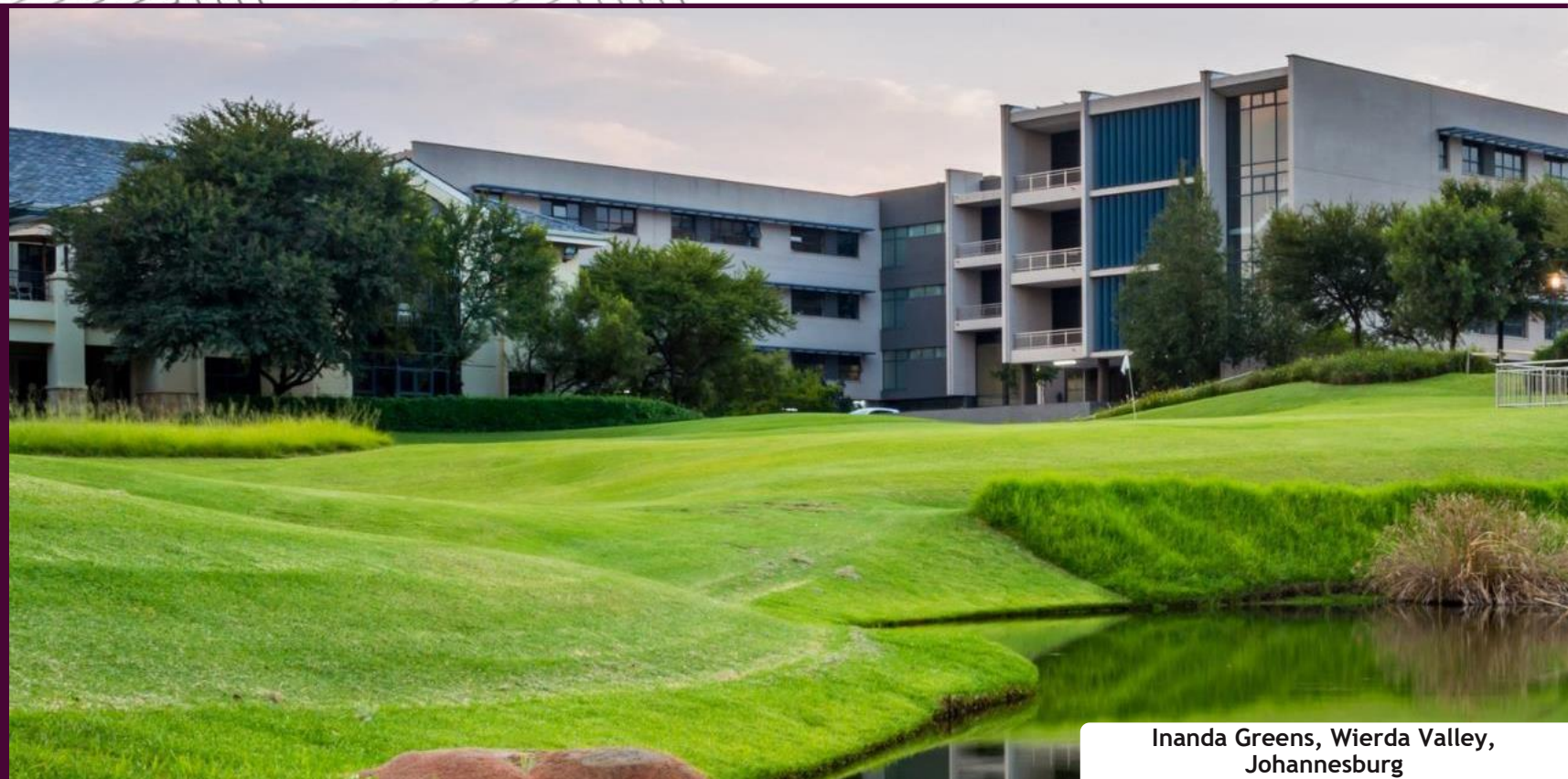




**SUSTAINABLE
GROWTH:
INVESTING IN
UTILITIES &
RENEWABLE
ENERGY**

Werner van Antwerpen,
Head of Corporate Advisory



Inanda Greens, Wierda Valley,
Johannesburg

01

e-CO₂



**SUSTAINABLE
GROWTH:
ENERGY AS A
GROWTH CENTER**

REMUNERATION STI & LTI KPI'S ALLIGNED WITH SUSTAINABILITY STRATEGY

Target KPI's highlighted in table below

	2024	2025	2026	2027	2028
STI (Vesting Date)	<ul style="list-style-type: none"> » Renewable energy (MWp) - 40MWp 	<ul style="list-style-type: none"> » Renewable energy (MWp) - 50MWp » Strategy for water and waste intensity 	<ul style="list-style-type: none"> » Renewable energy (MWp) - 68MWp 	<ul style="list-style-type: none"> » Not available 	<ul style="list-style-type: none"> » Not available
LTI (Vesting Date)	<ul style="list-style-type: none"> » Average STI modifier of the ESG measures for FY22, FY23 and FY24 	<ul style="list-style-type: none"> » Average STI modifier of the ESG measures for FY23, FY24 and FY25 	<ul style="list-style-type: none"> » Average STI modifier of the ESG measures for FY24, FY25 and FY26 	<ul style="list-style-type: none"> » Renewable energy (% of FY23 total consumption) - 20% » Net-Zero Carbon certifications - 15 	<ul style="list-style-type: none"> » Renewable energy (% of FY23 total cons. - 28%* » Electricity reduction (GWh p.a.) - 15.1GWh » Water reduction (ML per annum) - 89.3ML » Diversion of waste to landfill - 60% » Net-Zero certifications (carbon, water or waste) - 20

*Target LTI KPI FY28

GROWTHPOINT'S COMMITMENT TOWARDS SUSTAINABILITY

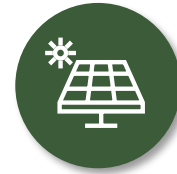
Solar alone will not meet Growthpoint's 2050 carbon neutrality goal



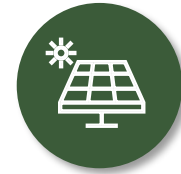
Growthpoint set a goal to become carbon neutral by 2050 (COP21)



Growthpoint's electricity consumption in SA for FY25
573 852 MWh
at a cost of c.R1.7bn per annum



Boston Hydro is a 5MW run of river plant with generation capacity equating to that of what a **21MWp*** solar plant would have generated. This will increase to **30MWp*** when Phase 2 of the Lesotho Highlands Water Scheme comes online

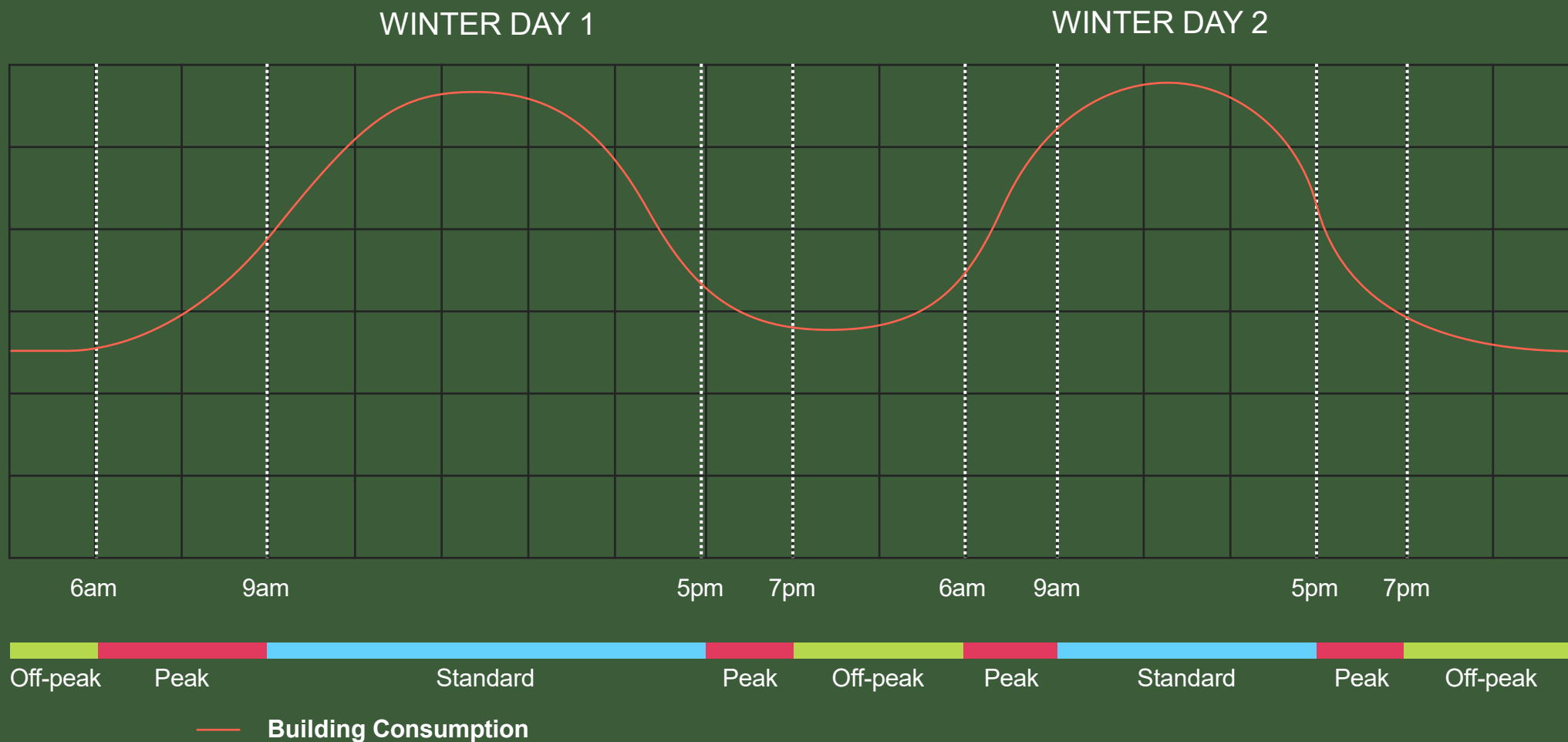


Installed rooftop SOLAR capacity is **61.2 MWp** with a goal to be at **68 MWp** by FY26

* Specific Yield used of 1400kWh/kWp per annum - Scientifically not possible

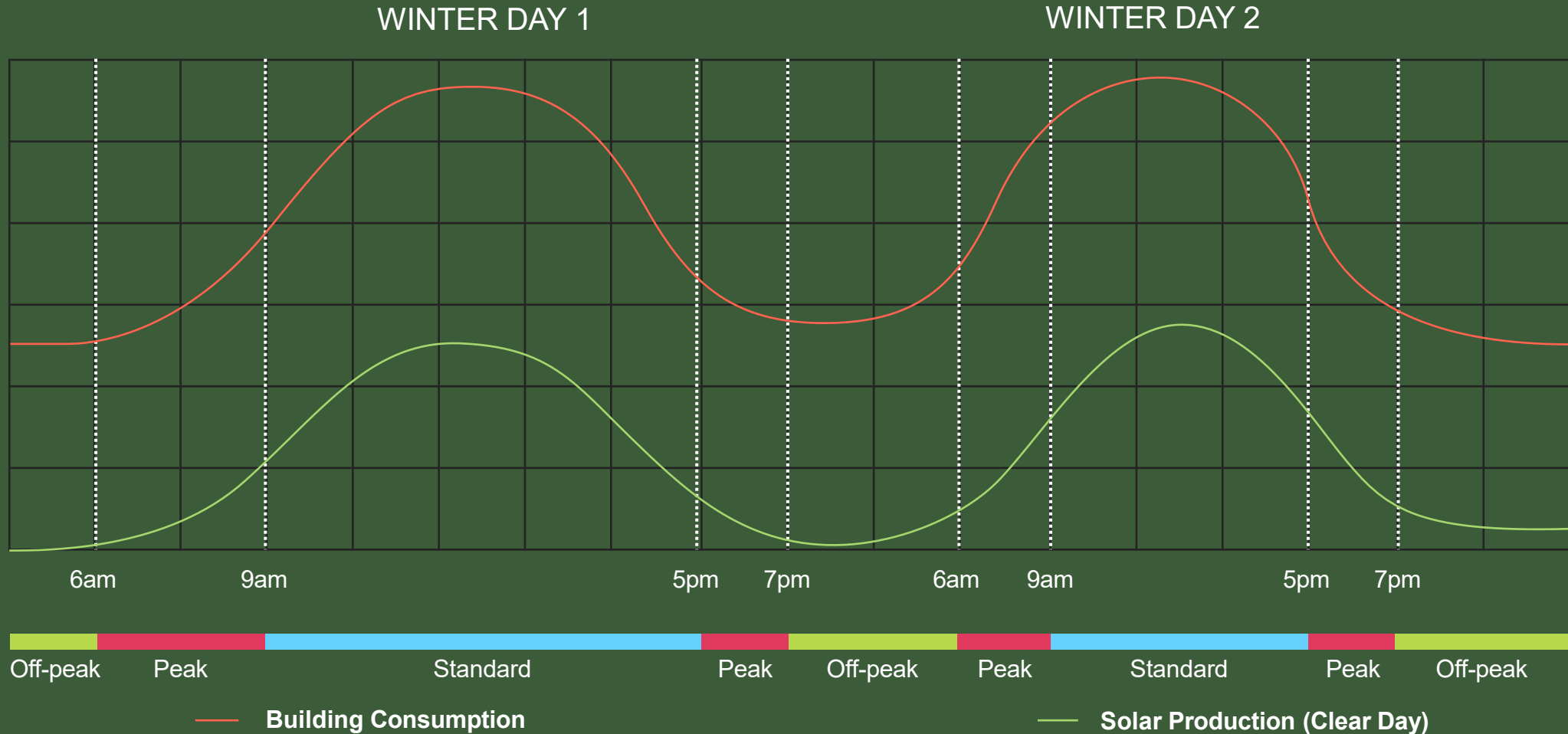
THE PROCURED ENERGY MIX IS EXTREMELY IMPORTANT

Solar alone can at maximum contribute between 15% - 20% of a building's consumption



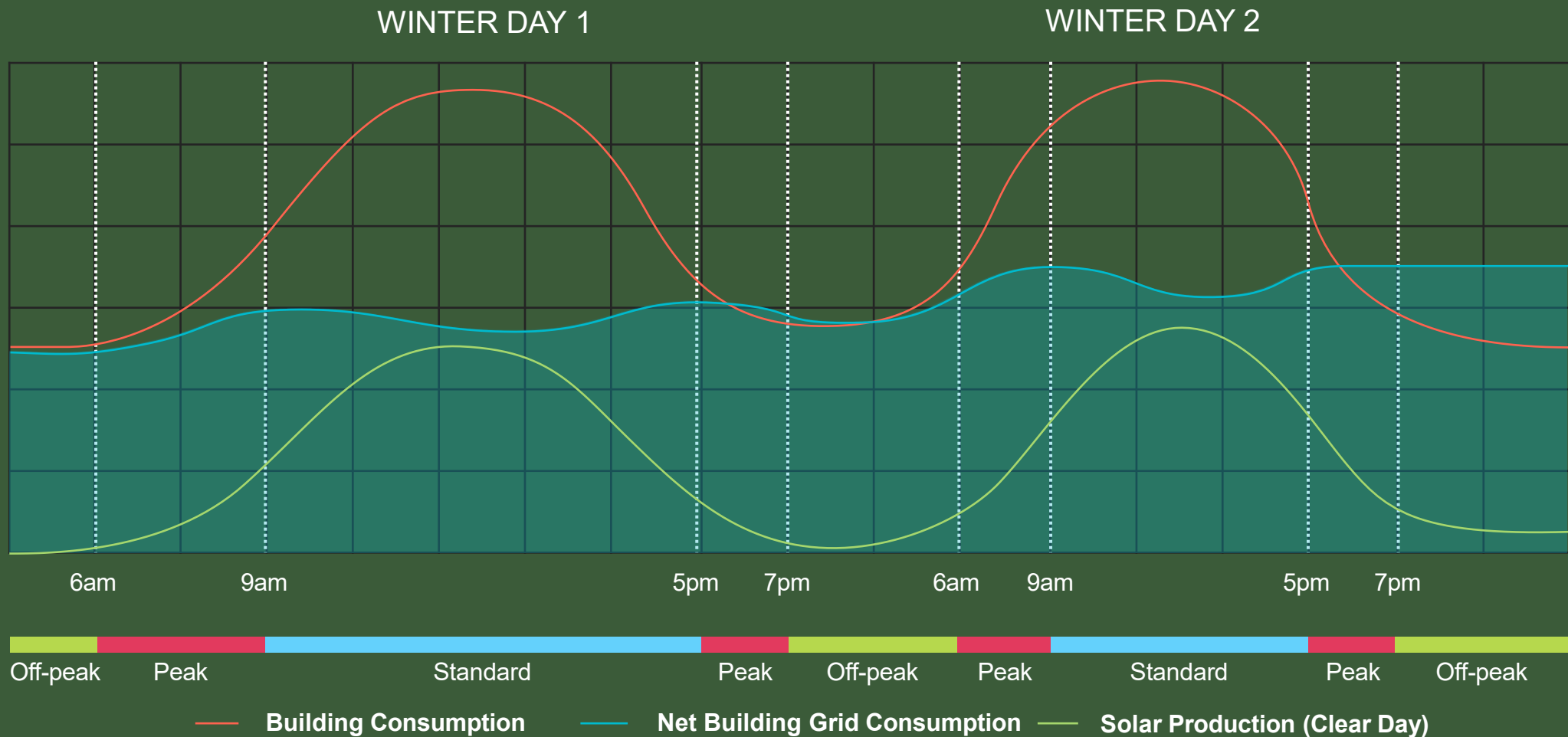
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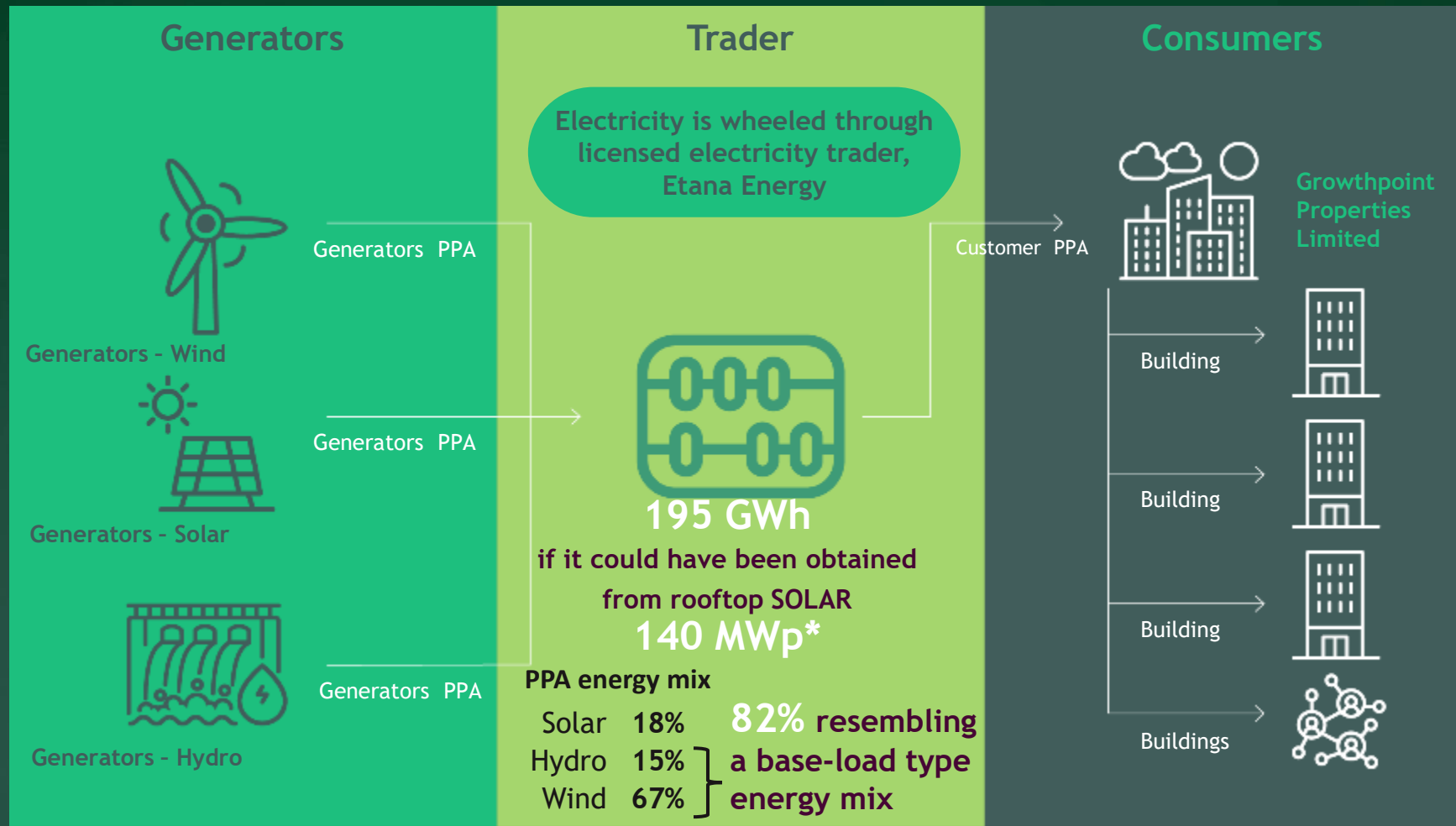


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GROWTHPOINT SECURING A SPECIFIC ENERGY MIX

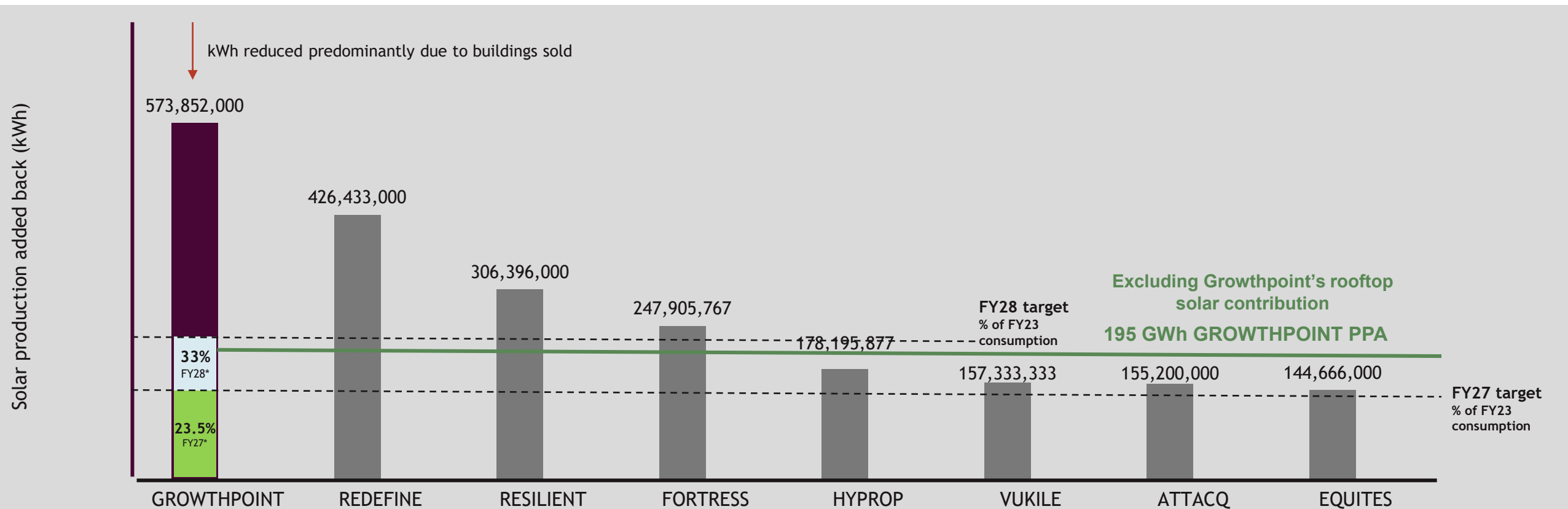


* Specific Yield used of 1400kWh/kWp per annum

LATEST SA ELECTRICITY CONSUMPTION COMPARISON TO OTHER REITS

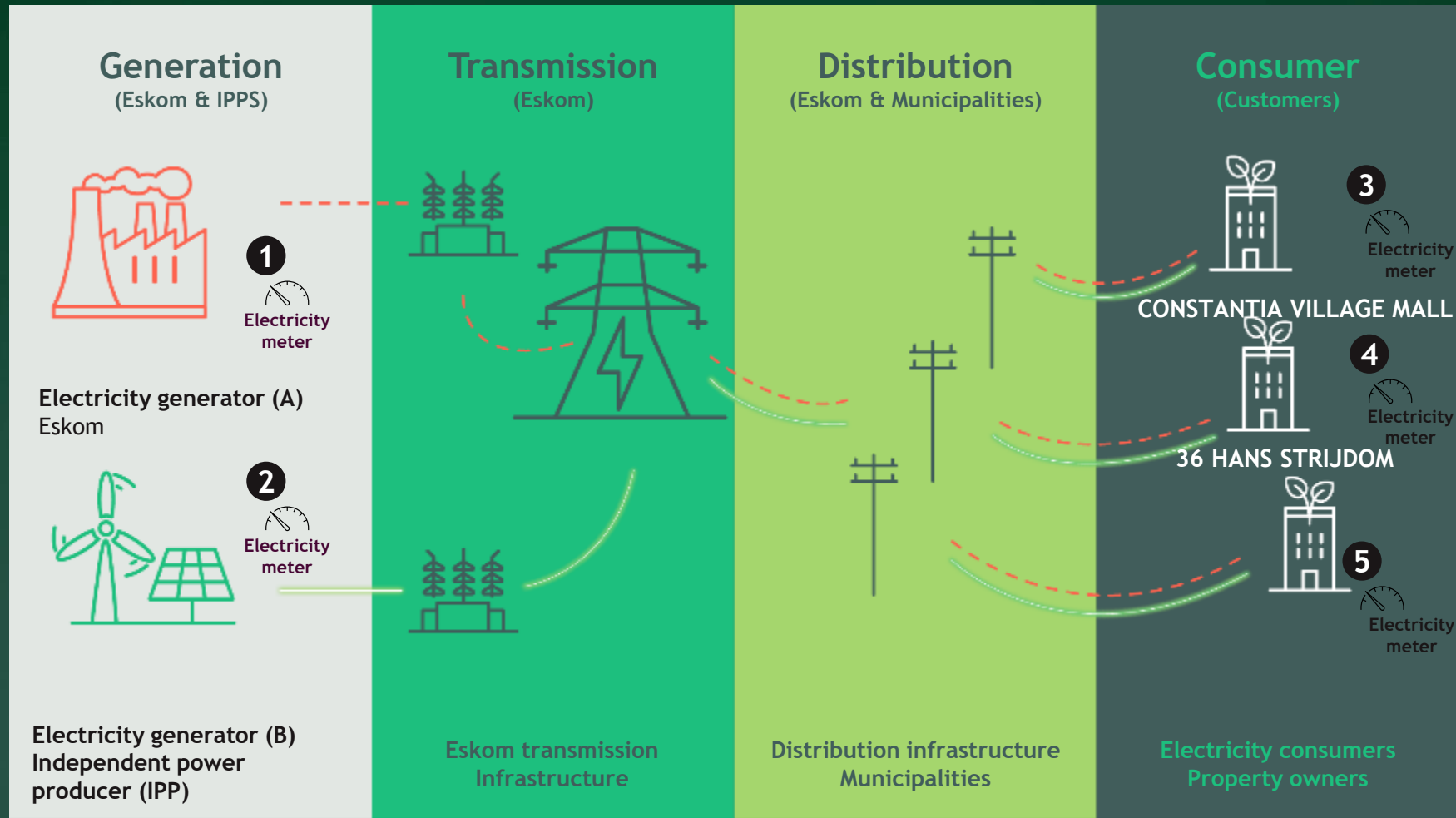
Solar production added back (kWh)

Electricity consumption per annum (kWh) - SA portfolios



Information obtained from various latest public sources and assumed solar production was added back to grid consumption, where uncertain. Where information was not available estimates was made on other information obtained.
*Stretch LTI KPI FY28

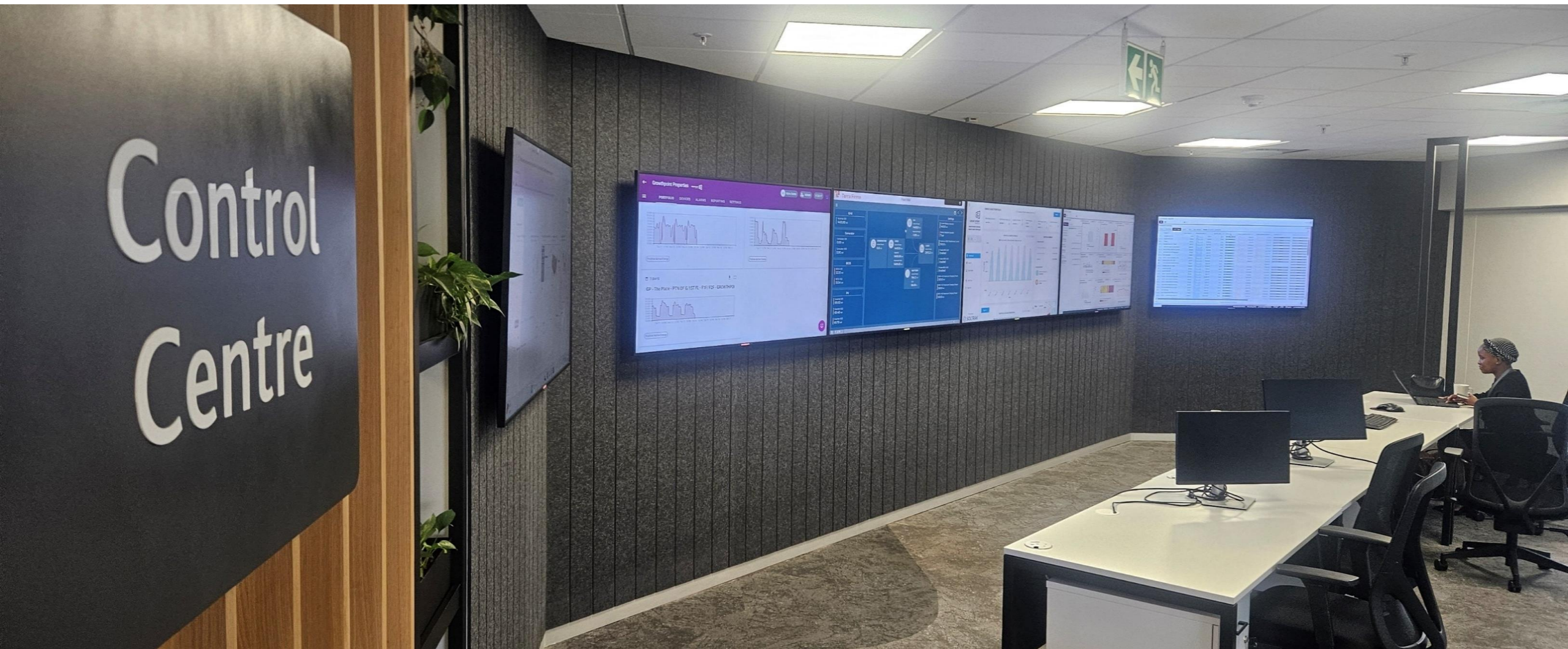
GROWTHPOINT SECURING A SPECIFIC ENERGY MIX




Pushing electricity (kwh) in at meter 2 and receiving a credit on account at meter 4

GROWTHPOINT'S CONTROL CENTRE

Monitoring each kWh generated by 83 rooftop solar plants



02

e-CO₂ 

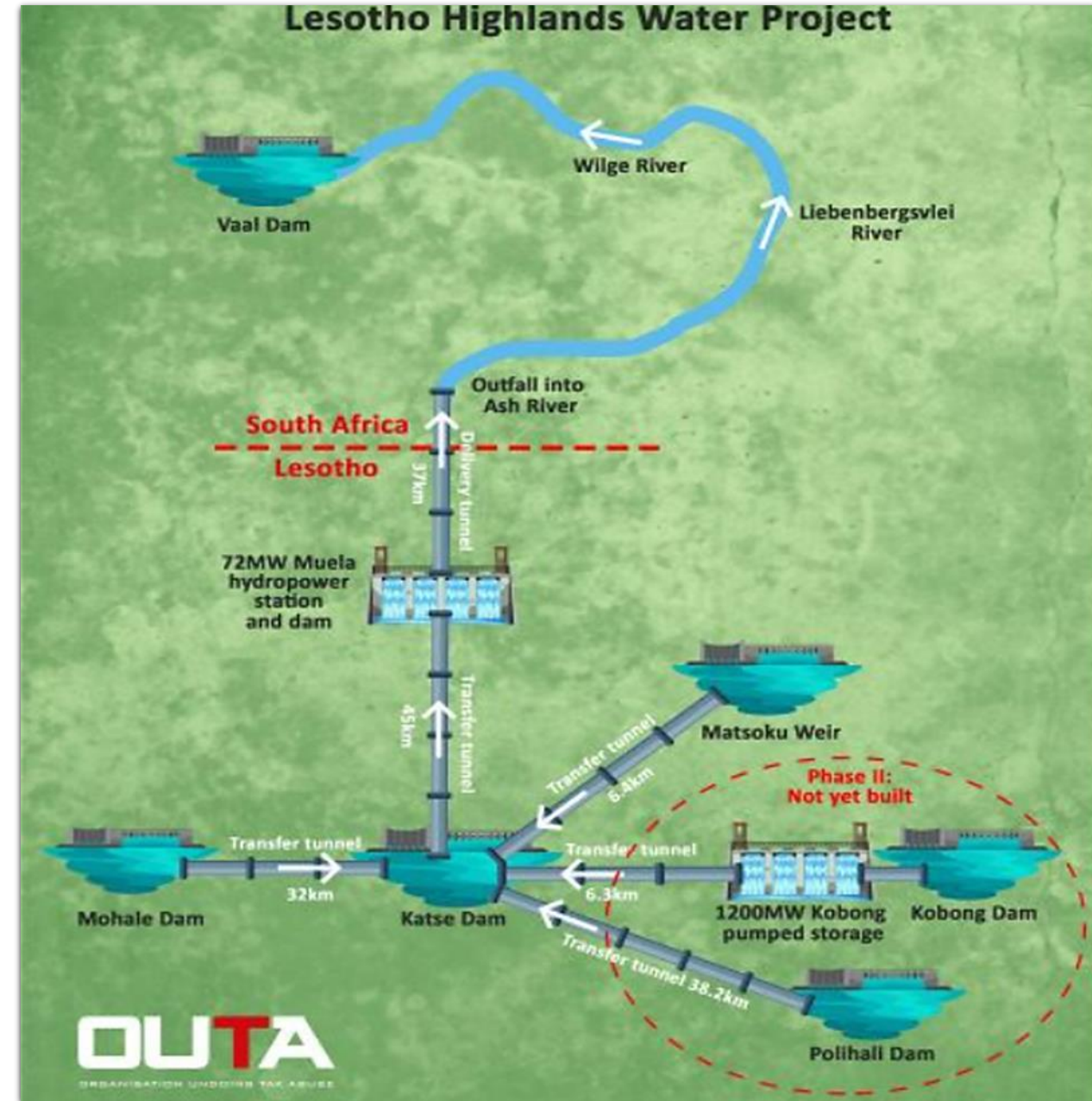


**INVESTMENT
INTO BOSTON
HYDRO**

BOSTON HYDRO

Lesotho Highlands Water Project (LHWP)

- » This large-scale water transfer scheme involves a network of dams and tunnels that channel water from Lesotho's highland rivers, such as the Malibamatso and Senqu, to South Africa's Vaal River System, supplying water to the densely populated Gauteng region
- » In return, Lesotho benefits economically through royalties and gains energy independence via hydroelectric power generated by the project
- » The LHWP, Africa's largest water transfer scheme, is being developed in multiple phases and represents a strategic partnership that balances water security for South Africa with economic and infrastructure development for Lesotho
- » The current treaty allows for 780 million cubic meters (MCM) of water to be transported to SA per annum
- » Phase 2 would increase that to 1 270 MCM of water per annum
- » Phase 2 is under construction with completion estimated at 2029
- » Boston Hydro has been oversized to generate additional power when Phase 2 of LHWP comes online



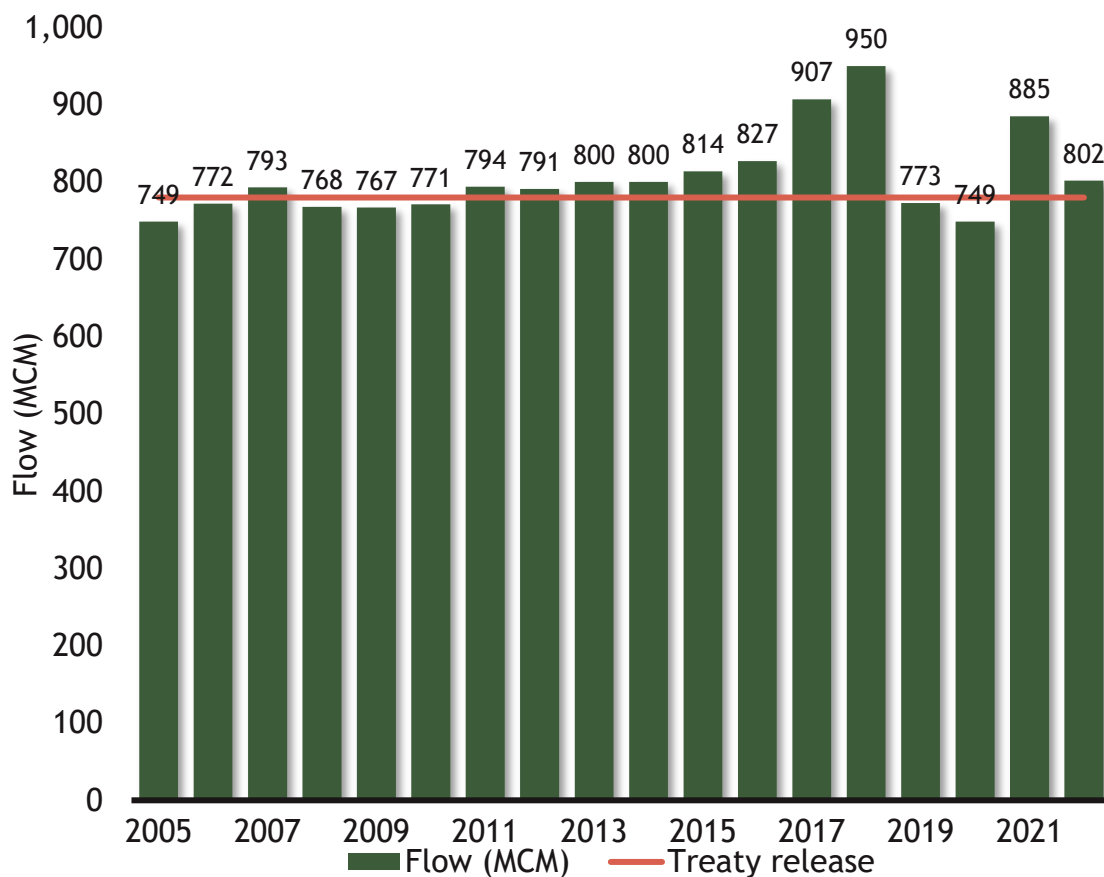
ASH RIVER OUTFALL INTO SOUTH AFRICA



LHWP HISTORICAL FLOW BETWEEN LESOTHO AND SOUTH AFRICA'S TREATY

Flow is more than an agreed amount, it is critical due to the water shortage in Gauteng

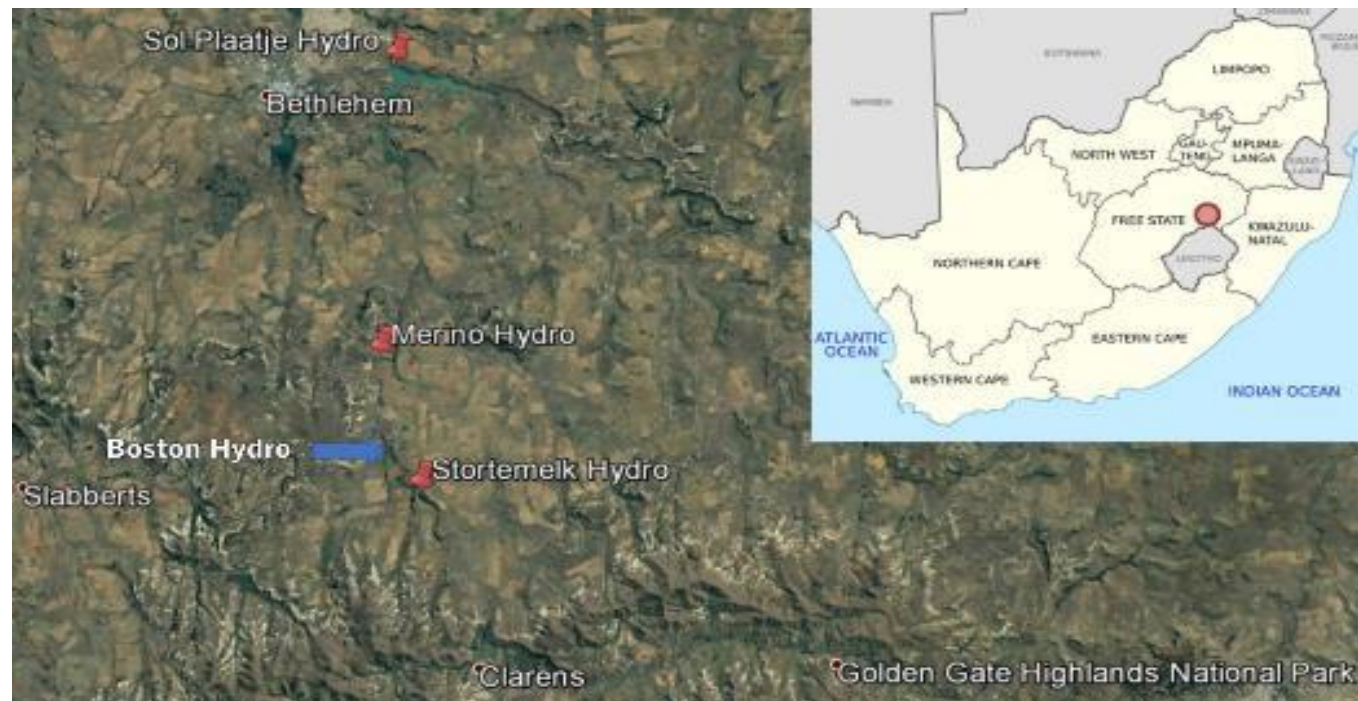
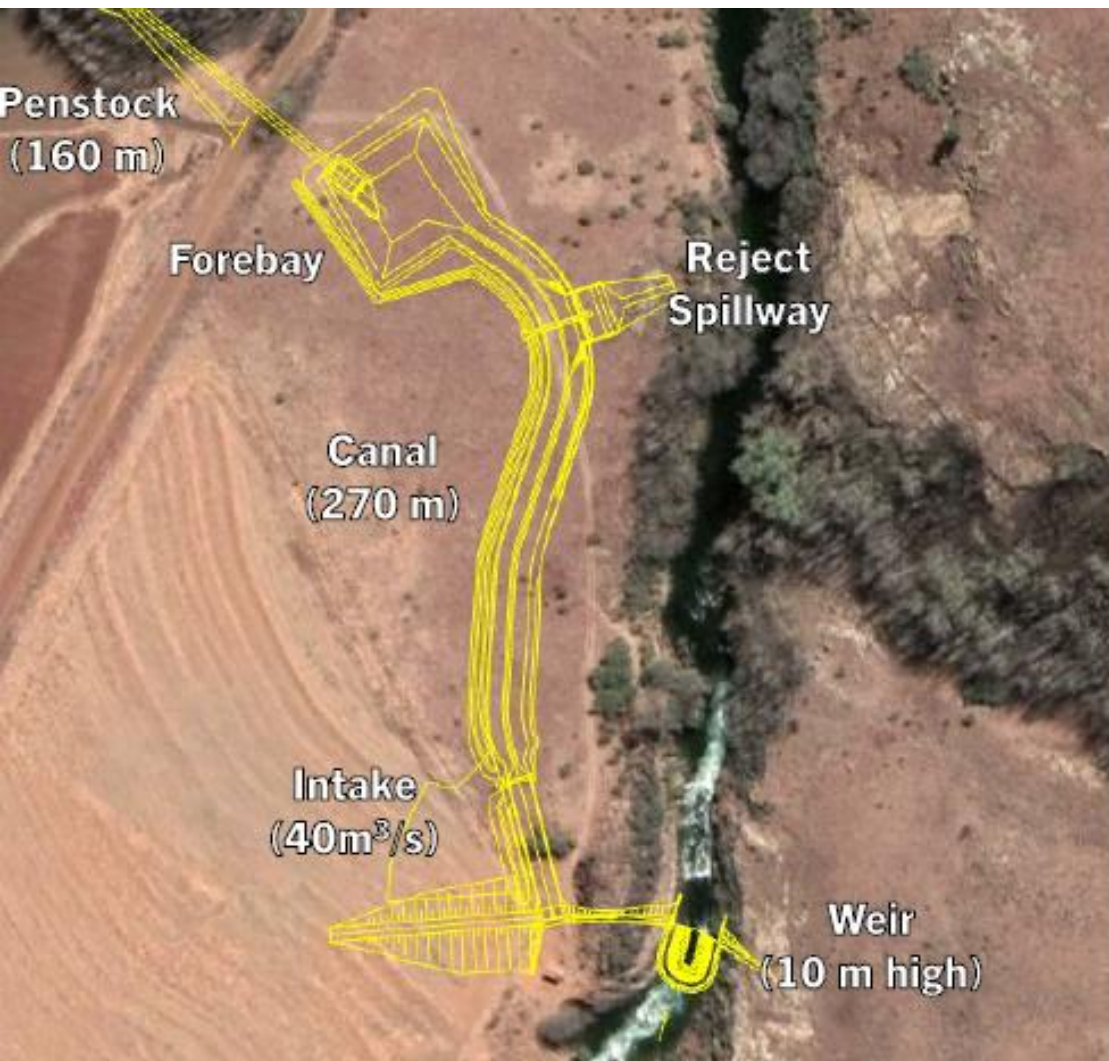
Hydro-resource tracking - flow release



Year	Treaty (MCM)	Actual (MCM)	Achievement
2005	780	749	96.0%
2006	780	772	99.0%
2007	780	793	101.7%
2008	780	768	98.5%
2009	780	767	98.3%
2010	780	771	98.8%
2011	780	794	101.8%
2012	780	791	101.4%
2013	780	800	102.6%
2014	780	800	102.6%
2015	780	814	104.4%
2016	780	827	106.0%
2017	780	907	116.3%
2018	780	950	121.8%
2019	780	773	99.1%
2020	780	749	96.0%
2021	780	885	113.5%
2022	780	802	102.8%

BOSTON HYDRO

Situated near Clarens in the Free State province



BOSTON HYDRO

When it was under construction



BOSTON HYDRO



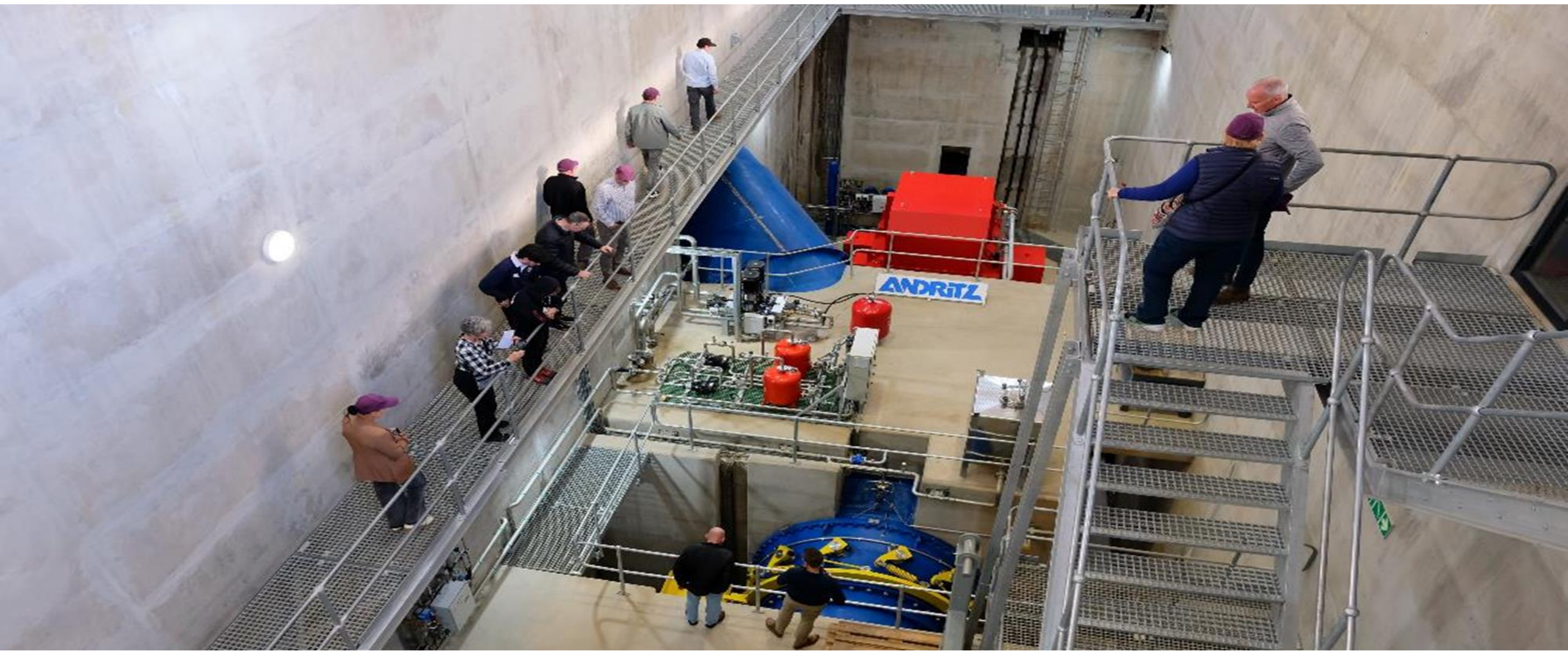
BOSTON HYDRO



BOSTON HYDRO



BOSTON HYDRO



BOSTON HYDRO TRANSACTION

Transaction structure

>> Background

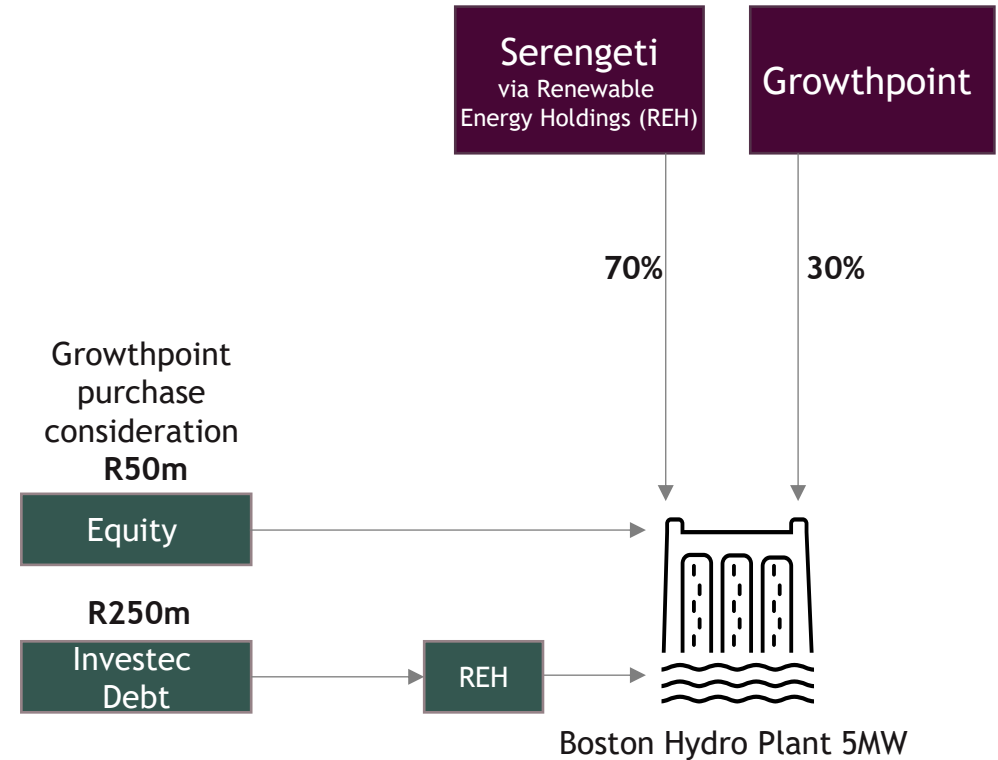
- Boston Hydro is a run of river plant that provides base load power with an estimated lifetime of more than 40 years and estimated production of 30GWh per annum for Phase 1 and c.42GWh per annum for Phase 2 of LHWP
- Through the Etana PPA Growthpoint signed exclusivity on all electricity produced by Boston over the 10-year period of the PPA
- Project has minimal off take risk as Growthpoint is the sole purchaser of the electricity
- Hydro power is the cheapest baseload renewable electricity that can be purchased
- Total construction cost of the project was circa R390m
- Growthpoint invested in a derisked project with a slight increase in valuation upon completing to R416.7m
- The project is funded with R250m in project finance

>> Equity

- Growthpoint purchased 30% of Boston Hydro for R50m
- Growthpoint invested in the project after Commercial Operation Date (COD) was achieved, hence the investment was made on a derisked project

>> Debt

- Investec provided amortised project finance / senior debt of R250m
- Debt can be refinanced without any break fee
- Opportunity to refinance at better rates in the future to increase project returns





03

e-CO₂



WHAT IS
ECO TWO?

WHAT ARE THE BENEFITS?

70%

of a building's supply
from renewable sources

e-CO₂ Connect

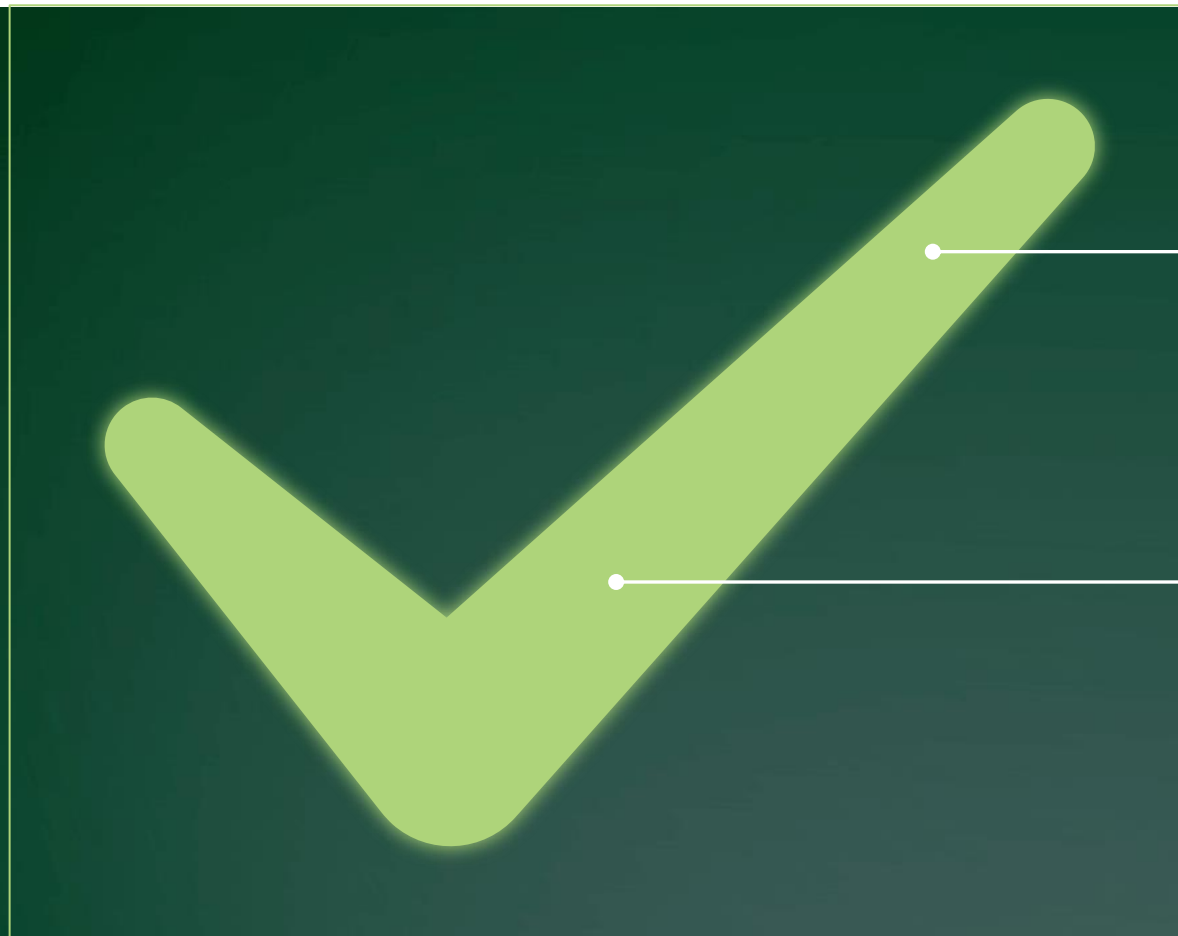
100%

of a building's supply from
renewable sources*

e-CO₂ Ignite

WHAT % OF SUPPLY WILL BE FROM RENEWABLE SOURCES?

Growthpoint creates stickiness to retain and attract tenants



Benefits to our tenants:



Fixed escalation of **7% per annum** of your variable Electricity cost, tenant receives a credit on monthly invoice (**Green Benefit**)



Access to annual certified **Renewable Energy Certificates (RECs)**

Can choose to trade or redeem to reduce Scope 2 emissions

Nedbank partnered with Growthpoint to decarbonised all their retail exposure

Strong interest from other financial institutions to do the same



THANK YOU

