



REAL ESTATE. REAL GROWTH.

DEBT CAPITAL MARKETS

July 2022

Annual Roadshow



(Some photographs used in this presentation may have been taken prior to the COVID-19 pandemic and resultant health and safety requirements)

CONTACT DETAILS

AVAILABLE FOR QUESTIONS

Vukile Property Fund	Designation	Email	Tel. Number	Mobile number
Laurence Rapp	Chief Executive Officer	Laurence.Rapp@vukile.co.za	+27 (0)11 288 1002	+27 (0)83 266 3011
Laurence Cohen	Chief Financial Officer	Cohen.Laurence@vukile.co.za	+27 (0)11 288 1014	+27 (0)82 875 7366
Maurice Shapiro	Group Head of Treasury	Maurice.Shapiro@vukile.co.za	+27 (0)11 288 1001	+27 (0)83 577 6184
Seva Gorlach	Senior Manager: Treasury	Seva.Gorlach@vukile.co.za	+27 (0)11 288 1083	+27 (0)82 597 5264

RMB	Designation	Email	Tel. Number	Mobile number
Nick Tunnicliffe	Debt Capital Markets Origination	Nick.Tunnicliffe@rmb.com	+27 (0)11 282 1092	+27 (0)83 704 0051
Sinethemba Cele	Debt Capital Markets Origination	Sinethemba.Cele@rmb.com	+27 (0)11 282 1911	+27 (0)73 018 0135
Cynthia Heyneke	Debt Capital Markets Distribution	Cynthia.Heyneke@rmb.com	+27 (0)11 282 1205	+27 (0)83 266 3172

AGENDA

1

INTRODUCTION

Laurence Rapp

2

TREASURY MANAGEMENT

Laurence Cohen

3

CORPORATE STRATEGY

Laurence Rapp

4

DMTN PROGRAMME

Maurice Shapiro

Q&A

VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.



INTRODUCTION

Laurence Rapp

VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.










WHO WE ARE

- High-quality, low-risk, **retail REIT** operating in South Africa and Spain
- Significant **geographic diversification** with **54% of assets** located in **Spain**
- Strong **operational focus** with a core competence in **active asset management**
- Focus on **customer centricity** and data-driven decision making
- Simple** and **transparent** corporate structure
- 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**
- Vukile listed on the **JSE** and **NSX**
- 89.6%** held subsidiary Castellana Property Socimi listed on the **BME Growth** (Madrid junior board)







1 WHY VUKILE?

A UNIQUE PROPERTY COMPANY

						
SPECIALISTS IN RETAIL	HIGH QUALITY PORTFOLIO	ROBUST FINANCIAL METRICS	ACTIVE MANAGEMENT	HIGHEST GOVERNANCE STANDARDS	INNOVATION AND CUSTOMER CENTRICITY AS PART OF OUR DNA	STRONG INCOME & GROWTH PROSPECTS
<ul style="list-style-type: none"> Specialists in the retail sector, with more than 1 million m² of GLA across 52 retail properties in South Africa and Spain Best-in-class internalised management structure Supported by strong relationship with national & international tenants With a focus on providing our customers a unique retail experience 	<ul style="list-style-type: none"> Strategically constructed portfolio of handpicked properties Dominant assets in catchment areas Highly diversified portfolio in terms of property type, regions, categories and tenants, offering a low level of portfolio risk Attractive pipeline of opportunities to bolster growth Supported by focus on customer needs 	<ul style="list-style-type: none"> Conservative and prudent financial policy to ensure long-term sustainable growth Active debt management supported by strong relationships with debt funders Dynamic hedging policy to mitigate risk whilst optimising returns Consistent capex & development policy to ensure sustainability and income growth 	<ul style="list-style-type: none"> Unique and effective active management style, aiming to invest to add long-term value as evidenced by recent development projects and choice of acquisitions and sales Highly dynamic and efficient team, able to quickly adapt when it comes to decision making Strong operational focus, integrating assets with local communities, anticipating customers' needs and supporting tenants 	<ul style="list-style-type: none"> Strong corporate governance with a highly experienced and independent Board of Directors Integrity and transparency as core values Committed to ESG principles throughout business processes Committed to generating maximum value for stakeholders and returns for shareholders Acknowledged as an employer of choice with high ethical standards 	<ul style="list-style-type: none"> Proactively spearheading new trends at its shopping centres Internal innovation programme to embrace cutting-edge new trends Placing the customer at the centre of our innovation with data analytics evaluating customer needs Embracing technology to adapt our shopping centres to emerging consumer needs 	<ul style="list-style-type: none"> Incentivised to achieve FFO and NAV growth Returns driven through healthy, sustainable and robust growth Diversified net currency exposure Stable NAV with meaningful upside potential over the next 5 years High quality cash flows resulting in competitive dividend yield with conservative tax efficient pay-out ratio

FOCUSSED RETAIL REIT WITH A BLUE CHIP TENANT MIX PROVIDING WELL DIVERSIFIED EXPOSURE ACROSS MACRO ECONOMIC DRIVERS AND AN INCREASED RAND HEDGE PROFILE

	 SPAIN			 SOUTH AFRICA	
Total assets	€1 091m	R17.6bn	54%	R15.2bn	46%
Direct property assets	€1 001m	R16.2bn	100% Retail	R14.6bn	95% Retail
Strategic listed investments	€90m	R1.4bn	Lar España 23% 	R360m	Fairvest 7% 
Property NOI	€52m	R888m	40%	R1.3bn	60%
Portfolio yield		5.8%	EUR yield	8.8%	ZAR yield
Debt	€498m	R8.0bn	55% No recourse to Vukile	R6.6bn	45%
Net exposure	€520m	R8.4bn	45%	R10.3bn	55%



DIVERSIFIED RETAIL PROPERTY EXPOSURE

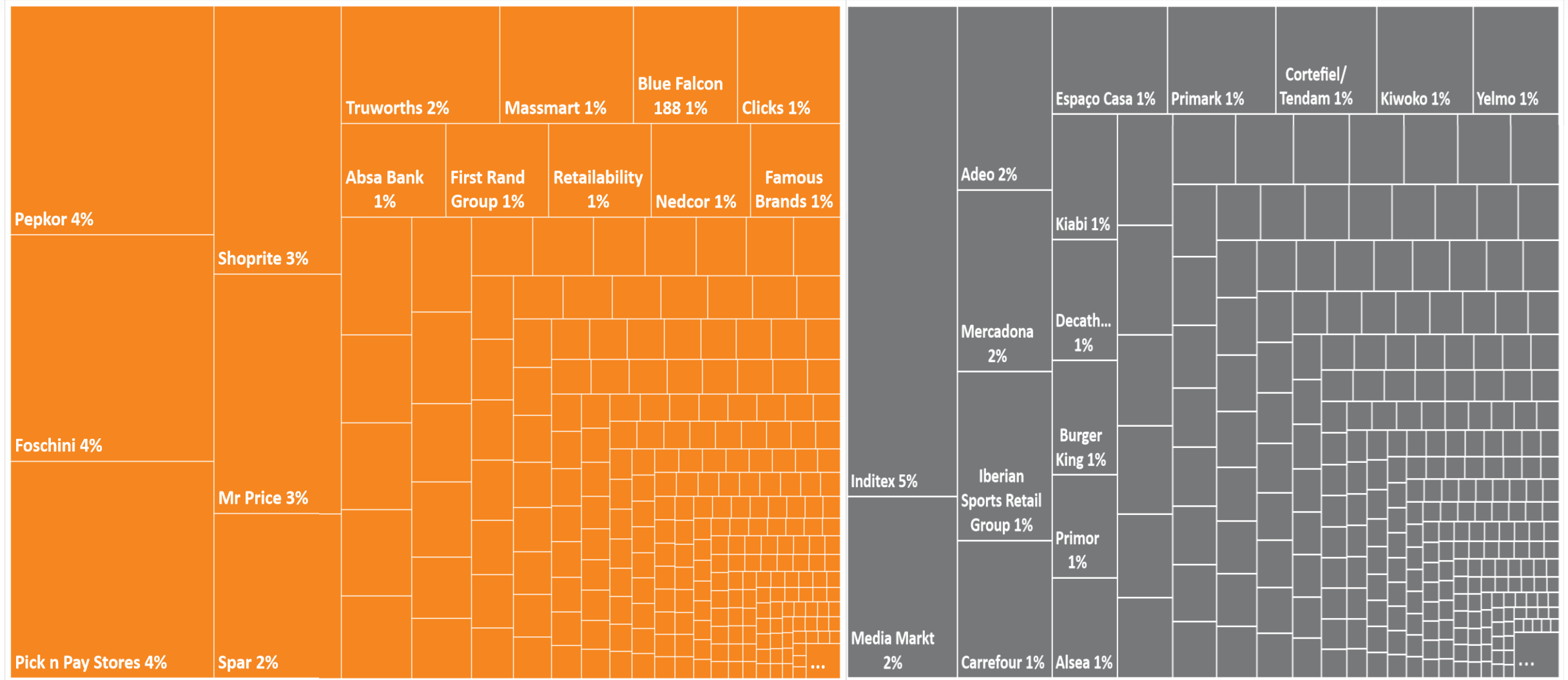
HIGH QUALITY RETAIL PORTFOLIO COMPRISING 52 RETAIL ASSETS ACROSS SOUTH AFRICA AND SPAIN

Pinetown Pine Crest (R1.1bn 3.6%)	Durban Phoenix Plaza (R0.9bn 2.8%)	Pretoria Kolonnade Retail Park (R0.7bn 2.2%)	Gugulethu Square (R0.6bn 2.1%)	Mdantsane City Shopping Centre (R0.5bn 1.8%)	Germiston Meadowdale Mall (67%) (R0.5bn 1.6%)	Moruleng Mall (80%) (R0.5bn 1.5%)	Roodepoort Hillfox Power Centre (R0.4bn 1.3%)	Hammasdale Junction (R0.3bn 1.1%)	Vereeniging Bedworth Centre (R0.3bn...)	Midrand Ulwazi Building (R0.2bn...)	Hammasdale Renbro Shopping Centre...
						Atlantis City Shopping Centre (R0.5bn 1.5%)	Randburg Square (R0.4bn 1.2%)	Durban Workshop (R0.3bn 1.1%)	Roodepoort Ruimsig Shopping...	KwaMashuwa Shoppi... Centre...	Cape Town Bellvill...
						Bloemfontein Plaza (R0.4bn 1.4%)	Springs Mall (28%) (R0.3bn 1.1%)	Emalahleni Highland Mews (R0.3bn...)	Giyani Plaza (R0.2bn...)		
Boksburg East Rand Mall (50%) (R1.1bn 3.6%)	Phuthaditjhaba Maluti Crescent (R0.8bn 2.7%)	Soweto Dobsonville Mall (R0.6bn 2.1%)	Queenstown Nonesi Mall (R0.6bn 1.8%)	Daveyton Shopping Centre (R0.5bn 1.7%)	Thohoyandou Thavhani Mall (33.33%) (R0.5bn 1.5%)						
El Faro SC (R2.7bn 8.9%)	Bahia Sur SC (R2.4bn 7.8%)	Los Arcos SC (R2.2bn 7.1%)	Habaneras SC (R1.4bn 4.6%)	Puerta Europa SC (R1.2bn 3.8%)	Vallsur SC (R1.3bn 4.4%)	Granaita Gallery (R0.9bn 3.1%)	Parque Principado RP (R0.6bn 2.0%)		Granaita RP (R0.5bn 1.8%)		
							Marismas del Polvorin RP (R0.5bn 1.5%)	La Serena RP (R0.3bn 0.9%)	Pinatar Park RP (R0.3bn 0.9%)		
							La Heredad RP - Merida (R0.3bn 1.1%)	Granaita LC (R0.3bn 0.8%)			



SIGNIFICANTLY DIVERSIFIED RETAIL TENANT EXPOSURE

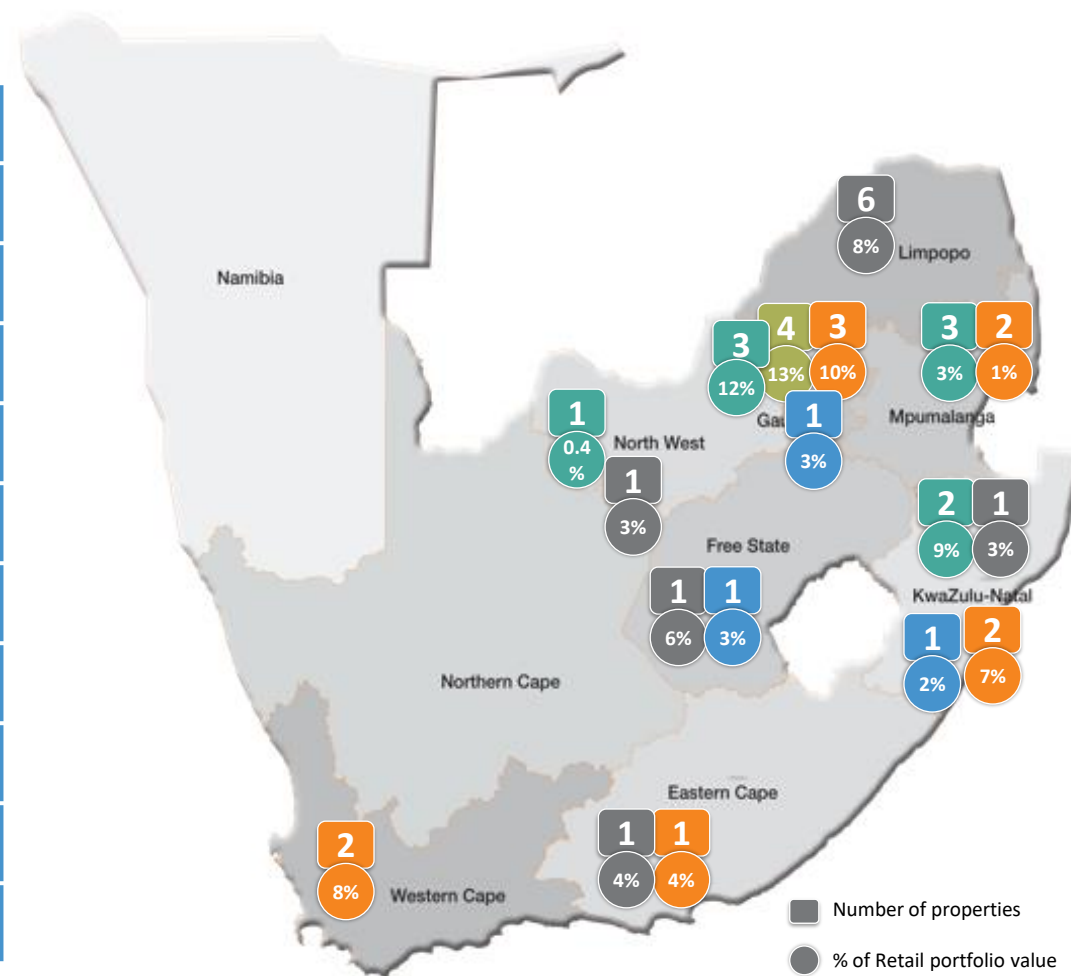
HIGH QUALITY CASHFLOWS FROM A BLUE-CHIP TENANT MIX ACROSS SOUTH AFRICA AND SPAIN



1 RETAIL PORTFOLIO COMPOSITION

WELL POSITIONED DEFENSIVE PORTFOLIO FOCUSED ON TOWNSHIP AND RURAL MARKETS

	Township	Rural	Value Centre	Urban	Commuter
Value	R4.2bn	R3.3bn	R1.8bn	R3.4bn	R1.1bn
Number of properties	10	10	4	9	3
GLA	195 228m ²	174 960m ²	144 338m ²	155 371m ²	104 967m ²
Vacancy	3.6%	1.5%	0.8%	2.9%	4.7%
Average base rental	R 179/m ²	R 153/m ²	R 102/m ²	R 183/m ²	R 129/m ²
Average trading density	R39 870/m ²	R36 766/m ²	R21 718/m ²	R28 292/m ²	R22 387/m ²
Rent-to-sales ratio	5.3%	5.1%	5.3%	8.4%	7.8%
WALE (GLA)	2.5 years	3.7 years	3.9 years	4.0 years	3.2 years
National tenant exposure	85%	87%	88%	89%	74%
Top 10 tenant exposure	28%	27%	12%	23%	10%
Tenant retention	92%	92%	95%	93%	90%



DIRECT SOUTH AFRICAN RETAIL PORTFOLIO

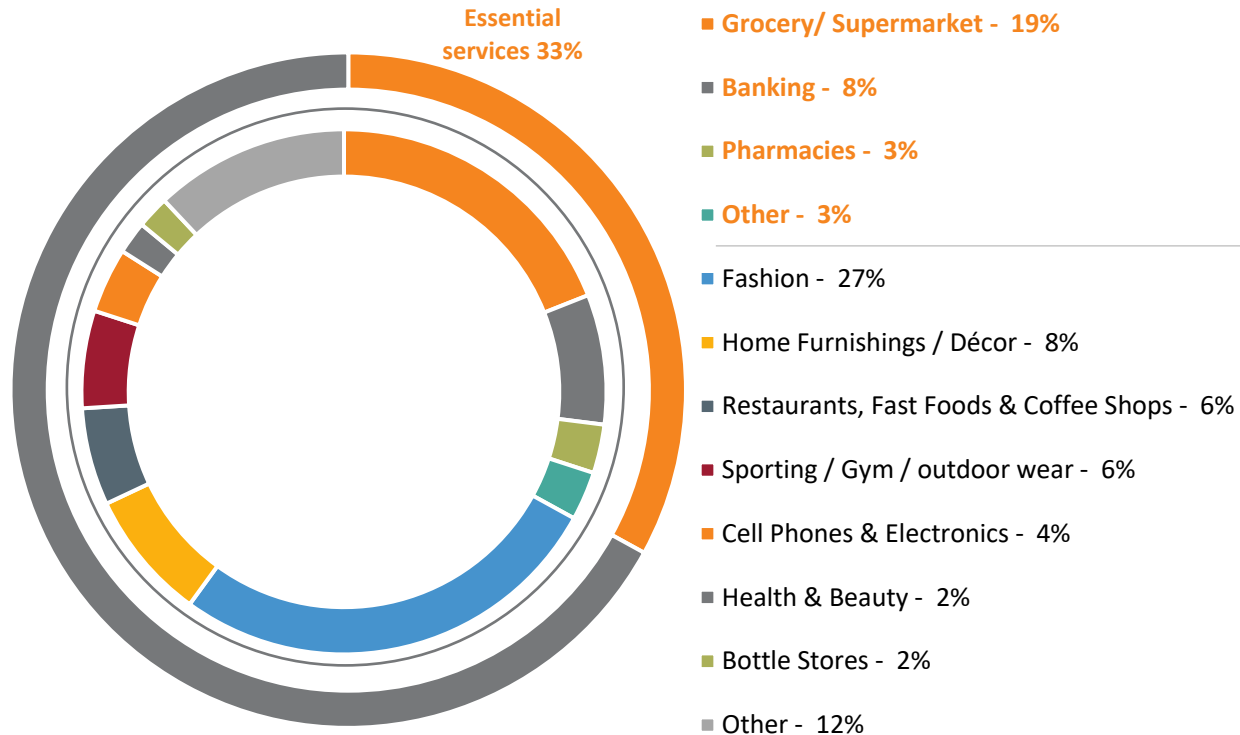
KEY RETAIL PORTFOLIO METRICS

	KEY FACTS	Portfolio Value R13.8bn	Total number of assets 36	GLA 774 864m²	Operational Capex R89m	PV installed 17 plants 12.7MW 9% of energy consumption
	VALUATIONS	Like-for-like annual increase in value 4.6%	Average asset value R382m	Value density R17 766/m²	Average discount rate 13.5%	Average exit capitalisation rate 8.9%
	PERFORMANCE OVERVIEW	Like-for-like net income growth 3.9% excl COVID-19 18.5% incl COVID-19	Vacancies 2.6% GLA 2.7% Rent	Reversions -2.4% Excl ERM +1.7% 68% Positive or flat	Base rentals R152.69/m² 4.3% growth	Contractual escalations 6.4%
	EFFICIENCY	Rent-to-sales ratio 6.1%	Annualised growth in trading densities 6.1%	Average annual trading density R31 134/m²	Net cost to property revenue 16.7%	
	TENANT PROFILE	National exposure 86% GLA 82% Rent	Top 10 tenants 51% GLA 44% Rent	WALE 3.4 years GLA 2.8 years Rent	Tenant retention 93%	Rent collection rate 100%

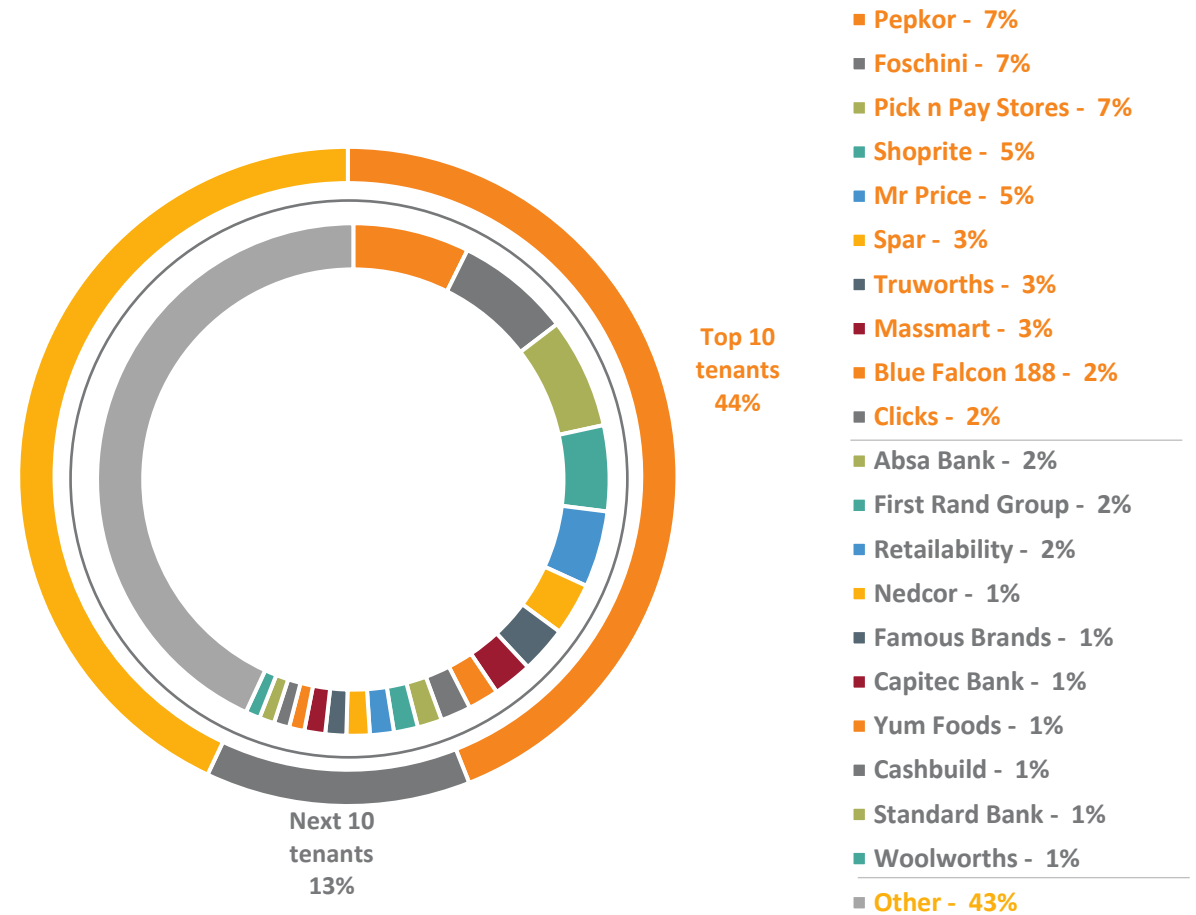
RETAIL TENANT EXPOSURE

HIGH QUALITY CASHFLOWS FROM A WELL DIVERSIFIED BLUE-CHIP TENANT MIX

33% OF RENT FROM ESSENTIAL SERVICES



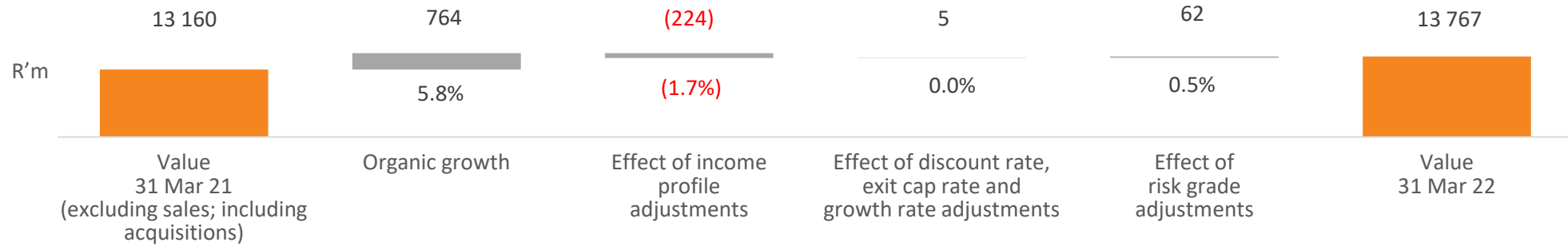
57% OF RENT FROM TOP 20 TENANTS



Base rent excluding recoveries

VALUATIONS: RETAIL PORTFOLIO - 36 PROPERTIES VALUED AT R13.8BN

4.6% INCREASE WITH A CONSERVATIVE VALUE DENSITY OF R17 766/m²

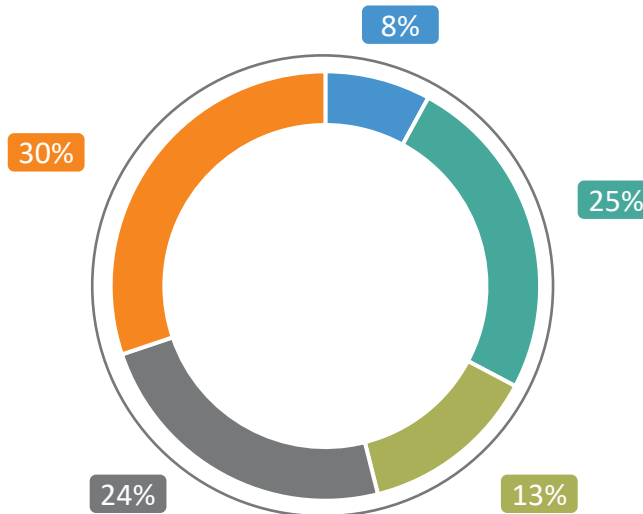


Township

- > Value R4 152m
- > Average value per property R415m
- > Value density R21 271/m²
- > Value movement R326m
- > Yield 8.7%

Rural

- > Value R3 273m
- > Average value per property R327m
- > Value density R18 707/m²
- > Value movement R182m
- > Yield 8.7%



Commuter

- > Value R1 096m
- > Average value per property R365m
- > Value density R10 442/m²
- > Value movement R36m
- > Yield 9.1%

Urban

- > Value R3 408m
- > Average value per property R379m
- > Value density R21 937/m²
- > Value movement (R58m)
- > Yield 8.6%

Value Centre

- > Value R1 838m
- > Average value per property R459m
- > Value density R12 731/m²
- > Value movement R121m
- > Yield 8.9%

VALUATION METHODOLOGY

SOUTH 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 1.7% over the past 9 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

SPANISH RETAIL PORTFOLIO (INCLUDING c.24% STAKE IN LAR ESPAÑA)

WELL DIVERSIFIED ACROSS SPAIN



CASTELLANA RETAIL CENTRES

- 1 El Faro (Extremadura)
- 2 Bahía Sur (Andalusía)
- 3 Los Arcos (Andalusía)
- 4 Vallsur (Castilla Y León)
- 5 Habaneras (Com. Valenciana)
- 6 Granaita (Andalusía)
- 7 Parque Oeste (Madrid)
- 8 Parque Principado (Asturias)
- 9 Marismas del Polvorín (Andalusía)
- 10 La Heredad (Extremadura)
- 11 La Serena (Extremadura)
- 12 Pinatar Park (Murcia)
- 13 Motril (Andalusía)
- 14 Mejostilla (Extremadura)
- 15 Ciudad del Transporte (Com. Valenciana)
- 16 Puerta Europa (Andalusía)

LAR ESPAÑA RETAIL CENTRES

- 1 Megapark + Leisure Area (País Vasco)
- 2 Gran Vía Vigo (Pontevedra)
- 3 Portal de la Marina + Hypermarket (Com. Valenciana)
- 4 EL Rosal (Castilla Y León)
- 5 Ànec Blau (Cataluña)
- 6 As Termas + Petrol Station (Galicia)
- 7 Parque Abadía + Commercial Gallery (Castilla La Mancha)
- 8 Rivas Futura (Madrid)
- 9 VidaNova Parc (Com. Valenciana)
- 10 Albacenter + Hypermarket (Albacete)
- 11 Vistahermosa (Com. Valenciana)
- 12 Txingudi (País Vasco)
- 13 Las Huertas (Castilla Y León)
- 14 Lagoh (Andalusía)



DIRECT SPANISH PORTFOLIO



KEY PORTFOLIO METRICS

	KEY FACTS	GAV €1 091b ⁽¹⁾	Portfolio value €1 001b +4.5% ⁽²⁾ +0.2% ⁽³⁾	GLA 350 271m²	NOI Like-for-like growth +5.94% ⁽⁴⁾
	VALUATIONS	Average asset value €63m	Average discount rate 8.2%	Average exit capitalisation rate 6.15%	Total number of assets 16
	TENANT PROFILE	Retail space let to national & international tenants 94%	Income from top 10 tenants 38.3%	WALE 13.2 years ⁽⁵⁾	Average base rentals €15.17/m²/month
	OPERATING METRICS	Letting transactions signed during the year 170	Increase in reversions and new lettings 3.12% ⁽⁶⁾	Occupancy 98.4%	Collection rate 98.7%
	ECI PROJECTS	GLA improved 37 897m²	New units 51	Additional NOI created €4.5m	Yield on investment 10% cash on cash

(1) Including Lar España stake acquisition
 (2) Versus March 2021 valuation of investment properties excluding mainly Konecta Office Buildings
 (3) Considering total COVID-19 effect versus September 2019 valuation of investment properties excluding mainly Konecta Office Buildings
 (4) Like-for-Like NOI growth compared to FY21 excluding Konecta Office Buildings and COVID-19 discounts during FY22
 (5) WALE (by GLA) is to expiry of lease excluding break options
 (6) Excluding vacant units let

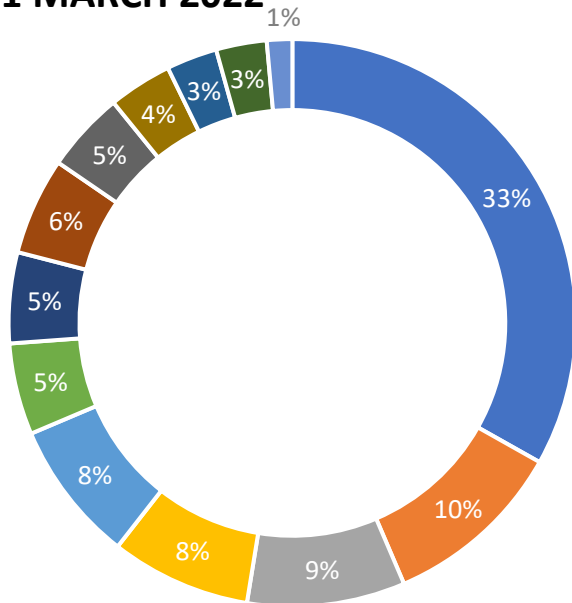
TENANT MIX

HIGHLY DIVERSIFIED RETAIL MIX LEADING TO SUSTAINABLE, HIGH QUALITY AND LOW RISK INCOME STREAMS



CATEGORY PROFILE BY RENT

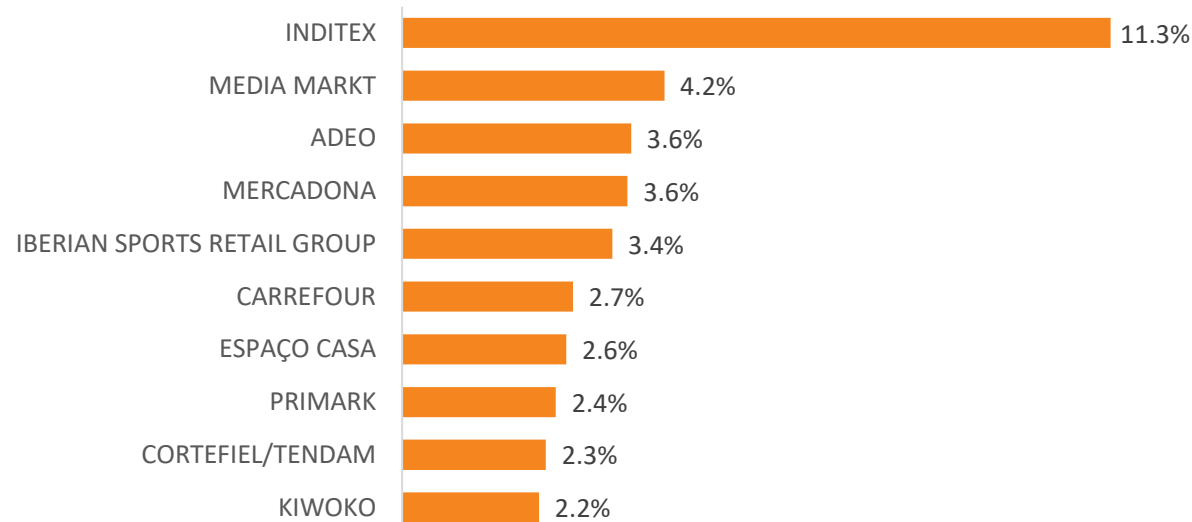
31 MARCH 2022



- Fashion & Accessories
- Food & Beverage
- Supermarkets
- Sports
- Household Goods
- Services
- Culture & Gifts
- Beauty & Health
- Electronics
- DIY
- Pets

TOP 10 TENANTS BY RENT

31 MARCH 2022



(1) WALE calculated according GLA is to expiry of lease excluding break options

VALUATION METHODOLOGY

SPANISH PROPERTY PORTFOLIO

VALUATION POLICY

The portfolio is externally and independently valued (by Colliers International) using the Discounted Cash Flow method every six months and reviewed by external auditors PWC.

RENTS AND EXPENSES

Passing rents and expenses are in most cases indexed to CPI, following the existing lease agreements. Market rents are estimated based on market evidence and their sustainability and are indexed to a market rental growth.

DISCOUNT RATE

The discount rate is based on an IRR with reference to comparable properties, based on the perceived risk of the asset, which considers occupancy levels, quality of asset and tenants, catchment, footfall and competing schemes amongst other factors.

EXIT YIELD

At the end of the considered term an exit value is incorporated to the cash flow. The exit value results from applying a cap rate to the net market rent. This cap rate is usually in line with comparable transactions, which serve as a reference for the valued property.

HOLDING PERIOD

Holding period used in DCF cash flow is 10 years.

CURRENT METRICS

Average discount rate IRR: **8.2%**
Average exit capitalisation rate: **6.15%**
Value per m²: **€2,857 per m²**



INVESTMENT IN LAR ESPAÑA



POSITIONING CASTELLANA FOR FURTHER GROWTH

INVESTMENT THESIS

- / Highly attractive acquisition price at c. 48% discount to EPRA NTA.**
This investment exploits the current price dislocation between listed real estate and the direct asset market.
- / Lar España portfolio is highly complimentary to the Castellana portfolio.**
Lar España assets located predominantly in the north and east of Spain while CPS portfolio is concentrated in the south and west of the country.
- / High single digit dividend yield with long-term capital appreciation potential.**
Share Price does not yet reflect the recovery post the pandemic, recent update of the IMA at more favorable terms to shareholders, redeployment of existing c. €200m cash and reduced finance costs from new green bond programme.
- / Strong investment case with highly attractive returns and provides strategic optionality in our core market.**
- / Castellana has further increased its stake in Lar España through acquisition of shares on the screen and will continue to do so if pricing remains attractive.**
- / As the largest shareholder, Vukile and Castellana continue to engage with Lar España’s management to discuss strategy to unlock further value for shareholders.**
 - /** Deployment of cash of c. €200 million
 - /** Scale
 - /** Operational metrics
 - /** Dividend policy

Q1 2022 BUSINESS UPDATE

Q1 2022 business update in line with Castellana’s forecast.

KEY TAKEAWAYS

- /** Results in line with Castellana’s expectations.
- /** Guidance was given for FY22 results of 4 times Q1 2022 business update. This represents an estimated FFO of c. €54m.
- /** Despite macroeconomic uncertainty, Lar España management is confident of passing higher energy and other inflationary costs to tenants due to CPI linked contracts.
- /** Net LTV and finance costs were reduced to 39.9% and 1.8% respectively.
- /** Versus Q1 2019, sales improved +7.7% LfL and footfall is still -8.5% below but improving.

KEY METRICS

€24.4m GRI ⁽¹⁾	€1,425m GAV	96% Occupancy
€13.6m Recurring Net Profit	€10.50p.s. EPRA NTA per Share	6.0% EPRA “Topped-up” NIY
€568.5m Net Debt	1.8% Average Cost of Debt	39.9% Net LTV





2

TREASURY
MANAGEMENT

Laurence Cohen

VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.



2 DEBT AND BALANCE SHEET OVERVIEW



LIQUIDITY AND EXPIRY PROFILE

- 66% (R2.3bn) of FY23 maturing debt has already been repaid, refinanced or extended
- Undrawn debt facilities of **R3.1bn** at 31 March 2022 (R1.9bn at 31 March 2021)
- Sufficient cash and undrawn committed facilities** exceed all debt expiring over next 12 months (**3.1 times** covered)
- Debt maturity profile** has increased to **3.8 years** at 31 March 2022 (2.9 years at 31 March 2021)



INTEREST RATE RISK MANAGEMENT

- 76%** of Group interest bearing debt hedged (78% at 31 March 2021)
- Hedge maturity profile** of **2.7 years** at 31 March 2022 (2.6 years at 31 March 2021)
- Expect interest cost to increase by **c. R40m** for **FY23** as a result of interest rate hikes (assumed 100bps) and further hedging costs



FX RISK MANAGEMENT

- Total Vukile EUR debt has reduced to **€37m**, a **78% reduction** from total Vukile EUR debt of €164m at 31 March 2021
- The remaining CCIRS nominal of **€65m** has been hedged, eliminating FX risk at maturity in June 2022
- 65%** of Castellana's net forecast FY23 dividends are hedged



DEBT CAPITAL MARKETS & ESG FUNDING

- Inaugural 5-year **R200m use-of-proceeds Green Loan** with Nedbank to fund nineteen solar energy projects
- GCR Ratings** reaffirmed corporate long-term credit rating of **AA_(ZA)** in August 2021
- Inaugural **Fitch Ratings** investment grade rating for Castellana of **BBB-** in March 2022
- Unencumbered assets** at year-end were **R10.3bn**, with unsecured debt to unencumbered assets ratio of **15%**

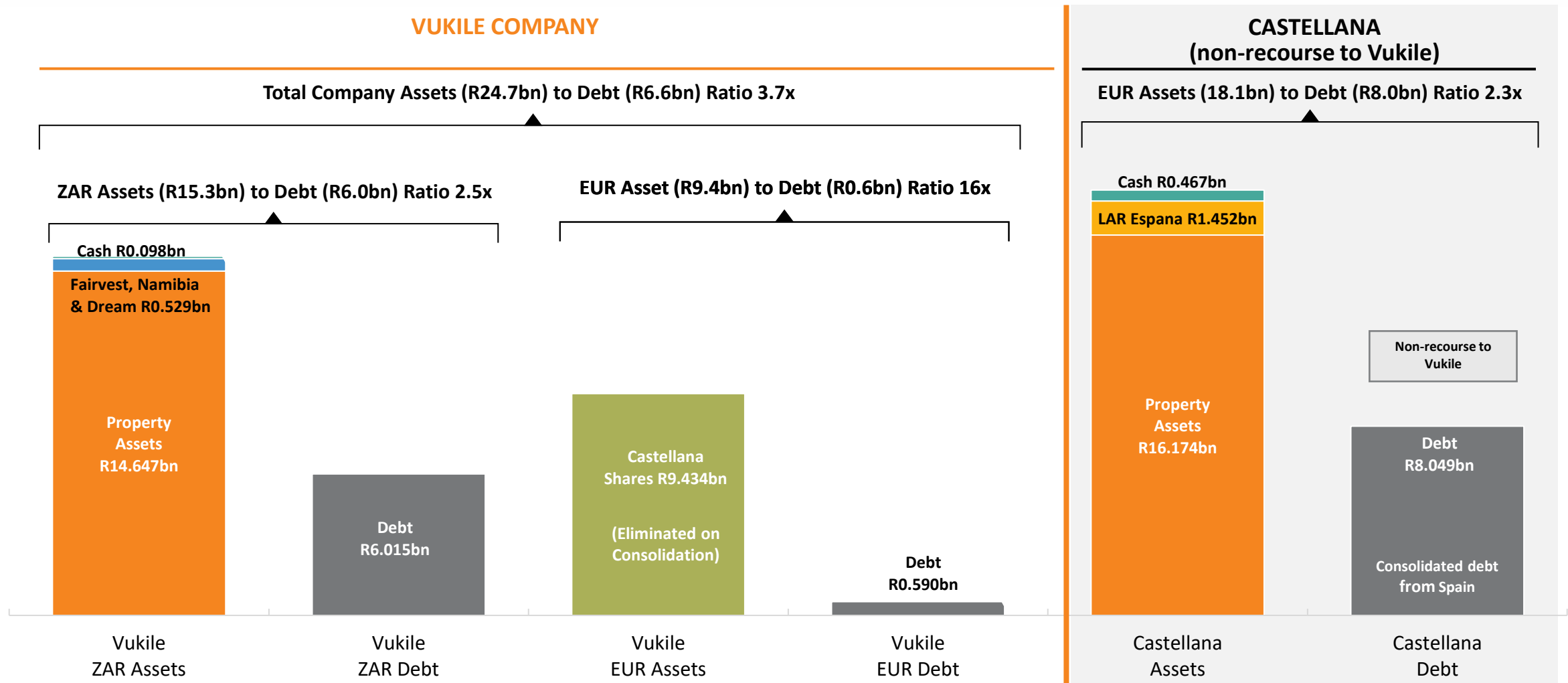


CASTELLANA SYNDICATED LOAN FUNDING

- In March 2022, Castellana refinanced the syndicated loan into a new **7-year €185m facility**
- Castellana debt maturity profile** has increased to **4.9 years** at 31 March 2022 (3.7 years at 31 March 2021)
- Castellana **first debt maturity in FY26**
- Castellana debt **has no recourse to Vukile**

COMPOSITION OF GROUP BALANCE SHEET

MATCHING DEBT WITH PROPERTY ASSETS - BY GEOGRAPHY AND CURRENCY



2 KEY TREASURY METRICS

LOW RISK BALANCE SHEET AND RISK METRICS SUPPORTING INVESTMENT GRADE CREDIT RATING

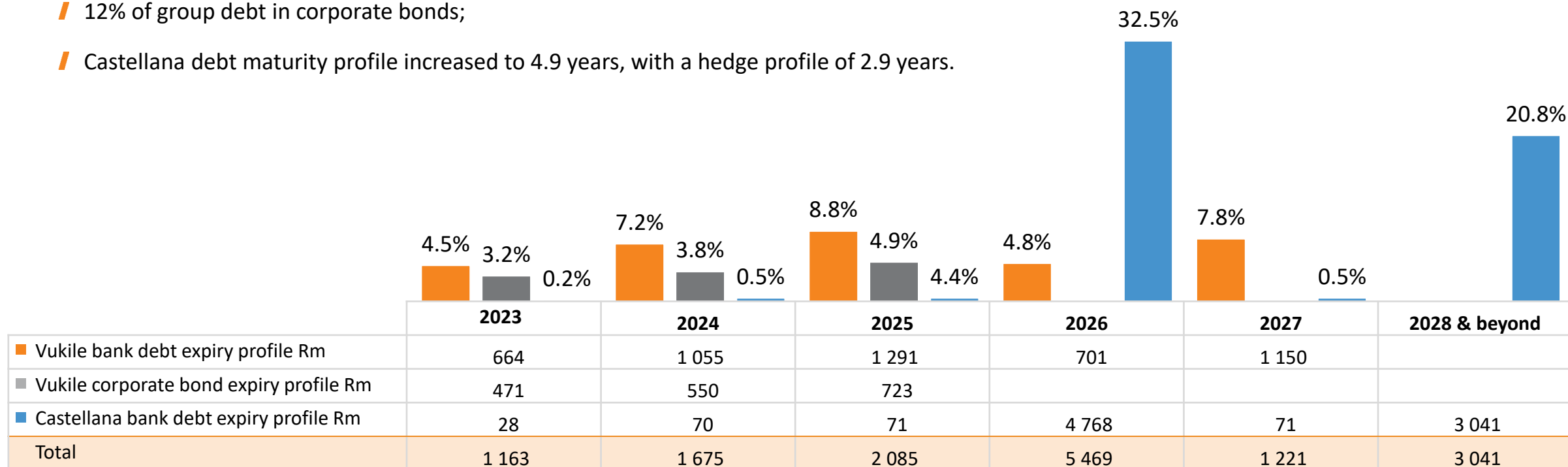
	31 March 2022	31 March 2021
Interest cover ratio	3.4 times	3.3 times
Loan-to-value ratio (net of cash and cash equivalents)	43.0%	42.8%
Unsecured debt to unencumbered assets ratio	15.1%	26.3%
Debt maturity profile	3.8 years	2.9 years
Interest-bearing debt hedged	75.5%	78.0%
Group cost of funding	4.9%	3.9%
Liquidity ratio (cash + undrawn facilities / debt expiry in next 12 month)	3.1 times	1.1 times
Corporate long-term credit rating	AA_(ZA)	AA _(ZA)

- Stress testing of Group interest cover ratio indicates that the portfolio would need to undergo a 40% reduction in Group EBITDA, before reaching 2 times bank interest cover covenant level
- Castellana stress testing of valuations indicates the portfolio has a 34% headroom (€369m) in property value, before breaching Castellana's group LTV covenant of 65%

ANALYSIS OF GROUP LOAN EXPIRY PROFILE

LOW RISK EXPIRY PROFILE

- 66% of expiries relating to FY23 of R2.3bn have already been repaid, refinanced or extended;
- €128m (R2.3bn) of EUR debt was repaid or converted into ZAR facilities;
- R500m of unsecured corporate bonds were refinanced through 4.4x oversubscribed auction (R2.2bn of bids);
- Sufficient cash and undrawn committed facilities (R3.7bn) exceed all debt expiring (R1.2bn) over the next 12 months (3.1 times); and
- 12% of group debt in corporate bonds;
- Castellana debt maturity profile increased to 4.9 years, with a hedge profile of 2.9 years.

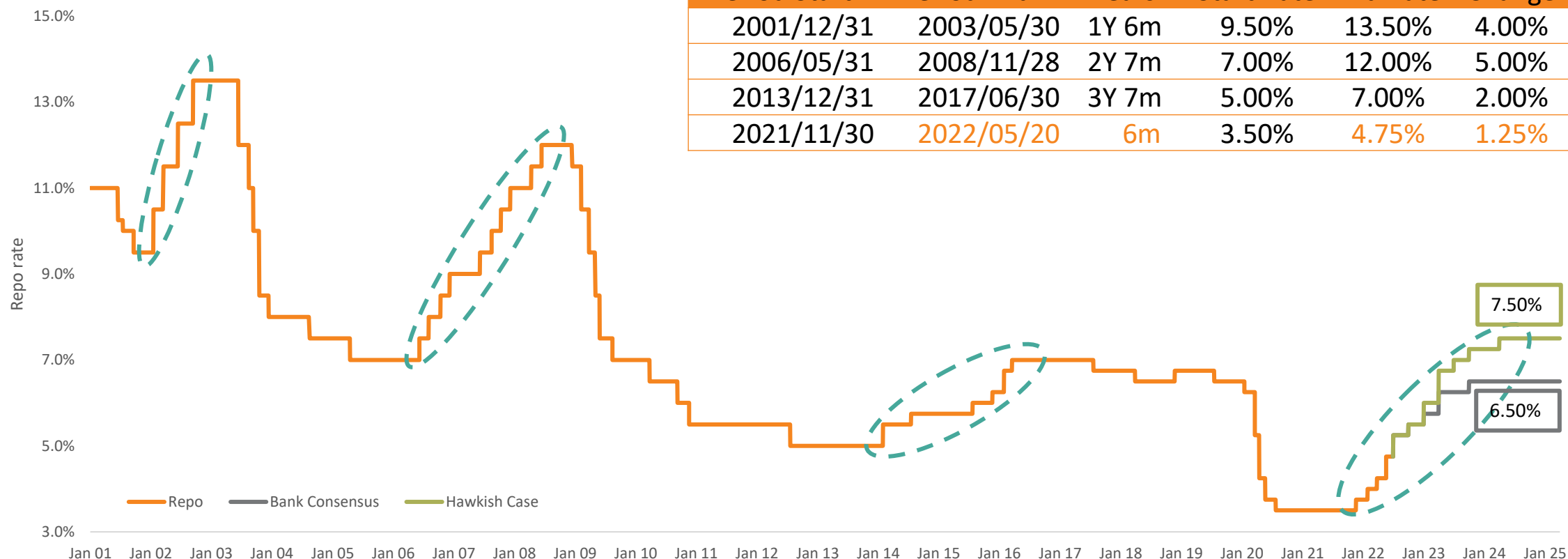


THE INTEREST RATE CYCLE IN SOUTH AFRICA

WHERE ARE WE IN THE CURRENT HIKING CYCLE?

The average hiking cycle has lasted 2 – 3 years with an average increase of 200bps - 400bps

Period Start	Period End	Years	Start Rate	End Rate	Change
2001/12/31	2003/05/30	1Y 6m	9.50%	13.50%	4.00%
2006/05/31	2008/11/28	2Y 7m	7.00%	12.00%	5.00%
2013/12/31	2017/06/30	3Y 7m	5.00%	7.00%	2.00%
2021/11/30	2022/05/20	6m	3.50%	4.75%	1.25%



2 INTEREST RATE HEDGING STRATEGY

TACTICAL STRATEGY OF DYNAMICALLY HEDGING TO MITIGATE INTEREST RATE RISK

/ Cognisant of interest rate hiking cycle over next few years, however current cost of hedging with interest rate swaps is at all-time highs in South Africa

CASTELLANA

- /** Subsequent to Castellana refinancing the syndicated loan into a new 7-year Fixed Rate facility:
 - /** Castellana debt maturity profile has increased to 4.9 years;
 - /** Castellana first debt maturity is in FY26; and
 - /** 89% of Castellana debt is hedged, while the remaining floating rate debt contains a EURIBOR zero floor (current 3m EURIBOR: -0.36%)
- / CONCLUSION:**
 - /** low impact from interest rate hikes with no further hedging required over the short to medium term

VUKILE

- /** During FY2022, 78% of Vukile EUR debt was converted in ZAR debt, resulting in Vukile hedge ratio to reduce to 59%:
 - /** The premium for fixing interest rates currently is expensive. Hedging in the current market does not mitigate the risk of interest rate hikes, but rather “locks-in” future potential higher rates
 - /** Stress testing under the “worst” case interest rate scenario, assuming EBITDA remains static, and no further hedging, Group ICR remains comfortably above covenant level of 2 times
- / CONCLUSION:**
 - /** Will dynamically hedge interest rate risk through potentially increasing the use of a suite of interest rate derivatives, whilst still benefiting from lower interest rates in the short to medium term

OVERVIEW OF UNENCUMBERED ASSETS

<p>Total unencumbered assets</p> <p>R10 281m (A)</p>	<p>Unencumbered direct property</p> <p>R1 168m</p>	<p>Unencumbered listed shares</p> <p>R9 113m</p>	<p>Number of properties</p> <p>8</p>	<p>GLA</p> <p>97 143m²</p>
<p>Average property value</p> <p>R141m</p>	<p>Retail rent from national tenants</p> <p>83%</p>	<p>Contractual rental escalation</p> <p>7.1%</p>	<p>Income from top 10 tenants</p> <p>54%</p>	<p>WALE of</p> <p>2.8 years</p>
<p>Retail tenant retention</p> <p>90%</p>	<p>Vacancy (by rent)</p> <p>3.2%</p>	<p>Total unsecured debt</p> <p>R1 550 (B)</p>	<p>Unsecured debt to unencumbered assets ratio</p> <p>15.1% (B/A)</p>	



3

CORPORATE STRATEGY

Laurence Rapp

VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.



3 STRATEGIC FOCUS AREAS

CUSTOMERS DRIVE VALUE



OUR PEOPLE

- Continued drive to embed a **singular culture** within Vukile and Castellana
- Ensuring the group remains an **employer of choice**
- People leadership** and management will be a key differentiating factor; focus on new ideas and **innovation**



OUR CUSTOMERS

- Integrate data analytics from multiple tested **customer insight solutions** into a single powerful asset management tool
- Will include current portfolio metrics, psychographic information, geolocation trends and **customer data** from in-mall wi-fi
- Enable the business to respond in real time to **consumer behaviour changes**
- Has become an embedded **core competence** and source of long term advantage; open up new revenue and value streams



OUR TENANTS

- Already providing our tenants with **nodally dominant shopping centres** with very strong trading conditions
- Believe strongly in a co-operative and non-conflictual relationship with tenants; foster a **partnership relationship**
- Look to further develop the **excellent relations with our tenants**
- Opportunities to **add value to our tenants** to make them and our centres more successful using our unique geolocation data



BALANCE SHEET STRENGTH

- Continued focus on maintaining a **strong and liquid balance sheet**
- Maintain **strong relationships** with our multiple banking and funding partners with specific focus on Spain
- Deployment of **retained cash** to drive long term strategic **sustainability**



OPERATIONAL EXCELLENCE

- Continued focus on **retaining tenants and filling vacant space** through our in-house letting teams
- Tight focus on cost control whilst ensuring we meet the **highest standards of safety and hygiene** in our assets
- Successful implementation of **iCast innovation projects and embedding a culture of innovation**



ESG

- Implementation of **ESG roadmap**
- Ongoing investment into PV plants** in SA and beginning the journey in Spain
- Focus on transformation and **further CSI initiatives**



GROWTH

- Actively looking for **growth opportunities** in SA and Spain
- Will look at asset purchases, expansions and corporate activity
- Remain focused on core **retail expertise**

ESG REPORTING FRAMEWORKS AND CERTIFICATIONS

ESG reporting aligned with World Economic Forum (WEF) Stakeholder Capitalism Metrics

Key Stakeholder Capitalism Metrics are:



ESG 3-year plan aligned with UN SDGs

Vukile’s primary UN SDGs – areas in which we can make a **direct impact**



Vukile’s secondary UN SDGs – areas in which we can make an **indirect impact**















Key ESG certifications in South Africa



Key ESG certifications in Spain



SIGNIFICANT DELIVERABLES ON ESG DURING FY22

	Performance metric	Achievements for FY22	
ENVIRONMENTAL	/ Optimisation of energy mix	<ul style="list-style-type: none"> Further 2.9 MWp of PV installed in SA, increasing renewable capacity by 26% year-on-year to a total of 12,7MWp. Contracted 100% renewable energy (GdO) in 83% of the shopping centres in Spain. 	
	/ Enhanced energy efficiency	<ul style="list-style-type: none"> Successful project roll-out culminating in a further 335 000 kWh saving per annum in SA whilst improving light levels. 	
	/ GHG emission measurement Determining Scope 1,2 & 3 emissions	<ul style="list-style-type: none"> Successfully completed our inaugural carbon footprint calculation in SA. 	
	/ Water security & sustainability	<ul style="list-style-type: none"> Successful project roll-out culminating in securing of additional 6,1 MI of water per annum from non-council sources. Conducted a full water usage audit throughout the portfolio. 	
	/ Green Building Certification	<ul style="list-style-type: none"> All Spanish buildings are BREEAM Certified, with Castellana nominated for 3 BREEAM Awards in 2022. 	
SOCIAL	/ Continued social impact in education and job creation	<ul style="list-style-type: none"> The Vukile Academy has funded 66 bursary students in property disciplines during calendar year 2021 whilst placing all job-seeking interns in formal employment. 	
	/ Social impact through the enterprise development of emerging retailers	<ul style="list-style-type: none"> The Vukile Retail Academy has been established and 9 emerging retailers have been selected for the programme. Free retail space of 1 035m² has been made available for this purpose. 	
	/ Social and humanitarian response to the COVID-19 pandemic and July 2021 Civil Unrest in SA	<p>#UnitedWeStand</p> <p><i>Project supported:</i></p> <ul style="list-style-type: none"> 17 114 individuals and families assisted 10 Animal welfare organisations 65 Organisations <p>#TogetherWeRise</p> <p><i>Project delivered:</i></p> <ul style="list-style-type: none"> 90 000 Meals 2400 Gift packs 9 NPO/ Organisations 1 865 individuals 	
	/ Social impact on various issues within Spain	<ul style="list-style-type: none"> Castellana scoops 2021 Chupete Award for campaign against cyberbullying. Castellana teamed up with Red Cross on a pioneering project aimed at making shopping centres healthier and safer. Castellana workforce 58% female. 	
GOVERNANCE	/ Board composition	<ul style="list-style-type: none"> Successfully implemented our board succession plan resulting in 30% female representation and 60% black representation 	
	/ Driving a strong ethical culture Participation in the GIBS ethics barometer	<ul style="list-style-type: none"> Strong performance in GIBS Ethics Barometer with high level of perceived adherence to BLSA Integrity Pledge. 	
	/ Quality of reporting	<ul style="list-style-type: none"> Castellana has been granted the EPRA Gold Award for Financial Reporting. 	

ESG FOCUS AREAS FY23 – FY25

ENVIRONMENTAL



- / **Further enhancing our energy mix** through the installation of additional renewable energy sources, increasing the installed PV capacity by more than 50% in SA, which will represent 12% of total energy usage
- / **GHG emission reduction:** Combined scope 1 & 2 CO₂e emissions per m² (tonnes of CO₂e) to be reduced with a minimum of 10% per annum in SA.
- / Updating and renewal of **energy certificates according to RD 390/2021** in Spain.
- / Increase the **contracting of 100% renewable energy (GdO) to 100% of the portfolio** in Spain.
- / Implementation of various **water and waste management projects** across the portfolios in both SA and Spain

SOCIAL



- / Providing funding and mentorship **to a minimum of 50 bursary students** per annum in property/related disciplines
- / Training in the form of a “first job” for a minimum of **10% of the Vukile workforce per annum** via the Vukile Academy’s intern programme
- / Acceleration of the roll-out of the **Vukile Retail Academy** aimed at **developing and empowering emerging retailers** from previously disadvantaged communities
- / Maintaining our **Great Place to Work** certification in Spain
- / Maintaining our **Deloitte Best Company** certification in SA
- / Continued focus on **gender and race diversification** within the workforce
- / Continued partnering with our communities on **various CSI initiatives** in both SA and Spain

GOVERNANCE



- / Maintaining our high ethical standards as assessed through the **GIBS Ethics Barometer**
- / Maintain a high quality independent board with **appropriate diversity** of skills, race and gender
 - / Maintaining board composition at **30% female and 50% black representation**



4

DMTN PROGRAMME

Maurice Shapiro

VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.



CORPORATE BOND ISSUANCES

COMPOSITION OF SECURED AND UNSECURED DEBT

Corporate Bonds	Security	Amount	Reference Rate	Margin	Maturity Date	Initial Term
VKE11	Unsecured	R175m	3M JIBAR	1.75%	20 April 2023	5 years
VKE14	Unsecured	R375m	3M JIBAR	1.65%	27 August 2023	5 years
VKE15	Unsecured	R119m	3M JIBAR	1.41%	14 February 2023	3 years
VKE16	Unsecured	R381m	3M JIBAR	1.61%	14 February 2025	5 years
VKE17	Unsecured	R158m	3M JIBAR	1.35%	27 August 2022	1 year
VKE18	Unsecured	R342m	3M JIBAR	1.85%	27 August 2024	3 years

Unsecured Debt Summary	Security	Amount
Corporate bonds	Unsecured	R1 550m
Bank debt	Covenant exclusive ⁽¹⁾	R428m
Total unsecured & covenant exclusive debt		R1 978m

Corporate long-term credit rating **AA_(ZA)** and corporate short-term rating **A1_(ZA)**, with a **stable outlook** – due for annual review in July/August 2022

(1) Covenant exclusive facilities form part of the bank's secured debt with rights to the bank's secured security pool, however they do not form part of transactional financial covenants.

4 2022 ISSUANCE STRATEGY

PRUDENT LIQUIDITY MANAGEMENT

- During FY2023 **R471 million** of corporate notes mature:
 - VKE10 a R194 million 5 year note matured on the 8 July 2022 (and was repaid with existing facilities)
 - VKE17 a R158 million 1 year note matures on the 27 August 2022
 - VKE15 a R119 million 3 year note matures on the 14 February 2023
- Sufficient committed undrawn** Revolving Credit Facilities to repay corporate notes maturing in FY2023
- Vukile remains **committed to the Debt Capital Markets** with regular issuances (at least annually)
- Key strategic focus is to **maintain liquidity** with committed undrawn Revolving Credit Facilities
- Intention to **access the market in August** depending on market backdrop and pricing dynamics
- Proceeds would be used to **repay corporate notes maturing in FY2023 and existing debt facilities** (no impact on Loan-to-Value)



2022 ISSUANCE STRATEGY – INDICATIVE TIMELINE

TRANSPARENT COMMUNICATION

- Target Issuance Size: **R500 million – R750 million**
- Instrument Type: **Senior Unsecured Floating Rate Notes**
- Tenor: **3 year (27 August 2025) and 5 year (27 August 2027)**
- Roadshow Dates: **Monday 25 July 2022 – Friday 29 July 2022**
- Investor feedback and clarification period: **commencing Monday 1 August 2022**
- Release of Termsheet (No Guidance): **Wednesday 10 August 2022**
- Release of Termsheet (With Guidance): **Wednesday 17 August 2022**
- Auction Date: **Wednesday 24 August 2022**
- Settlement Date: **T+3 (Monday 29 August 2022) – to match VKE17 maturity**
- Interest Payment Dates: **27 Feb, 27 May, 27 Aug and 27 Nov – to match VKE14 and VKE18**



4 UPDATE TO APS COVENANTS

ALIGN WITH BUSINESS OPERATIONS AND INDUSTRY STANDARDS

//APS to include Default Interest of 2% with standard industry wording

//To refine and clarify definition of Loan to Value to align with banks, proposed changes:

EXISTING WORDING

- // 24.2 Loan to Valuation Ratio means at any time, in respect of the Notes, the ratio as expressed as follows:
 - // 24.2.1 Loan to Valuation Ratio = L divided by V Where:
 - // 24.2.2 L = means any secured or unsecured indebtedness of the Vukile Group (whether principal, premium, interest or other amounts) for or in respect of (i) monies borrowed, or (ii) liabilities under any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, loan stock or other debt securities, or (iv) any guarantees or indemnities given, whether present or future, actual or contingent; and
 - // 24.2.3 V = the sum of (i) the amount of the most recent Open Market Valuation of all the Properties in the Vukile Group Property Portfolio, on a consolidated basis and (ii) the market value of the equity accounted investments;

PROPOSED WORDING

- // 24.2 Loan to Valuation Ratio means at any time, in respect of the Notes, the ratio as expressed as follows:
 - // 24.2.1 Loan to Valuation Ratio = L divided by V Where:
 - // 24.2.2 L = means any secured or unsecured indebtedness of the Vukile Group (whether principal, premium, interest or other amounts) for or in respect of (i) monies borrowed, or (ii) liabilities under any acceptance or acceptance credit, or (iii) any bonds, notes, debentures, loan stock or other debt securities, or (iv) any guarantees or indemnities given, whether present or future, actual or contingent **less Cash and Cash Equivalents**; and
 - // 24.2.3 V = the sum of (i) the amount of the most recent Open Market Valuation of all the Properties in the Vukile Group Property Portfolio, on a consolidated basis and (ii) the ~~market-reported~~ value of ~~the Vukile's other equity-accounted~~ investments, **including equity investments**;

//Already issued notes will remain unchanged, rather the changes are being considered for new issuances



QUESTIONS AND ANSWERS



VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.



CONTACT DETAILS

AVAILABLE FOR QUESTIONS

Vukile Property Fund	Designation	Email	Tel. Number	Mobile number
Laurence Rapp	Chief Executive Officer	Laurence.Rapp@vukile.co.za	+27 (0)11 288 1002	+27 (0)83 266 3011
Laurence Cohen	Chief Financial Officer	Cohen.Laurence@vukile.co.za	+27 (0)11 288 1014	+27 (0)82 875 7366
Maurice Shapiro	Group Head of Treasury	Maurice.Shapiro@vukile.co.za	+27 (0)11 288 1001	+27 (0)83 577 6184
Seva Gorlach	Senior Manager: Treasury	Seva.Gorlach@vukile.co.za	+27 (0)11 288 1083	+27 (0)82 597 5264

RMB	Designation	Email	Tel. Number	Mobile number
Nick Tunnicliffe	Debt Capital Markets Origination	Nick.Tunnicliffe@rmb.com	+27 (0)11 282 1092	+27 (0)83 704 0051
Sinethemba Cele	Debt Capital Markets Origination	Sinethemba.Cele@rmb.com	+27 (0)11 282 1911	+27 (0)73 018 0135
Cynthia Heyneke	Debt Capital Markets Distribution	Cynthia.Heyneke@rmb.com	+27 (0)11 282 1205	+27 (0)83 266 3172

LEGAL DISCLAIMER

This document has been prepared and issued by and is the sole responsibility of the management of the Company and its subsidiaries. No information made available in connection with this presentation may be passed on, copied, reproduced, in whole or in part, or otherwise disseminated, directly or indirectly, to any other person. The contents of this presentation are to be kept confidential.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract commitment or investment decision in relation thereto nor does it constitute a recommendation regarding the securities of the Company. Investors and prospective investors in securities of the Company are required to make their own independent investigation and appraisal of the business and financial condition of the Company and the nature of the securities. Any decision to purchase securities in the context of a proposed offering of securities, if any, should be made solely on the basis of information contained in any pre-listing statement or prospectus published in relation to such an offering.

This presentation and any materials distributed in connection with this presentation may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Company's business, financial condition and results of operations. These statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "forecast" and words of similar meaning, reflect the directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these statements and forecasts. Past performance of the Company cannot be relied on as a guide to future performance. Forward-looking statements speak only as at the date of this presentation and the Company expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation. No statement in this presentation is intended to be a profit forecast. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

This document speaks as of the date hereof. No reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness, accuracy or fairness. This information has not been legally verified. The Company, its advisers and each of their respective members, directors, officers and employees are under no obligation to update or keep current the information contained in this presentation, to correct any inaccuracies which may become apparent, or to publicly announce the result of any revision to the statements made herein except where they would be required to do so under applicable law, and any opinions expressed in them are subject to change without notice. No representation or warranty, express or implied, is given by the Company, or any of its subsidiary undertakings or affiliates or directors, officers or any other person as to the fairness, accuracy or completeness of the information or opinions contained in this presentation and no liability whatsoever for any loss howsoever arising from any use of this presentation or its contents otherwise arising in connection therewith is accepted by any such person in relation to such information.

www.vukile.co.za