

A black and white photograph of a young woman with short, curly hair, smiling broadly. She is wearing a dark suit jacket over a light-colored top. The image is partially obscured by a large, dark blue, angular graphic element that covers the right side of the frame.

BUILDING
COMMUNITIES,
GROWING VALUE.

FY23

Pre-Close Presentation 26 September
2023

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01 INTRODUCTION
Laurence Rapp

STRONG START TO FY24 WITH ALL OPERATING METRICS SHOWING TRENDS OF SUSTAINED GROWTH

- The defensive nature of the South African portfolio and tenant mix, dominance of our assets and active asset management activities continues to deliver excellent results
- The Castellana portfolio continues to lead in the Spanish market in operating performance metrics with the impact of our asset management interventions delivering great returns
- Overwhelming support from the local debt capital markets evidenced by very successful bonds issuance in August 2023 that attracted significant investor demand and priced below guidance
- Board refresh process underway with the appointment of two independent non-executive directors who will add further strength and diversity to the board, including significant international experience





02 SOUTH AFRICAN
RETAIL PORTFOLIO
Itumeleng Mothibeli

RETAIL PORTFOLIO PERFORMANCE AND TRADING ENVIRONMENT



PORTFOLIO PERFORMANCE OVERVIEW

- Portfolio efficiency measures of trading statistics, tenant retention and rent-to-sales continue to perform well
 - Turnover continues to grow, although at slower growth rates than the previous period
 - Turnover average is **3.6%** higher than comparable period in FY23, ahead of national retail sales which have been challenged for the first six months of 2023
 - Trading densities continue to **grow** across **all segments**
 - Sustained **retention** ratio of **94%** with **rent-to-sales** of **6.1%**
- **Vacancies** steady at **2.0%**
 - Continue to experience strong demand for space across all segments
 - Value centres virtually fully let with vacancies at 0.8% from 1.1% in FY23
 - Township (2.8%), rural (0.7%) and commuter (3.9%) stable with marginal increase in urban (2.2% to 2.5%)
- **Rental reversionary cycle** remains **positive** at **+2.4%** (with an improved **87% flat or positive**)
- **Footfall** trending at **107%** higher than FY23 levels
- Strong **collection** rate of **100%**
- **WALE** of **3.2 years**, recent transactions **4.2 years**

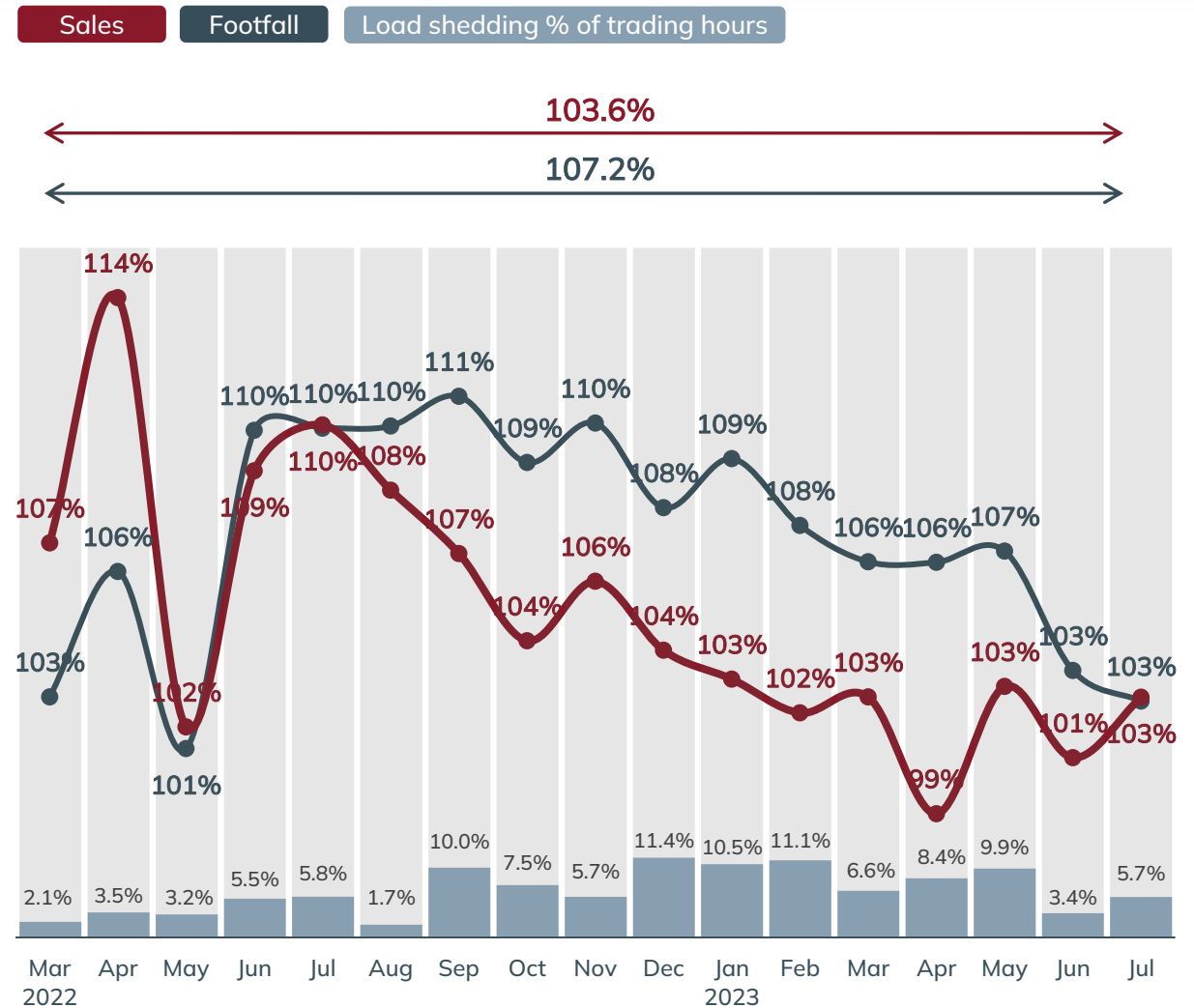
	AUG 2023	MAR 2023		AUG 2023	MAR 2023
Vacancies GLA	2.0%	2.0%	Rent collection rate	100%	100%
Tenant retention	94%	93%	Rent-to-sales ratio	6.1%	6.1%
Reversions	2.4%	2.3%	Annualised growth in trading densities	3.5%	6.2%
Base Rentals	R163.77/m ²	R159.96/m ²	Average annual trading density	R33 439/m ²	R32 579/m ²
Contractual escalations	6.3%	6.3%	Footfall	107%	109%
WALE GLA	3.2 years	3.2 years	Annual like-for-like NOI growth	5.0% forecast	5.4%

RETAIL PORTFOLIO PERFORMANCE AND TRADING ENVIRONMENT



IMPROVED FOOTFALL AND SALES

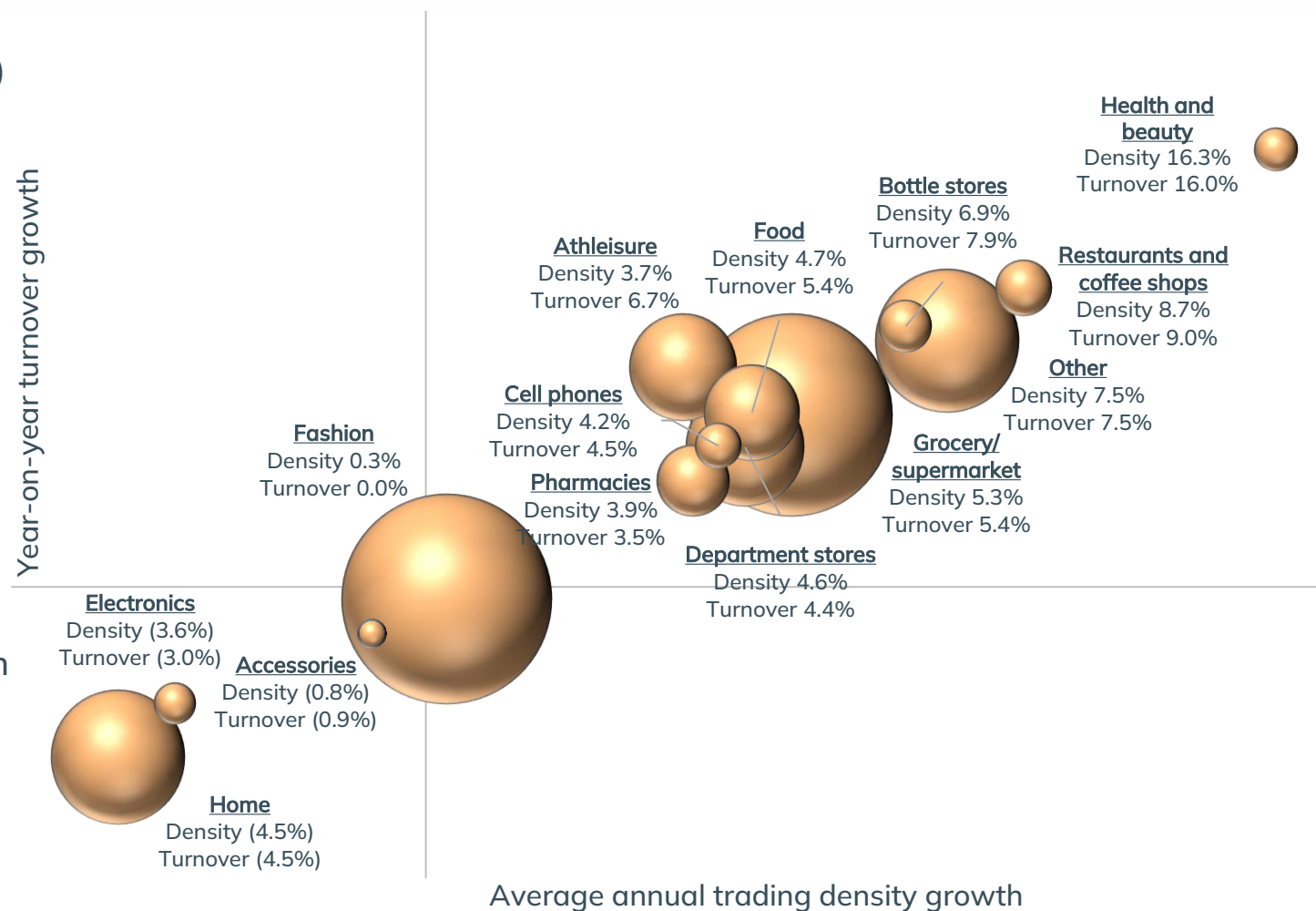
- Year-on-year portfolio sales increased by 3.6% with portfolio trading density growth of 3.5% (FY23 6.2%)
- All main segments have shown continued growth in trading densities (township 5.3%, urban 4.8%, rural 2.3%, value centre 1.4% and commuter 1.0%)
- Footfall is up 103% compared to July 2022, showing year-on-year growth of 7%. All segments continue to trend upwards (urban 109%, township 107%, commuter 107% and rural 104%), an indication of continued support from communities in which we operate
- Urban has shown the strongest rebound from the comparable period in terms of both sales (102%) and footfall (105%)



RETAIL CATEGORY PERFORMANCE

TRADING DENSITIES GREW BY 3.5% WITH ANNUAL TURNOVER GROWTH OF 3.6%

- Fashion and grocery categories (46% of GLA), delivered trading density growth of **0.3%** (FY23 4.6%) and **5.3%** (FY23 9.0%) respectively
- Fashion, which comprises 23% of GLA, is showing signs of a **consumer under pressure**, a direct result of the prevailing challenged macro and interest rate environment
 - Shoes showed growth of **3.0%**, with unisex and menswear flat
- Health and beauty has shown the greatest increase in trading metrics year to date, improving from 3.7% to **16.3%**
- Gyms, entertainment, travel and luggage, and specialised services such as **optometrists** have shown strong performance, with **growth exceeding 10%**
- Home, electronics, accessories, gambling, toys, fabric and sewing stores have been the most challenged categories over the past six months



RETAIL PORTFOLIO PERFORMANCE AND TRADING ENVIRONMENT



LEASING ENVIRONMENT OVERVIEW

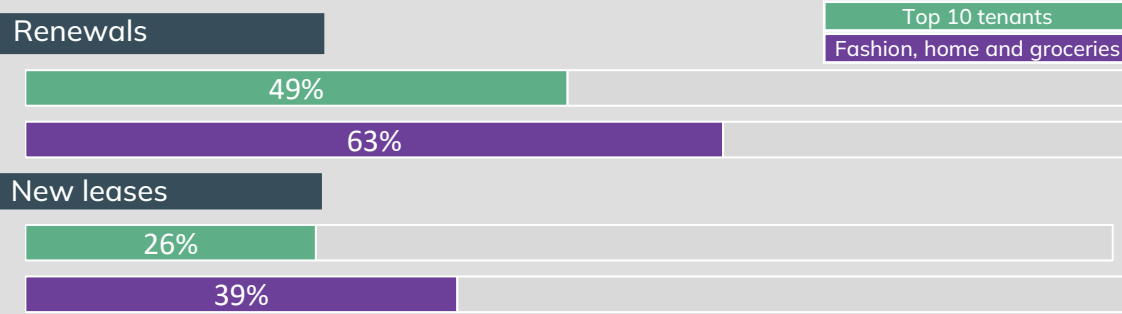
LEASING

210 renewals concluded at total contract value of **R564 million** on **7.8%** of GLA (58 710m²) vs. 282 renewals at R509 million on 57 384m² at end August 2022

64 new leases concluded at total contract value of **R88 million** on **1.5%** of GLA (11 142m²) vs. 92 new leases at R139 million on 14 596m² at end August 2022

Continued **support** from both

- **National listed tenants**
Mr Price, Shoprite, Woolworths, Pepkor, Cashbuild (TFG less aggressive)
- **Secondary unlisted tenants**
Jam Clothing, Choice Clothing, Fashion World



VACANCIES

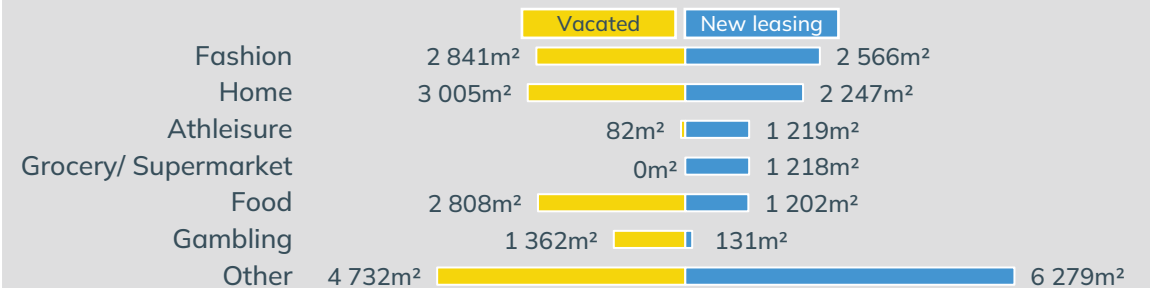
Maintained at 2.0% (15 373m²)

- **Value centres** reduced by 472m² from 1.1% to **0.8%**
- **Urban** increased by 513m² from 2.2% to **2.5%**
- **Commuter (3.9%), township (2.8%), and rural (0.7%)** sustained by filling c.9 600m² of space vacated since FY23

4 782m² (31%) of the current vacancy is **office space** within the **mall environment**

All new vacant space (14 830m²) was let

- **SMME'S** represent **47%** of **vacated tenants** and **42%** of **replacement tenants**



TRADING ENVIRONMENT

SUPPORTING OUR TENANTS THROUGH INNOVATIVE MARKETING ACTIVITIES THAT ENABLE A GREAT CUSTOMER EXPERIENCE

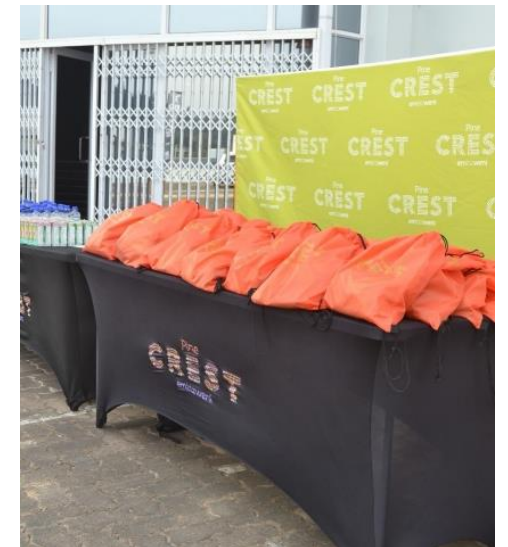
Vukile understands the challenging trading environment, especially for niche tenants such as gyms. It is estimated that most gyms lost between 20-25% of their memberships mainly due to the impact of Covid. This presents a real challenge in regaining memberships, which is also affected by factors such as affordability due to the economic environment.

To assist our tenants with marketing initiatives we have provided focused campaigns in support of our tenants. For example, at Pine Crest shopping centre in KwaZulu-Natal, we hosted a boot camp focused on exercise.

During our Women's Month celebrations, our marketing team provided ladies boot camps on Saturdays. Different locations were used throughout the shopping mall such as the rooftop and food court to create brand awareness for The Gym Company that has been struggling to gain momentum since opening at the centre and was impacted by Covid and economic factors. **These events assisted in promoting the gym, directly resulting in new members signing up immediately and others showing positive interest in signing up in the near future.**

Sponsorships included The Gym Company, Milo, Future Life and Neovision.

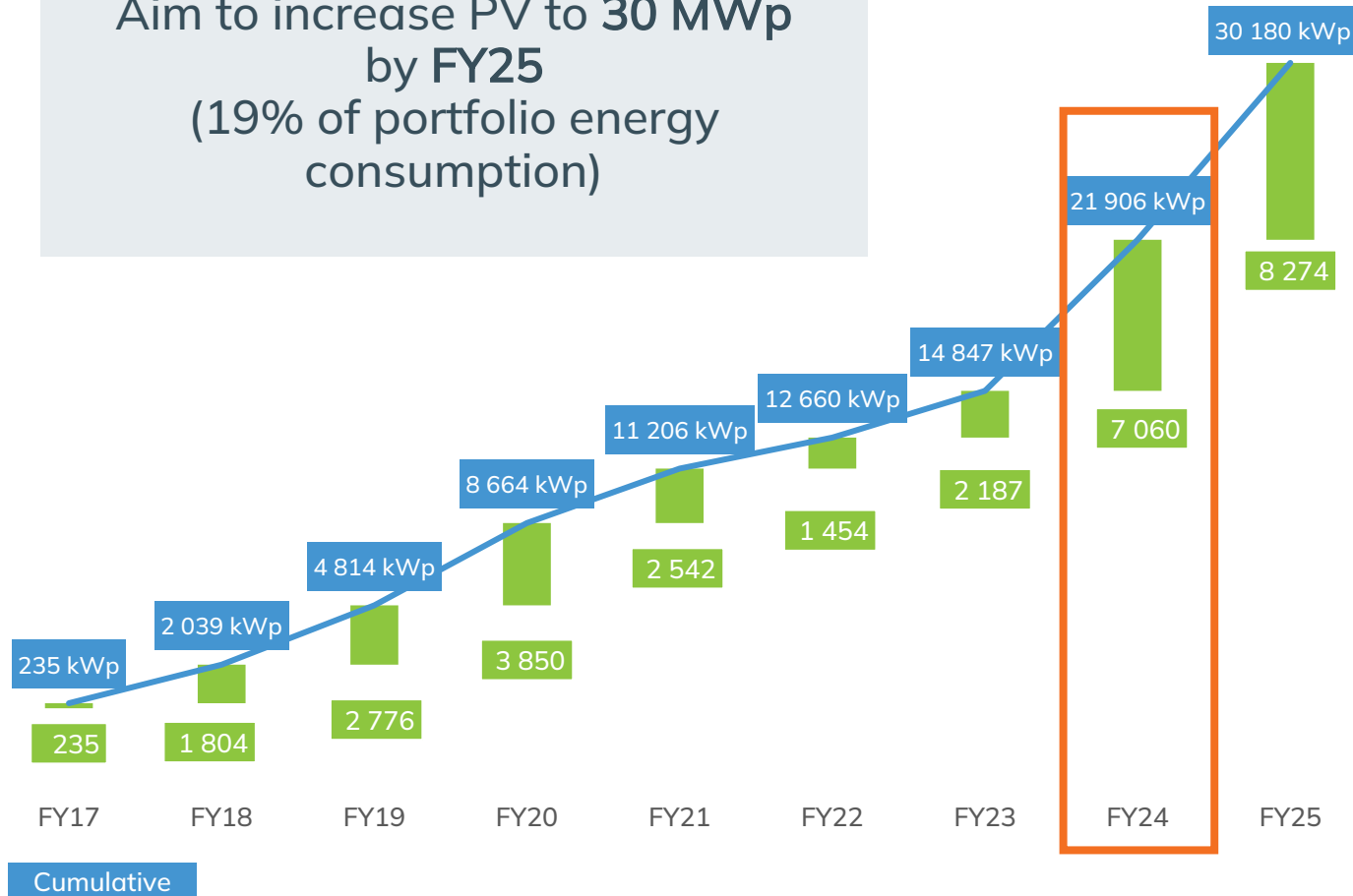
Activations such as these have reinforced our commitment to supporting our tenants and improving the customer experience in our centres.



ENERGY AND SUSTAINABILITY

SUSTAINABLE ELECTRICITY SUPPLY - MITIGATION STRATEGIES

Aim to increase PV to 30 MWp by FY25 (19% of portfolio energy consumption)



BESS project - key challenges and mitigation

Council approval: Lack of policies/delayed response	<ul style="list-style-type: none"> Engage with council in parallel to design Ensure design is compliant with all existing standards and grid codes
Skills and support	<ul style="list-style-type: none"> Ongoing engagement with equipment suppliers Ongoing engagement with new EPCs Strong professional team support and engagement
Lead times on equipment	<ul style="list-style-type: none"> Engage with local suppliers Focusing on larger key projects first
Safety and security	<ul style="list-style-type: none"> Ensure IEC standards and compliance Inspect and engage with local BESS suppliers Ensure safe location and sufficient protection

ENERGY AND SUSTAINABILITY

PROJECT UPDATES ON PV AND BESS PROJECTS

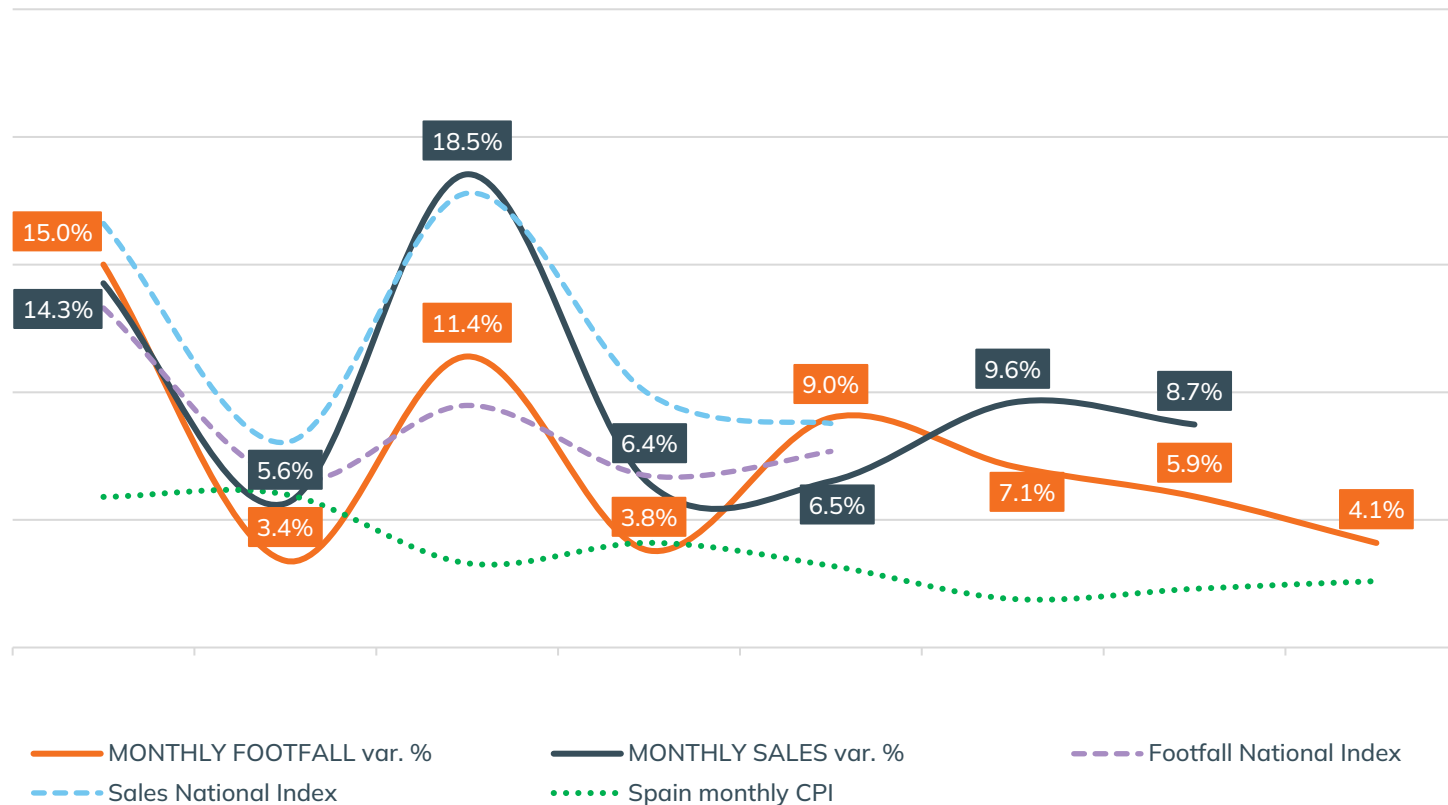
	Bess	PV	Gen	Projects (kWp)			
				FY23	FY24	FY25	
				14 847	7 060	18 024	
Existing projects				14 847			Completed
Moruleng		✓			1 300		Completed
Meadowdale Phase 3 (1 046 kWp @67%)		✓			701		Completed
ERM Phase 2 (3 440 kWp @ 50%)		✓			1 720		Under construction
Nonesi BESS	✓	✓	✓		909		Under construction
Maluti BESS	✓	✓	✓		750		Under construction
KwaMashu	✓	✓	✓		750		Under construction
Springs (1 832 kWp @ 28%)		✓			513		Under construction
Thavhani (1 251 kWp @33.3%)		✓	✓		417		Under construction
Dobsonville PV		✓				1 308	Contracted
Pine Crest PV / Gen		✓	✓			2 166	Tendered
Atlantis BESS	✓	✓				300	Tendered
Mdantsane BESS	✓	✓				1 700	Simulations, design complete and pretendered
Gugulethu BESS	✓	✓				1 500	Simulations, design complete and pretendered
Hammarisdale BESS	✓	✓	✓			1 300	Simulations, design complete and pretendered
Bloemfontein Plaza PV		✓				750	Awaiting municipal approval
Phoenix BESS	✓	✓				2 700	Simulations in process, *Structural/roofing
Dobsonville BESS	✓	✓				1 700	Simulations in process, *Eskom approval
Hillfox BESS	✓	✓				1 500	Simulations in process, *Structural/roofing
Moruleng BESS	✓	✓				1 300	Simulations in process, *Structural/roofing
Meadowdale BESS	✓	✓				1 300	Simulations in process, *Structural/roofing
KRP BESS	✓	✓				500	Simulations in process, *Municipal approval
Daveyton Gen			✓			0	Investigations



03 CASTELLANA
PROPERTIES
PORTFOLIO
Alfonso Brunet

FOOTFALL AND SALES INDEX

OUR ACTIVE ASSET MANAGEMENT CONTINUES TO DELIVER IMPRESSIVE GROWTH IN FOOTFALL AND SALES



FOOTFALL:

- The accumulated number of visits for the portfolio increased by +7.4% (YTD Aug'23 vs YTD Aug'22), compared to the same period last year - which already was an improvement on the same period in 2019.
- Monthly visits at all assets are higher than those registered in 2022 (YTD Aug'23 vs YTD Aug'22: Los Arcos +12.6%, Habaneras +10.9%, Bahía Sur +8%, Puerta Europa +7.6%, Granaita +6.1%, El Faro +5% and Vallsur +3.1%).
- We expect over 40 million visits to our shopping centres during 2023.

SALES:

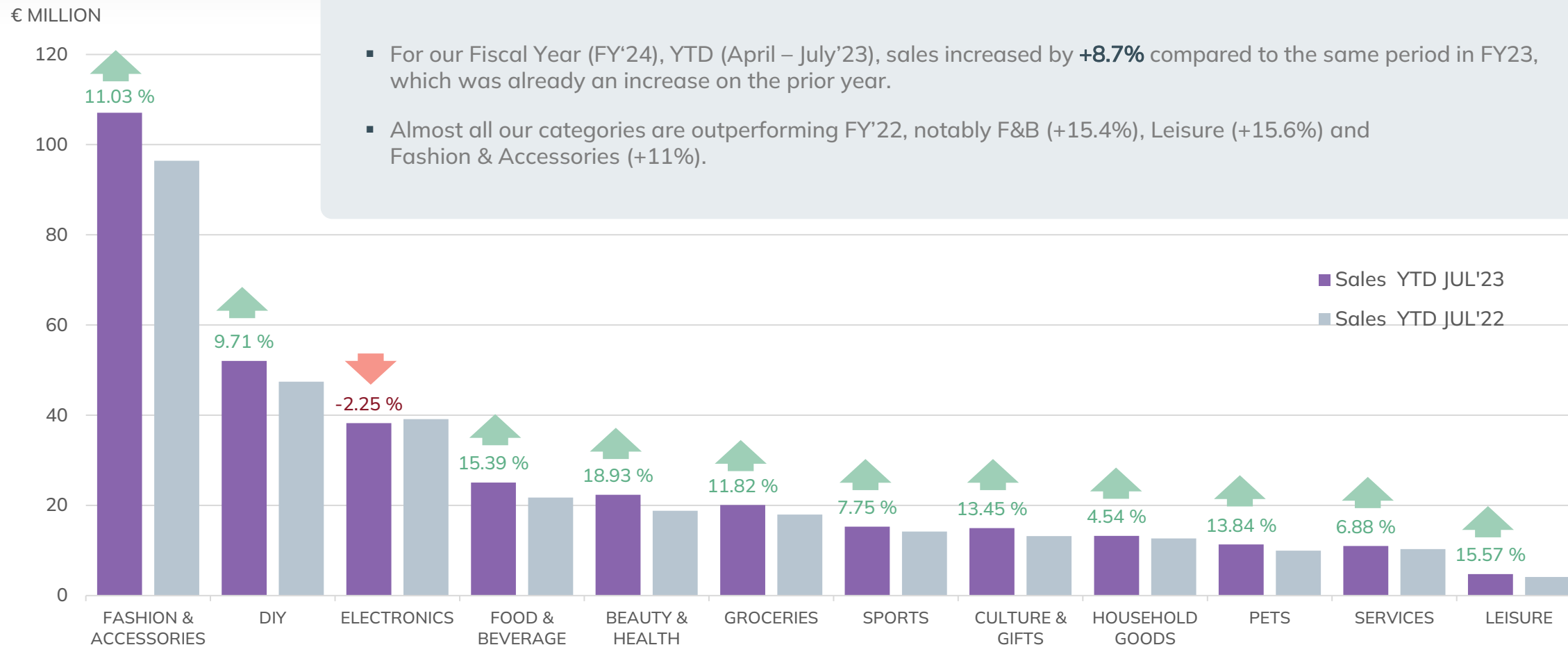
- Our tenants continue to deliver increased sales monthly. Accumulated sales grew by +9.7% (YTD July'23 compared to YTD July'22).
- Sales in retail parks have increased by +4.6% (YTD July'23 vs YTD July'22) and in shopping centres an even greater result was achieved at an increase of +12.1%.
- Turnovers of all shopping centres are growing at double digit rates YTD July'23 vs YTD July'22 – all way above inflation.
 - Los Arcos +16.3%
 - Vallsur 13.5%
 - Habaneras +12.4%
 - El Faro +11.2%
 - Bahía Sur +11.2%

(1) Footfall data includes the following shopping centres: El Faro, Bahía Sur, Los Arcos, Vallsur, Habaneras, Puerta Europa, Granaita. There are no counters in the rest of the retail park assets. Granaita counts only cars, so we have estimated 2 people on average per car. Sales data includes all retail assets.

(2) Benchmark: AECC data.

SALES PERFORMANCE PER TENANT CATEGORY

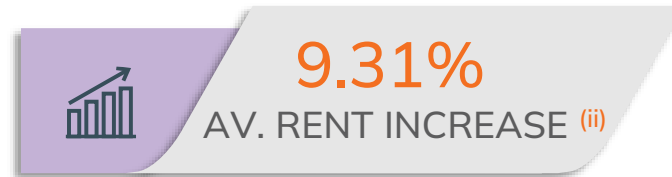
- For our Fiscal Year (FY'24), YTD (April – July'23), sales increased by **+8.7%** compared to the same period in FY23, which was already an increase on the prior year.
- Almost all our categories are outperforming FY'22, notably F&B (+15.4%), Leisure (+15.6%) and Fashion & Accessories (+11%).



WEIGHT BY RENT:	FASHION & ACCESSORIES	DIY	ELECTRONICS	FOOD & BEVERAGE	BEAUTY & HEALTH	GROCERIES	SPORTS	CULTURE & GIFTS	HOUSEHOLD GOODS	PETS	SERVICES	LEISURE
	34.4%	3.7%	4.5%	10.3%	5.4%	8.5%	8.4%	5.5%	7.7%	3.0%	5.2%	3.4%

OPERATING METRICS

HIGHEST OCCUPANCY AND COLLECTION RATES IN THE MARKET



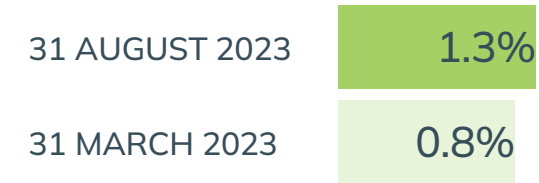
(i) Period reported from 1st April 2022 to 31st August 2023
 (ii) Considering operations with existing passing rent as renewals, relocations and replacements
 (iii) Excludes CPI increases which are applied on indexation date mainly in the month of January

KEY KPI'S YTD 31st OF AUGUST 2023

OCCUPANCY



RENT ARREARS



RENT COLLECTION



TRADING ENVIRONMENT

ENERGIZING OUR MALLS THROUGH INNOVATION AND IMPROVEMENT OF CUSTOMER EXPERIENCE, BASED ON UNDERSTANDING OF OUR CUSTOMERS

- Castellana continues to reinforce the leisure offer in assets through differential campaigns and events
- 62.6% of our visitors surveyed after participating in events, responded that these were the reason for them coming to the shopping centre
- More than 23 200 new members have joined our loyalty programs so far since 1st of April 2023
- We remain focused on bringing innovative solutions to our centres, such as hosting the first dark kitchen in a mall in Spain. Introducing this new business model to the portfolio, allows us to utilise non-lettable residual spaces whilst providing our customers with a wider commercial offering
- Castellana has reinforced our commitment to improve the customer experience in our centres, by making them more convenient and comfortable.
- This has delivered great results, and more than 30 000 shoppers have used our services such as lockers to store shopping, electric chargers for electric scooters, breastfeeding rooms and playrooms, among others



TRADING ENVIRONMENT

EL FARO - HIPERCOR PROJECT



Transformative project to strengthen the tenant mix with a supermarket, leisure and leading tier-1 fashion brands



GLA affected	20 112m ²
Capex investment	€23 million
New brands	8
Start of the works	November 2023
Opening of new units	October 2024



TRADING ENVIRONMENT

VALLSUR REPOSITIONING PROJECT

vallsur

Strong investment to transform the 1st floor of Vallsur as a reference in F&B and leisure in the city

	GLA affected	10 171m²
	Capex investment	€ 16.7 million
PHASE 1	New brands	12
	Start of the works	Already in progress
	Opening of new units	December 2023
PHASE 2	New brands	14
	Start of the works	February 2024
	Opening of new units	End of 2024



TRADING ENVIRONMENT

LAR ESPAÑA PROVING TO BE A GREAT INVESTMENT

- Lar España presented very good set of operational results for the period H1 2023, in line with our forecast:
 - Sales increased by +7.5% vs. H1 2022 and by +16.1% vs. H1 2019
 - Footfall increased by +3.7% vs. H1 2022 and -2.9% vs. H1 2019
 - Occupancy was maintained at **96%**
 - Accrued **GRI** reached €48.9m (+16.4% vs. H12022)
 - **Valuations** remained stable at **€1.465m** (-0.5% vs. December 2022)
 - **EPRA NTA to €10.76 p.s.** post FY 2022 dividend payment of €0.60 p.s

- **Positive retail park disposals for €129.1m “slightly above valuations”:**
 - Lar España concluded the sale of **Rivas Futura** and **Vistahermosa** retail parks for **€129.1m**, a figure that (according to Management) is slightly above valuations and book value
 - **Net yield** was **c. 6.3%** including transaction costs
 - Net proceeds will be used to buy other assets with better growth prospects
 - As part of the asset rotation strategy, Lar España will continue to look to sell its other mature retail parks: Abadía RP in Toledo and Vidanova RP in Sagunto (Valencia)

- **In January 2023, Lar España used its liquidity to perform a bond buyback programme for €90.5m at a c. 18% discount to par value. Key impacts include:**
 - Reduced gross debt by €110m and Net LTV to 37%
 - **Profit** of c. **€19.5m** that will have a positive impact in 2023 results
- **Profits from bond buyback and capital gains from asset disposals** provide extraordinary results for FY 2023, increasing Lar España’s ability to pay a higher dividend
- **Strong balance sheet and cash proceeds from asset disposals** position Lar España well for **growth opportunities**
- **Current share price reflects a c 10% increase on our in-cost, although still at a large discount of c 48% to NTA**





04 FINANCE AND TREASURY
Laurence Rapp

DEBT AND TREASURY UPDATE

STRONG BALANCE SHEET METRICS RECOGNISED BY DEBT CAPITAL MARKET

Balance sheet metrics largely in line with 31 March 2023:

Group LTV anticipated to be **c.44%** and Group ICR at **c.3 times**

All FY24 expiries have been repaid, refinanced or renegotiated

Management continue to **proactively manage interest rates** in the current environment, with a specific focus on Castellana's **€256 million facility's fix** that matures in September

Strong liquidity, with **R2.7 billion** of cash and undrawn committed facilities (2.1 times covered)

GCR reaffirmed corporate long-term credit rating of **AA_(ZA)** in August, with a **stable outlook**

Proactive capital market and corporate activity:

Successful **R526 million** unsecured bond auction held in August, with both the 3- and 5-year notes issued at margins **better than guidance**

Acquired 9 833 333 shares in Castellana from MEREV for **EUR 64 million**, increasing our shareholding in Castellana to **99.5%**.

R700 million of Vukile equity issued in April (56 million shares at R12.50 per share)





05 GUIDANCE
Laurence Rapp

CAPITAL ALLOCATION

After significant town planning delays, BT-Ngebs expected to transfer in Q4 FY24

- R400m at a yield of c.9,25% with asset management upside
- Funding already in place from previous asset sales

Vallsur and El Faro value add projects

- Accretive projects adding NOI and further strengthening of the assets
- Increase ownership in El Faro to 100%
- Funding in place

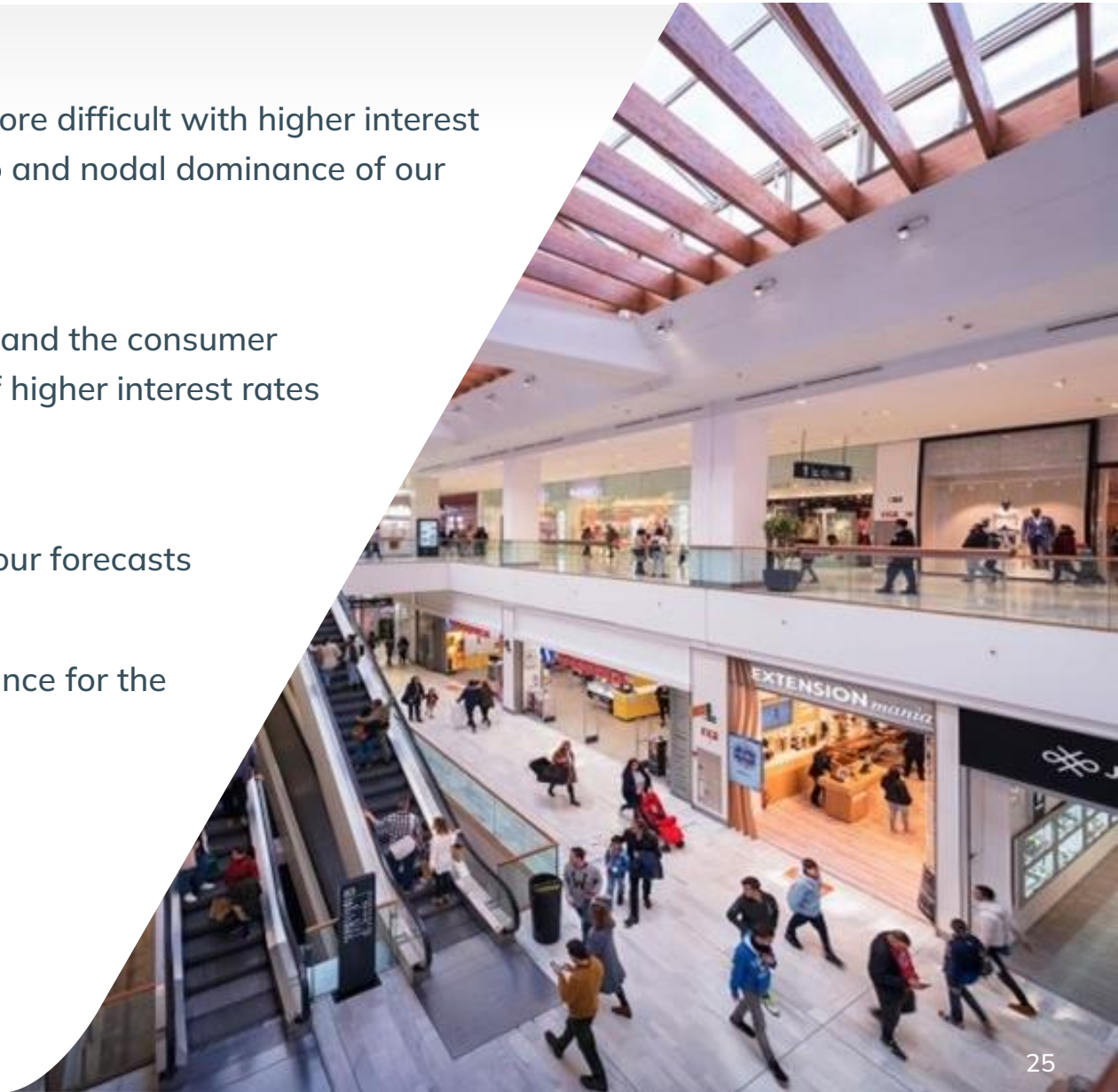
As presented at full year results in June 2023

- We continue looking for new opportunities at very attractive yields in Europe:
 - Extremely disciplined in what we will look at and pricing levels
 - Outbid on an asset in Spain and happy to walk away from process
 - Currently no active transactions on the table
 - Always reviewing opportunities
- Deal needs to make both financial and strategic sense



GUIDANCE

- The macro environment in South Africa is becoming increasingly more difficult with higher interest rates affecting consumers, but the **defensive nature of our portfolio** and nodal dominance of our assets continues to buffer performance
- Spain is yet to see a downturn in trade due to higher interest rates and the consumer environment remains buoyant for the time being, but the spectre of higher interest rates affecting consumer sentiment remains
- The impact of higher finance costs has already been factored into our forecasts
- Based on actual performance year-to-date and expected performance for the remainder of the year, we confirm guidance for FY24 at:
 - Growth in FFO per share of **3% to 5%** (148 cps to 152 cps)
 - Growth in **Dividend** per share of **7% to 9%** (120 cps to 123 cps)





06 QUESTIONS
AND ANSWERS