



**GRIT**

UK INVESTOR MAGAZINE  
PRESENTATION

**grit** **GREAA**



We are a **family of Partnerships**,  
Setting the **Global Benchmark** in Africa for  
**Developing Smart Business** Solutions &  
**Impact Real Estate** that goes **Beyond Buildings!**

# African structural growth outlook

## Natural resources:



**30%**  
of the world's  
mineral reserves

Agricultural productivity convergence opportunities:

**1.3t/ha vs 4.9t/ha**

Africa vs North America



## Renewables potential

**10** terawatt  
of solar

**1,250 GW wind power**

...collectively exceeding the continent's needs...

## Digital transformation

**28%**

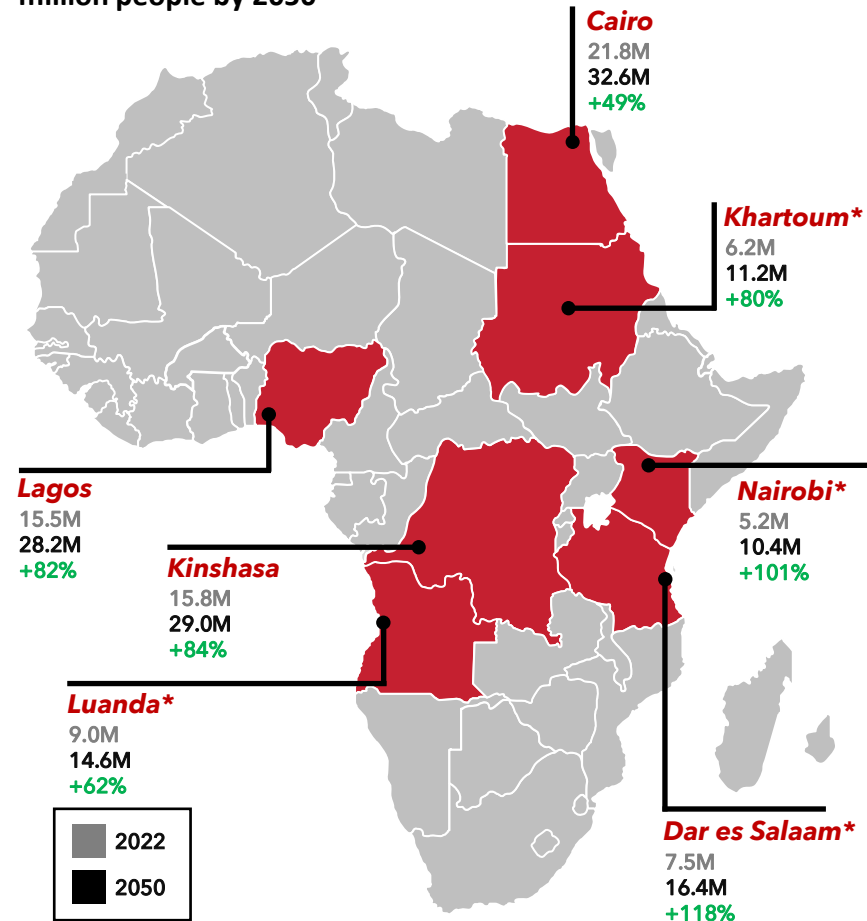
internet penetration



with e-commerce  
footprint accelerating

## Africa's Next Megacities

Population growth of the first 7 cities in Africa to reach the megacity mark of 10 million people by 2050



\*New megacities

Source: 'Ecological Threat Report: 2022 by the Institute for Economics & Peace

Population to double to

**2.5bln**

by 2050 with >40% of the  
world's under 25's



## Rapid urbanisation



currently  
**43%** in Africa  
vs Europe at **81%**

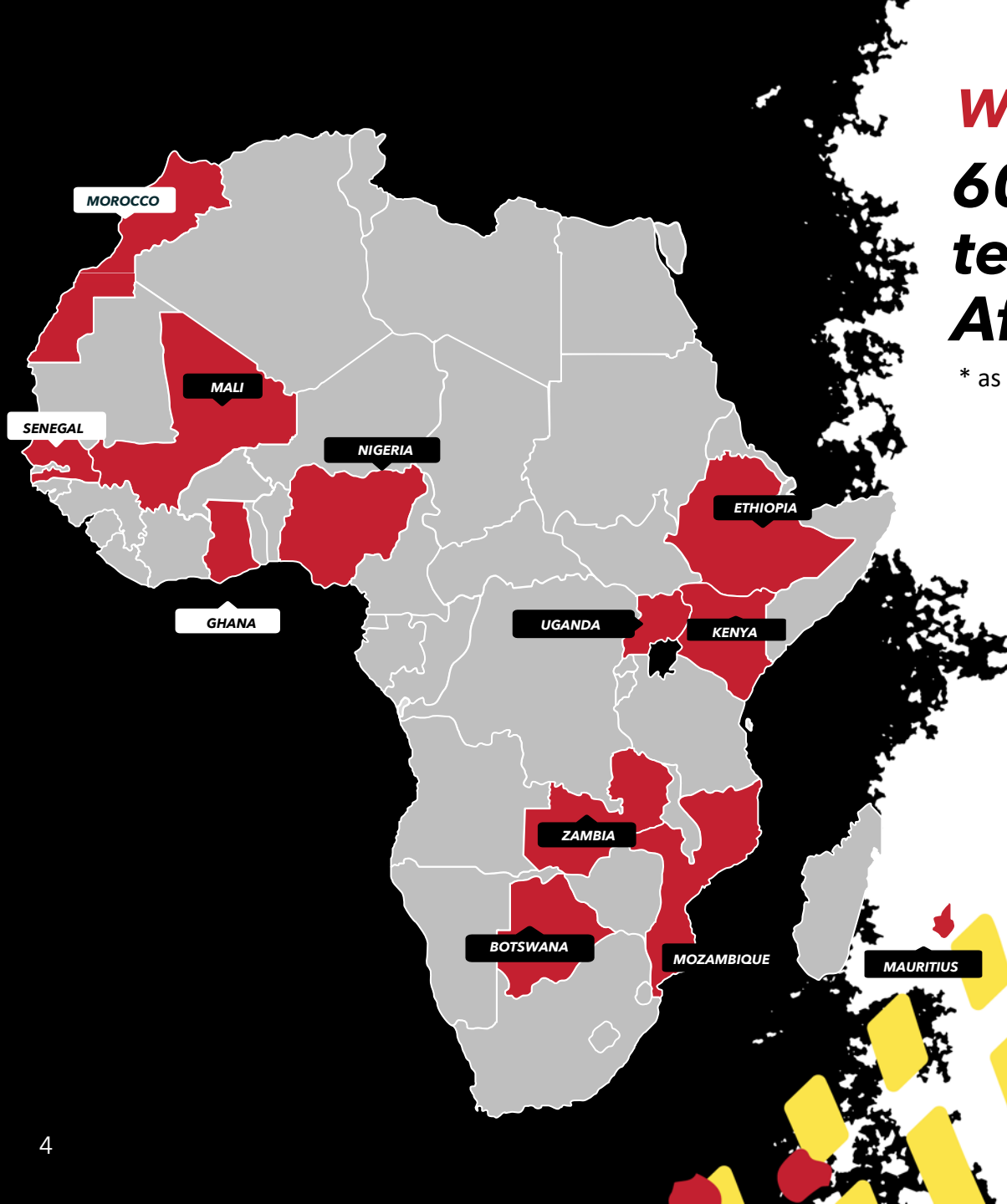
resulting in income growth, investment demand & GDP growth

## Rapid investment required:



**US\$150 bln**

per annum African infrastructure  
deficit



# We are Pan-African

## 60\* Assets in 12 territories across Africa

(excluding South Africa)

\* as at 31 December 2022

### US\$832.9m

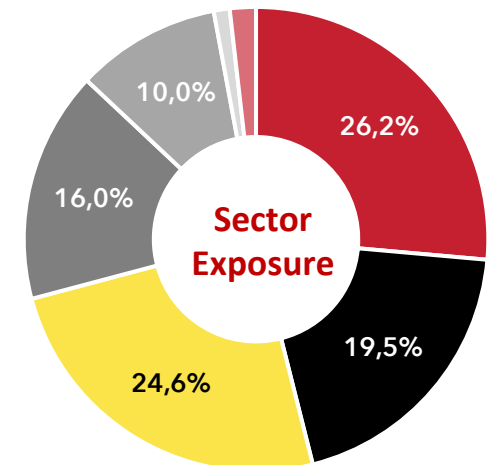
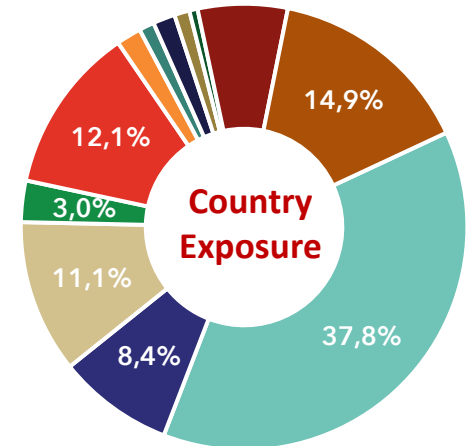
Total Income Producing Assets

### \$480.0m

Development Portfolio  
(Valuation upon completion)

### Extensive Future pipeline

- Mozambique
- Kenya
- Zambia
- Ghana
- Morocco
- Senegal
- Botswana
- Mauritius



- Office
- Retail
- Light Industrial
- Medical
- Corporate Accommodation
- Hospitality
- Data Centre
- LLR

# High Quality Tenants with *hard currency long term leases*

**92.4%**

Income Hard Currency

**95.7%**

EPRA Occupancy

**85.9%**

Multinational tenants

**4.6**

Years WALE (by Income)

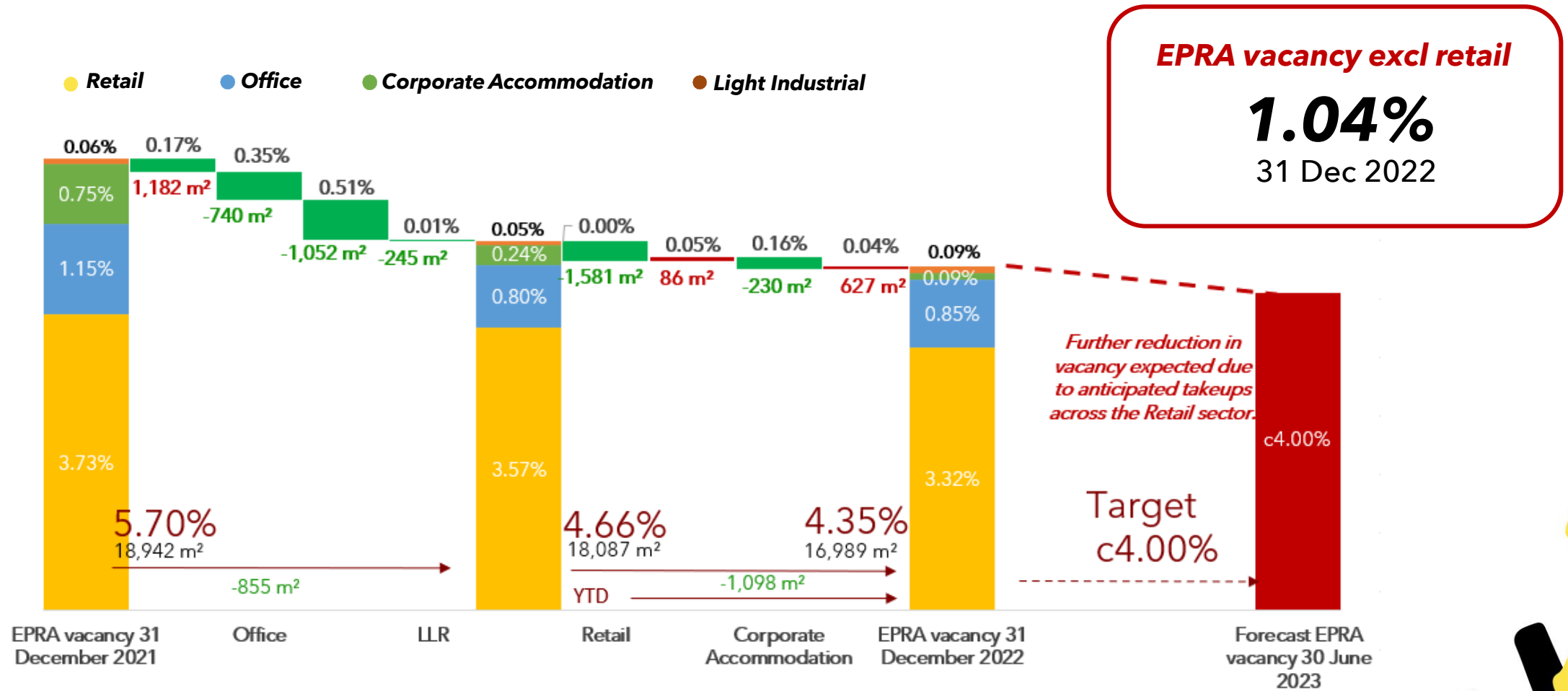
**4.1%**

Weighted Average Lease Escalation (by Income)

Rank	Tenant	Industry	Income %	Lease Currency
1	VULCAN	Mining	9,4%	USD
2	TOTAL	Energy	9,4%	USD
3	US EMBASSY	Consular	8,7%	USD
4	VODACOM	Communications	6,5%	USD
5	BEACHCOMBER	Hospitality	6,0%	EUR
6	TAMASSA RESORT	Hospitality	4,7%	EUR
7	ORBIT PRODUCTS AFRICA	Industrial	4,6%	USD
8	SHOPRITE	Retail	3,5%	USD
9	HOLLARD	Financials	2,9%	USD
10	CLUB MED CAP SKIRRING	Hospitality	2,5%	EUR
11	TULLOW OIL	Energy	2,4%	USD
12	EXXON	Energy	2,3%	USD
13	IMPERIAL HEALTH	Logistics	2,2%	USD
14	GAME	Retail	2,2%	USD
15	RETAIL MOROCCO	Retail	1,7%	MAD
			<b>69,2%</b>	



# Group EPRA\* Vacancy Bridge (31 December 2022)



**NOTES**

\*- European Public Real Estate Association Vacancy methodology

# GRIT 2.0 Strategy

Specialist in African Impact Real Estate

Publicly Listed Entity  
LSE & SEM

## GR1T.LN

Increase in Net Asset Value &  
Earnings per share to investors

### PROPERTY INVESTING \*



- Grit owned properties
- Co-owned properties (GREA, LLR)
- New Sector specialist funds

NOI  
&  
NAV

### REAL ESTATE SERVICES



- Development Management
- Facilities & Asset management
- Treasury and Head office services

Fee

Smart business solutions

EXISTING

**grit** Gateway  
Real Estate Africa **LR**

FUTURE

bora africa dh africa

Acquired

**apdm**

GRIT 2.0

**gres**

\* Targeting a reduction in retail and hospitality sectors in favour of resilient IMPACT asset classes





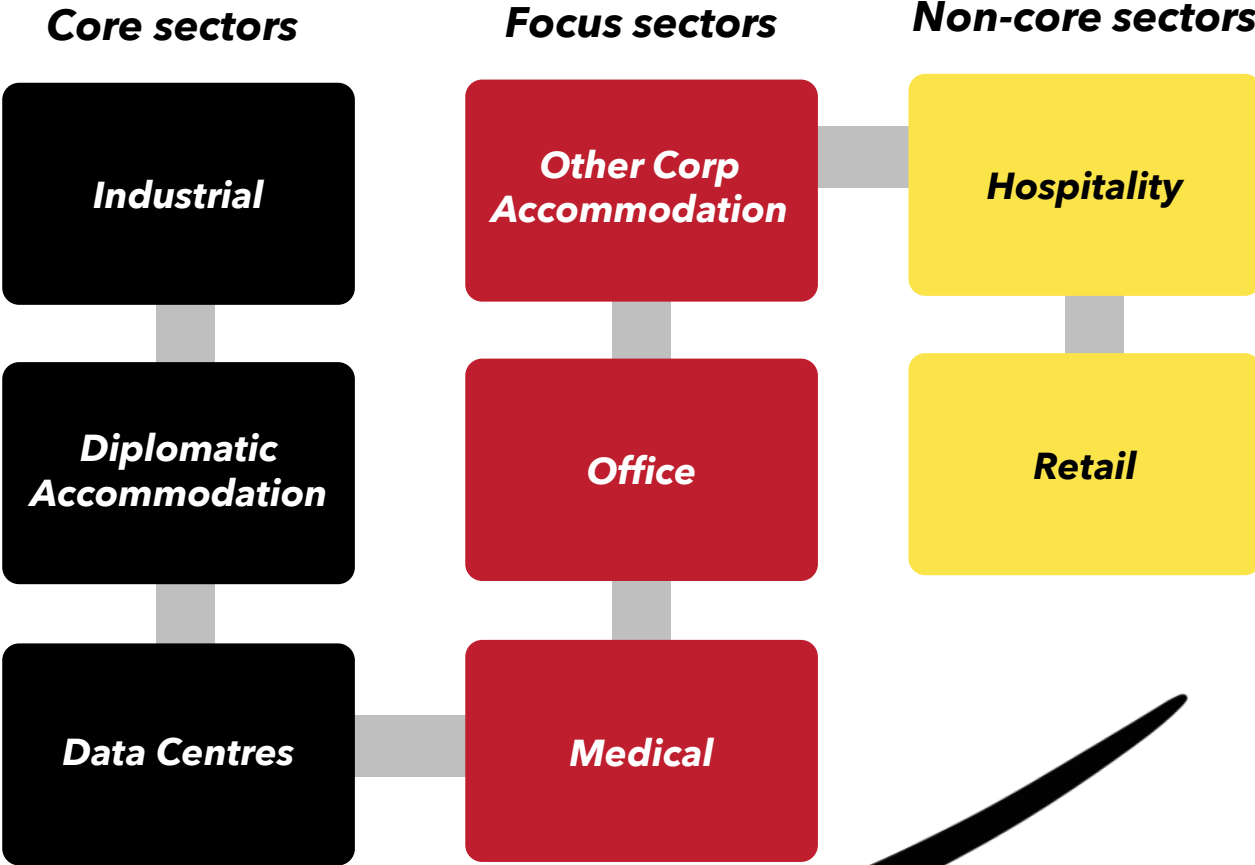
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Income Group

# ***Pipeline & growth***

**2023**



# Funding growth: Asset recycling focuses on resilient, Impact sectors



**Impact & Resilience**

Recycling framework:	NIY <sup>1</sup>	Topped Up NIY <sup>2</sup>
New GREA developments**	>10%	>10%
Data Centre	9.20%	9.20%
Corp Accommodation	8.20%	9.10%
Office	7.80%	7.90%
Light Industrial	7.60%	7.60%
Retail	7.00%	7.20%
Hospitality	6.70%	6.70%
<b>TOTAL*</b>	<b>7.60%</b>	<b>7.90%</b>

**01** SIMPLE GROUP STRUCTURE

**03** EXCITING CAPITAL ALLOCATION

**04** IMPACT GROWTH

# Funding growth: Alternative funding is also available

## Development Funding



Strong focus on **IMPACT**  
investing and growth

opportunities  
Targeting specific **strategy**  
**mandates**

Not easily able to enter **listed**  
**level vehicle** investment

## Alternative investors

**Require UNLISTED vehicles**

Tend to have **limited**  
**investment lifespan** (private  
equity type timeframes with  
specific exits)

**Mezzanine / hybrid funders**

## Specialist sub structures

**01** Simple Group  
structure

Allows for sensible **grouping of**  
**assets**, staffing and funding

**Grit group re-organisation**



**BORA**  
**AFRICA**  
Impact Industrial

powered by **grit**

# PIPELINE



Artist's impression, subject to change



Artist's impression, subject to change

## MEDICAL

WTC Hospital - Kenya

## CORPORATE ACCOMODATION

DH Accra - Ghana

ARTEMIS  
HOSPITALS  
OUR SPECIALITY IS YOU

Sahyadri  
Hospitals

Structural demand across the continent to provide medical access. Near term identified opportunities in 2 countries with TPC in excess of US\$250m (subject to funding)



U.S.  
DEPARTMENT  
OF STATE

BUREAU OF  
OVERSEAS BUILDINGS  
OPERATIONS

Structural opportunity to continue being the leading service provider in the diplomatic housing sector. Near term identified opportunities in 7 countries with TPC in excess of US\$300m (subject to funding)

03 EXCITING CAPITAL ALLOCATION

04 IMPACT GROWTH

# PIPELINE



*Artist's impression, subject to change*

## **INDUSTRIAL**

Orbit Phase 2 - Kenya

Significant demand across the continent for world-class industrial facilities. Near term identified opportunities in 2 countries with TPC in excess of US\$145m (subject to funding)

**03** EXCITING CAPITAL ALLOCATION



## **DATA & CALL CENTRES**

PURE DATA CENTRE - MOROCCO

| PURE DC |

CCI  
GLOBAL

Structural opportunity to accommodate demand for increasing internet penetration in Africa with data centres. Near term identified opportunities in 4 countries with TPC in excess of US\$140m (subject to funding)

**04** IMPACT GROWTH



# Financials

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Income Group

2023

## Grit target returns buildup - Target 13% - 15% return

	Target exposure	Target return	Cash <i>Dist. earnings</i>	Non -Cash <i>NAV growth</i>	Weighted average Group
<ul style="list-style-type: none"> <li>• <b>Completed asset returns</b> (Income producing portfolio)</li> </ul>	<b>80%</b>	<b>12.0%</b>			<b>10.0%</b>
Portfolio Net Operating Income returns		<b>8.0%</b>	<b>8.0%</b>		<b>6.4%</b>
NAV (asset value) growth		<b>4.0%</b>		<b>4.0%</b>	<b>3.2%</b>
<ul style="list-style-type: none"> <li>• <b>Development returns</b> (Generated through revaluation gains upon completion)</li> </ul>	<b>20%</b>	<b>16.0%</b>		<b>16.0%</b>	<b>c3.0%</b>
<ul style="list-style-type: none"> <li>• <b>Target Fee Income</b> (on NAV)</li> </ul>		<b>2.0%</b>	<b>2.0%</b>		<b>c2.0%</b>
<ul style="list-style-type: none"> <li>• <b>Impact of leverage</b> (on total assets) Asset yields targeted to be greater than cost of debt</li> </ul>		<b>1.5%</b>	<b>1.5%</b>		<b>1.5%</b>
<ul style="list-style-type: none"> <li>• <b>Target Admin costs</b> (on total assets)</li> </ul>		<b>(1.5%)</b>	<b>(1.5%)</b>		<b>(1.5%)</b>
<b>Targeted return on Equity</b>					<b>c15%</b>

# Key areas of focus

## Medium Term Group Targets

<b>Total return</b> <b>12% to 15%</b>	<b>annual NAV growth</b> <b>4% to 7%</b>	<b>Fee income (as % of NOI)</b> <b>10% - 15%**</b>	<b>Admin cost ratio target</b> <b>1.5%</b> <i>of total income producing assets</i>
<b>Target dividend payout ratio</b> <b>80%</b> <i>of distributable earnings</i>	<b>WADE</b> <b>&gt; 4 years</b>	<b>Target LTV</b> <b>35% - 40%</b>	<b>Asset recycling</b> <b>20%</b> <i>by 31 December 2023 (c\$160m)</i>

## FY 23 & 24 Group Targets\*

\* including the impact of expected consolidation of GREA and APDM

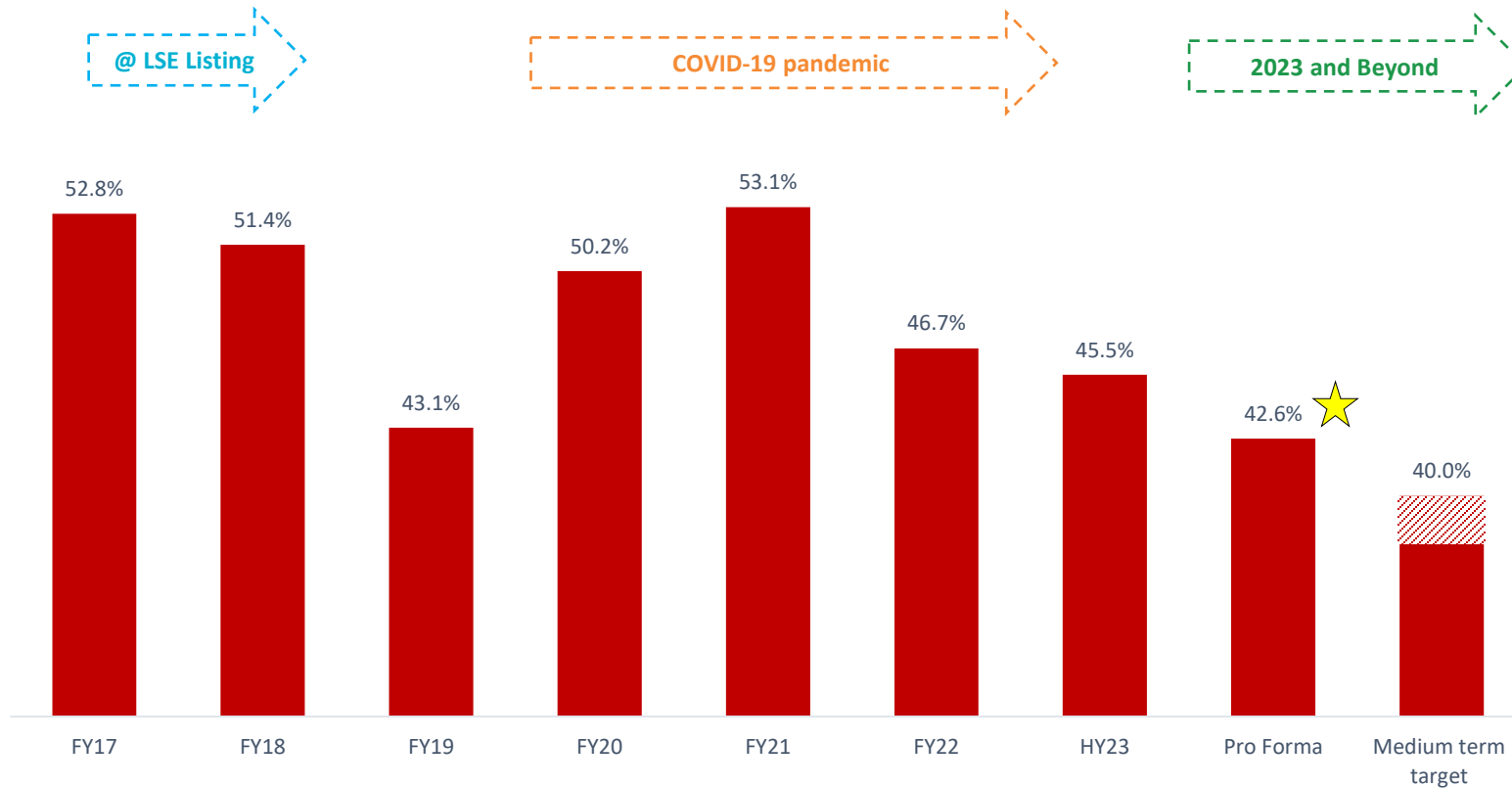
**Dividend per share**  
**NRV per share**  
**LTV**

	<b>FY23</b>	<b>FY24</b>
Dividend per share	\$4.5cps - \$5.5cps	\$4.5cps - \$5.5cps
NRV per share	\$78cps - \$85cps	\$84cps - \$91cps
LTV	38% - 44%	38% - 44%

\*\* Dependant on levels of external developments in any period

# Medium term debt strategy

## Loan to value ("LTV")



Pro Forma LTV at 31 December 2022 assuming consolidation of GREA

WADE > 4 years

DFI mezzanine debt

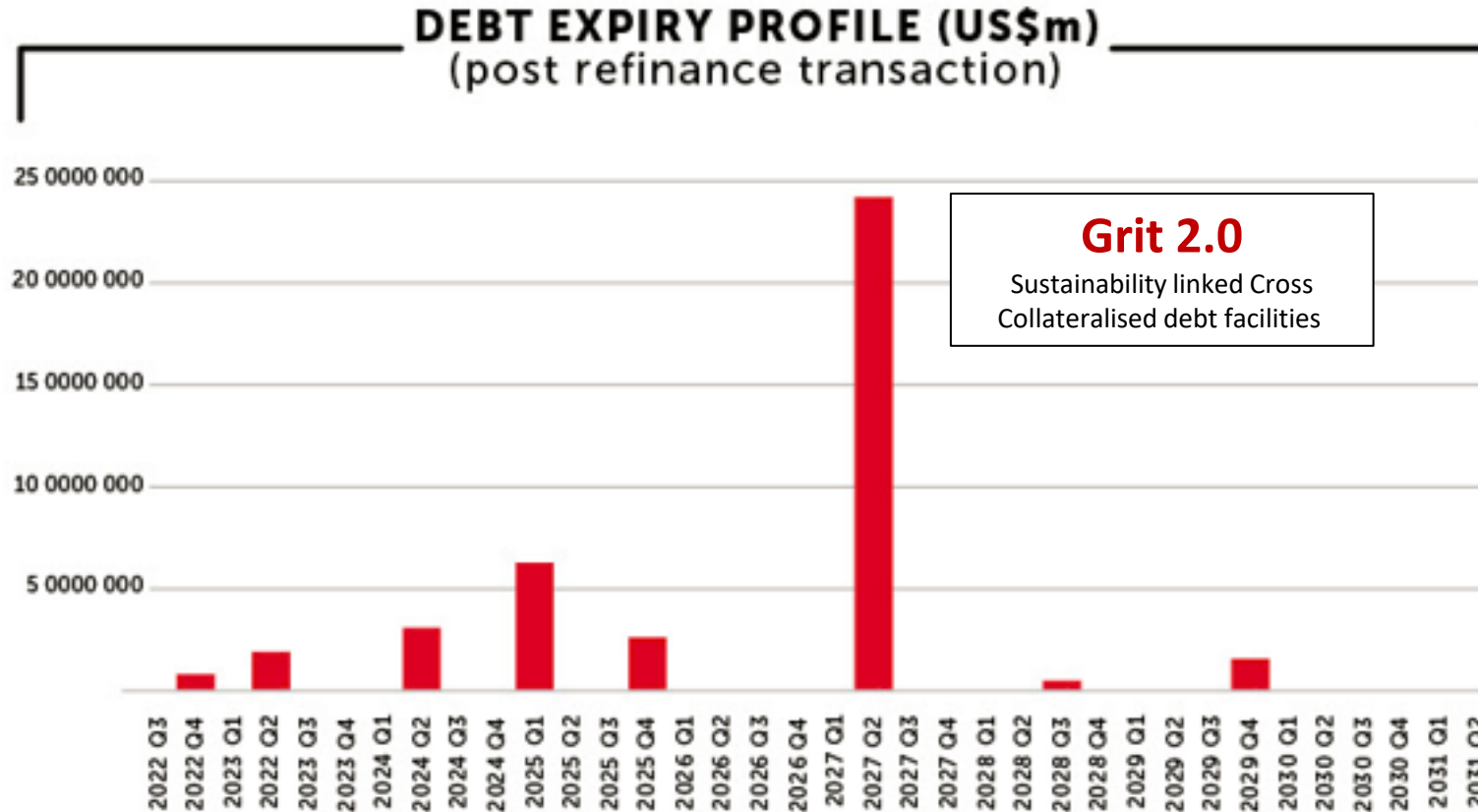
Syndication scalability

Possibility of a corporate bond

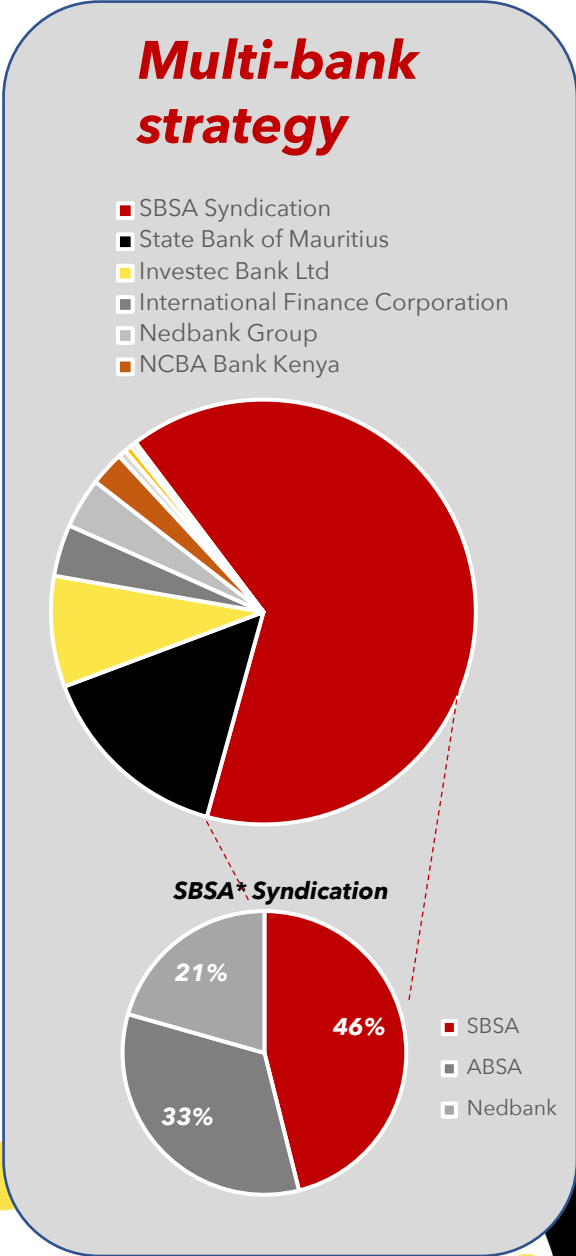


# Cross collateralisation reduces cost and refinance risk

GRIT 31 December 2022 debt position – post the Sustainability linked refinance

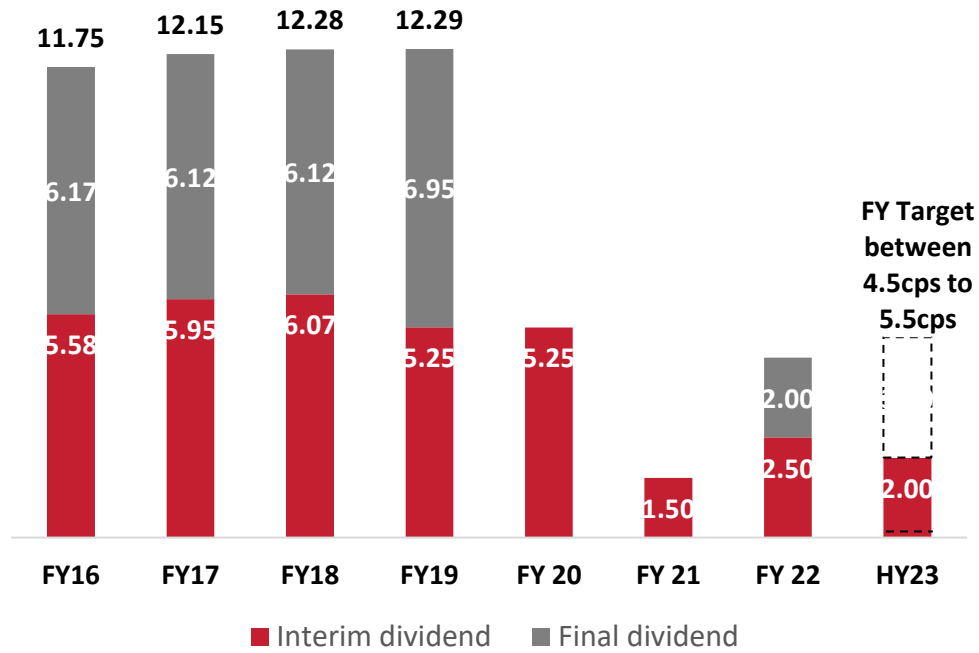


**Grit 2.0**  
Sustainability linked Cross  
Collateralised debt facilities



# Dividend resumption post Covid suspension

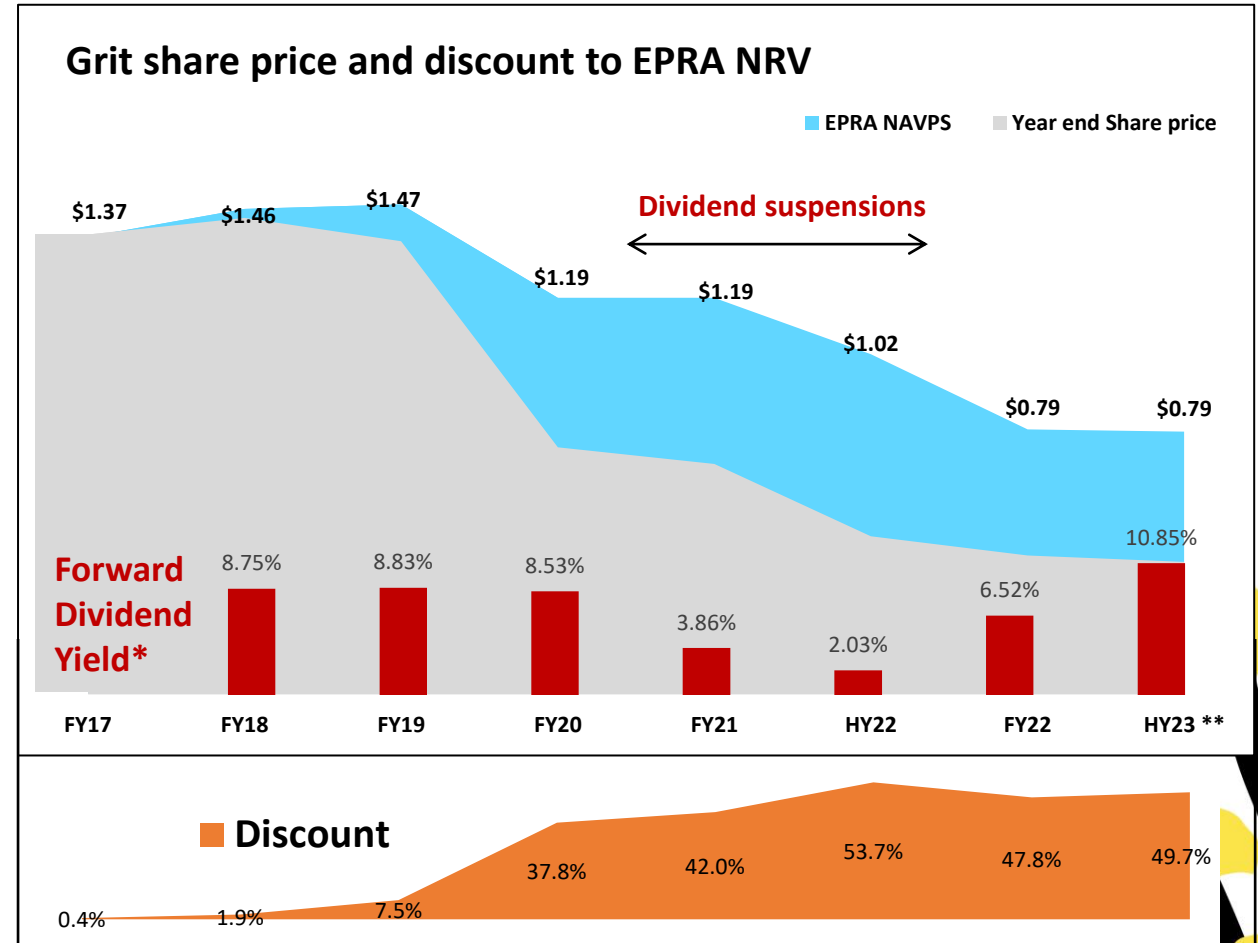
resumption should be supportive for share price



**FY23 Targets**

**Total return** 13.0% - 15.0% pa

**Target dividend** \$4.5cps - \$5.5cps





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# ***Sustainability***

**2023**

# ESG Targets:

## ENVIRONMENTAL

On Track\*

### NEW DEVELOPMENTS

according to IFC\*\*



On Track\*



14% reduction in electricity usage and 16% on Building Efficiency across our assets in Africa

On Track\*

Carbon emissions

**25%** reduction by 2025

Building efficiency

**25%** improvement by 2025

**ZERO** carbon footprint assessment underway

Enhanced waste management, committed to recycling and reducing carbon footprint at all assets



## GOVERNANCE

Premium Listed on the London Stock Exchange



Compliance with the UK Corporate Governance Code (2018)

National Code of Corporate Governance for Mauritius 2016



Stock Exchange of Mauritius

Member of



Committed to United Nations Global Compact



## SOCIAL

Gender equality:

**+40%** **41%**

of women employees in leadership positions



**+65%** **77%**

Local representation



**+75%** **84% \*\*\***

Staff engagement



**GR1T FOUNDATION**

**Community Impact**

\*- Latest progress against targets contained in the Group's Sustainability report 2022 (available on the website, www.grit.group)

\*\*- International Finance Corporation (a member of World Bank Group)

\*\*\*- As per 30 April 2023 Employee Survey Results

# FROM INCOME TO *impact*

- Global Tenants
- Long-term Hard Currency Leases
- African Growth Story
- Exciting Growth with GREA & APDM acquisitions
- Underpinned by strong current portfolio & and balance sheet to fund growth
- Complemented by fee income streams





**grit**  
Real Estate  
Income Group



# ***Annexures***

**2023**

# Application of liquidity from asset recycling

Target to sell up to 20% of the Group's property portfolio by 31 December 2023

## Asset Recycling



## Capital allocation opportunities

Debt reduction	
or recycling opportunities	Topped Up NIY <sup>2</sup>
New GREA developments	>10%
Data Centre	9.20%
Corp Accommodation	9.10%
Office	7.90%
Light Industrial	7.60%
Retail	7.20%
Hospitality	6.70%
<b>TOTAL*</b>	<b>7.90%</b>

## Use of funds

### GREA & APDM

- Capital from lower yielding sold assets will move into high yield GREA opportunities
- Phase 1& 2 - **US\$41mln equity** deployed
- Phase 3: **US\$34.1mln by 15 May 2023**

### Debt reduction

- **US\$47.4 million debt reduction** (post 30 May 2023 incl. BHI disposal)

# Asset Recycling Update

The Group continues to progress its Asset Recycling Strategy (non-core/mature assets) in favour of reducing debt.



## ABSA HOUSE

- June 2022 at US\$12.2m property value (6.9% discount to book)
- Mature asset. US\$4.2m equity realised



## ORBIT WAREHOUSE

- July'22 - LLR\* became a 30% co-investor (at book value)
- US\$7.2m payment representing 30% of equity on phase 1
- Property value US\$38.9m



## LLR\*

- June 2022 - 4.9% interest disposed for US\$3.4m (c.8% premium)
- December 2022 – 6.79% interest disposed for US\$5.1m (c.15% premium)
- Feb/March 2023 –11.56% interest disposed for US\$8.1m (c6% premium)



## BHI\*\*

- December 2022 –diluted interest from 44.2% to 27.2%
- February 2023 – Disposal of remaining interests
- Total Property value US\$93.5m
- Discount to book value of 1.7%

\* - Letlole La Rona (a woman-led Botswanan listed property company)

\*\* - Beachcomber Hospitality Investments (a Mauritian hospitality investment vehicle)

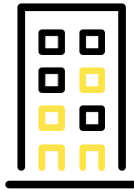


# Summary of debt funding policies and approach

opportunity to model GREA debt structures on Grit's

## Grit approach

**CROSS  
COLLATERALISED**  
debt structures



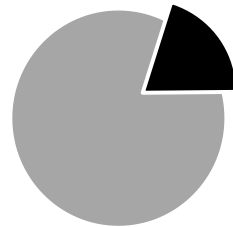
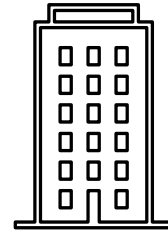
**INTEREST ONLY**  
facilities

Target  
**50%**  
interest rate  
exposure hedged



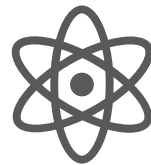
## GREA

**SINGLE ASSET**  
financing



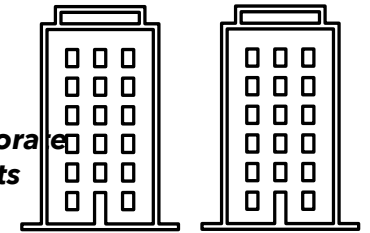
Amortising debt  
No rate hedging

Additional  
**structuring**  
opportunities



## Grit 2.0 Group approach

Predominantly  
**CROSS  
COLLATERALISED**  
debt structures including corporate  
level facilities for developments



introduce further mezzanine  
funding predominantly from

**DFI's**

**Improve**

Group average **asset yields** by rotating out of  
hospitality and retail sectors into GREA impact  
developments



# Interest rate risk management

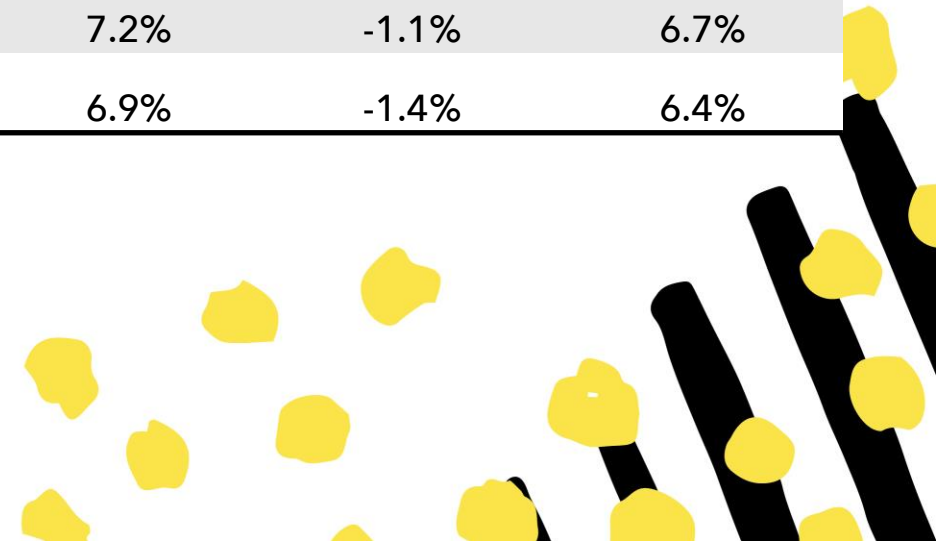
Impact of existing GRIT interest rate hedges as at 31 December 2022

## ALL DEBT -Interest Rate sensitivities (incl. hedges)

	WACD	Change	Cash WACD
CURRENT	8.1%	0.0%	7.5%
+200BPS	9.0%	0.9%	8.4%
+100BPS	8.5%	0.5%	7.9%
+50BPS	8.3%	0.2%	7.6%
-100BPS	7.0%	-1.1%	6.4%
-200BPS	6.5%	-1.5%	5.9%

## USD DEBT -Interest Rate sensitivities (incl. hedges)

	WACD	Change	Cash WACD
CURRENT	8.3%	0.0%	7.8%
+200BPS	8.8%	0.5%	8.3%
+100BPS	8.5%	0.2%	8.0%
+50BPS	8.4%	0.1%	7.9%
-100BPS	7.2%	-1.1%	6.7%
-200BPS	6.9%	-1.4%	6.4%



## Portfolio Key Metrics - Sectoral (as at 31 December 2022)

<i>% Attributable to GRIT</i>	<i>Office</i>	<i>Corporate Accommodation</i>	<i>Retail</i>	<i>Hospitality</i>	<i>Light Industrial</i>	<i>Data Centre</i>	<i>Medical</i>	<i>LLR</i>	<i>Total</i>
<b><i>Number of Properties/Investments</i></b>	10	5	8	5	5	1	1	25	<b>60</b>
<b><i>Grit attributed Asset Value (US\$m)</i></b>	211.94	157.28	198.67	129.17	80.89	9.19	5.75	14.89	<b>807.78</b>
<b><i>Weighted Average Property Cap rate</i></b>	7.86%	7.95%	8.39%	7.50%	8.28%	9.80%	8.50%	10.24%	<b>8.09%</b>
<b><i>WALE by income % Owned (years)</i></b>	3.55	1.98	3.77	7.36	13.57	8.84	0.00	2.16	<b>4.58</b>
<b><i>Weighted Average Lease Escalations (Income) % Owned</i></b>	2.71%	4.79%	4.12%	6.32%	1.82%	1.00%	0.00%	6.75%	<b>4.08%</b>
<b><i>Grit attributed Weighted Avg US\$ Rental per m<sup>2</sup> per month</i></b>	\$35.43	\$27.27	\$15.63	\$11.79	\$9.26	\$201.30	\$0.00	\$3.86	<b>\$17.03</b>
<b><i>Total GLA (m<sup>2</sup>)</i></b>	46,373	75,356	132,381	128,239	51,807	994	-	193,672	<b>628,822</b>
<b><i>Grit attributed GLA (m<sup>2</sup>)</i></b>	41,361	49,585	102,958	62,395	50,930	348	-	35,461	<b>343,038</b>
<b><i>EPRA Operating Cost to Income Ratio</i></b>	9.28%	16.75%	28.48%	0.0%	3.05%	0.0%	0.0%	10.32%	<b>12.73%</b>
<b><i>EPRA Vacancies</i></b>	3.78%	0.39%	12.07%	0.00%	0.00%	0.00%	0.00%	3.71%	<b>4.35%</b>
<b><i>EPRA NIY</i></b>	7.77%	8.24%	7.01%	6.65%	7.55%	9.15%	0.00%	15.76%	<b>7.63%</b>
<b><i>EPRA Topped Up NIY</i></b>	7.88%	9.10%	7.24%	6.65%	7.55%	9.15%	0.00%	15.76%	<b>7.88%</b>
<b><i>Debt to Property Value</i></b>	45.4%	40.5%	46.1%	51.0%	36.1%	47.7%	46.9%	16.5%	<b>43.9%</b>

### NOTES

\* - Letlole La Rona (a woman-led Botswanan listed property company)

# Case Study 1 - BuildHer

## GENDER EQUALITY: BUILDHER PROGRAMME KENYA

Supporting the promotion of women in the built environment, BuildHer Kenya ([www.buildher.org](http://www.buildher.org)).

Direct and Indirect  
Beneficiaries impacted

100%

Number of woman  
employed on the Rosslyn  
Grove construction site

100%

Increase in their  
income after training  
and development

300%

women joined as semi-  
skilled and up skilled to  
become skilled artisans

100%

Received full time  
employment in different  
companies in  
construction.

100%

