



Lango Real Estate Limited

Jointly established by Growthpoint Properties and Ninety One

November 2022

www.langorealestate.com

Target audience

This document is being provided for informational purposes for discussion with institutional investors. Circulation must be restricted accordingly.

Nothing herein should be construed as an offer to enter into any contract, investment advice, a recommendation of any kind, a solicitation of clients, or an offer to invest in any particular fund, product, investment vehicle or derivative.

A private offering of interests in Lango real Estate Limited (“Lango”) will only be made pursuant to a confidential information memorandum (an ‘Offering Memorandum’) and such Lango subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering.

The information contained herein will be qualified in its entirety by reference to such Information Memorandum, which will contain additional information about the investment objective, terms and conditions of an investment in Lango and will also contain tax information and risk disclosures that are important to any investment decision regarding Lango.

Risks

Investments of this type are speculative and involve a high degree of risk. Real property investments are subject to varying degrees of risk including market, leasing and environmental risks; an investor could lose all or a substantial amount of its investment; there is no secondary market nor is one expected to develop for investments in Lango; there are certain restrictions on transferring interests in Lango; Lango is expected to be leveraged; Lango’s performance may be volatile; and Lango is subject to management fees and expenses that will reduce returns. Lango, its manager and their affiliates will not be held liable or responsible for any direct or consequential loss or damage suffered by any party as a result of that party acting on or failing to act on the basis of the information provided in or omitted from this document.



Agenda

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Participating in the growth of African 'gateway' cities

Introduction and strategy overview

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Lango Real Estate Ltd (Lango)

Introduction

- A direct African real estate investment company participating in the **growth of ‘gateway’ cities** across the continent
- Investing in **income-producing** commercial property assets with **high-quality tenants**
- Aiming to **catalyse** the real estate capital markets
- Original anchor investments from Growthpoint Properties and IFC
- Latest reported **NAV grown to \$307m**, with **total AUM of c.\$613m**
- **US\$750m** fundraising target (multiple capital raisings)

Opportunity



Potential for **compelling and sustainable long-term investor returns**, including cash distributions, underpinned by attractive long-term demographic trends



Current market conditions present an **attractive entry point** into the asset class



We expect Lango to make a **positive socio-economic impact** on the African continent



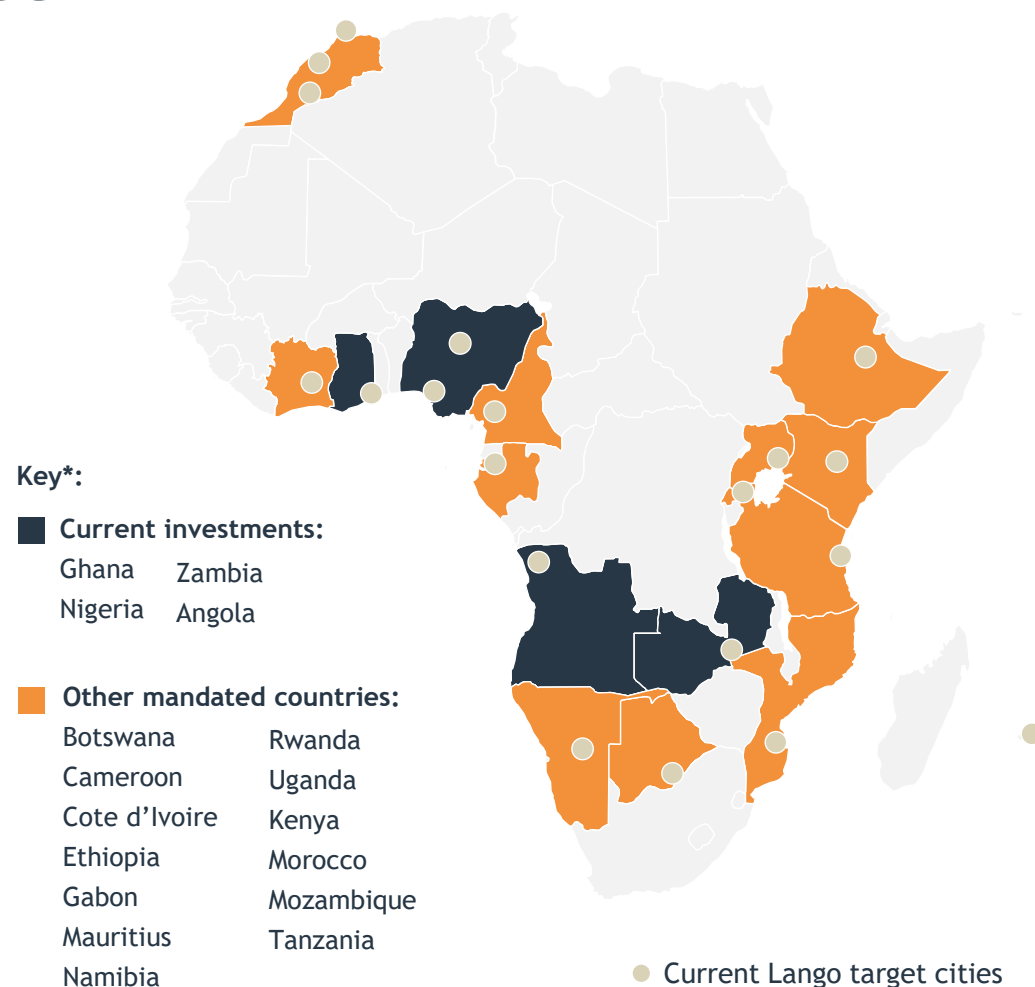
Differentiated asset class can provide **diversification benefits** in broader portfolio

Source: Lango Real Estate Limited. Figures as at 30 June 2022. For further information on investment process, please see the Important Information section.



Investment mandate

- Investment focus on strategic African ‘gateway’ cities and key sector-specific nodes
- Characteristics of investment destinations:
 - Economically attractive
 - Strong growth prospects and demographics
 - Politically democratic
 - Effective legal systems
 - Land title certainty and transparency
 - Enabling business environment
- Investment focus on high-quality commercial real estate assets (retail, office and industrial)
- Application of moderate gearing (30%-40%), with the aim of enhancing return potential
- Country and sector limits to maximise diversification



Source: Lango Real Estate Limited. * ‘Current investments’ countries represent those in which transactions are implemented. For further information on investment process, please see the Important Information section. ‘High-quality commercial real estate assets’ means prime properties with blue chip tenants.

A path to investor liquidity

- **Steady liquidity cashflow stream**
 - Lango to declare 6 monthly dividends (est. 5-8% p.a.)
- **Target listing contractually agreed within 5 years**
 - Listing within a maximum of c.3 years (i.e. by March 2026) or sooner once a NAV of US\$750m is reached
- **Target listing on reputable stock exchange**
 - Listing likely on London Stock Exchange (LSE)
 - Capital raised at time of listing would target securing additional capital and facilitate existing investor liquidity
 - Not listing within prescribed timeframe will trigger an exit via a managed portfolio disposal
- **Liquidity risk management**
 - Enhanced through a diversified portfolio across a number of geographies

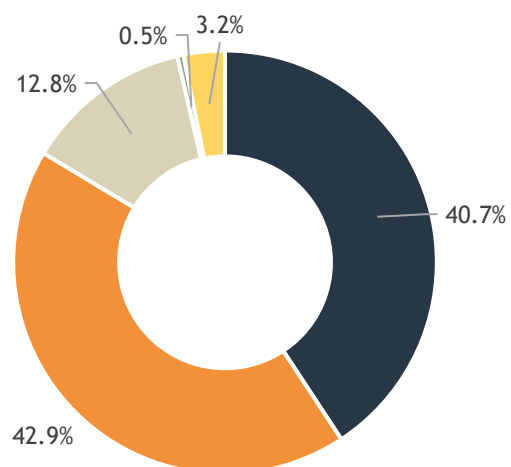
Source: Lango Real Estate Limited. For further information on investment process, please see the Important Information section.



Lango investors

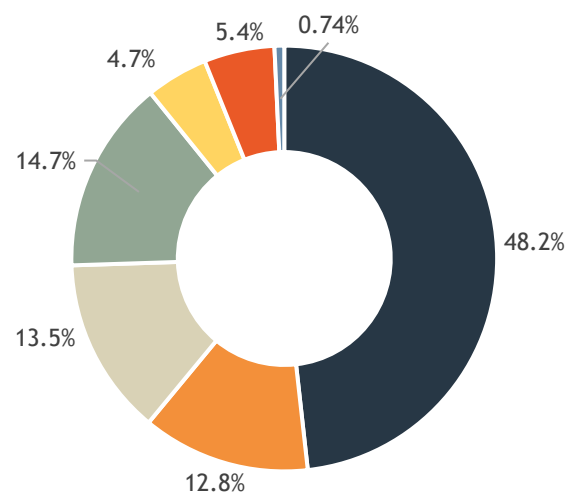
First Close 6 investors → Currently 20 investors

Investor by Category



■ Corporate ■ Pension Fund ■ Institutional Investor ■ HNWI ■ Sovereign Wealth

Investor by Location



■ South Africa ■ Namibia ■ Guernsey ■ USA
■ Canada ■ Cayman Islands ■ Other

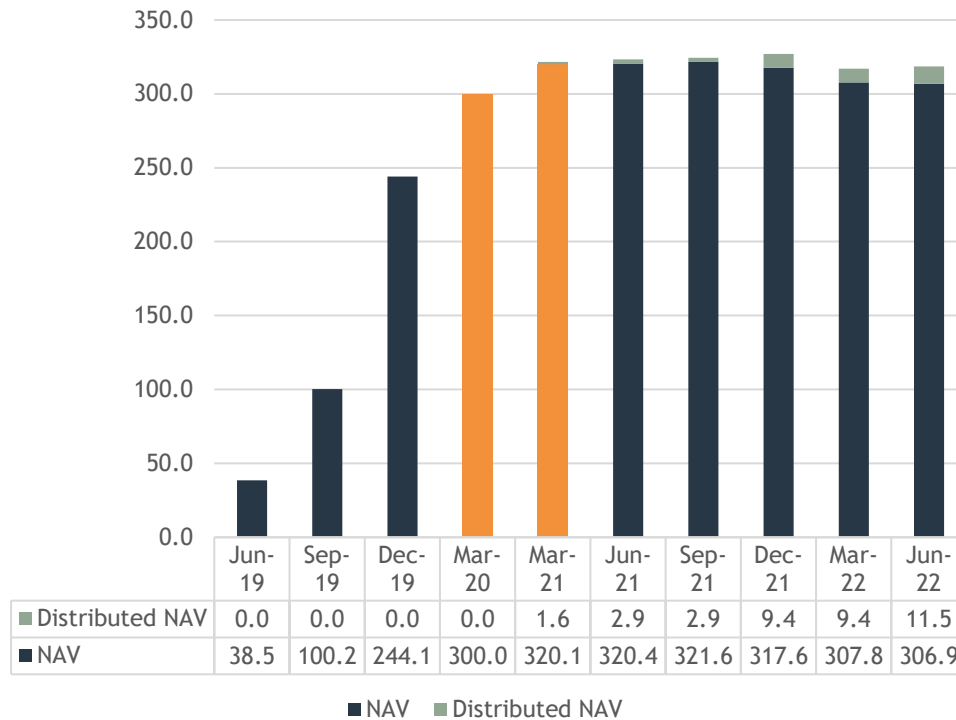
Source: Lango Real Estate Limited, Percentage figures as at 30 June 2022.

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Lango Consolidated Net Asset Value

NAV growth and NAV per share

NAV in USD'm
(incl distributions)



- NAV - Audited reporting at financial year end
- NAV - Management accounts at period end
- NAV - Distributed

NAV per share incl Distributions



Portfolio overview

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Financial Dashboard

Key metrics

\$4.94
(Mar 22: \$4.96)
INREV NAVPS

\$306.9m
(Mar 22: \$307.8m)
INREV NAV

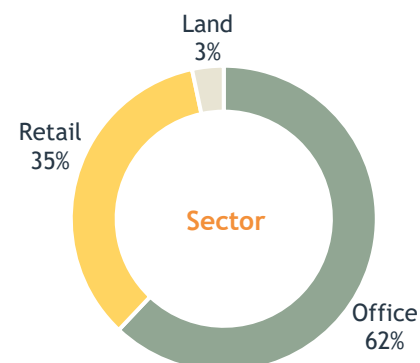
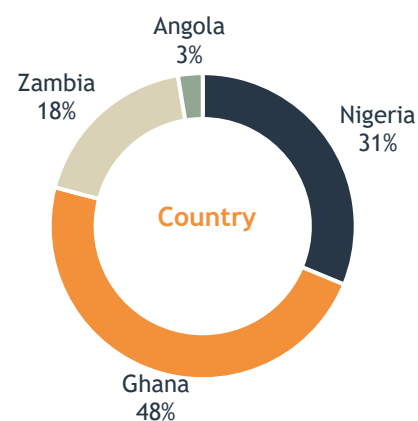
133%
(Mar 22: 118%)
YTD % billable income collected

\$613.4m
(Mar 22: \$621.6m)
Assets under management

47.4%
(Mar 22: 47.1%)
LTV

6.49%
(Mar 22: 6.35%)
WACD

Diversification



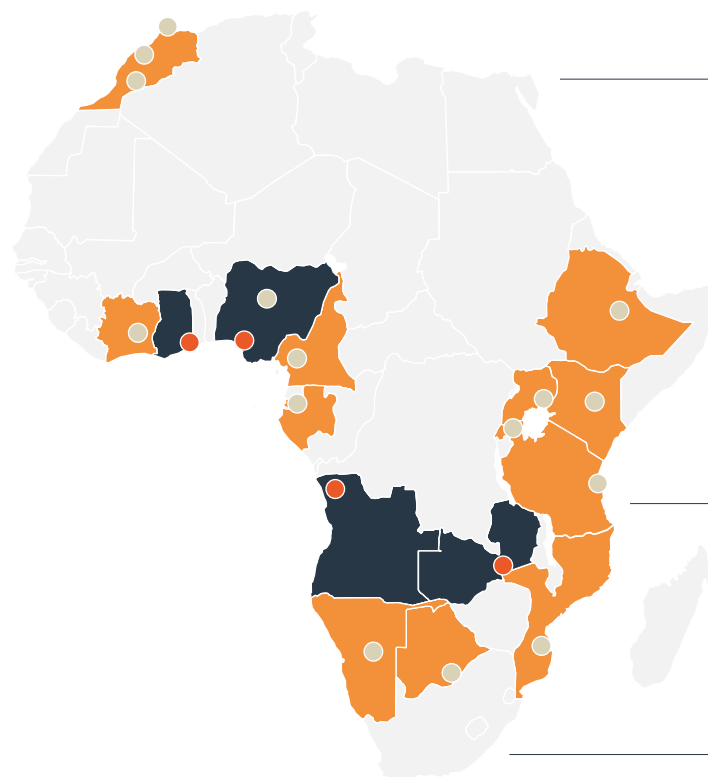
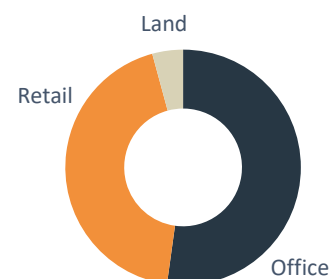
Current Asset portfolio

4 countries, 11 assets, diversified between prime office and retail assets

Diversification:

Country	%
Ghana	48%
Zambia	18%
Nigeria	31%
Angola	3%

Sector	%
Office	62%
Retail	35%
Other	3%



9%
Portfolio yield

46.7%
Loan to Value

3%
Contractual US\$
escalation p.a.

Assets Under
Management
(AUM)

Properties
acquired

Jun 22
\$613m

Various
acquisitions

Dec 19
\$505m

4x office
2x retail

Jul 19
\$177m

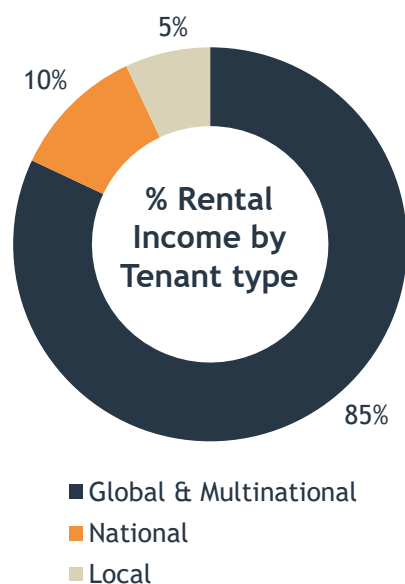
1x retail

Jun 19
\$52m

1x retail

Portfolio tenancy dominated by Global and Multinationals

Dollar denominated income from high quality tenants



85%
Global and multinational tenants

3.8yrs
Average lease expiry

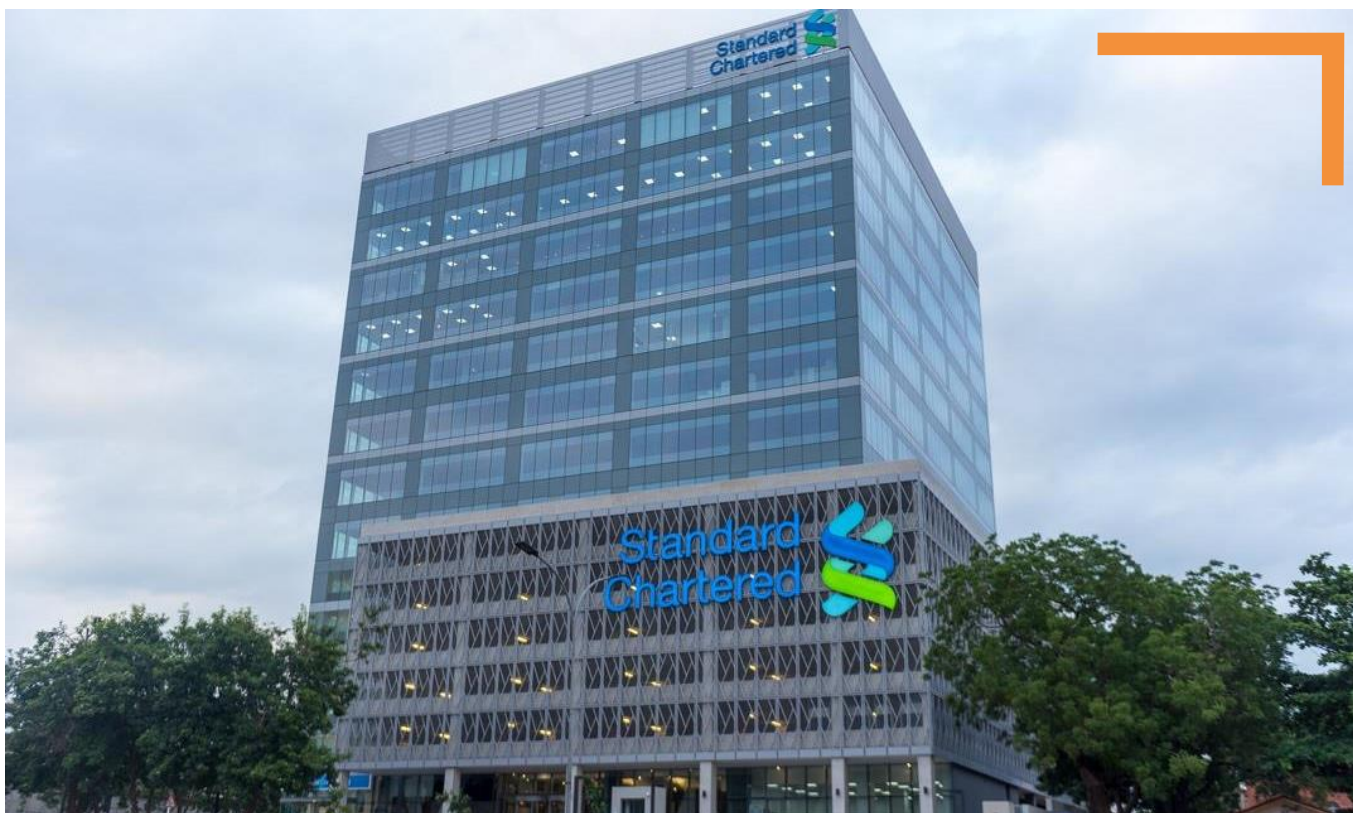
97%
Dollar denominated



Asset overview

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Standard Chartered Building



Accra, Ghana

Sector:
Office

Size:
12,229m² of Office

Major tenants:
Standard Chartered Bank

Source: Lango Real Estate Limited. Note Subject to change.

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Achimota Retail Centre



Sector:
Retail

Size:
15,774m² of Retail

Major tenants:
Shoprite, Game

Source: Lango Real Estate Limited. Note Subject to change.

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Manda Hill Shopping Centre



Lusaka, Zambia

Sector:
Retail

Size:
40,912m²

Major tenants:
Shoprite, Game,
Ster-Kinekor, LC Waikiki,
Woolworths

Source: Lango Real Estate Limited. Note Subject to change.

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Stanbic Heights



Accra, Ghana

Sector:
Office

Size:
20,119m² of Office and
ground floor Retail

Major tenants:
Stanbic, Samsung, GE

Source: Lango Real Estate Limited. Note Subject to change.

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Accra Financial Centre



Sector:
Office

Size:
14,134m² of Office

Major tenants:
Agricultural Development Bank, First National Bank, Development Bank of Ghana

Source: Lango Real Estate Limited. Note Subject to change.

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Junction Shopping Centre



Sector:
Retail

Size:
11,370m² of Retail

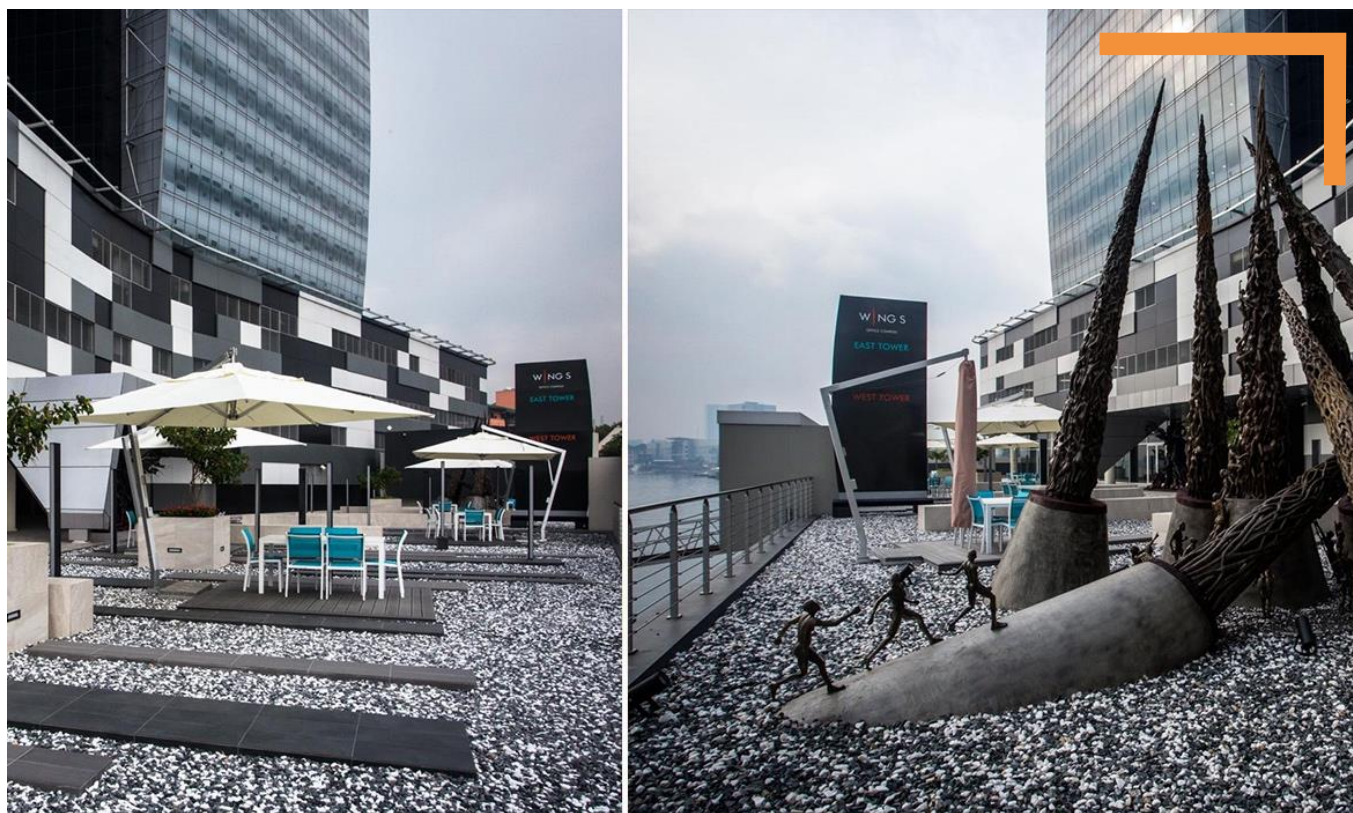
Major tenants:
Shoprite, Decathlon,
LC Waikiki

Source: Lango Real Estate Limited. Note Subject to change.

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The Wings



Sector:
Office

Size:
27,073m² of Prime Office

Major tenants:
Oando, RMB, Sasol

Source: Lango Real Estate Limited. Note Subject to change.

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Circle Mall



Lekki, Lagos, Nigeria



Sector:
Retail

Size:
13,868m² of Retail

Major tenants:
Shoprite, PEP,
Filmhouse Cinema

Source: Lango Real Estate Limited. Note Subject to change.

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Debt overview

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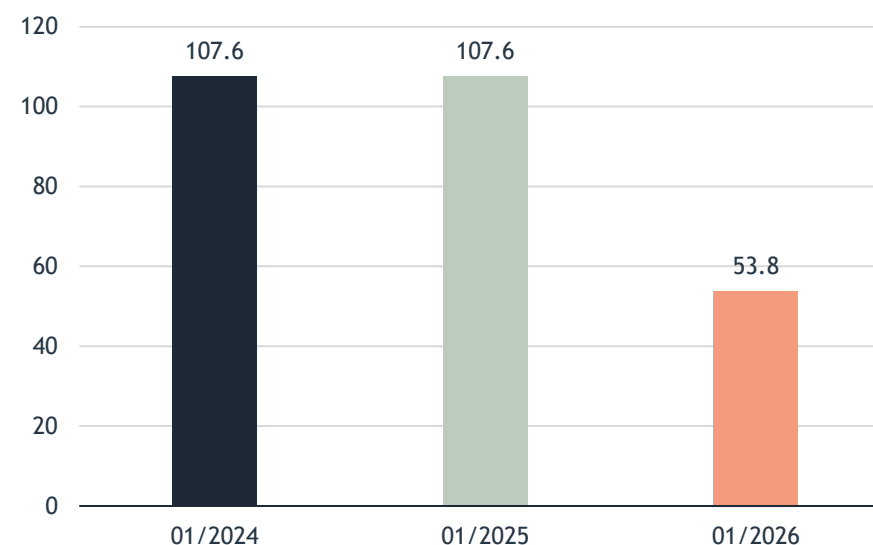
An efficient and accretive leverage strategy

Lango restructured its USD300m debt to enhance efficiency and returns

- An innovative \$300 million Fixed Rate debt structure complimented Lango’s strategic objective to optimise its capital structure
- The debt structure simplified Lango’s debt management activities, allowed for performance accretion and enhanced Lango’s ability to maximise distributions to its shareholders

- Improved maturity profile
- Fixed interest rate profile
- Reduction in facility interest margins
- Release of cash for distribution
- Simplifying administration
- Alignment of financial covenants

Debt maturity profile

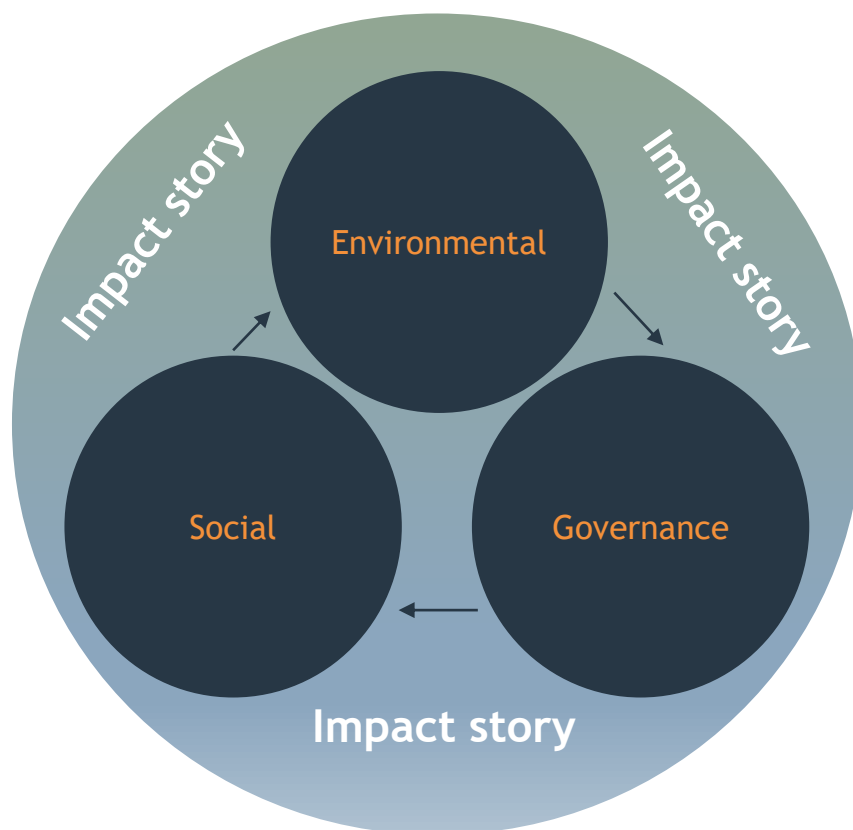


Impact Strategy

A large orange L-shaped graphic that starts as a horizontal bar across the middle of the slide and then turns 90 degrees upwards on the right side, extending towards the top.

Impact story

The articulation of an impact story to attract impact-orientated capital



- ▮ The degree to which Lango can craft a credible impact story will determine its resonance with a growing allocation of funds to impact investing
- ▮ Lango's impact story so much more than green buildings and social spending
- ▮ Impact capital increasing in importance and could significantly form a base to underpin Lango's IPO success

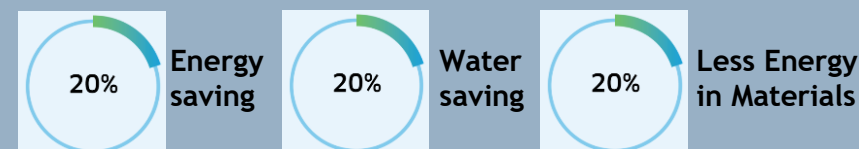
Leveraging Lango's position to catalyse impact within its developing markets focus



Environmental Impact: IFC Edge Certification

Our Green Building Initiative

- Lango is committed to having our buildings attain a **green star rating**
- Lango aims to **pursue Edge Certification** (green certification) for 100% of Lango's buildings.
 - Already **commenced** the process for The Wings and Standard Chartered buildings
 - aim to achieve **certification for the 100%** portfolio by YE 2024.
- The level of attainment from Edge can be used to raise **green funding**, improve resource **efficiency** and adopt environmentally sound technologies.



EDGE (“Excellence in Design for Greater Efficiencies”) is a green building standard and an international green building certification system.

Going through the IFC Edge certification process will allow us to determine where we can reduce energy costs and potentially improve both the bottom line and brand reputation. The process of IFC Edge is attractive because it offers the following:

- Helps us decide on the best green options and estimate the incremental costs of green building
- Is location-specific, with climate and lifestyle data for thousands of cities.
- Provider a shorter certification workflow saves you time, with most required documentation already on hand
- Is aligned with international green finance standards, including GRESB, ICMA, CBI, and CDP.

Social impact

Playing a central role in developing our communities & related business

Educational platform



Providing educational support will be part of our long term flagship projects. By utilising our non-core space, “**Lango Plus**” will support the future leaders in the countries we operate throughout their educational journey. We are in the process of partnering with local educational providers to implement their programmes within the community. Using our real estate facilities and resources, the aim is to support patrons to improve their general outcomes and provide them with a competitive edge in the economy.

Through an appropriate partnership, we will look at introducing virtual access of educational programmes to developing learners. We aim to provide numerous tutorials including computer literacy, mathematics, literacy, geography, science and entrepreneurship to disadvantaged learners.

These efforts will not only provide social use for non-core space within our buildings and create a sense of community, but we believe our efforts will create long term value to our industry. By developing the next generation of high skilled and educated members of society, we will contribute to the supply in both future employers and employees for our industry and company.



Business development platform



We will demonstrate our support for growth in employment, decent work, innovation, industry through availing our resources to small businesses organisations.

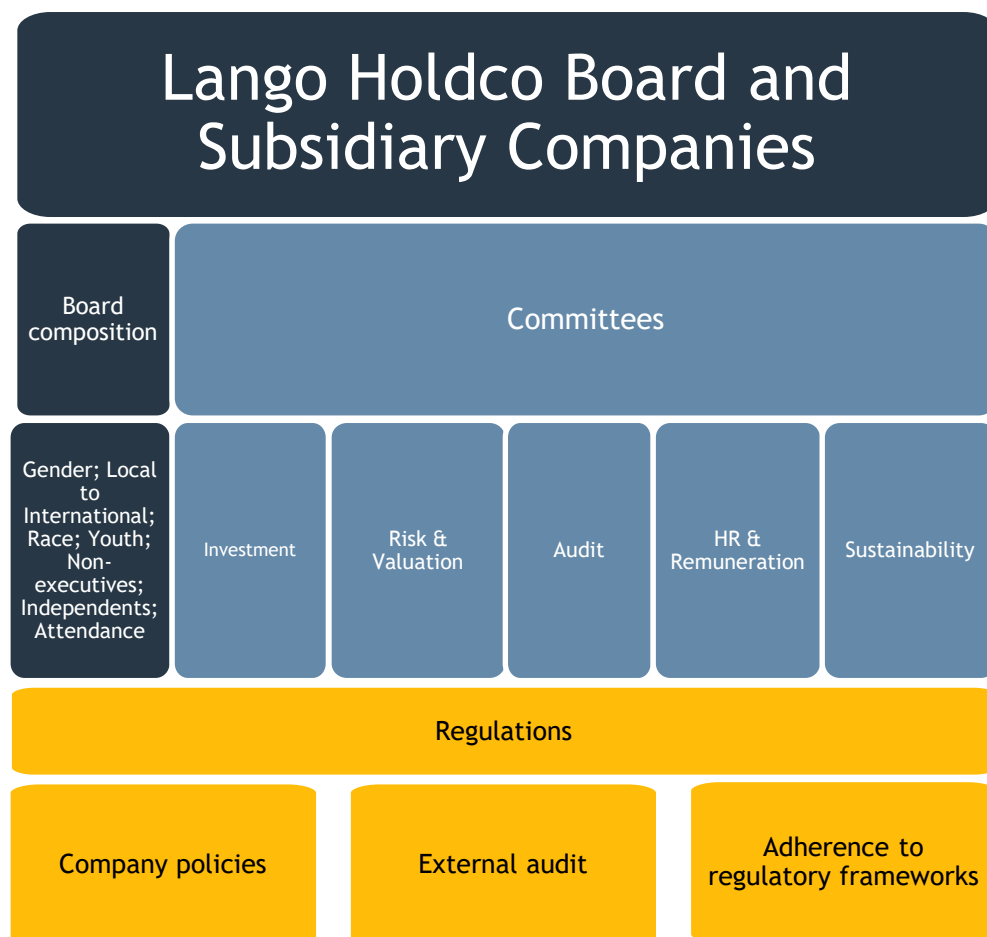
Our “**Lango Star**” Initiative will enable early stage companies and future leaders a platform to develop their organisations. We will provide both non-GLA space support and non-core GLA space support to developing future industry companies. The platform will allow them to start-up, grow and thrive within their industry. We will utilise our spaces, access to our facilities, training, mentorship and our customers to our young, incubated firms. We believe this initiative will develop skills, youth and society, creating empowerment to disadvantaged communities.

In turn, Lango will have an engaging presence with the community, as unique retailers contribute footfall into our malls. Small businesses will see the value of taking up space within our assets, by highlighting the locational and service advantages as their business grows within our environment. We believe through this programme we can develop our next generation of retailers and tenants.



Governance

Building a governance structure in line with international best practice

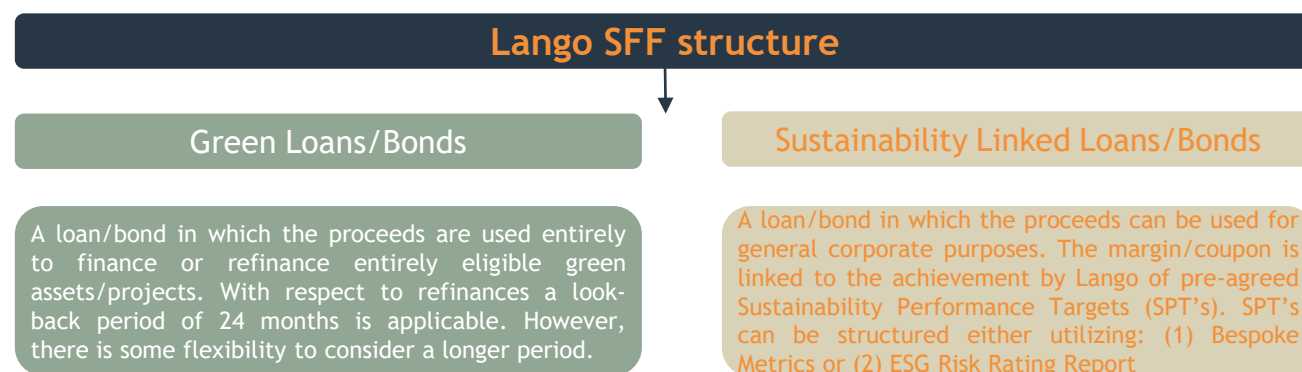


- Shareholders and regulators demand a governance structure in line with best practice, specifically OECD guidelines
- The IPO Roadmap includes refinements to be made to the governance structure which importantly will have a demonstrable track record of function
- This requires the establishment of a full set of applicable sub-committees and a revised board composition focussed on enhanced levels of independence

The governance structure of the Group's subsidiaries to comply with OECD Guidelines

Impact: Sustainable Finance Framework (“SFF”)

Lango is investigating the establishment a SSF to maximise the benefits & access to sustainable financing



Rationale: A strong sustainability profile adds to the articulation of a credible impact story that may appeal to **additional investors** that might not otherwise participate in the IPO

Benefits that go beyond pricing...



Pricing – Lango will receive a pricing benefit and will be rewarded for their commitment to ESG when utilizing a sustainable finance instrument. A SFF enables Lango to raise/issue **multiple instruments** delivering **economies of scale** with maximum **ease of execution** and **standardization** thereby **maximizing pricing benefit**



Ease of execution – **Upfront agreement** and **standardisation** of **salient sustainability features** which also ensure **simplicity** when embedding ESG enhancement **clauses** at no prohibitive costs to implement



Improved Access to Capital - Potential to access pools of ESG capital that might not otherwise have been available, increasing demand



Increased investor appeal - Sustainability aspect can attract a much broader base of investors which helps Lango to achieve investor diversification



Longer Tenor funding - Sustainable investors tend to invest long term which works to ensure that the asset and funding maturity align



Strategic alignment - Tool to bring **alignment** and renewed focus to Lango's **sustainability strategy**



Enhanced reputation - Provides a holistic appeal to all stakeholders and potential investors while offering a public relations / marketing opportunity for Lango



Competitive advantage - SFF will enable Lango to frame and **demonstrate** it's **strong ESG commitments, performance** and **management** thereof, which research show influences an entities **competitiveness**, as such entities are likely to anticipate related legal requirements and have lower credit risk

Second Fundraising Period

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Further capital raising

Second Fundraising Period

Following the successful growth of Lango over the last couple of years, Lango is advanced with a Second Fundraising process

This second Fundraising Period allows existing investors the opportunity to follow rights, as well to admit new investors

- Capital committed is planned to be drawn down when required and intended to be used to partly right-size the Company's debt, following the inherited leverage embedded in recent transactions, as well as to take advantage of exciting growth opportunities

New capital indicated utilisation

1. Reduction of debt (c.\$50m)

- Allows for immediate deployment of capital
- Early repayment of debt agreed with lenders to be free of any pre-payment penalties
- Allows for a more appropriate Loan to Value (LTV) ratio in our view, reducing to the targeted level of 40%
 - (Allows for an increase in distributable earnings to all shareholders)

2. Remainder to be deployed into new asset pipeline

- Compelling opportunities are available in the current market for those with available capital
- Drawdown of committed capital in line with the completion of transactions
- Significant progress made on a number of potential assets
- Lango preference at this stage to diversify the asset holdings into East Africa (likely Nairobi, Kenya)

Source: Lango Real Estate Limited. Note: There is no guarantee that this investment will be achieved or be profitable or that the target return will be met; losses may be made.

Kenya expansion - driving diversification

Lango is currently focusing on future expansion plans into Kenya in order to drive an increase in diversification benefits.

Nairobi as an economic “gateway” presents compelling diversification benefits

- Nairobi is widely regarded as the centre of financial activity and hub of East Africa’s economic activity
- It arguably offers the most developed financial centre on the continent, outside of Johannesburg
- Nairobi offers significant diversification benefits to Lango due to:
 - Diversified geo-political exposure
 - Diversified macro drivers, away from the commodity & oil exposure of West Africa, to a more service orientated market
 - Diversification from a different, diverse and substantial tenant base, both from an office and a retail perspective

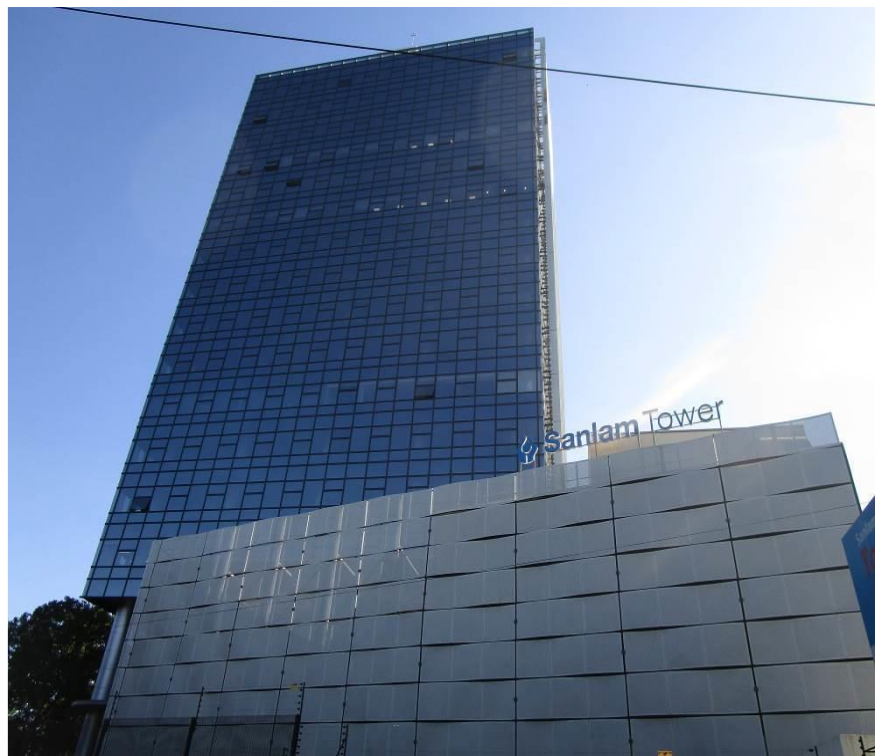
Economic growth and stable Currency in a well-developed market

- A track record of strong GDP growth over the past decade, with 5%- 6% growth expected in 2021
- Currency stability - the Kenyan Shilling has historically been very stable against the US Dollar over the last 20 years
- A developed financial sector and a well-regulated framework with no currency liquidity constraints
- Investors are free to transact and hold US Dollars & local currency and may freely externalize funds
- Lease agreements may be in Kenyan Shillings or US Dollars, with Shilling leases escalating by c.7% per annum often favored as the currency historically depreciates by c.2-3%, resulting in strong real growth

Asset pipeline: examples

Second fundraising initiative

Sanlam Tower



Nairobi, Kenya

Sector:
Office

Size:
15,000m² of Office

Major tenants:
Sanlam

Britam Tower



Nairobi, Kenya

Sector:
Office

Size:
31,000m² of Office

Major tenants:
Britam

Garden City Mall



Nairobi, Kenya

Sector:
Retail

Size:
35,000m²

Anchor tenant:
Carrefour

Garden City Business Park



Nairobi, Kenya

Sector:
Office

Size:
12,000m²

Anchor tenant:
EABL (Diagio)

Indicative Combined Portfolio

Post the possible acquisition of the Nairobi assets, the anticipated Lango group position in terms of sector & geography is anticipated to evolve to a more diversified portfolio as indicated below:



The envisaged transactions result in a geographically more diverse and well-balanced portfolio

- Enhanced Diversification of the current overweight country exposure in Ghana
 - Further diversification benefits due to the differing macro drivers between East and West Africa
- Lango's current preferred exposure bias to office assets is maintained, within sector targets
- Further diversification to an alternative high-quality tenant base



Summary

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Summary

- ↪ Lango is strategically planning to capitalise on its position as a **leader in the African real estate market** through the raising and subsequent deployment of further capital at a potentially very opportune time
- ↪ Lango is furthermore in the process of rolling out a Roadmap to IPO. This includes the articulation of an **Impact Strategy** designed to not only **maximise shareholder returns**, but also the impact Lango has within the broader communities it serves
- ↪ **We believe the above provides an opportunity for investors and allows Lango to further entrench its position, mitigate risk and catalyse future growth potential**

Source: Lango Real Estate Limited. Note There is no guarantee that this investment will be achieved or be profitable or that the target return will be met; losses may be made.

Thank you

Appendix

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About the presenter



Thomas Reilly
Managing Director

Thomas is an accomplished Investment professional with more than 25 years' experience across a range of asset classes including direct commercial real estate investment in both the listed real estate and private equity markets, commercial real estate finance and the financial markets including fixed income and equity derivatives.

Thomas is the Managing Director of Lango Real Estate Ltd (Lango), a business in which he played a key role in founding as a joint venture with Ninety One and Growthpoint Properties, in partnership with the International Finance Corporation (IFC). Lango has demonstrated significant growth under his leadership, emerging as a leader in the asset class in Africa. Lango aims to list on the London Stock Exchange over the medium term.

Prior to Lango, Thomas founded and was CEO of the first listed pan-African real estate company (SACREIL) and was also the Managing Director of Sanlam Properties Limited, the real estate business of the Sanlam Group, where he also established a commercial property finance business.

Thomas' role in the Sanlam Group previously also extended to the position of Group Treasurer, along with being a member of the executive of Sanlam Capital Markets, responsibilities which culminated from his investment banking career in the interest rate and equity derivative markets, where he successfully built and headed Emerging Markets focused financial markets trading and structuring businesses for two class-leading financial institutions.

Thomas holds a Master of Science Degree (MSc Global Finance) from the University of London's CASS Business School (awarded with distinction). He also holds a post graduate Honours degree in Economics and a Bachelor of Commerce degree in Economics from the University of South Africa.