
ACQUISITION OF FORUM MADEIRA SHOPPING CENTRE

1. Introduction

Shareholders are advised that Vukile's 99.5% held subsidiary, Castellana Properties SOCIMI, S.A. ("**Castellana**"), through its own 70%-owned subsidiary Caminho Propício – SIC IMOBILIÁRIA FECHADA S.A. ("**Caminho**"), has concluded a share purchase agreement (the "**SPA**") with DWS Grundbesitz GmbH (the "**Seller**"), a German company acting in its capacity as an alternative investment fund manager and ultimately owned by Grundbesitz Global, an open-ended real estate investment fund, pursuant to which Caminho will acquire the shopping centre known as Forum Madeira located in Funchal, Portugal (the "**Property**" or the "**Centre**") (the "**Acquisition**").

In terms of the SPA, Caminho will purchase the entire issued share capital of the Property-owning company and the company housing the Property's operations – namely, DB Real Estate Investment Madeira – Sociedade Imobiliária, S.A. and DB Real Estate Investment Madeira – Sociedade Imobiliária, Unipessoal Lda. (together, the "**Companies**").

2. Profile of the Property

Forum Madeira is an established shopping centre located on the island of Madeira, Portugal, comprising a total gross lettable area ("**GLA**") of 21 472m². The Centre is situated in the western part of Funchal, which is the capital city and the main residential and commercial area of Madeira. The Centre is distributed on three floors and is well-anchored by the Inditex group, Pingo Doce and the most popular cinema on the island, Cinema NOS. The Centre is open-air, taking advantage of the moderate and consistently favourable climate on the island.

The Centre boasts an attractive footfall of 5.4 million visits and strong sales per m² of EUR 4 694, serving a catchment of c.250 000 residents as well as 2.3 million tourists annually. The Centre is currently 100% occupied.

3. Rationale

The Acquisition offers the opportunity to acquire a high-performing shopping centre on the island of Madeira, with low effort rates and high sales levels, showing strong potential for continued growth. The asset is the only centre in Madeira to offer the full suite of Inditex brands and is anchored by a strong Pingo Doce supermarket.

Madeira has been a leading growth area in Portugal, where GDP growth in the Autonomous Region of Madeira has been 23.4% since 2019. Unemployment on the island has fallen from 11.1% in 2017 to 5.9% in 2023. In 2023, Madeira registered over 10.9 million overnight stays, which makes it the 3rd most visited destination in Portugal, after Porto and Lisbon. Western Funchal is a growing area for luxury hotels and residential developments.

The Centre offers opportunities to improve NOI and overall quality by improving the tenant mix through the introduction of new tenants.

4. Terms of the Acquisition and Closing

The purchase consideration payable for the Property is EUR 63 321 113.38 (the “**Purchase Consideration**”). The effective date of the Acquisition is expected to be no later than 30 April 2025 (the “**Closing Date**”). The Purchase Consideration will be settled by Caminho in cash and discharged on the Closing Date.

The Property is being acquired at an initial net operating income yield of c.9.5%. When applying the anticipated interest cost on the proposed senior debt, the Property is expected to deliver a cash-on-cash yield of c.11.8%, before withholding tax and excluding transaction costs.

The Seller shall ensure that, until the Closing Date, the Companies carry out their businesses in the ordinary and usual course, as carried out prior to the conclusion of the SPA.

The SPA includes market-standard warranties, indemnities and undertakings for a transaction of this nature. Completion of the Acquisition is not subject to any conditions precedent.

5. Funding

The Acquisition will be funded by a combination of existing cash resources and in-country debt of EUR 28 000 000, representing a loan-to-value ratio of c.38.5%. The entire issued share capital of the Companies will be acquired by Caminho, which is in turn owned 70% by Castellana and 30% by Rand Merchant Bank (RMB).

6. Property specific information

Details of the Property are set out in the table below:

Property name	Geographical location	Sector	GLA (m²)	Weighted average rental per m² (EUR/m²/month)	Purchase Consideration (EUR)	Value attributed to the Property as at 15 November 2024 (EUR)
Forum Madeira	Funchal, Portugal	Retail	21 472	22.6	63 321 113.38	72 820 000

The Property was valued in accordance with Royal Institution of Chartered Surveyors standards by X-Yields, an independent external property valuer.

7. Voluntary announcement

The Acquisition is not categorisable in terms of the JSE Listings Requirements. Therefore, this announcement is voluntary and for information purposes only.

11 April 2025

JSE sponsor



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