

**VUKILE PROPERTY FUND LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 2002/027194/06)  
JSE share code: VKE NSX share code: VKN  
ISIN: ZAE000180865  
(Granted REIT status with the JSE)  
(“Vukile” or “the company” or “the Group”)



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## IMPACT OF COVID-19 OUTBREAK ON VUKILE'S PORTFOLIO

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On 14 March 2020, the Government of Spain introduced a national state of emergency in response to the Covid-19 pandemic, initially expected to last for 15 days. One of the requirements of the emergency provisions is that all retail stores in Spain, except for pharmacies and supermarkets and certain service orientated businesses, are required to close. These measures will have an impact on the operations of Vukile's 82% held Spanish subsidiary, Castellana Properties Socimi S.A. (“**Castellana**”), which operates 6 shopping centres and 10 retail parks across Spain.

On 15 March 2020, the Government of South Africa also declared a national state of disaster in response to the Covid-19 pandemic, although no restrictions were placed on shopping centre trading at this point.

The primary focus and concern of the management teams is for the health and well-being of their customers, tenants, employees and all stakeholders. As such, Vukile and Castellana will ensure compliance with national regulations.

Given the fluidity of the situation, it is not possible to quantify with certainty the magnitude, duration and full impact that the Covid-19 pandemic may have on the Group's retail operations, especially in Spain. The management teams are monitoring the position closely and proactively dealing with the challenges posed to tenants and operations.

Castellana has already initiated an engagement process with affected tenants to ascertain the impact of the closures on their contractual lease obligations. Where necessary, Castellana will consider suitable arrangements to assist affected tenants to manage the situation during these challenging times.

Having evaluated Vukile's and Castellana's strong cash flow position and their respective debt servicing obligations over the next financial year, Vukile's and Castellana's management are comfortable that both Vukile and Castellana have the required cash resources to meet their respective obligations to banks and other creditors for the period ahead.

The Spanish government is expected to announce measures relating to financial support for companies and businesses negatively affected by the Covid-19 pandemic on Tuesday. If implemented, these measures could alleviate the financial impact of the emergency measures.

Management remains confident that the quality of both portfolios, which are underpinned by a diverse tenant base, strong balance sheets and healthy cash flows, provide the necessary foundation to manage through the Covid-19 challenges and, once the health situation stabilises, position them to continue delivering value and growth for all stakeholders.

16 March 2020

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JSE sponsor



NSX sponsor

