RATING ANNOUNCEMENT

GCR affirms Vukile Property Fund Limited's rating of AA+$_{(ZA)}$; Outlook Stable

Rating action

Johannesburg, 23 July 2026 – GCR Ratings (GCR) has affirmed Vukile Property Fund Limited's national scale long and short term issuer ratings of AA+$_{(ZA)}$ and A1+$_{(ZA)}$ respectively. The rating Outlook is Stable.

Rated Entity	Rating class	Rating scale	Rating	Outlook / Watch
Vukile Property Fund Limited	Long Term Issuer Short Term Issuer	National National	AA+$_{(ZA)}$ A1+$_{(ZA)}$	Stable Outlook

Rating rationale

The ratings reflect the strength of Vukile Property Fund Limited's (Vukile or the REIT) large, geographically diverse retail portfolio, with proven asset enhancement strategies supporting consistently strong operating performance. The ratings also consider the REIT's demonstrated capital discipline, having grown its property portfolio materially over the last two and a half years via a balanced mix of debt, equity and asset recycling, with a sound financial profile expected to be maintained.

At financial year-end 31 March 2026 (financial 2026), Vukile's consolidated property portfolio value rose to ZAR58.4 billion (financial 2025: ZAR50 billion; financial 2024: ZAR41 billion) following significant investments in Spain and the entry into Portugal. Through additional acquisitions including into Italy (a new market), the portfolio has expanded further to c.ZAR63.7 billion ($3.9 billion) post financial year-end. This has been partly funded by trading out of ZAR5.9 billion of direct properties. Geographically, based on consolidated net property income, the portfolio's expected exposures are to Spain (48%), South Africa (34%), Portugal (13%), and Italy (5%). The new markets benefit from favourable fundamentals similar to Spain, with resilient consumer spending and relatively low e-commerce penetration. Further expansion opportunities of roughly c.€200 million in Italy have been identified through its strategic investment in Pradera (a pan-European retail asset manager), which would allow the REIT to grow scale and relevance in the market. We expect Vukile to leverage off its already strong relationships with retailers across new offshore assets, further entrenching leasing power. That said, there remains a level of tenant concentration, as the top 10 tenants accounted for 27.8% of rent in the Iberian portfolio (financial 2025: 29.8%) and 50% (financial 2025: 48%) in the South African portfolio.

Vukile's new assets align with its strategy to focus on convenience-led shopping centres, primarily anchored by grocery or essential services tenants, that have dominant positions in good locations, mostly in secondary cities. The REIT has a strong track record in asset enhancement projects and tailoring the tenant mix to local areas, with the use of data-driven assessments to improve the customer experience and thus increase footfall. As such, operational metrics remained sturdy in financial 2026, reflecting low vacancies and continued strong like-for-like (LfL) income increases. The Iberian portfolio reported a low vacancy rate of 1.1%, with a positive rental reversion of 9.1% and LfL net operating income growth of 7.9% in financial 2026. Similarly, the South African retail portfolio's vacancy rate remained at a low 1.7% and reflected positive reversions of 3.7% on renewals and 10.3% LfL growth in net operating income (financial 2025: 6.4%). The property portfolio also benefits from inflation-linked contractual rental uplifts, which support stable cash flow, and a high-quality tenant profile (accounting for 95% of rentals in both core portfolios). Vukile has embraced sustainability considerations, with large solar installations and water management systems that help to offset rising utility costs.

Vukile maintains prudent balance sheet management, balancing substantial net investment activity over recent years on a largely leverage-neutral basis. This has been aided by strong access to capital from diverse sources, including equity and debt both locally and internationally. In May 2026 the REIT raised a further ZAR2.8 billion in new equity funding (ZAR8.4 billion cumulatively raised since financial 2024), which together with the reinvestment of asset sale proceeds saw the net LTV register at 38% (financial 2025: 41%). We expect Vukile to continue to manage leverage between 40% and 45% as consideration for further acquisitions is likely. However, we do note the increase in EUR debt funding mix on the South African balance sheet, which does imply some risk, as well as relatively large maturity concentrations in financial 2029 and 2030. Net interest coverage at 3.0x (financial 2025: 2.9x) remains healthy relative to covenants.

At year-end 2025, Vukile had ZAR3.6 billion in available cash and ZAR3.6 billion in committed unutilised facilities. This is further augmented by equity raised in 2Q 2026, new EUR debt facilities and concluded asset sales of ZAR470 million in South Africa and ZAR5.4 billion in Spain. This has provided ample capacity to fund committed acquisitions in South Africa, Spain and Italy (at a combined cost of ZAR10.9 billion), as well as operational capex of just under ZAR2 billion. Following recent refinancing of ZAR2.3 billion of maturing debt, ZAR1 billion remains due for financial 2027, with the GCR calculated liquidity ratio estimated at 1.4x over the next 12 months. Vukile does report high property encumbrances, which remains a partial constraint to the liquidity assessment.

Outlook statement

The Stable Outlook reflects GCR's view that Vukile will continue to demonstrate steady earnings growth off the back of its large, diversified portfolio. At the same time, we expect the REIT to remain financially prudent in the execution of its growth strategy.

Rating triggers

An upgrade could be considered if Vukile 1) demonstrates strong strategy execution by effectively bedding down newly acquired assets and reconfiguration projects that enhance portfolio quality; and/or 2) the net LTV ratio is sustained at 40% or below and interest cover over 3.0x; and/or 3) increases its pool of unencumbered properties and smooths and lengthens the debt maturity profile.

GCR could take negative rating action if 1) the LTV trends above 45% on a sustained basis; 2) net interest falls below 2.5x; 3) weaker portfolio operating metrics and cash flows sustaining below expectations; 4) and/or if any liquidity challenges are evidenced, groupwide or in either region.

Analytical contacts

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Related criteria and research

Criteria for the GCR Ratings Framework, May 2024
GCR Rating Scales Symbols and Definitions, May 2023
Criteria for Rating Real Estate Investment Trusts and Other Commercial Property Companies, May 2024
GCR Country Risk Score report, June 2026
GCR SA Corporate Sector Risk Score report, July 2025
GCR Commercial Property Sector Risk Score report, September 2025
GCR South African Commercial Property Sector Outlook raised to Positive as earnings and financial headroom rebound, July 2026

Ratings history

Vukile Property Fund Limited					
Rating class	Review	Rating scale	Rating	Outlook/Watch	Date
Long Term Issuer	Initial	National	A(ZA)	Stable Outlook	February 2012
Short Term Issuer		National	A1(ZA)		
Long Term Issuer	Last	National	AA+(ZA)	Stable Outlook	July 2025
Short Term Issuer		National	A1+(ZA)		

Risk score summary

Rating Components & Factors	Score
Operating environment	**16.75**
Country risk score	9.25
Sector risk score	7.50
Business profile	**2.00**
Portfolio quality	2.00
Sustainability	0.00
Financial profile	**(1.25)**
Leverage & capital structure	(1.00)
Liquidity	(0.25)
Comparative profile	**0.00**
Group support	0.00
Peer comparison	0.00
Total Risk Score	**17.50**

Glossary

Asset	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Bond	A long-term debt instrument issued by either a company, institution or the government to raise funds.
Diversification	Spreading risk by constructing a portfolio that contains different exposures whose returns are relatively uncorrelated. The term also refers to companies which move into markets or products that bear little relation to ones they already operate in.
Interest Cover	Interest cover is a measure of a company's interest payments relative to its profits. It is calculated by dividing a company's operating profit by its interest payments for a given period.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Issuer	The party indebted or the person making repayments for its borrowings.
Leverage	With regard to corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Long Term Rating	See GCR Rating Scales, Symbols and Definitions.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.
Rating Outlook	See GCR Rating Scales, Symbols and Definitions.
REIT	Real Estate Investment Trust. A company that owns, operates or finances income-producing real estate.
Rent	Payment from a lessee to the lessor for the temporary use of an asset.
Short Term Rating	See GCR Rating Scales, Symbols and Definitions.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its importance or, relative size to a pool of assets or liabilities.

Salient points of accorded rating

GCR affirms that a.) no part of the rating process was influenced by any other business activities of the credit rating agency; b.) the ratings were based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings were an independent evaluation of the risks and merits of the of the rated entity, security or financial instrument.

The credit ratings have been disclosed to the rated entity.

The ratings above were solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- Exchange Rate ZAR16.43/USD on 21/07/2026; Source: https://www.bloomberg.com/markets/currencies
- Audited annual financial statements to 31 March 2026 (plus four years of audited comparative numbers)

- Debt facility schedule at 31 March 2026 and other funding details.
- Results presentation at 31 March 2026.
- Capex and cash flow forecasts.

opinions and services rendered by it. GCR also maintains policies and procedures to address the independence of GCR's credit ratings and credit rating processes.