MEDIA RELEASE FROM VUKILE PROPERTY FUND

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***Vukile favourably concludes oversubscribed R500 million unsecured bond issue***

Vukile Property Fund (JSE: VKE) today issued R500 million of senior unsecured corporate bonds with one- and three-year maturities. The issue was significantly oversubscribed, with demand exceeding the maximum offer by 4.4 times.

The auction attracted bids of more than R2.1 billion and drew orders from 13 investors.

Three-year notes of R342m were placed at a margin of 185bps, better than guidance and favourably priced relative to recent issuances from the REIT sector. One-year notes of R158m were placed at a margin of 135bps, mid-guidance.

“We are delighted with the robust demand received and the positive pricing achieved, especially considering the uncertainty and challenges in the current macro-environment. In this context, we view the significant support for the auction as a vote of confidence in the resilience of our business model,” says Laurence Rapp, CEO of Vukile.

The issuance proceeds will be used to repay VKE13, a R535m note maturing on 27 August 2021.

Absa Corporate and Investment Banking acted as sole lead arranger. “We commend Vukile on the success of this bond issue. The strong support for the auction reflects Vukile’s high credit quality, balance sheet strength and clear business strategy,” says Marcus Veller from Absa Debt Capital Markets.

In July 2021, GCR Ratings affirmed Vukile’s national scale issuer ratings to AA-(ZA) and A1+(ZA) for the long and short term respectively, with a stable outlook.

JSE-listed Vukile is a high-quality, low-risk retail REIT with R33.6bn of property assets. It is significantly diversified in South Africa (49%) and Spain (51%) through its 82.5% held Madrid listed subsidiary Castellana Property Socimi.

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