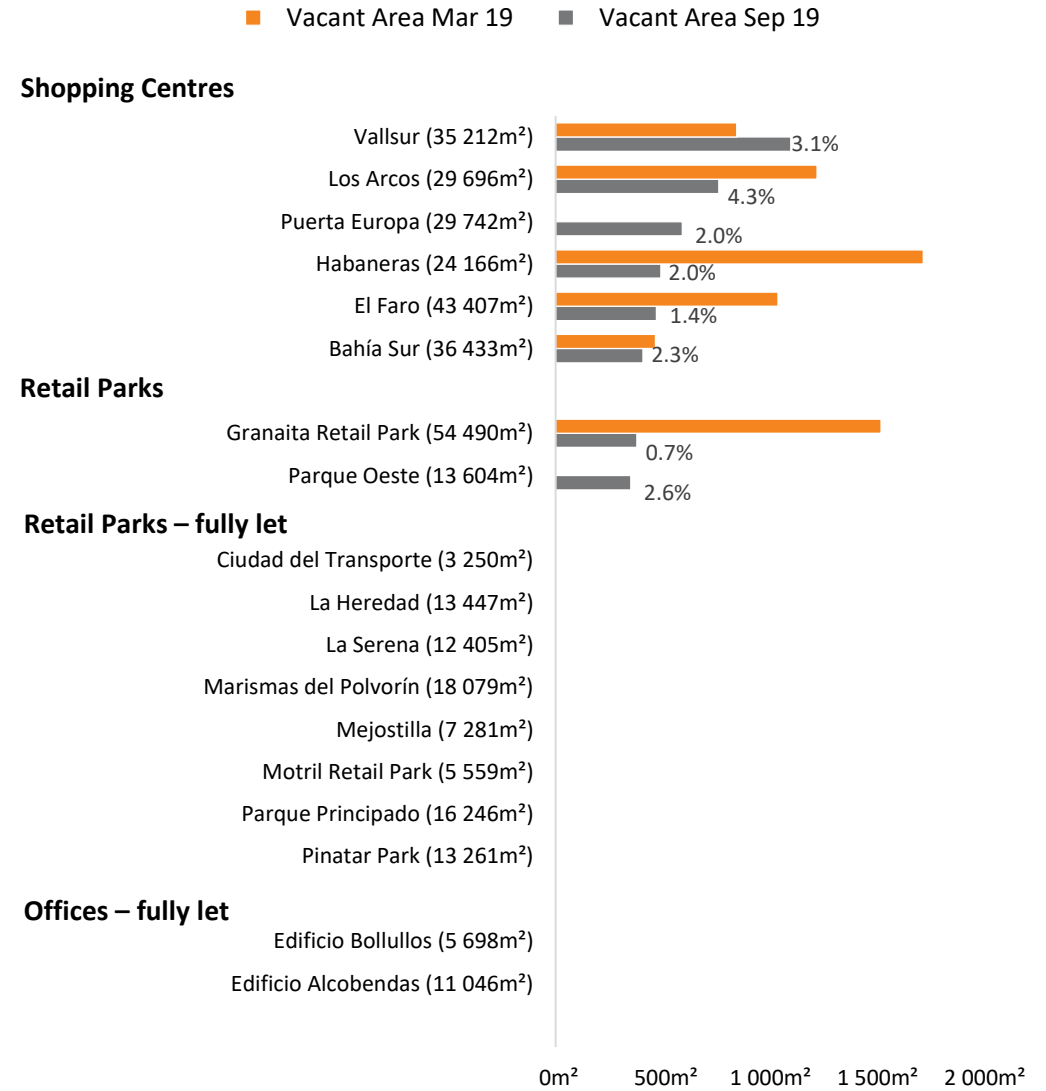
(iii) La Serena comprises two adjacent properties that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

Note: All data represents 100% of Castellana, Vukile shareholding is 82.54% at 30 September 2019

Spanish vacancy profile



Portfolio Vacancy
1.4% of GLA



Spanish portfolio overview

Top 10 assets

	El Faro	Bahía Sur	Los Arcos	Granaita Retail Park ⁽ⁱ⁾	Vallsur
GAV	€164.1m	€142m	€136.4m	€114.9m	€93.4m
 Province	Extremadura	Andalucia	Andalucia	Andalucia	Castilla Leon
 Gross Lettable Area	43 407m ²	36 433m ²	29 696m ²	54 490m ²	35 212m ²
 Monthly Rental	€20/m ²	€31/m ²	€32/m ²	€10/m ²	€14/m ²
 Sector	Shopping Centre	Shopping Centre	Shopping Centre	Retail Park	Shopping Centre
 Major Tenants	Primark, Zara, Media Markt	Zara, Sprinter, Stradivarius	Toys 'R' Us, Zara, Kiabi	Decathlon , Sprinter, Leroy Merlin	Carrefour, Yelmo Cines, H&M
 WALE	8.6 years	6.4 years	9.3 years	15.4 years	17.1 years
 Vacancy	1.4%	2.3%	4.3%	0.7%	3.1%

(i) Granaita is the integration of the former Kinopolis Retail Park, Kinopolis Leisure Centre and Alameda City Store into one asset

Note: All data represents 100% of Castellana, Vukile shareholding is 82.54%,

WALE is to expiry of lease excluding break options

Spanish portfolio overview

Top 10 assets

	Habaneras	Puerta Europa	Parque Oeste ⁽ⁱ⁾	Parque Principado	Marismas del Polvorín
GAV	€89.8m	€62.6m	€51.8m	€34.7m	€28.5m
 Province	Com. Valenciana	Andalucia	Madrid	Asturias	Andalucia
 Gross Lettable Area	24 166m ²	29 742m ²	13 604m ²	16 246m ²	18 079m ²
 Monthly Rental	€19/m ²	€14/m ²	€16/m ²	€10/m ²	€8/m ²
 Sector	Shopping Centre	Shopping Centre	Retail Park	Retail Park	Retail Park
 Major Tenants	Leroy Merlin, Zara, Forum Sport	Primark, Yelmo Cines, Mercadona	Media Markt, Kiwoko, Worten	Bricomart, Conforama, Intersport	Media Markt, Mercadona, Low Fit
 WALE	8.2 years	11.3 years	20.6 years	11.9 years	21.8 years
 Vacancy	2.0%	2.0%	2.6%	Fully let	Fully let

(i) Parque Oeste comprises two adjacent properties (i) that were acquired in two separate companies, but has been treated as a single combined property for reporting purposes

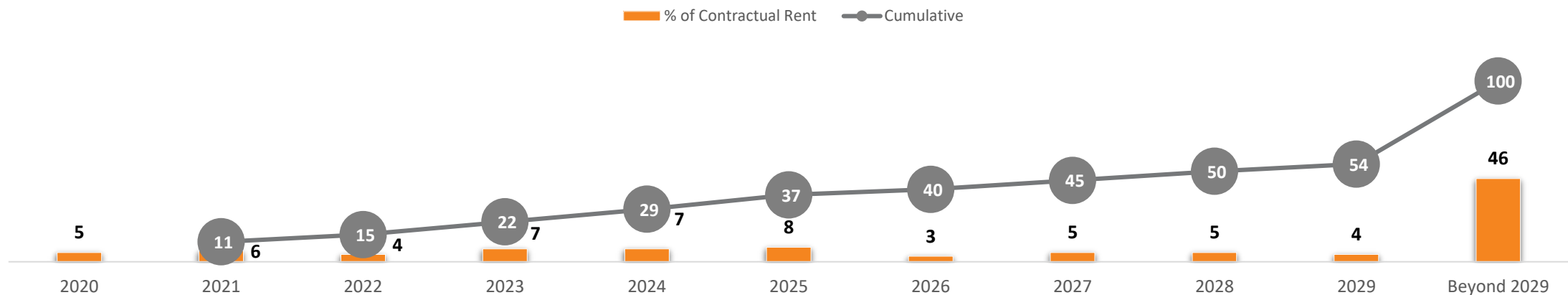
Note: All data represents 100% of Castellana, Vukile shareholding is 82.54% %

WALE is to expiry of lease excluding break options

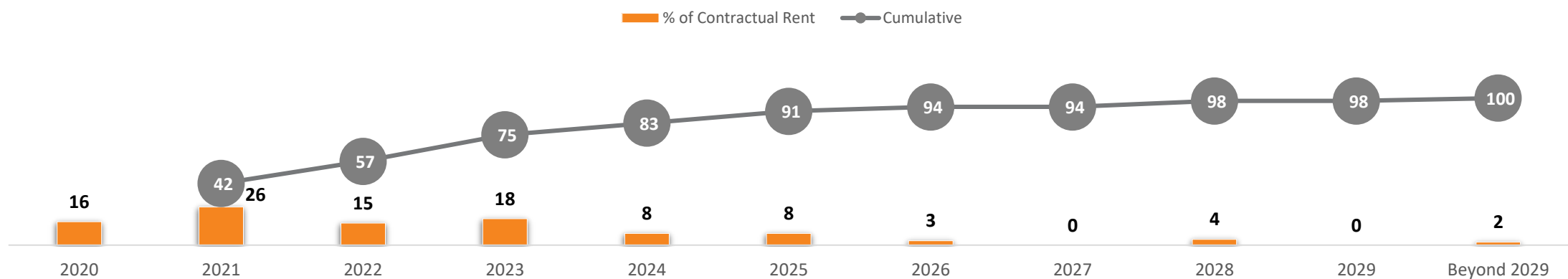
Retail lease expiry profile

50% of contractual rent expiring in FY2029 and beyond (WALE 14.2 years to expiry and 2.8 years to break)

Expiry Profile (% Rent)



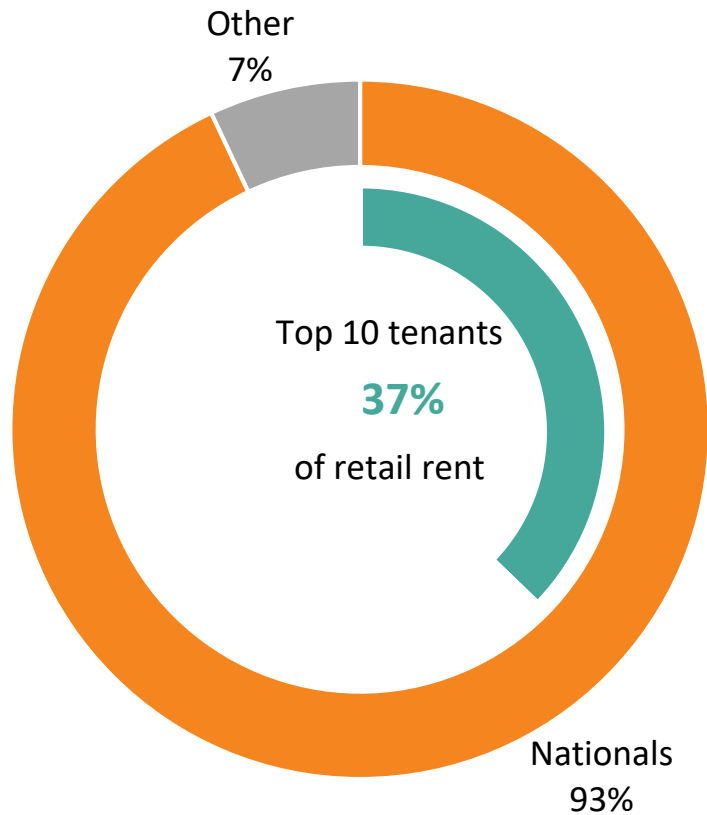
Break Profile (% Rent)



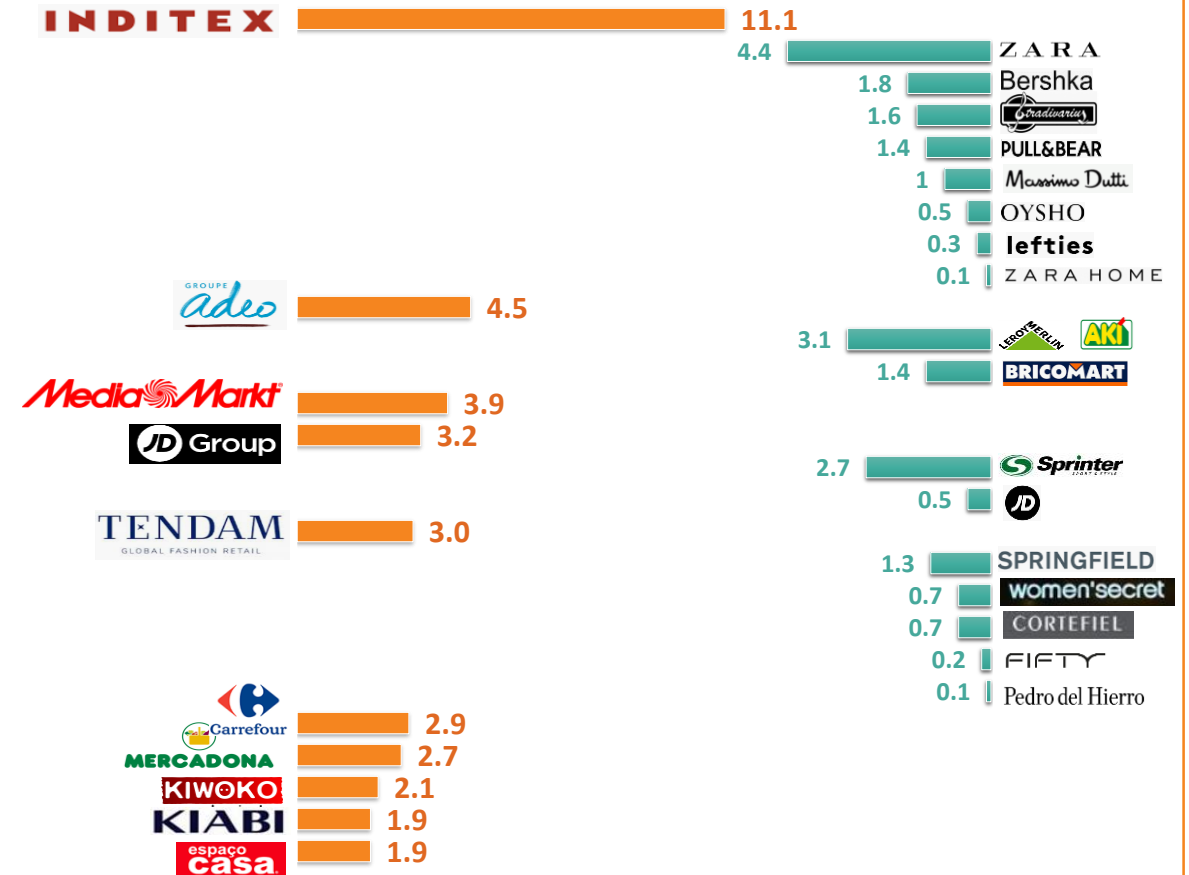
Retail tenant exposure

Low risk with 93% national and international tenants

Top 10 tenants by rent

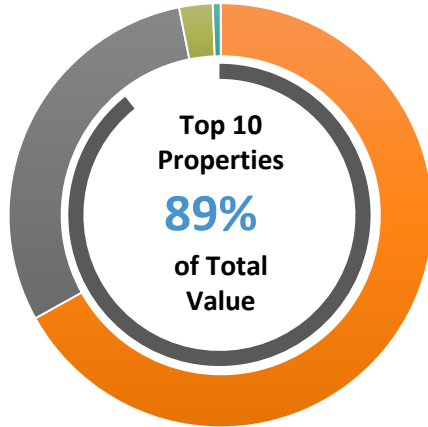


Tenant profile - by contractual rent



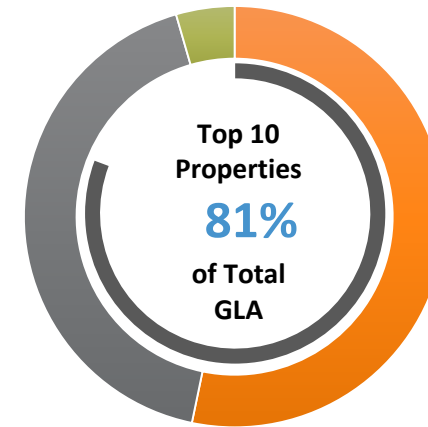
Spanish total portfolio composition

Sectoral Profile - by Value

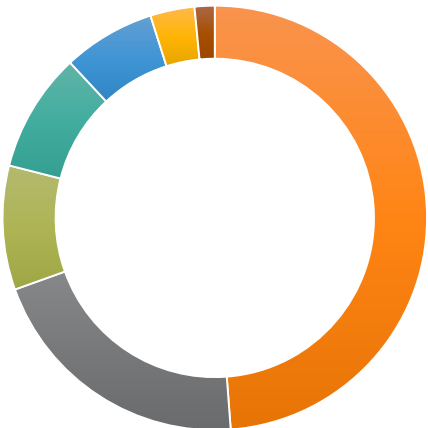


By Value		By GLA	
66%	Shopping Centres	53%	
30%	Retail Parks	42%	
3%	Offices	5%	
1%	Development Potential	0%	

Sectoral Profile - by GLA

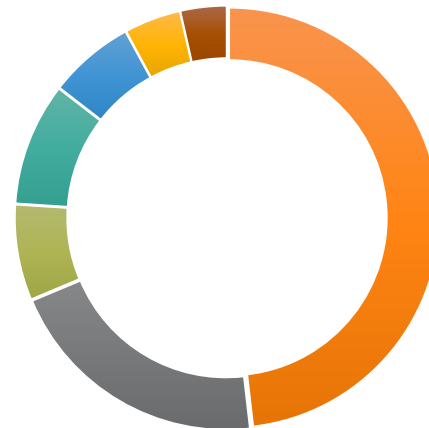


Geographic Profile - by Value



By Value		By GLA	
49%	Andalucia	48%	
21%	Extremadura	21%	
9%	Com. Valenciana	7%	
9%	Castilla Leon	9%	
7%	Madrid	7%	
3%	Asturias	4%	
2%	Murcia	4%	

Geographic Profile - by GLA





VUKILE
PROPERTY FUND

REAL ESTATE. REAL GROWTH.

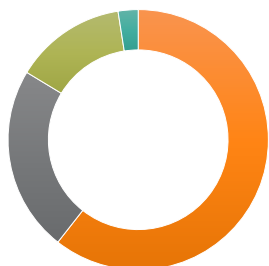
7

Appendix C
Financial Results Overview

Group net income analysis

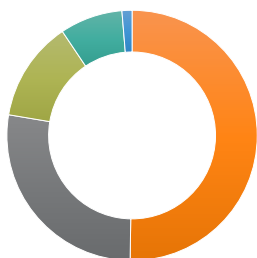
Distributable income of R847m for the six month ended 30 September 2019

Income R2 033 million



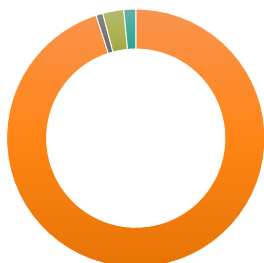
	Rm	%
Rental income	1 382	68.0
Municipal and rates recoveries	381	18.7
Investment and other income	229	11.3
Income from associate	41	2.0

Expenses R1 081 million



	Rm	%
Property expenses	543	50.2
Finance costs	296	27.4
Corporate and administrative expenses	140	13.0
Non-controlling interest	88	8.1
Taxation	14	1.3

Non-IFRS adjustments R105 million

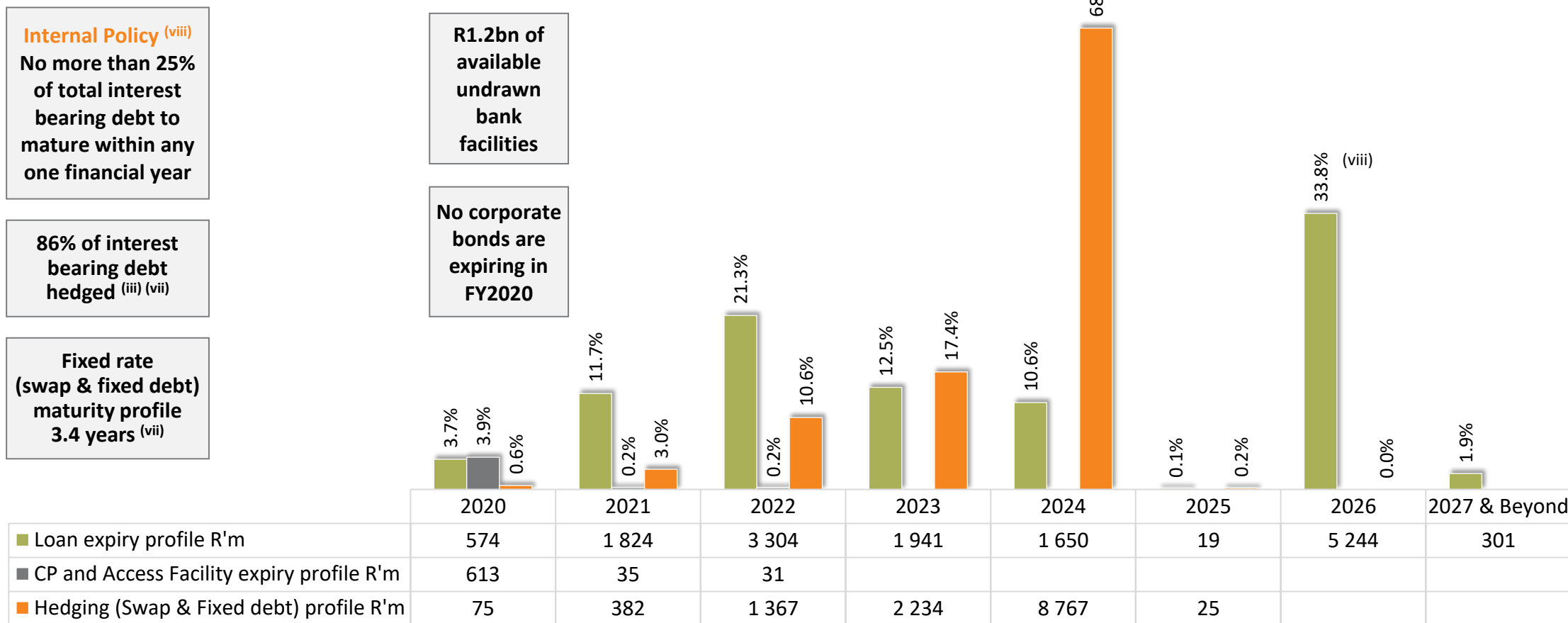


	Rm	%
Profit before tax of subsidiary (Castellana)	(111)	105.7
Listed investments (Fairvest/Arrowhead)	1	(1.0)
Non-cash impact of IFRS 16	3	(2.9)
Antecedent dividend	2	(1.9)

Analysis of Group loan repayment and hedging expiry profile

Well hedged with low risk expiry profile

Group loan and hedging (swap & fixed debt) expiry profile

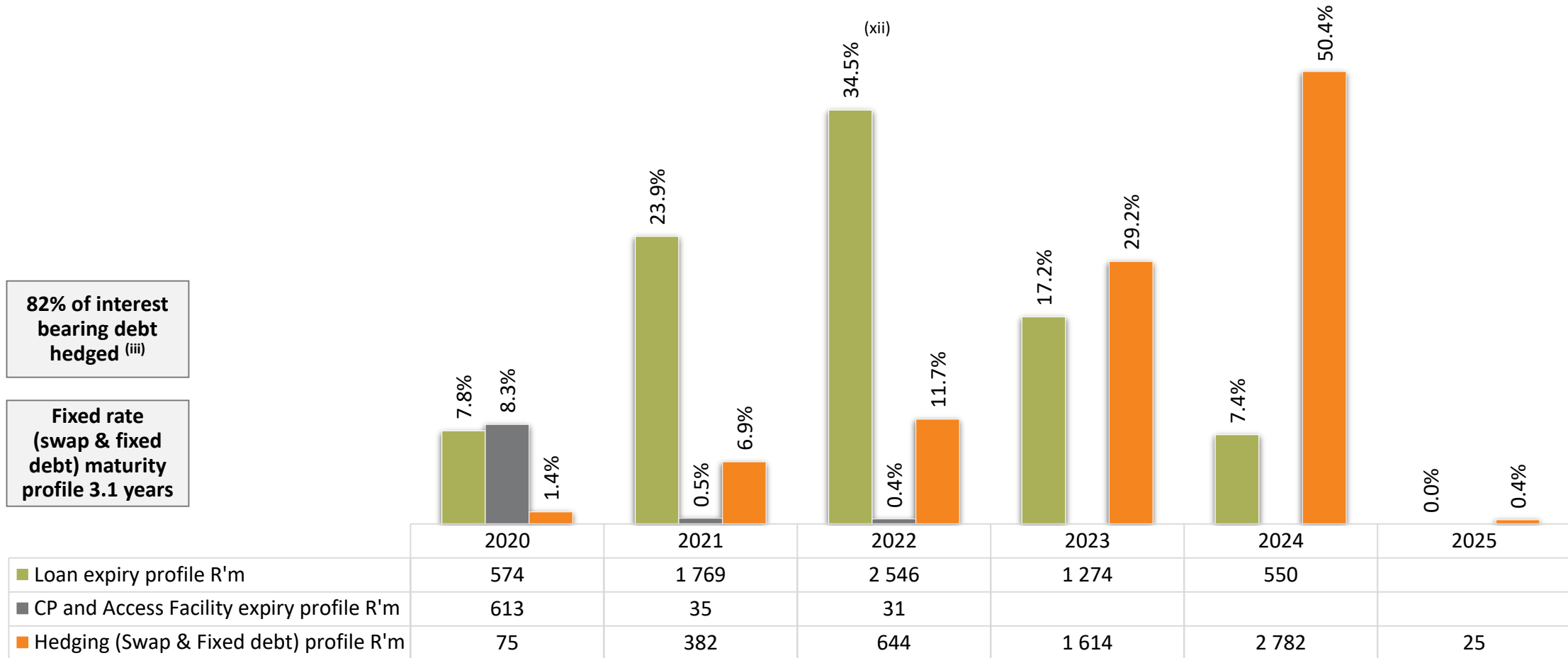


(iii), (vii) and (viii) defined in Appendix C: Notes to Treasury Management Slides

Analysis of southern African loan repayment and swap expiry profile

Well hedged with low risk expiry profile

Southern African loan and hedging (swap & fixed debt) expiry profile



(iii) and (xii) defined in Appendix C: Notes to Treasury Management Slides

Debt expiring in FY2020

R574m of Term debt and R613m of access facilities

	Maturity Date	Amount Drawn '000	Comments
ABSA Multicurrency Revolving Credit Facility (ZAR portion)	31 Oct 2019	R100 507	Agreement being finalised
ABSA Multicurrency Revolving Credit Facility (EUR portion) ZAR Equivalent at EUR/ZAR spot rate of 16.4917 at 30 September 2019	31 Oct 2019	€31 105 R512 974	
ABSA GBP Term Loan ZAR Equivalent at GBP/ZAR spot rate of 18.5898 at 30 September 2019	31 Oct 2019	£9 000 R167 308	
ABSA GBP Term Loan ZAR Equivalent at GBP/ZAR spot rate of 18.5898 at 30 September 2019	31 Oct 2019	£5 350 R99 455	
Standard Bank EUR Term Loan ZAR Equivalent at EUR/ZAR spot rate of 16.4917 at 30 September 2019	20 Dec 2019	€6 500 R107 196	Agreements being Finalised
Nedbank ZAR Term Loan	30 Jan 2020	R100 000	Agreements being Finalised
ABSA ZAR Term Loan	31 Mar 2020	R100 000	To consider repaying depending on sales
Total		R1 187 440	

- ◆ Very confident that bank debt expiring **will be extended**
- ◆ **No corporate bonds** are expiring in FY2020
- ◆ **R2.5bn** of bank facilities were negotiated or extended during the 6-month period

Undrawn facilities

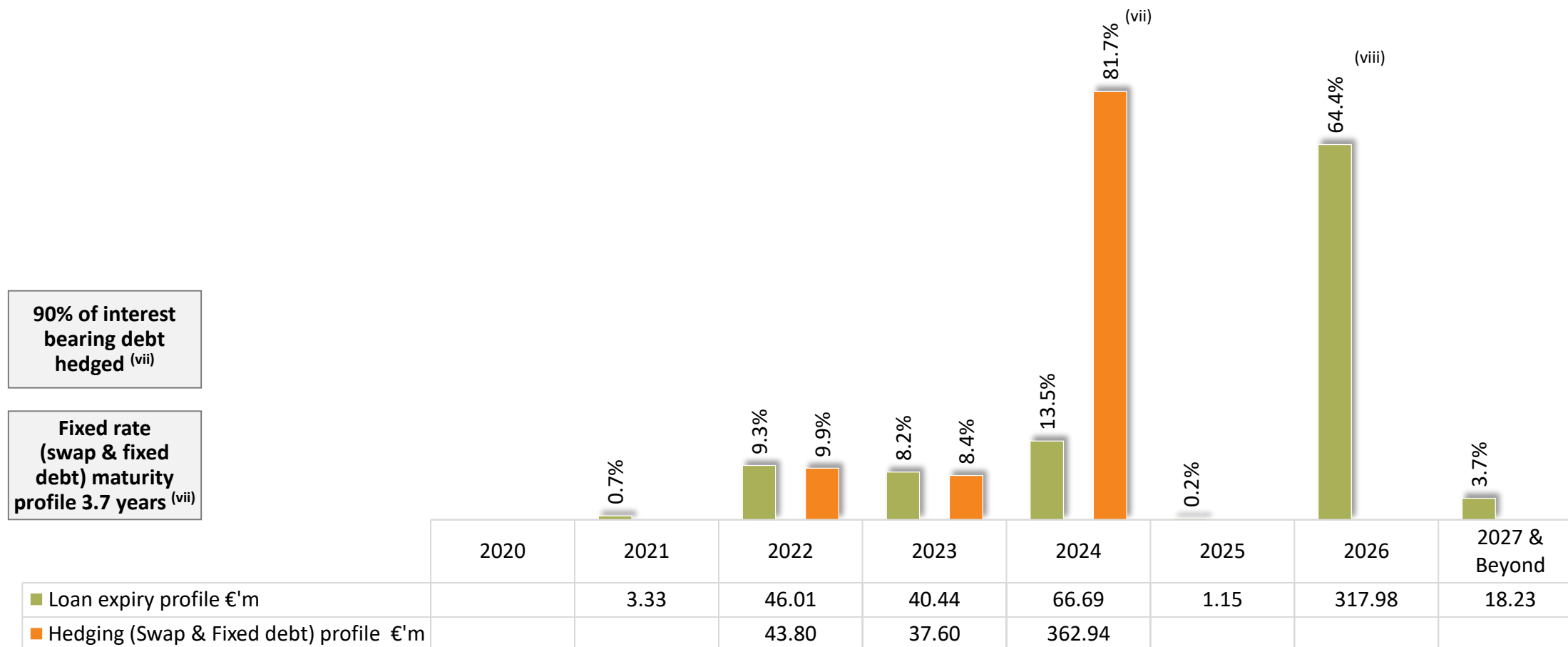
R1.2bn of available bank facilities

	Facility Amount '000	Amount Drawn '000	Facility Undrawn '000
ABSA Multicurrency Revolving Credit Facility (ZAR portion)	R337 026	R100 507	R 236 519
ABSA Multicurrency Revolving Credit Facility (EUR portion) ZAR Equivalent at EUR/ZAR spot rate of 16.4917 at 30 September 2019	€31 105 R512 974	€31 105 R512 974	€0 R0
Aareal (El Corte Ingles Development Loans) ZAR Equivalent at EUR/ZAR spot rate of 16.4917 at 30 September 2019	€47 490 R783 185	€18 500 R305 097	€28 990 R487 088
Investec Access Facility	R100 000	R5 603	R94 397
Investec Revolving Credit Facility	R100 000	R25 546	R74 454
RMB Access	R200 000	R34 391	R165 609
Standard Bank Revolving Credit Facilities	R105 000	R0	R105 000
Total	R2 138 185	R984 118	R1 154 067

Analysis of Spanish loan repayment and swap expiry profile

Low refinance risk over the next six years

Spanish loan and hedging (swap & fixed debt) expiry profile

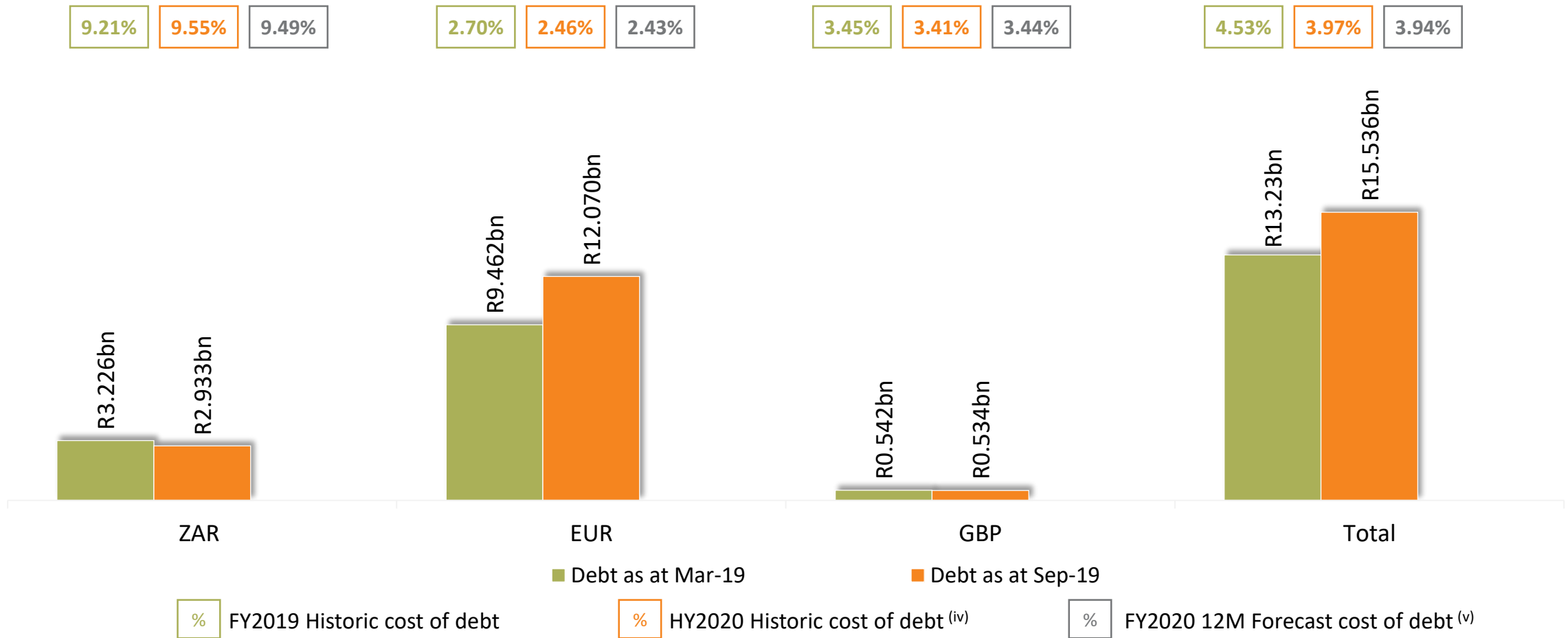


(vii) and (viii) defined in Appendix C: Notes to Treasury Management Slides

Cost of funding

Reduction in Group cost of finance due to funding mix

Group Debt by Currency



(iv) and (v) defined in Appendix C: Notes to treasury management slides

GBP foreign exchange hedging

Maintaining sustainable predictable income while reducing currency volatility

£'000	Nov-19	May-20	Nov-20
Fixed GBP/ZAR rate	19.9029	20.6072	21.3622

- ◆ To minimise the adverse foreign exchange fluctuations Vukile's target is to hedge on average 75% of foreign dividends over a 3-year to 5-year period
- ◆ **89%** of forecast **Net GBP income** from Atlantic Leaf is hedged over the next **12 years** (next 2 dividend payments)

	Over 12 months	Over 3 years	Over 5 years
Average percentage Net GBP dividend hedged ^(xv)	89%	40%	22%
Average percentage Gross GBP dividend hedged ^(xvi)	76%	36%	21%

- ◆ As the ZAR spot rate weakens to the GBP, a **1%** weakening from **18.5898** to **18.78**, is:
 - **+R6m** increase on Vukile's **NAV balance sheet movement** (assets less liabilities); and
 - **+R0.6m** increase on Vukile's **FY2021 earnings**

(xv) and (xvi) defined in Appendix C: Notes to treasury management slides

EUR foreign exchange hedging

Maintaining sustainable predictable income while reducing currency volatility

€'000	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22	Jun-23	Dec-23	Jun-24
Fixed EUR/ZAR rate	17.4997	18.1463	18.4702	19.2738	20.1694	20.9673	21.8077	22.6975	23.0560	23.9613

- ◆ To minimise the adverse foreign exchange fluctuations Vukile’s target is to hedge on average 75% of foreign dividends over a 3-year to 5-year period
- ◆ **82%** of forecast **Net EUR income** from Castellana is hedged over the next **5 years** (next 10 dividend payments)

	Over 12 months	Over 3 years	Over 5 years
Average percentage Net EUR dividend hedged ^(xvii)	91%	88%	82%
Average percentage Gross EUR dividend hedged ^(xviii)	64%	64%	64%

- ◆ As the ZAR spot rate weakens to the EUR, a **1%** weakening from **16.4917** to **16.66**, is:
 - **+R28m** increase on Vukile’s **NAV balance sheet movement** (assets less liabilities); and
 - **+R0.5m** increase on Vukile’s **FY2021 earnings**
 - **+0.12%** increase on Vukile’s **LTV to 40.9%**

(xvii) and (xviii) defined in Appendix C: Notes to treasury management slides

Cross currency interest rate swap exposure

Prudent currency management

	EUR Nominal €'000	ZAR Nominal R'000	EUR/ZAR Initial Rate	EUR Fixed Rate over Term	ZAR Average Rate over Term	Maturity
Nedbank CCIRS June 2018 (€93.2m)	€93 200	R1 346 240	14.4446	1.90%	8.81%	14 June 2021
Nedbank CCIRS June 2018 (€23.8m)	€23 800	R360 380	15.1420	1.29%	8.81%	14 June 2021
ABSA CCIRS July 2018 (€40.0m)	€40 000	R629 860	15.7465	3.70%	11.88%	13 June 2022
Investec CCIRS July 2018 (€25.5m)	€25 500	R401 370	15.7400	3.72%	11.88%	13 June 2022
Total	€182 500	R2 737 850				

- ◆ Cross Currency Interest Rate Swaps (“**CCIRS**”) have the ability to both hedge foreign exchange fluctuations on Vukile’s earnings and asset exposure. To minimize the impact of unexpected risks at the maturity of the CCIRS, Vukile has chosen to limit the utilisation of CCIRS to **45%** of the **total value of international investments**
- ◆ The **CCIRS** ratio to **total value of international investments** (on a consolidated basis) is **30.2%**
- ◆ The **MtM loss** of CCIRS was **-R250m** as at 30 September 2019. R121m worth of fixed deposits with Nedbank has been ceded as security for the CCIRS in order to cover MtM losses on expiry of the CCIRS, net position -R129m
- ◆ As the ZAR spot rate weakens to the EUR, a **25%** weakening from **16.4917** to **20.61** will only increase Vukile’s **LTV** to **43.5%** from current level of **40.8%**

Overview of DMTN secured property portfolio (Group 1 notes)

Quality Secured Portfolio

- ◆ Property Value **R2 616m**
- ◆ **7** Properties
- ◆ GLA **160 708m²**
- ◆ Average property value **R374m**
- ◆ **74%** of retail rent from national tenants
- ◆ Contractual rental escalation **7.2%**
- ◆ **41%** of income from top 10 tenants
- ◆ WALE of **4.0 years**
- ◆ Retail Tenant Retention **91%**
- ◆ **2.9%** Vacancy (by Rent)
- ◆ Total DMTN Secured Debt **R772m**
- ◆ DMTN Secured Portfolio LTV **29.5%**

Overview of unencumbered assets

Quality Unencumbered Assets

- ◆ Total Unencumbered Assets **R8 711m**
- ◆ Property Value **R3 272m**
- ◆ **24** Properties
- ◆ GLA **284 888m²**
- ◆ Average property value **R142m**
- ◆ **82%** of retail rent from national tenants
- ◆ Contractual rental escalation **7.1%**
- ◆ **44%** of income from top 10 tenants
- ◆ WALE of **2.8 years**
- ◆ Retail Tenant Retention **83%**
- ◆ **6.9%** Vacancy (by Rent)
- ◆ Total Unsecured Debt **R1 524m** ^(xiii)
- ◆ Unsecured Debt to Unencumbered Assets ratio **17.5%**

(xiii) defined in Appendix C: Notes to treasury management slides

Corporate bond issuances

Balance of secured and unsecured debt

Corporate Bonds	Security	Amount	Reference Rate	Margin	Maturity Date	Initial Term
VKE07	Secured	R200m	3M JIBAR	1.65%	08/06/2020	5.1 years
VKE09	Secured	R378m	3M JIBAR	1.64%	08/07/2020	3.2 years
VKE10	Secured	R194m	3M JIBAR	1.80%	08/07/2022	5.2 years
VKE11	Unsecured	R175m	3M JIBAR	1.75%	20/04/2023	5.0 years
VKE12	Unsecured	R150m	3M JIBAR	1.60%	03/05/2021	3.0 years
VKE13	Unsecured	R535m	3M JIBAR	1.55%	27/08/2021	3.0 years
VKE14	Unsecured	R375m	3M JIBAR	1.65%	27/08/2023	5.0 years

Unsecured Debt Summary ^(xiii)	Security	Amount
Corporate Bonds	Unsecured	R1 235m
Commercial Paper	Unsecured	R0m
Bank Debt	Unsecured	R289m
Total Unsecured		R1 524m

◆ Secured long-term credit rating **upgraded** to **AAA_{(ZA)(EL)}**, corporate long-term credit rating upgraded to **AA_{-(ZA)}** and corporate short-term rating upgraded to **A1_{+(ZA)}**, with a **stable outlook**

(xiii) defined in Appendix C: Notes to treasury management slides

“See-through” loan-to-value ratio

Low risk conservative balance sheet

	Interest bearing debt R'000	Property Assets R'000	Cash R'000	LTV	Shareholding
Vukile Company, MICC and 100% of Clidet No. 1011	R7 392 350	R15 915 827	R353 352	44.23%	100.0%
Castellana	R8 144 096	R16 960 064	R870 837	42.88%	82.54%
Atlantic Leaf	R3 342 578	R7 185 000	R78 112	45.43%	34.90%
Fairvest	R885 378	R3 092 382	R15 356	28.13%	26.56%
Arrowhead	R6 955 674	R15 587 666	R235 671	43.11%	11.27%
"See-through" Loan-to-Value Ratio ^(xiv)	R16 299 775	R34 999 570	R1 130 005	43.34%	

(xiv) defined in Appendix C: Notes to treasury management slides

Notes to treasury management slides

Aligned with industry best standards

- (i) Loan-to-Value ratio calculated as a ratio of nominal interest-bearing debt less cash and cash equivalents (excluding tenant deposits & restricted cash) divided by the sum of (i) the amount of the most recent director's valuation of the direct property portfolio, on a consolidated basis and (ii) the market value of listed investments*
- (ii) Gearing ratio calculated as a ratio of interest-bearing debt on a consolidated IFRS basis divided by total assets*
- (iii) Excluding access facilities and commercial paper*
- (iv) Historic rates are based on actual interest costs including hedging and amortised transaction costs divided by the average debt over the respective period*
- (v) Forecast rates are based on extending debt and swaps expiring during the forecast period, as well as new debt expected to be utilised/repaid during the forecast period. Although, debt costs are forecast to increase in ZAR in FY2020 compared with FY2019, the overall cost is expected to reduce from 4.53% to 3.94% in FY2020 as a larger percentage of debt will be in foreign currency over the full period in FY2020 compared to only being held for a portion of FY2019*
- (vi) Interest Cover Ratio is based on the operating profit excluding straight-line lease income plus dividends from equity-accounted investments and listed securities income ("EBITDA") divided by the finance costs after deducting all finance income ("net interest cost") over the respective period on an annualised basis*
- (vii) €42.3m of debt with Aareal related to Habaneras is fixed for 5 years (and has been included in the interest bearing debt hedged ratio and fixed rate maturity profile). €256m of debt with Aareal related to Project West is fixed for 5 years (and has been included in the interest bearing debt hedged ratio and fixed rate maturity profile)*
- (viii) More than 25% of debt will mature in FY2026, this debt relates to €42.3m of debt with Aareal related to Habaneras, €256m of debt with Aareal related to Project West and €18.5m of debt with Aareal related to the ECI acquisition. The intention is that as the debt reaches maturity, Castellana's overall debt will increase and as a percentage this debt will be less than 25% of total debt at that point in time*
- (ix) Castellana EUR Debt comprises €493.8m converted at the EUR/ZAR spot rate of 16.4917 at 30 September 2019, which is non-recourse to Vukile*
- (x) Vukile EUR debt comprises to €238.0m converted at the EUR/ZAR spot rate of 16.4917 at 30 September 2019*
- (xi) Vukile GBP debt comprises £28.7m converted at the GBP/ZAR spot rate of 18.5898 at 30 September 2019*
- (xii) More than 25% of Vukile South African debt will mature in FY2022, this debt primarily relates to VKE12 (R150m), VKE13 (R535m) and debt with ABSA (€12.5m + £5.35m), Investec (c.€44.3m + c.R31m), RMB (€20.1m) and Standard Bank (€25m). The intention is re-new the debt with the banks at least 12 months prior to their maturity*
- (xiii) Total unsecured debt includes (i) unsecured corporate bonds VKE11, VKE12, VKE13 and VKE14 and (ii) a Standard Bank unsecured term loans of €6.5m and €11.0m*
- (xiv) "See-through" Loan-to-Value Ratio is calculated as a ratio of interest-bearing debt less cash divided by Property Assets weighted by Vukile Group's respective shareholding in each entity*

Notes to treasury management slides (continued)

Aligned with industry best standards

- (xv) Percentage Net GBP dividend hedged calculated as FEC hedge divided by Net GBP forecast dividend over the respective period. The Net GBP forecast dividend is calculated as the Gross GBP forecast dividend after deducting interest costs on Vukile GBP debt.*
- (xvi) Percentage Gross GBP dividend hedged calculated as FEC hedge divided by Gross GBP forecast dividend over the respective period. The Gross GBP forecast dividend is calculated as the forecast dividends from Atlantic Leaf after withhold tax. Forecast dividends are an estimate and will differ from actual dividends because of normal differences between forecasting assumptions vs. actual earnings*
- (xvii) Percentage Net EUR dividend hedged calculated as FEC hedge divided by Net EUR forecast dividend over the respective period. The Net EUR forecast dividend is calculated as the Gross EUR forecast dividend after deducting interest costs on Vukile EUR debt and CCIRS fixed interest costs.*
- (xviii) Percentage Gross EUR dividend hedged calculated as FEC hedge divided by Gross EUR forecast dividend over the respective period. The Gross EUR forecast dividend is calculated as the forecast dividends from Castellana after withhold tax. Forecast dividends are an estimate and will differ from actual dividends because of normal differences between forecasting assumptions vs. actual earnings*

◇ Note:

- *MtM of derivatives valued at –R343m not included in interest bearing debt*
- *Cash and cash equivalents (excluding tenant deposits & restricted cash) of R1,224m*
- *Vukile Group Property Portfolio, on a consolidated basis, includes 100% of the consolidated value of Moruleng Mall (Clidet No. 1011 (Pty) Ltd)*
- *Market value of equity investments consists of Fairvest, Arrowhead and Atlantic Leaf with a value of R2.2bn. Market value of equity investments calculated as the sum of (i) the number of Atlantic Leaf JSE shares (39 887 178) multiplied by their JSE share price (R15.95); (ii) the number of Atlantic Leaf SEM shares (26 071 428) multiplied by their SEM share price (£1.05) and converted at the GBP/ZAR exchange rate (18.5898) (iii) the number of Fairvest shares (270 394 812) multiplied by their share price (R2.04); (iv) the number of Arrowhead A shares (4 691 084) multiplied by their share price (R10.00); and (v) the number of Arrowhead B shares (114 438 564) multiplied by their share price (R4.09), at 30 September 2019*
- *External Valuation Loan-to-Value ratio is 41.2% and is calculated as a ratio of nominal interest-bearing debt owing less cash and cash equivalents (excluding tenant deposits & restricted cash) divided by the sum of (i) the amount of the most recent External Valuation of all the Properties in the Vukile Group Property Portfolio, on a consolidated basis and (ii) the market value of equity investments*