

FINANCIAL PERFORMANCE

Gross property revenue increased by 3.1% from R3.5 billion for the year ended 31 March 2022 to R3.6 billion for the year ended 31 March 2023. Operating profit before finance costs increased by 6.1% to R2 389 million (31 March 2022: R2 251 million), while the profit for the year attributable to owners of the parent increased to R1 932 million (31 March 2022: R1 909 million). Basic earnings per share decreased marginally to 197.10 cents per share (31 March 2022: 199.10 cents per share). Headline earnings increased marginally to 134.72 cents per share (31 March 2022: 134.25 cents per share).

The group's net asset value per share at 31 March 2023 was R20.48 per share, increasing by 14.3% from R17.92 per share at 31 March 2022.

The group's direct property investments amount to R34.6 billion at 31 March 2023 (31 March 2022: R30.8 billion), located in South Africa and Spain. 56% of the group's direct property investments are located in Spain, acting as a strong Rand hedge.

Total indirect property holdings (listed property investments) increased to R2.3 billion at 31 March 2023 (31 March 2022: R1.8 billion), following additional shares purchased in Lar España Real Estate SOCIMI (Lar). This was partially offset by a further reduction in Vukile's interest in Fairvest Limited. Castellana has

AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2023 AND CHANGES TO THE BOARD OF DIRECTORS

earned a dividend yield on its average initial acquisition price in respect of its investment in Lar of c. 12%.

The total dividend for the year ended 31 March 2023 increased by 6.2% to 112.43357 cents per share (31 March 2022: 105.84518 cents per share). A final dividend amounting to 65.11232 cents per share has been declared for the year ended 31 March 2023 (31 March 2022: 65.28653 cents per share). A separate announcement in this regard, including details relating to the taxation treatment of the dividend, will be released on SENS.

EXCELLENT OPERATING RESULTS AND STRONG FINANCIAL POSITION

South African portfolio continues to deliver stellar results

- Like-for-like annualised **NOI growth** of **5.4%**
- **Vacancies** reduced to **2.0% from 2.6%**
- Rental **reversions +2.3%, up from -2.4%**
- Annualised trading densities increased by **6.2%**
- Like-for-like retail **valuations increase** of **5.8%**

Castellana consistently outperforms and delivers market-leading results

- Normalised **NOI growth** of **9.0%**
- **Negligible vacancies** at **1.3%**
- Positive reversions of **+3.3%** (Excluding impact of indexation)
- Rent collection rate at **99.2%**
- Portfolio WALE of **12.6 years**
- **94%** of retail space let to **international/national tenants**

Strong balance sheet metrics leads to credit rating upgrade

- **89%** of group interest-bearing **debt hedged**
- No debt maturities in Castellana until **FY26**
- Interest cover ratio (ICR) of **3.1 times** and LTV reduced to **42.6%**
- GCR **upgraded** Vukile's corporate long-term credit rating to **AA_(ZA)**
- **Strong liquidity** with cash and undrawn debt facilities of **R3.9 billion**
- **R700 million** equity raise post year-end

Optimising capital allocation by executing on core strategy

- Sale of direct property assets of **c.R309 million** in South Africa (**2.7% premium** to book value)
- Further sale of Fairvest shares, realising **R50.8 million**
- Acquired a **33%** investment in **ALT Capital Partners** and a **c.15%** investment in **REImagine Social Impact Retail Fund**
- Acquired 50% undivided share in **BT Ngebs City (R400 million)**, expected to transfer in Q1 2024
- **R350 million** investment in SA sustainable backup power (at an accretive yield)
- Castellana acquired a further 4% in **Lar España** for **c.€15.9 million**, increasing total shareholding to **25.7%**

6.2% increase in cash dividend

- Final dividend of **65.1 cents per share**
- Total dividend for the year of **112.4 cents per share** (R1.14 billion), up **6.2%** on the prior year
- Total FFO of **144.5 cents** per share, up **6.0%** on the prior year

PROSPECTS FOR THE GROUP

We are confident that with our strong operating platform, clear strategic direction and solid balance sheet, Vukile is well positioned to manage the global macro-economic headwinds, dampened consumer confidence and specific South African-related challenges, such as load shedding and sluggish economic growth.

Whilst we have been expecting pressure on the consumer for the better part of the last 18 months, it has not materialised to the extent that we anticipated. It now appears that higher interest rates are negatively impacting consumer spending in South Africa. We believe that our business is well insulated against reduced spending, both through the defensive nature of our tenant mix and because of the annuity income nature of our rental income. Some 99% of rental income is contractual in nature and provided by the strongest retail covenants in Spain and South Africa. A healthy WALE in both markets should comfortably see us through a short to medium term cyclical downturn.

As we come closer to the peak of the interest rate cycle, Vukile and Castellana remain well hedged. The business is further insulated with a relatively long loan expiry profile and a strong liquidity position.

We continue to focus on sustainable growth as we execute on our focused strategy to be a consumer-focused, retail real estate business.

We expect to deliver growth in FFO per share of between 3% to 5% and growth in dividend per share of between 7% to 9% for the year ending 31 March 2024, assuming:

- SA interest rates of 3-month JIBAR of 8.50%
- European interest rates of 3-month Euribor of 3.75%
- ZAR/EUR exchange rate of R19.29
- a similar pay out ratio to the current year

This will equate to a full-year dividend per share of between 120 and 123 cents (FY23: 112.4 cents) to be paid with an interim dividend and a final dividend.

The forecast assumes no material adverse change in trading conditions, contractual escalations and market-related renewals. The forecast also assumes no material further change in interest rates and exchange rates from the levels indicated above.

The forecast has not been reviewed or audited by the company's external auditors.

CHANGES TO THE BOARD OF DIRECTORS

Effective 1 April 2023, Mr Ben Kodisang was appointed to the board as a non-executive director and will also join the property and investment committee. Mr Kodisang currently serves as the CEO of ALT Capital Partners, a property private equity business and asset manager, in which Vukile has a 33% interest.

The board welcomes Mr Kodisang and looks forward to his future contribution to the company.

Effective 2 January 2024, the role of group CFO will be split, with Lizelle Pottas being appointed to the board as Financial Director. Laurence Cohen will remain in his current position as full-time Executive Group CFO. Lizelle has been with Vukile for five years and currently serves as Group Head of Finance. Lizelle is a CA(SA) and holds a BCom Accounting (cum laude) and BCom Accounting Honours degree.

Lizelle will continue to report to Laurence Cohen. Laurence will retain most of his current responsibilities, but will be more focused on strategic finance, corporate finance, corporate activity, group treasury and deal execution. Lizelle will take full responsibility for group reporting, IFRS compliance, JSE compliance and internal and external audit. We wish Lizelle well in her new role.

ABOUT THIS ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the company. The announcement is only a summary of the full announcement and does not contain full or complete details. Any investment decision by investors and/or shareholders should be based on consideration of the full announcement. The annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The auditor's opinion also includes communication on key audit matters. Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in their audit of the consolidated financial statements for the year ended 31 March 2023.

The full announcement and the full audited consolidated financial statements, incorporating the auditor's opinion thereon, are available on the company's website at <https://www.vukile.co.za/financial-results/> and on the JSE's website at <https://senspdf.jse.co.za/documents/2023/jse/isse/vke/FY2023.pdf>.

Copies of the full announcement may be requested, and obtained at no charge, by emailing Johann Neethling at Johann.Neethling@Vukile.co.za or the company's sponsor, Java Capital at sponsor@javacapital.co.za from Monday, 12 June 2023 to Tuesday, 20 June 2023.

On behalf of the board


NG Payne
Chairman


LG Rapp
Chief Executive Officer

Houghton Estate
12 June 2023

CORPORATE INFORMATION

Vukile Property Fund Limited (Incorporated in the Republic of South Africa) (Registration number 2002/027194/06) JSE share code: VKE ISIN: ZAE000056370
Debt company code: VKEI Namibian Stock Exchange NSX share code: VKN (granted REIT status with the JSE) (Vukile or the group or the company)

Executive directors: LG Rapp (Chief Executive Officer), LR Cohen (Chief Financial Officer), IU Mthibeli (Managing Director: South Africa)
Non-executive directors: NG Payne (Chairman)*, SF Booysen*, RD Mokate*, AMSS Mokgabudi*, GS Moseneke, B Nkonyama*, H Ntene*, BM Kodisang
* Independent

Registered office: 4th Floor, 11 Ninth Street, Houghton Estate, 2198
Company secretary: J Neethling JSE sponsor: Java Capital NSX sponsor: IJG Group, Windhoek, Namibia
Transfer secretaries: JSE Investor Services (Pty) Ltd, Braamfontein, Johannesburg
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