



SCALING LOGISTICS ASSETS FOR STRATEGIC ADVANTAGE

Errol Taylor,
Head Asset Management:
Industrial & Logistics
Portfolio



Saligna, Boksburg, Johannesburg

AGENDA



Arterial Industrial Estate, Blackheath, Cape Town

1. What we do
2. Objective
3. Asset selection - why logistics
4. Plan
5. Process
6. Performance evaluation methodology
7. Metrics & weightings
8. Asset management
9. Clients
10. Performance
11. Future

1. WHAT WE DO



Make **long-term** property investments



In **high quality** properties



In **prime** metropolitan areas



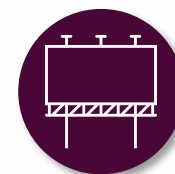
Which we **monitor, manage, maintain, upgrade or refurbish** as necessary



So that we **attract & retain** quality clients



Thereby **enhancing the properties' long-term value** by generating sustainable growing property income which we distribute to our shareholders



After which we **sell the asset for a profit** upon expiry of the holding period

2. OUR OBJECTIVE

Investment strategy (2018) - clarity of purpose & strategic direction



To generate sustainable growth in distributable income and achieve capital appreciation through strategic investments in quality real estate assets for our shareholders

Assets located in the major metropolitan areas

Strong bias towards warehouse/ logistics assets

Yielding risk-adjusted market related returns

Diversified portfolio

Long-term holding period

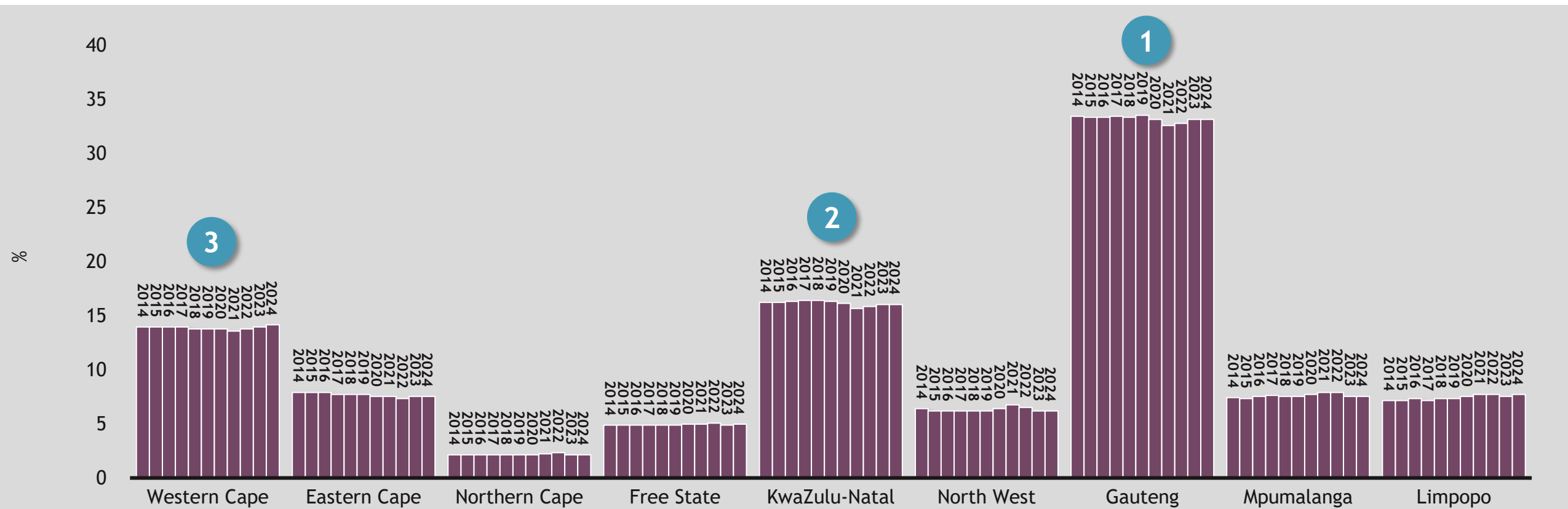
Core investments

Stable cash-flows and longer leases

Manage risk by diversifying by type, size, grade/vintage, location, business sector and covenant of tenancy

PROVINCIAL ECONOMIC IMPACT

GDP% contribution by province



PROVINCIAL ECONOMIC IMPACT

GDP growth rates and contribution by province, 2023 and 2024 (%)



3. ASSET SELECTION - WHY LOGISTICS



Property type that underpins virtually all consumption activities

Resilient to cyclical and technological disruptions

E-commerce accelerated post C-19, driving demand for DC's

Retailers & major grocery chains require centralised distribution facilities to optimise inventory and reduce costs

Warehousing/ logistics facilities near major transport nodes (ports, airports, highways) are essential for import /export flows (for automotive, mining, chemical, pharma and agricultural sectors)

SA is a gateway economy for Sub-Saharan Africa with major ports (Durban, Cape Town and transport corridors)

Logistics assets benefit from structural demand drivers like supply chain modernisation and regional trade growth

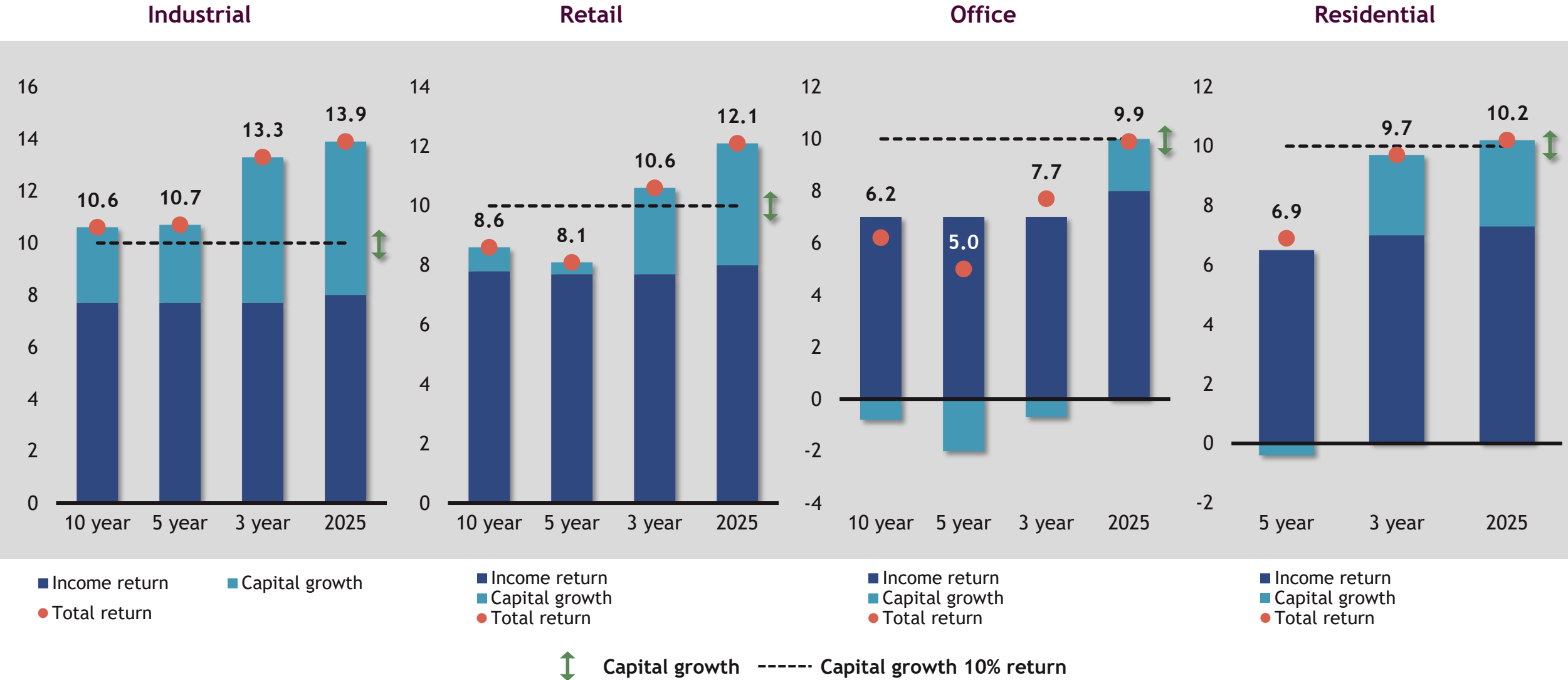
Investor preference driven by yield stability from lower vacancies, cap rate compression & reduced input costs

Government initiatives (African Continental Free Trade Area) & infrastructure investment plans prioritise logistics corridors

Logistics real estate supports job creation in warehousing, transport, & related services, making it economically strategic

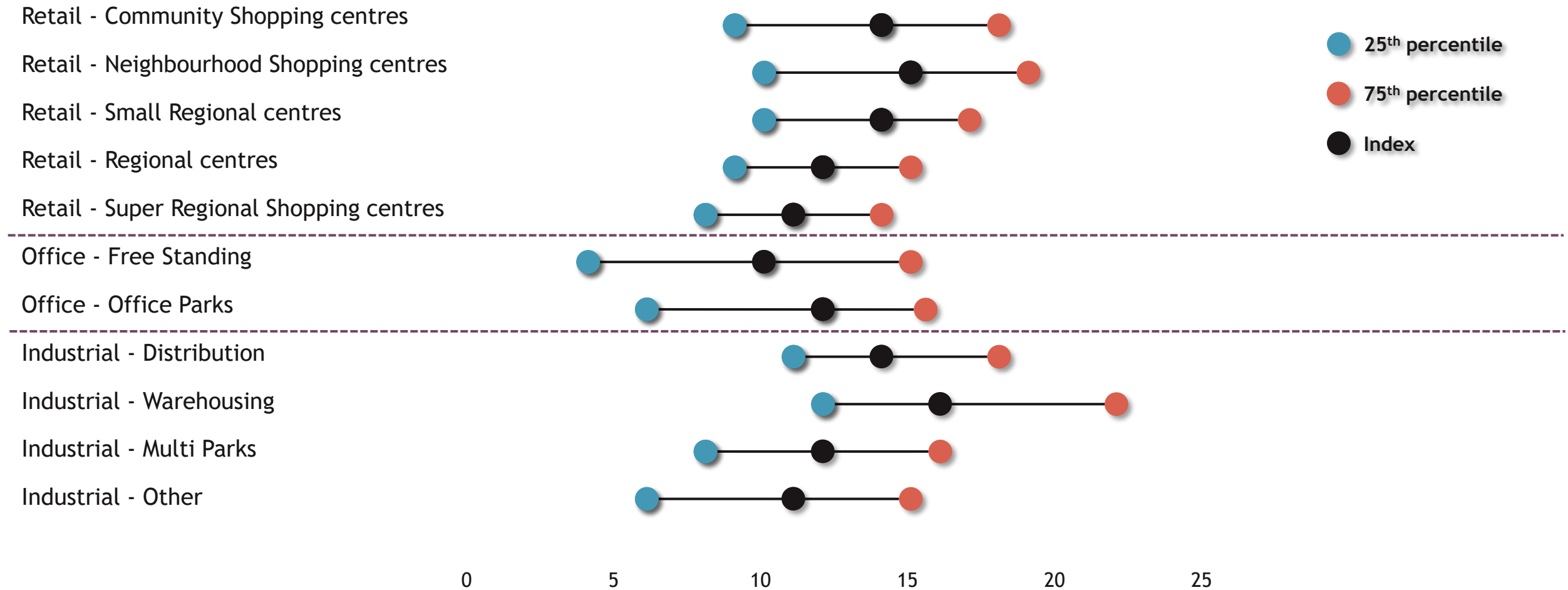
SECTOR ANALYSIS

Industrial followed by retail, have delivered the highest returns over the last 10 years - 2025 improving across all sectors



TOTAL RETURN SPREAD BY PROPERTY TYPE

Total return spread between 25th and 75th percentiles, 12 months to June 2025



4. PLAN

Start with the end-in-mind



Recipe

- »Goal / objective
- »Clarity of purpose / rationale
- »Structure



Ingredients

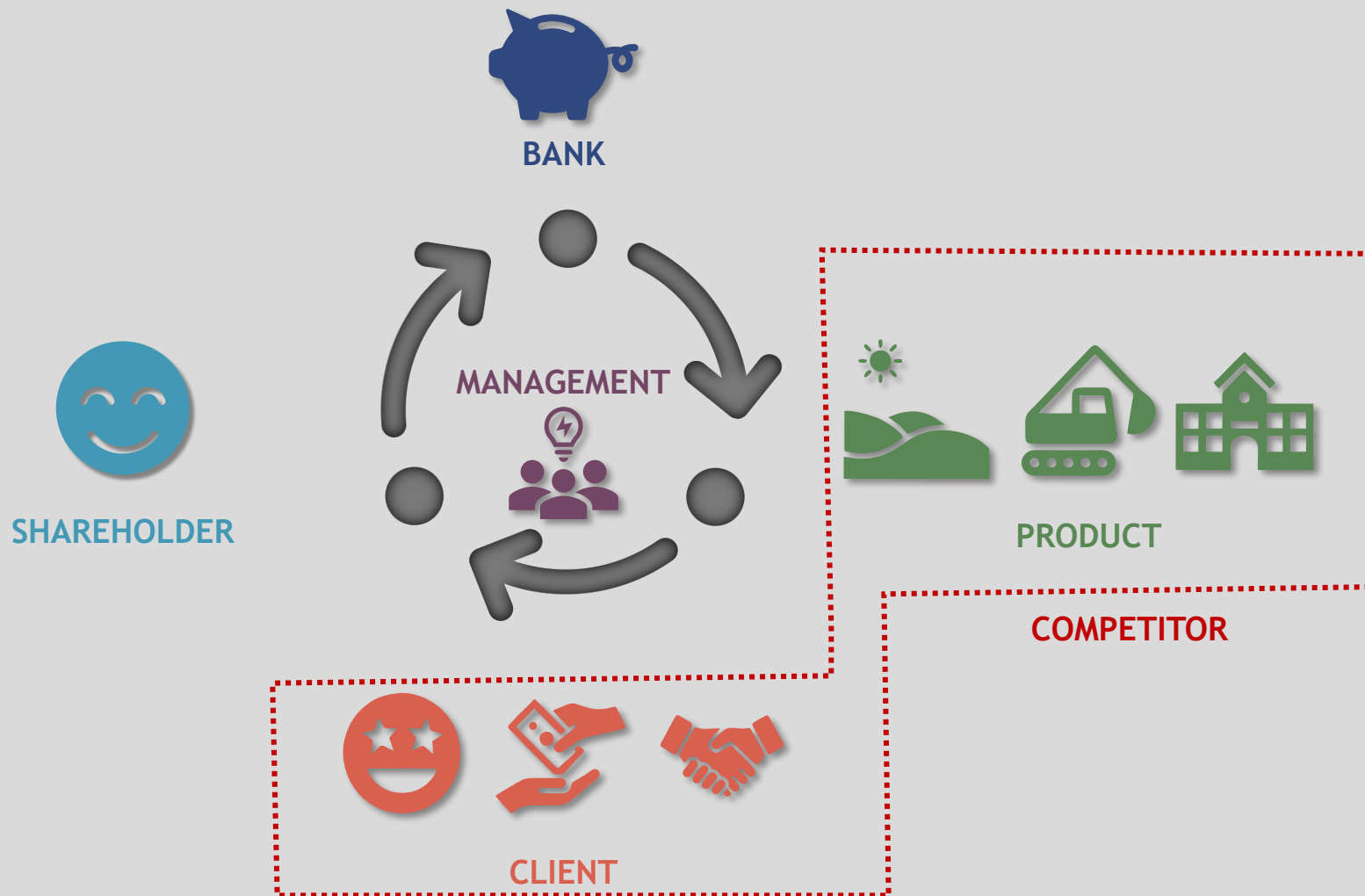
- »Investment criteria
- »Appetite / motivation / hunger
- »Skills competency - people
- »Capital availability
- »Favorable interest rates
- »Demand for product / GDP growth
- »Positive sentiment
- »Relationships - shareholders / clients /
- »Banks / brokers / etc
- »Momentum



Method

- »Teamwork / rowing in the same direction
- »Tools & equipment
- »Analytics / data / information
- »Appropriate asset selection & capital allocation
- »Timing market cycles
- »Time to rebalance
- »Risk management
- »Diversification

5. PROCESS



STRATEGIC PLAN

- » Strong asset management focus
- » Dynamic decision making - tactical responsiveness with strategic alignment
- » Understand competition & markets

Strategic asset management plan & alignment with the broader GRT strategy



Performance
evaluation &
research



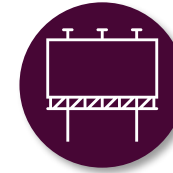
Value
growth



Asset
optimisation



Asset
maintenance



Asset
disposal



Teamwork -
property
management/
development
management

ASSET MANAGEMENT = VALUE GROWTH + RISK + STRATEGY

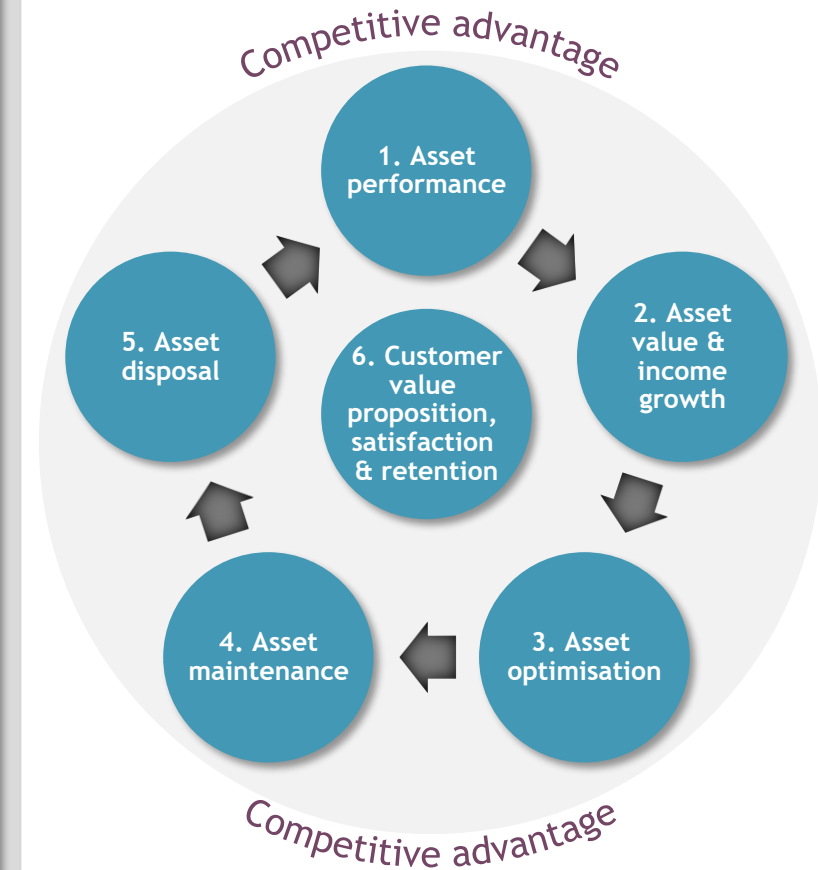
VALUE GROWTH



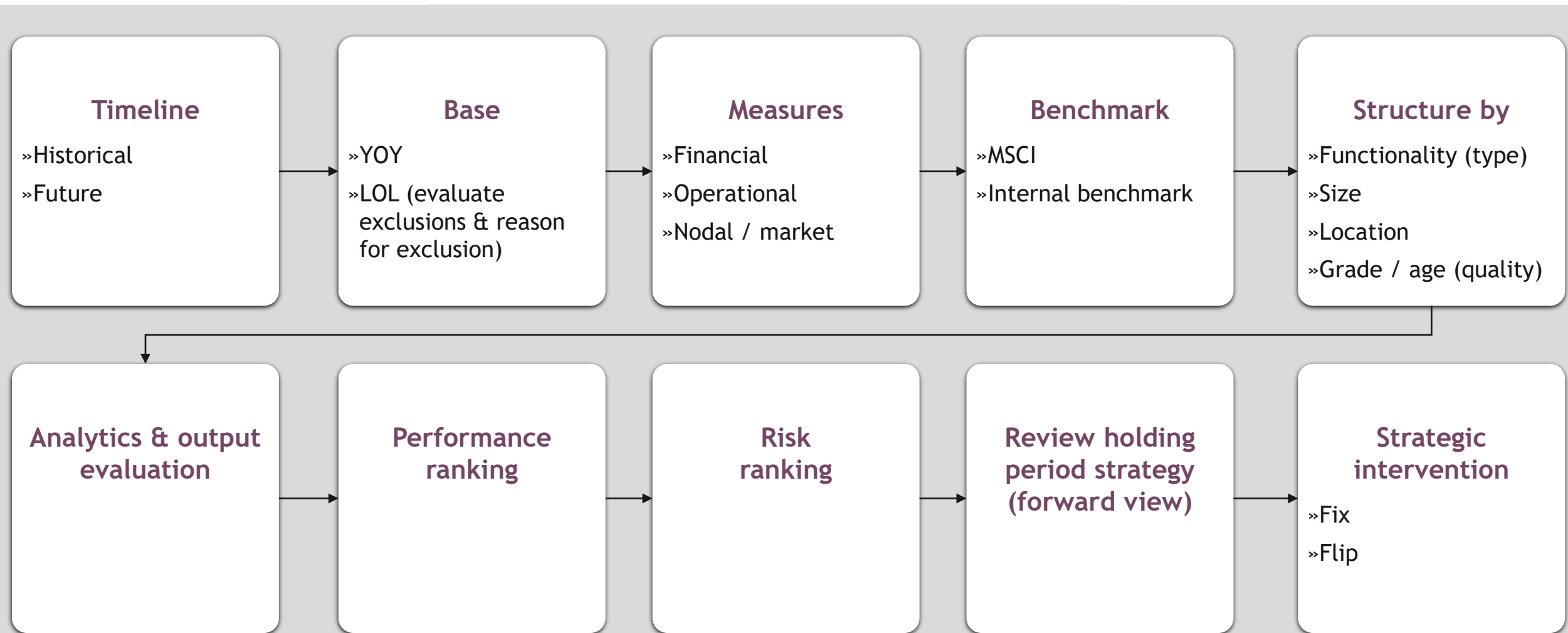
RISK



STRATEGY



6. PERFORMANCE EVALUATION METHODOLOGY



7. METRICS & WEIGHTINGS



Financial

- »NPI
- »NPI growth
- »Total return
- »IRR



Operational

- »Obsolescence
- »Condition
- »Economic life cycle
- »Capex requirement
- »Regulatory compliance
- »Productivity
- »Sale ability



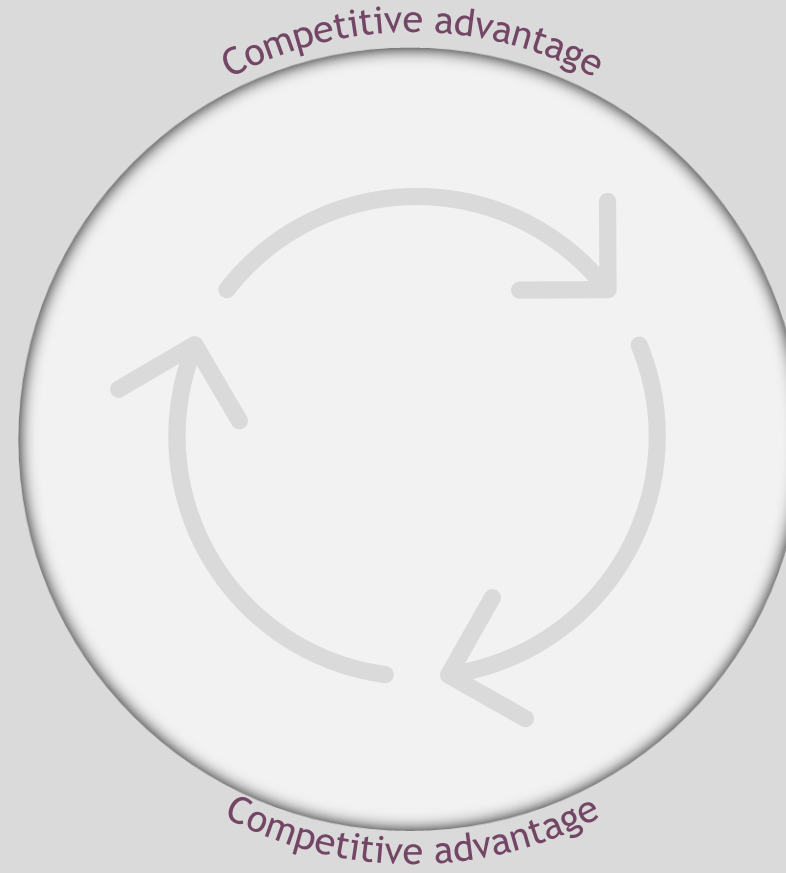
Nodal / Market

- »Nodal rental growth
- »Nodal vacancies

8. ASSET MANAGEMENT = VALUE GROWTH + RISK + STRATEGY

Clients

- » Knowing our **client**
- » Knowing our **properties** & their features (power, sprinklers & types of products that can be stored, floor loading, etc)
- » Play to our strengths (**USP**)
- » Know our **competitors** & their offering
- » Focus on **quality product & superior service** (high performance management)
- » **Research** & predict future trends to remain relevant
- » **Brand** / image / reputation / marketing growth
- » Exploit **sustainable / greening** opportunities



Competitors

- » Strategy
- » Financial muscle
- » Track record
- » Specialisation
- » Willingness to JV
- » Reputation
- » Representation (international/national/regional)
- » Listed / un-listed
- » Analyst reports

9. CLIENTS



Understanding clients needs



Product remaining relevant - don't exceed the sell-by date - beware of functional obsolescence



Location is paramount



Functionality - improves productivity & efficiency which improves competitiveness leading to greater profitability



Image (quality of asset) synergy is important



Location, quality, functionality & image parity drive pricing

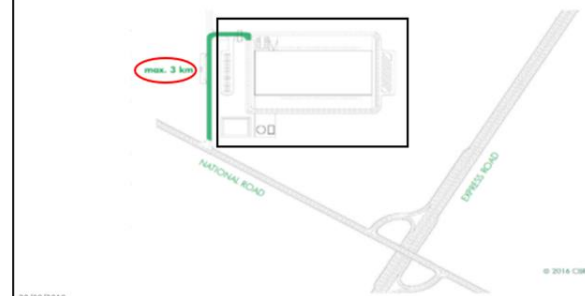


Incentives - BO / TI / lease flexibility / specific client requirements

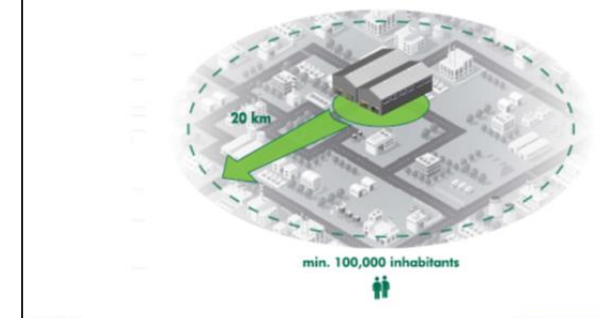
DISTRIBUTION CENTRE GENERIC DESIGN CRITERIA

- » Internal column spacing & construction grid
- » Spring (ceiling) height
- » FM II / jointless floors
- » Office ratio with adequate parking bays
- » Yards / turning circle
- » 3 Phase power
- » Sprinklers with pumps & tanks
- » Smoke detection & extraction
- » LED lighting with natural light
- » Loading docks
- » Security / access control
- » Canopy over loading area
- » PV system with expansion capability for wheeling
- » Fibre
- » Standard sustainability systems - refuse recycling / water harvesting / etc.
- » Minimum GBCSA category 3 design compliance

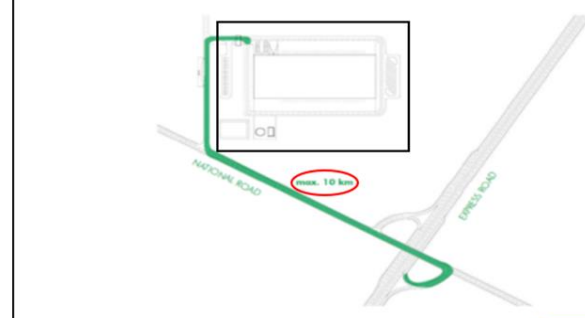
Proximity to Major National Road <3km



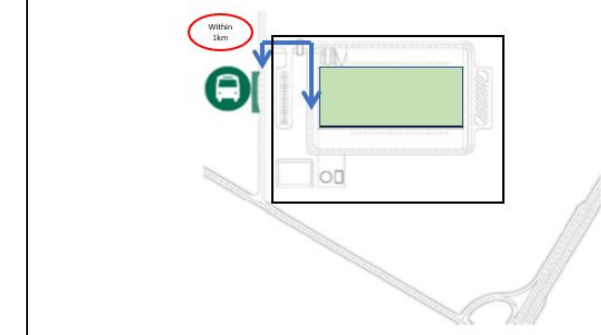
Proximity to Labour Source <20km



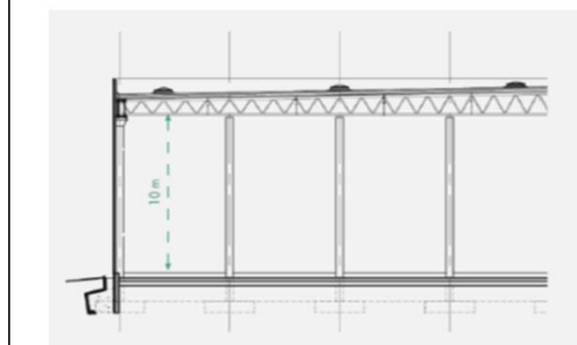
Proximity to Freeway <10km



Located <1km to Public Transport Network



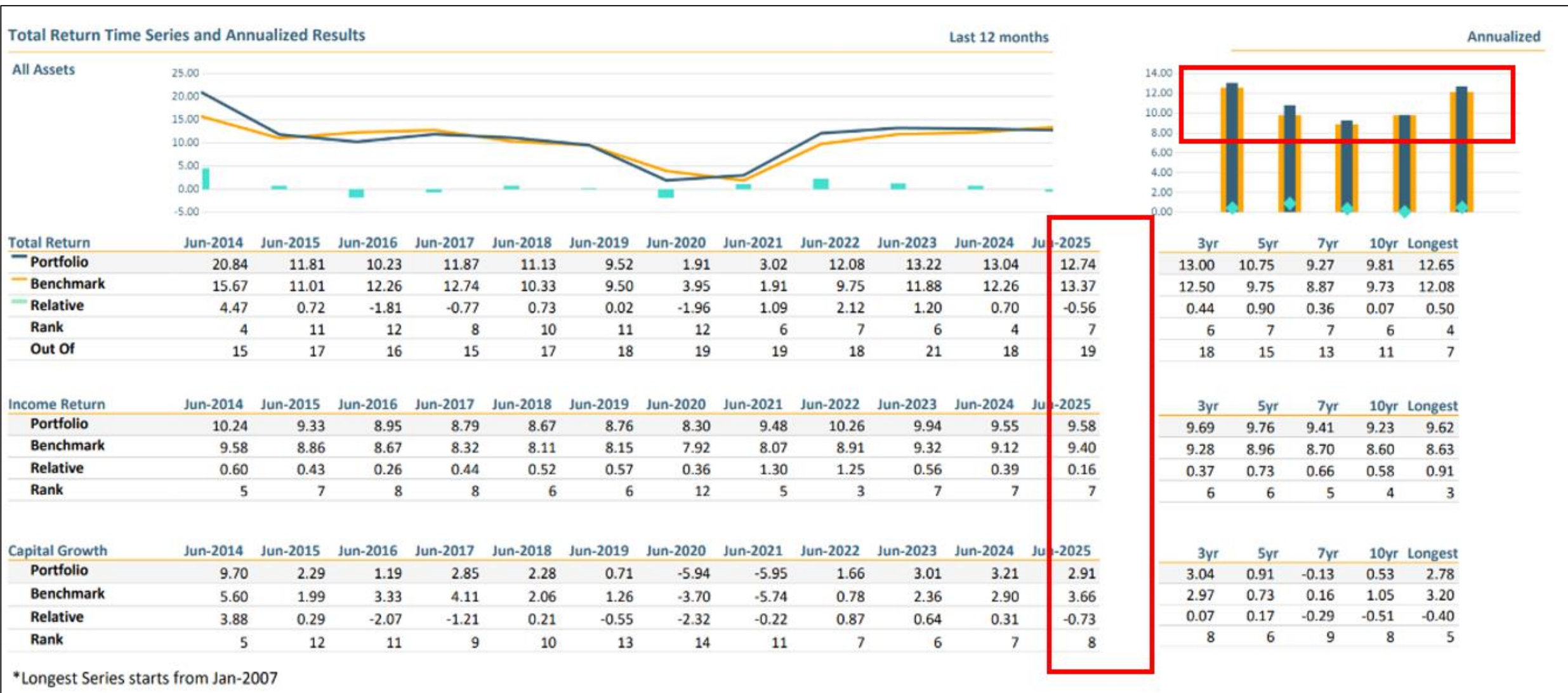
Minimum Clear Height 10m



DIFFERENTIATION

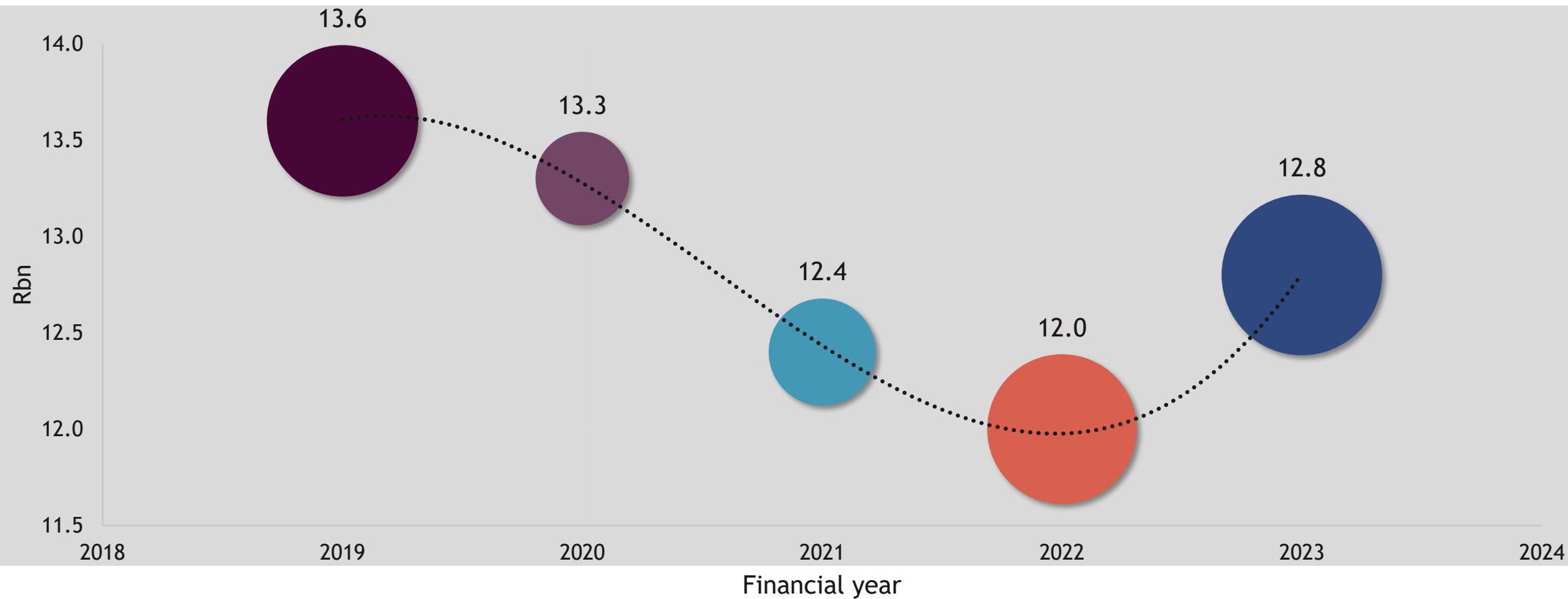
	Horizontal differentiation (subjective preferences)	Vertical differentiation (quality/performance differences)
Location	Diverse locations serving logistics client location needs	Premium nodes with strong connectivity & low congestion
Functionality	Size, heights, loading, office, yards, etc.	Regulatory compliance, Green Certification
Quality	Different layouts & flows - cross dock vs H or I vs U	Premium Quality - early economic life cycle stage
Price	Avoids direct price wars as products are not perfect substitutes	Leads to premium rentals justified by quality

10. PERFORMANCE VS MSCI BENCHMARK



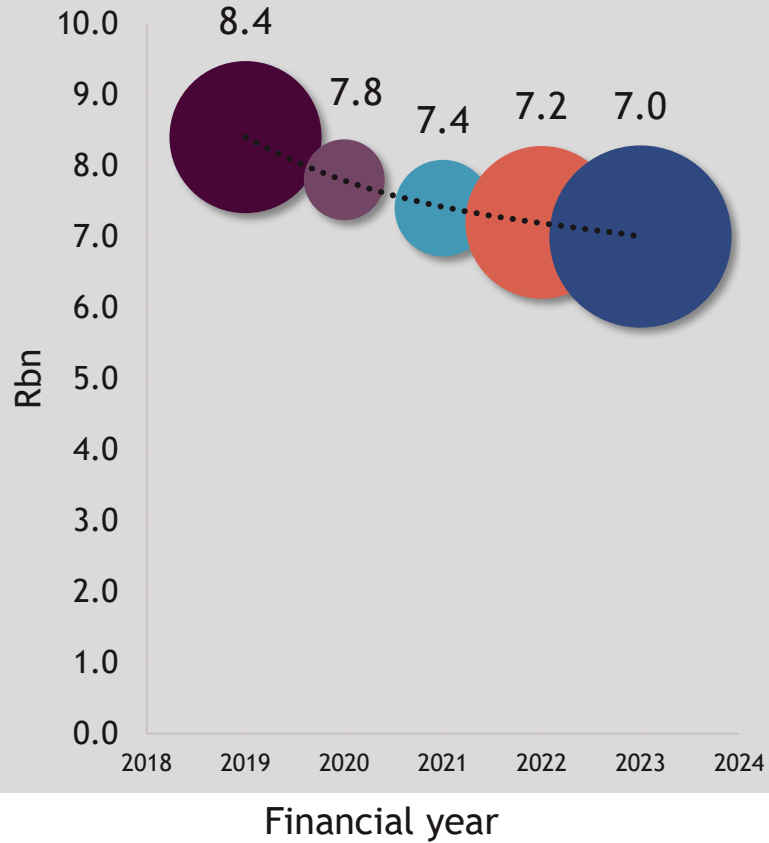
FUND PERFORMANCE

National performance - Value vs Total return

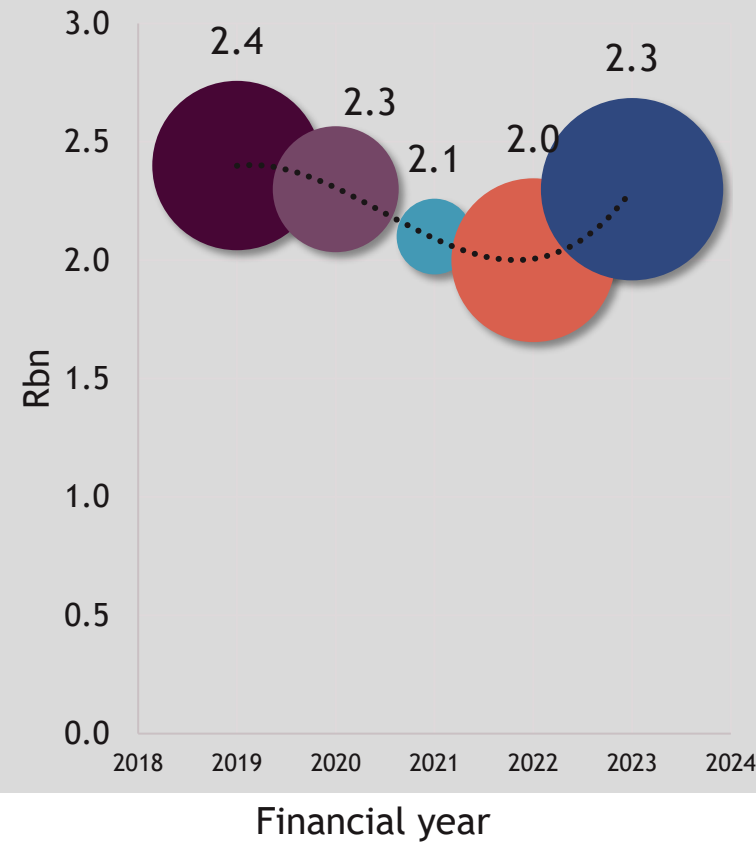


FUND PERFORMANCE

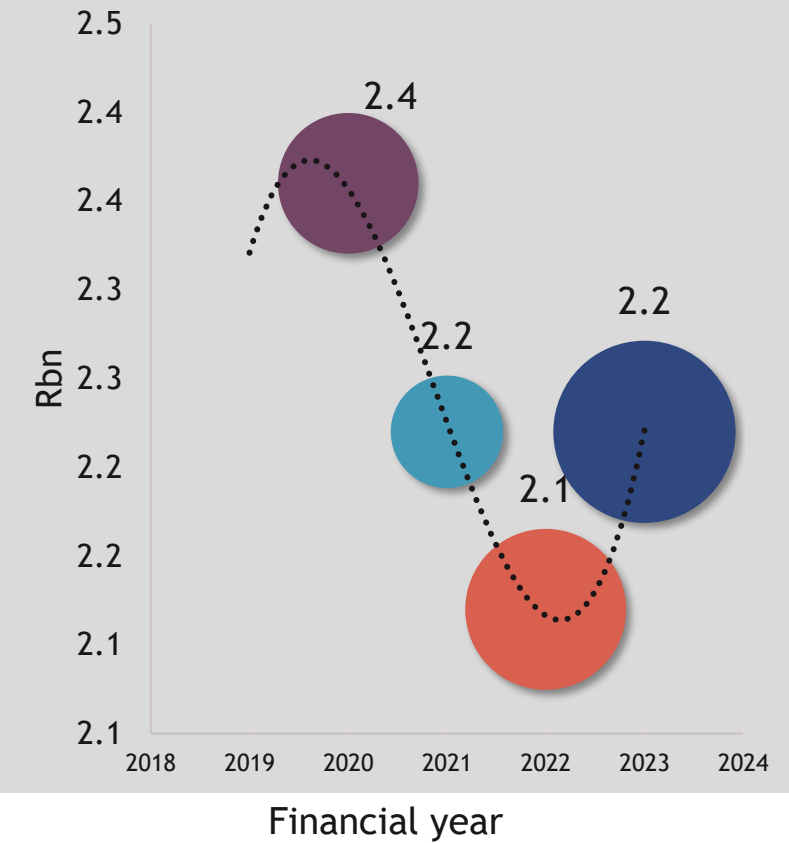
JHB performance - Value vs. Total return



CPT performance - Value vs. Total return

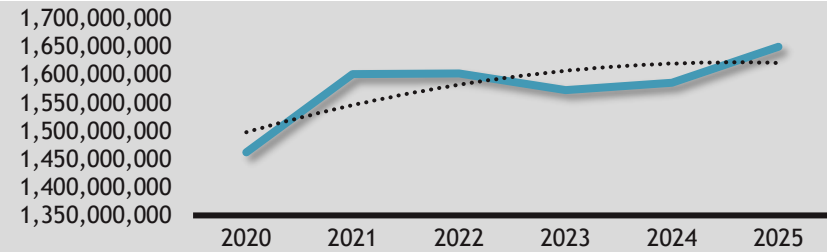


DBN performance - Value vs. Total return

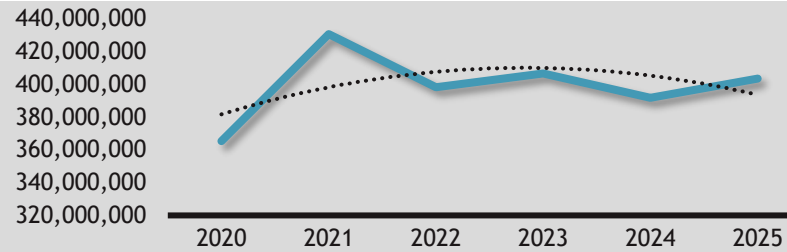


RESULTS

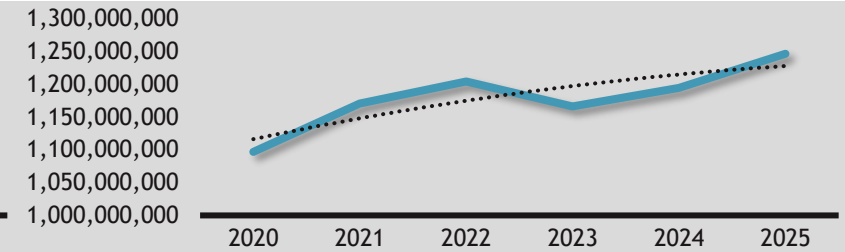
Gross income



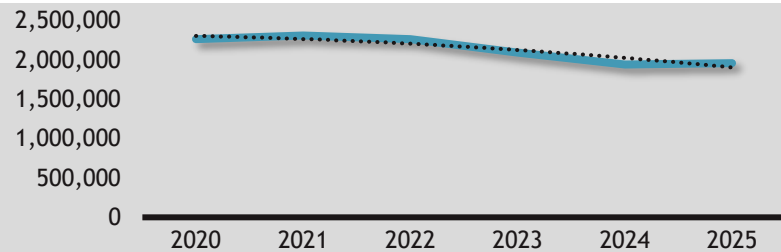
Gross expenses



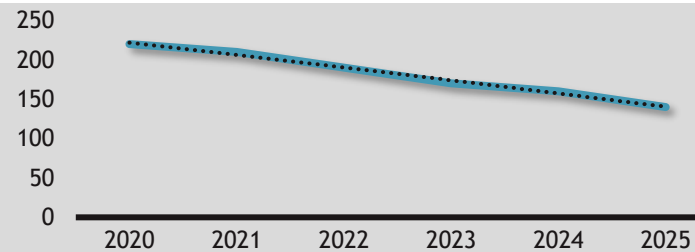
Net income



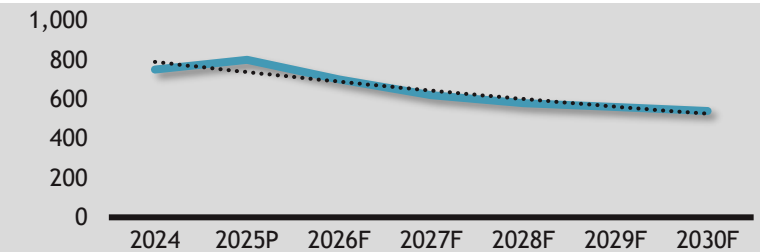
GLA m²



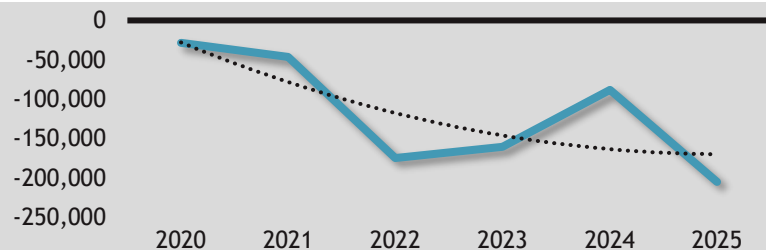
Number of assets



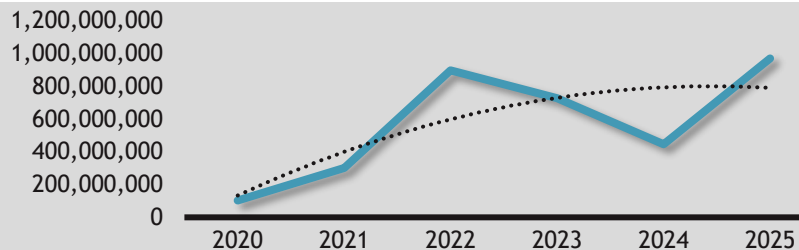
Number of tenants



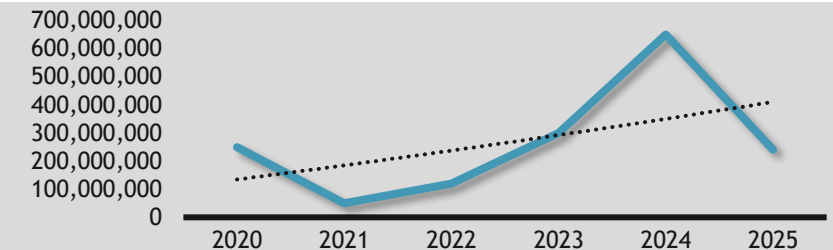
Disposal GLA m²



Disposals value



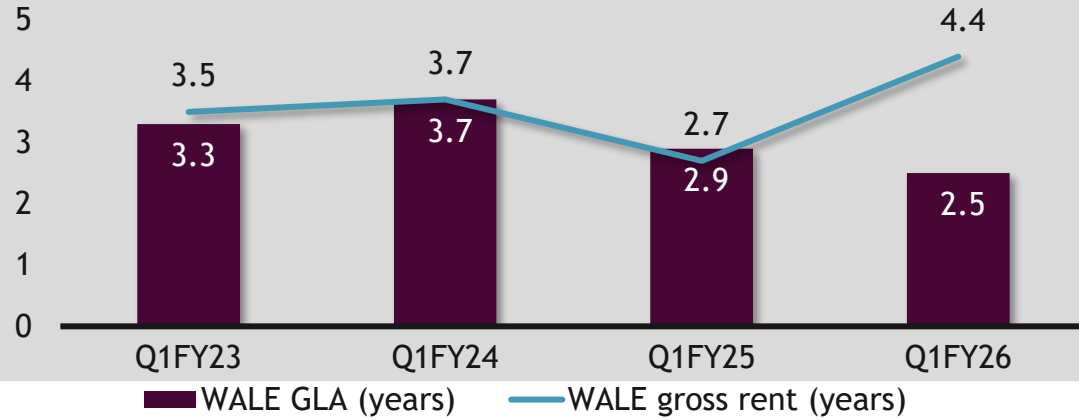
Expansionary capex



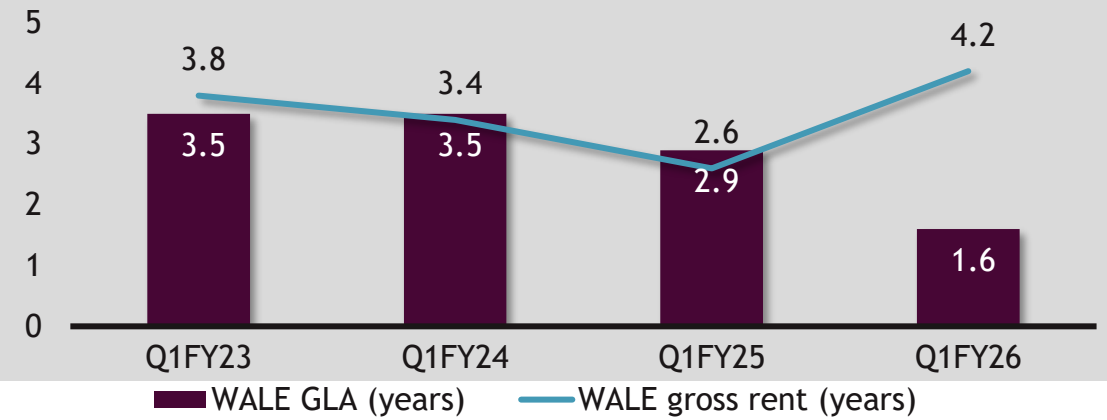
PERFORMANCE

YoY Q1 Renewal WALE by GLA vs Gross Rent

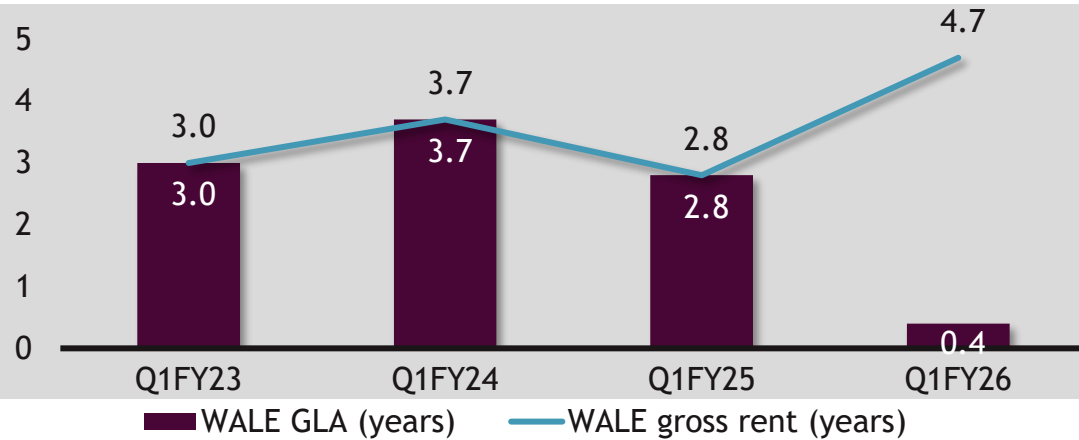
WALE - NATIONAL



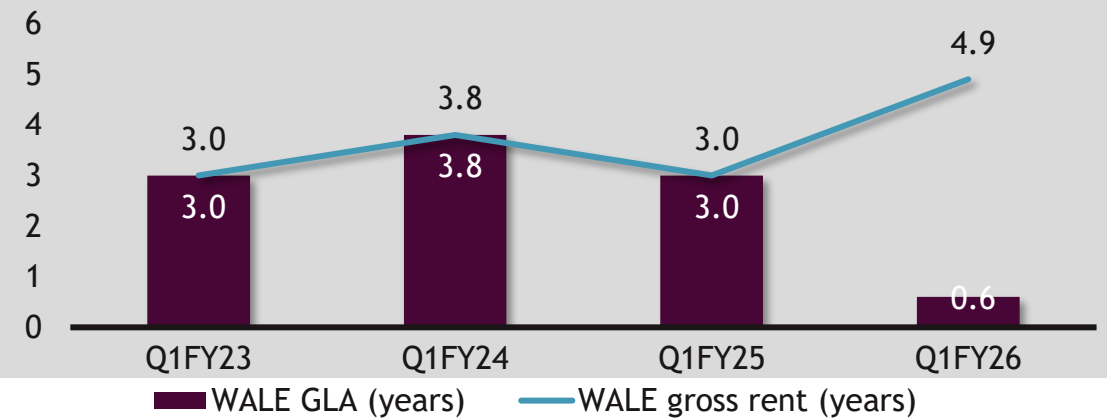
WALE - JHB



WALE - CPT



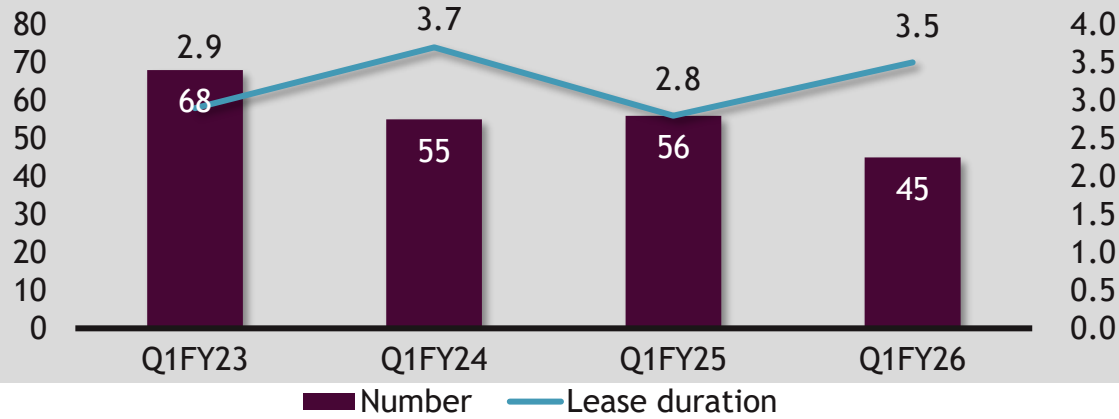
WALE - DBN



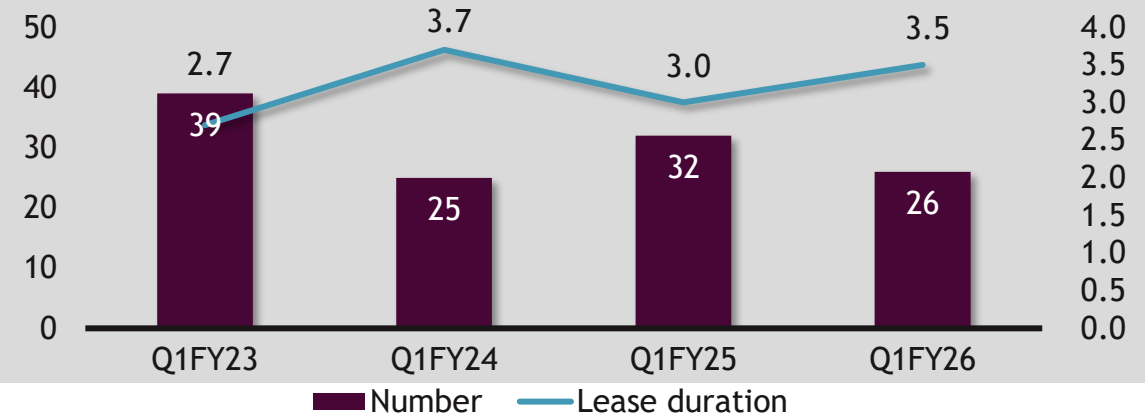
PERFORMANCE

YoY Q1 Renewals by number vs Lease length (years)

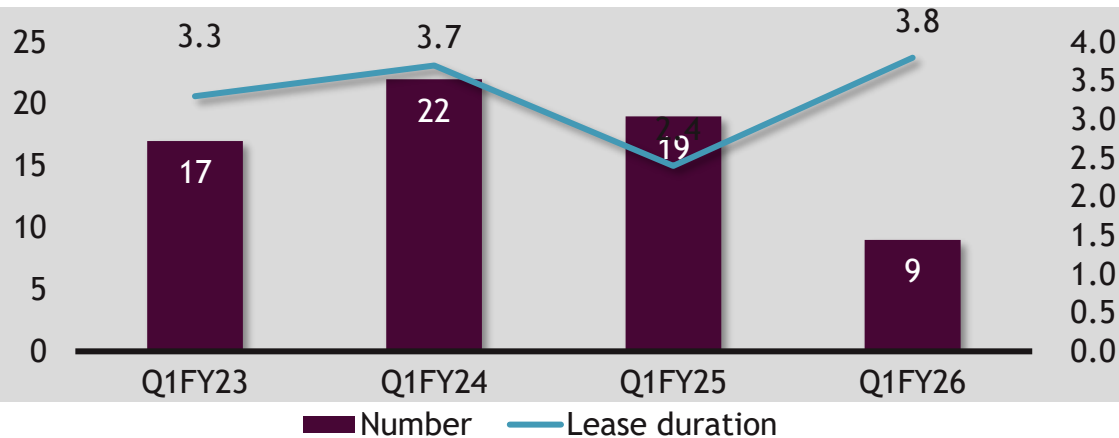
NATIONAL



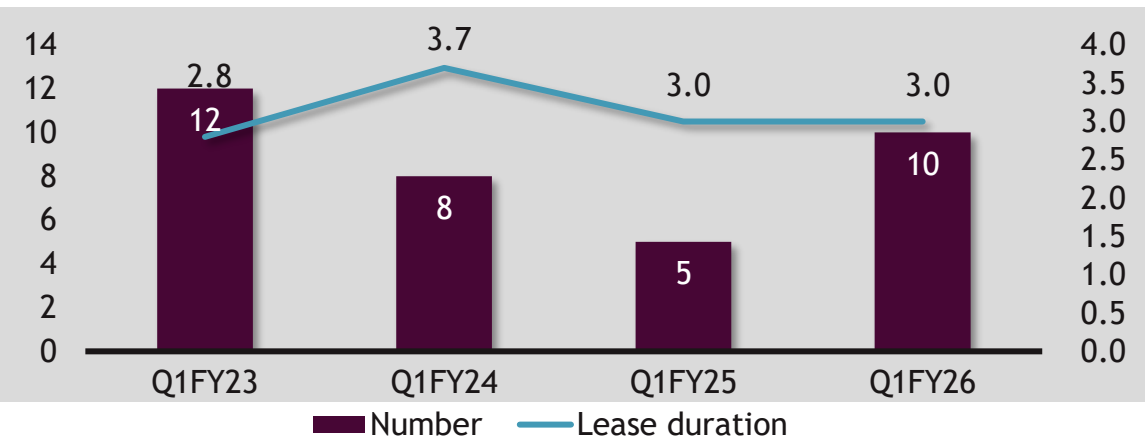
JHB



CPT



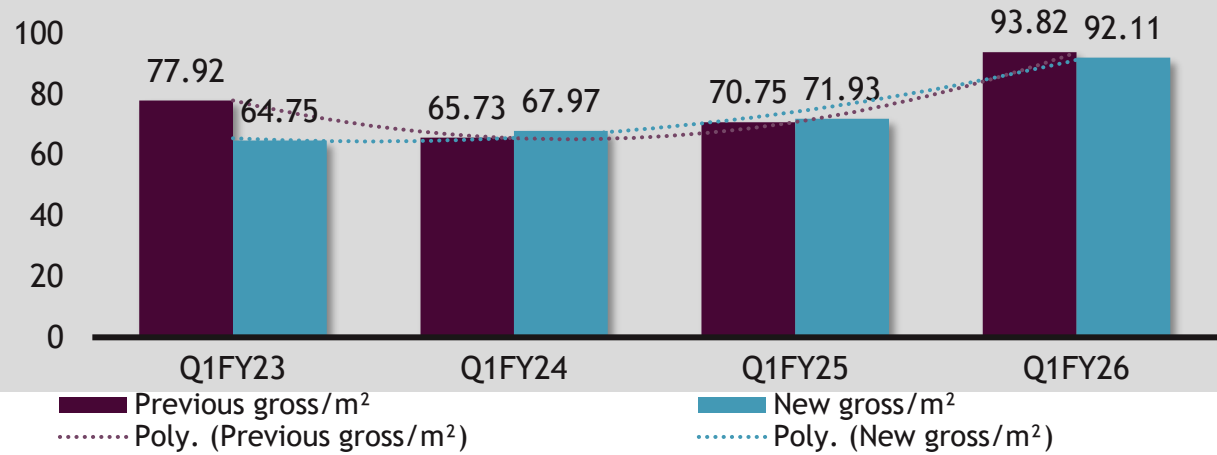
DBN



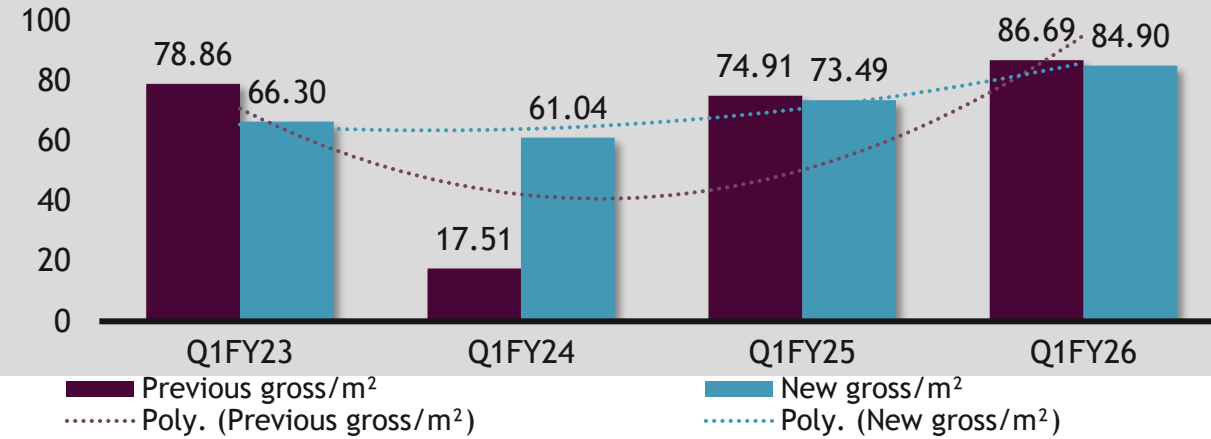
PERFORMANCE

Gross rate/m²

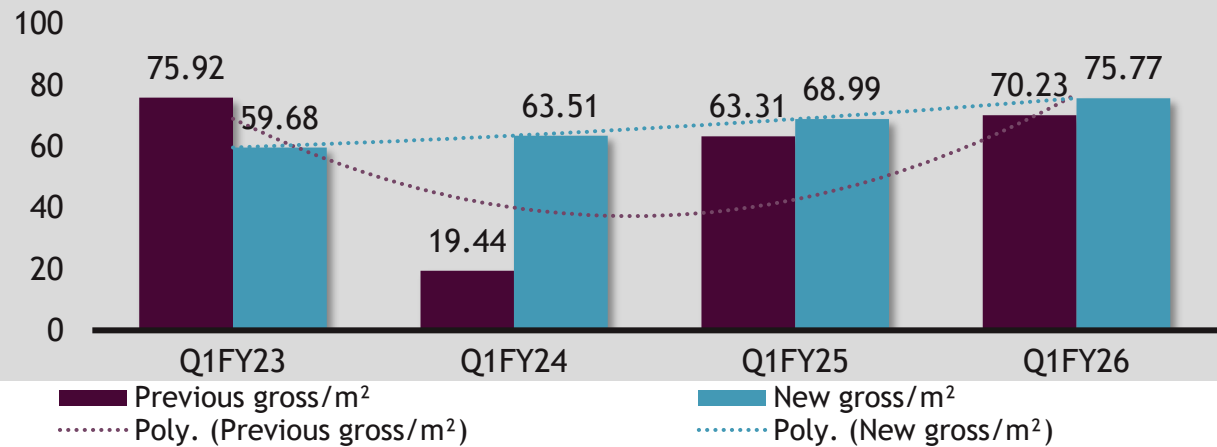
NATIONAL



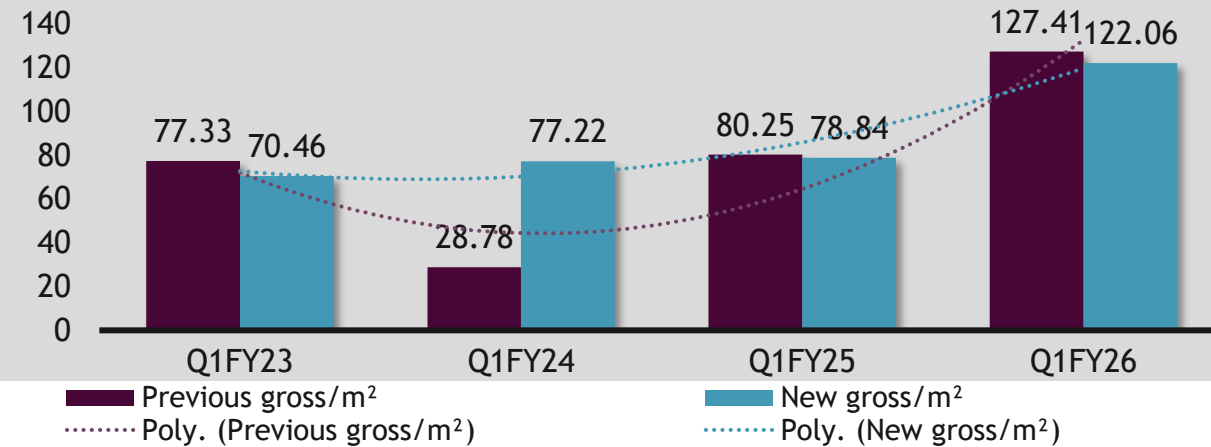
JHB



CPT



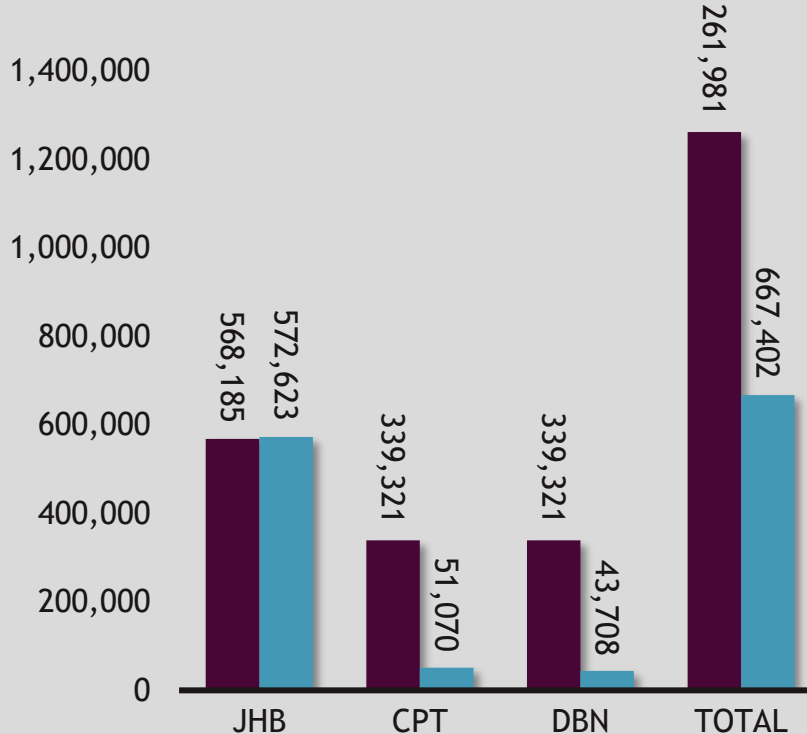
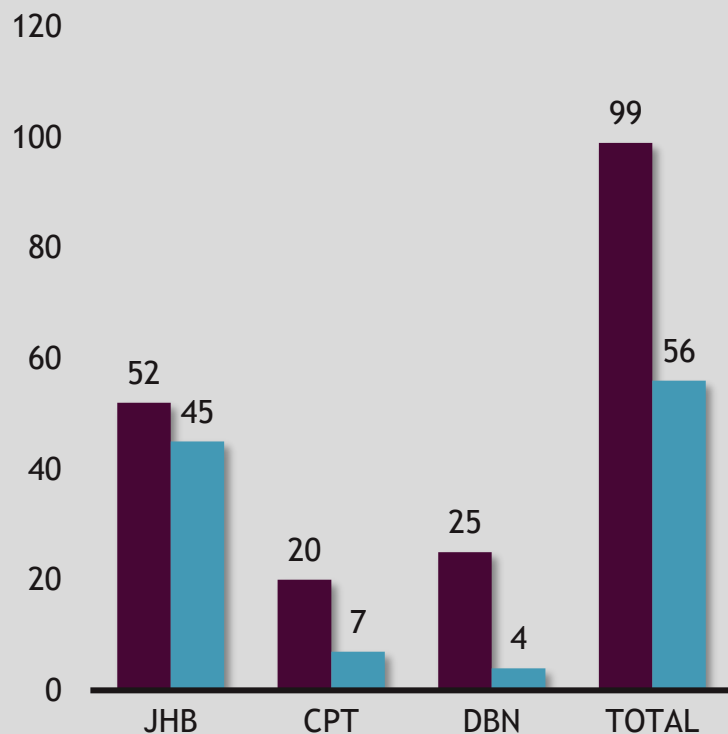
DBN



2025 BASE LIKE ON LIKE FUND COMPOSITION - 2030

Number of assets

GLA



- » ~90 Quality assets
- » ~1.3M m²
- » ~530 tenants
- » YoY NPI growths >5%
- » Longer WALE >3 yrs

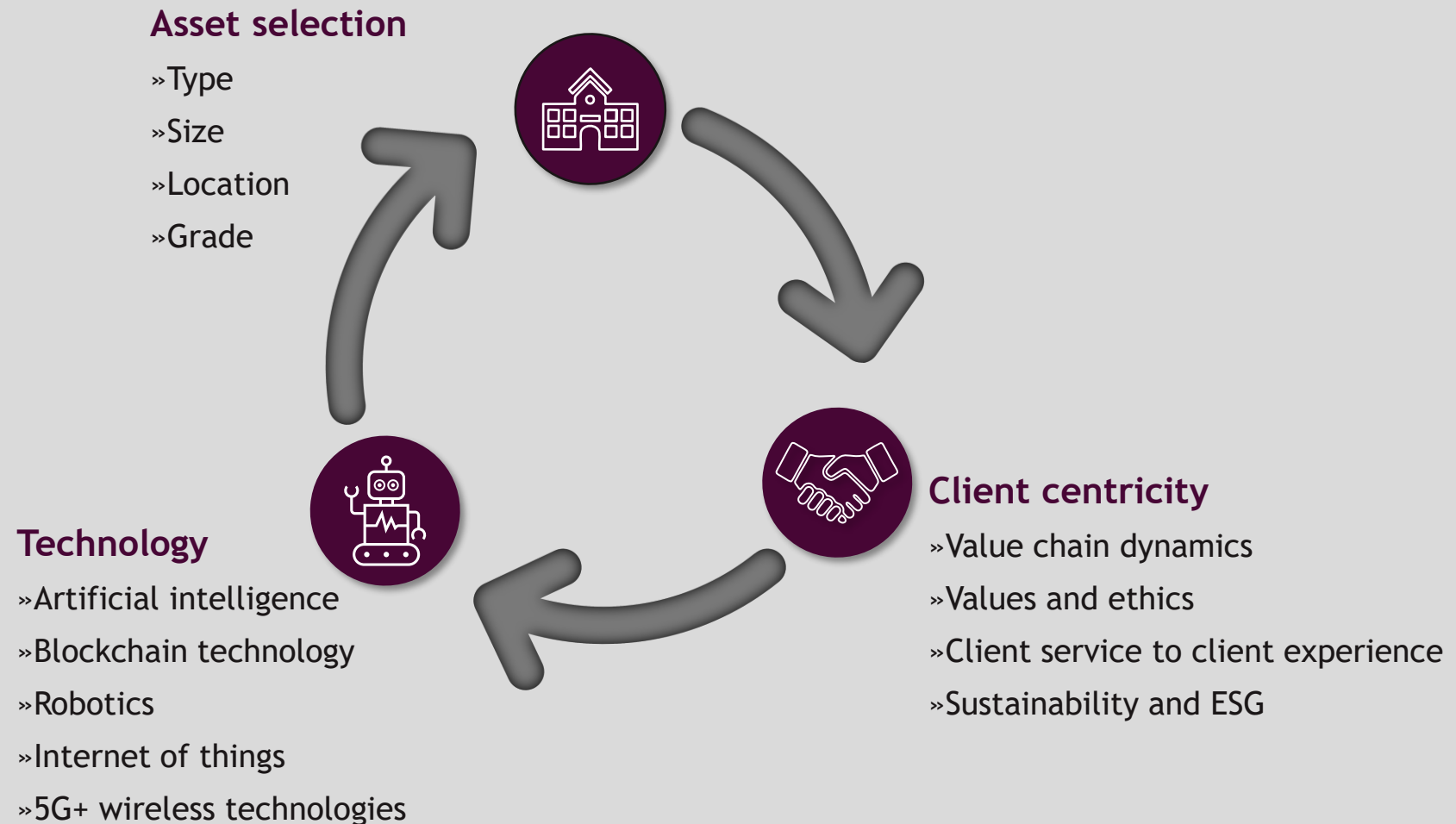
■ Keep #

■ # Sell

■ Keep GLA

■ Sell GLA

11. SCALING LOGISTICS ASSETS FOR STRATEGIC ADVANTAGE





Capital Markets Day - 27 November 2025

THANK YOU



Saligna, Boksburg, Johannesburg