

SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2021 www.vukile.co.za

HIGHLIGHTS

SUSTAINED PERFORMANCE IN SOUTHERN AFRICA WITH IMPROVEMENTS IN KEY OPERATING METRICS

- › Footfall trending towards pre-COVID-19 levels
- › Like-for-like trading density growth up 1.7%
- › Rent collection rate improved to 98%
- › Retail vacancies well contained at 3.2%
- › Retail retention rate at 90% with reversions contained at -3.3%.

SPANISH PORTFOLIO CONTINUES TO DELIVER STRONG OPERATING PERFORMANCE

- › Vacancies contained at 1.7%
- › Rent collection rate >95%
- › Sales at 98% vs Mar 2020, 80% vs Mar 2019
- › Completed redevelopment projects with 91% of GLA let; 95% of projected MGR
- › Portfolio WALE of 13.4 years.

STRONG BALANCE SHEET WITH WELL DIVERSIFIED FUNDING BASE

- › Debt reduced by R3.1 billion
- › LTV reduced to 42.8% (FY20 46.1%)

- › 76% of FY22 maturing debt repaid or extended (44% was concluded after year-end)
- › Undrawn debt facilities increased to R1.9 billion (increased by a further R1.6 billion to R3.5 billion after year-end)
- › To date, 90% of Vukile EUR debt has been converted to ZAR
- › Interest cover ratio (ICR) of 3.3 times.

FURTHER SIMPLIFIED BUSINESS MODEL

- › Exited Atlantic Leaf in August 2020, sales proceeds of R1.1 billion
- › Sale of R231 million of non-core assets, a further R48.8 million in sales transferred after year-end
- › Awaiting transfer of assets totalling R513 million subject only to Competition Commission approval
- › Supportive of proposed Fairvest/Arrowhead transaction
- › Good progress in building capacity for customer-centric strategy.

CASH DIVIDEND OF 101.04 CENTS PER SHARE TO BE PAID IN JULY 2021

- › Payout ratio of 79% of total group FFO.

FINANCIAL PERFORMANCE

Revenue and operating profit reduced relative to the prior period, largely due to COVID-19 rent concessions granted to tenants, both in Southern Africa and Spain. Gross property revenue for the period decreased from R3.4 billion for the year ended 31 March 2020 to R3.1 billion for the year ended 31 March 2021. Operating profit before finance costs decreased to R1 796 million (31 March 2020: R2 628 million), while the profit for the year attributable to owners of the parent amounted to R584 million (31 March 2020: R103.23 million loss) resulting in basic earnings per share increasing to 61.04 cents per share (31 March 2020: 10.81 cents loss per share). Headline earnings increased to 137.26 cents per share (31 March 2020: 116.92 cents per share).

The group's net asset value per share at 31 March 2021 was 18.16 cents per share, down from 18.34 cents per share at 31 March 2020. A 1.6% reduction in the fair valuation of investment property in the Spanish portfolio contributed to the marginal reduction in net asset value per share.

The group's direct property investments amounts to R32.8 billion at 31 March 2021 (31 March 2020: R35.7 billion), located in South Africa, Namibia and Spain.

Total indirect property holdings (listed property investments) reduced to R0.8 billion at 31 March 2021 (31 March 2020: R2.1 billion), following the sale of Vukile's interest in Atlantic Leaf for R1.1 billion. Listed investments comprise investments in Fairvest Properties Limited and Arrowhead Properties Limited.

A gross dividend amounting to 101.04391 cents per share has been declared for the year ended 31 March 2021 (31 March 2020: 129.02282 cents per share). A separate announcement in this regard will be released on SENS.

PROSPECTS FOR THE GROUP

Vukile remains in very good shape operationally and financially, and with a clear strategic focus, the group is well positioned for long-term growth. The macro-economic benefits of diversification will continue to be advantageous for our South African investors. The clearly focused retail specialisation strategy, in Southern Africa and Spain, is providing benefits in each of these markets, as seen by the strong operational results delivered in the worst of the COVID-19 crisis.

Management's decision making is geared to making the right decisions for the long-term sustainability of the business and ensuring that we are not caught up in short-termism. We will continue to invest so that we make the transition to a customer-led organisation, with the right skills for a changing retail environment. We remain focused on balance sheet strength, risk management and the effective deployment of retained cash to ensure long-term growth and strategic strength.

We are very pleased with the operational performance of the business and how we have navigated the COVID-19 crisis so far, and believe we have the right platform and approach to restore profitability to pre-pandemic levels over the next

few years. Given the ongoing uncertainty in the operating environment, the possibility of further COVID-19 waves and uncertainty regarding the pace and extent of vaccine roll-outs, we believe it is prudent not to provide dividend guidance for FY22. The dividend payout ratio going forward will approximate 60% – 70% of total group FFO (while still maintaining the minimum 75% of JSE defined distributable income requirement), thus lower than the current year's 79%.

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 full announcement is available on the company's website <https://www.vukile.co.za/results/annuals-2021/pdf/booklet.pdf> and on the JSE website at <https://senspdf.jse.co.za/documents/2021/jse/isse/vke/FY2021.pdf>. Copies of the full announcement may be requested by emailing Johann Neethling, at Johann.Neethling@Vukile.co.za or the company's sponsor, Java Capital at sponsor@javacapital.co.za from Wednesday, 9 June 2021 to Friday, 18 June 2021.

The annual financial statements have been audited by the company's auditors, PricewaterhouseCoopers Inc., who expressed an unqualified audit opinion thereon. As is normal for a REIT, where investment property comprises a material component of total assets, the auditor's opinion identifies valuation of investment property as a key audit matter. A copy of the auditor's opinion, together with the underlying audited annual financial statements, is available on the company's website <https://www.vukile.co.za/investor-media/downloads/consolidated-financial-statements/afs-2021.pdf>.

On behalf of the board



NG Payne
Chairman

Houghton Estate

9 June 2021

Sponsor
Java Capital



LG Rapp
Chief executive officer

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 **NSX share code:** VKN (granted REIT status with the JSE) (Vukile or the group or the company)

Executive directors: LG Rapp (chief executive), LR Cohen (chief financial officer), IU Mthibeli (managing director: Southern Africa),

Non-executive directors: NG Payne* (chairman), PS Moyanga*, SF Booysen*, RD Mokate*, H Ntene*, HM Serebro*, B Ngonyama*, GS Moseneke * 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:** Link Market Services South Africa (Pty) Ltd, Braamfontein, Johannesburg **Investor relations:** Instinctif Partners, The Firs, 3rd Floor, Corner Craddock Avenue and Biermann Road, Rosebank, Johannesburg, South Africa, Tel: +27 11 447 3030 **Media relations:** Marketing Concepts, 10th Floor, Fredman Towers, 13 Fredman Drive, Sandton, Johannesburg, South Africa, Tel: +27 11 783 0700, Fax: +27 11 783 3702