Space to thrive

Portfolio Update and Equity Raising

27 June 2019

Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409
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GROWTHPOINT PROPERTIES

Important information.

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572-576 Swan Street, Richmond, VIC

Presenting today:

Timothy Collyer
Managing Director

Dion Andrews
Chief Financial Officer

Michael Green
Chief Investment Officer

Agenda.

Appendix


100 Skyring Terrace, Newstead, QLD

Equity raising overview

Equity Raising overview.

Equity raising rationale

- Growthpoint is undertaking an equity raising comprising (together, the **Equity Raising**):
  - A fully-underwritten institutional placement to raise approximately $150 million (**Placement**)
  - A non-underwritten security purchase plan to raise up to $15 million (**SPP**)[1]
- The proceeds from the Equity Raising will position Growthpoint to continue delivering on its strategy of making well-leased, well-located acquisitions in the office and industrial sectors while maintaining gearing at or below the lower end of its target range[2]
  - Growthpoint is in advanced stages of due diligence to acquire a modern office building located in metropolitan Sydney for approximately $50 million. If this acquisition proceeds, settlement is expected to be in late August 2019
  - Growthpoint continues to identify and review acquisition opportunities that fit its strategy and will pursue those opportunities that meet its return hurdles. Following the Equity Raising, Growthpoint will have $197 million of acquisition capacity to the bottom of its target gearing range[2], with debt capable of being drawn down at an average incremental cost of 1.8% per annum
  - Provides funding for Growthpoint's internal development and expansion opportunities, which Growthpoint expects will generate attractive yields on cost

Portfolio update

- Growthpoint has increased its WALE to 5.2 years[3] and reduced FY20 expiries by 2%, with the renewal of major tenant ANZ Bank for 13,744 sqm for a 6-year term. Negotiations for additional FY20 lease expiries with major tenants are progressing well
- Growthpoint's internal development and expansion pipeline remains on track with Broadmeadows now under consideration. In summary:
  - Richmond, VIC: Construction of 19,300 sqm, A-grade office building, with an estimated end value of circa $150 million
  - Gepps Cross, SA: Significant expansion of a major Woolworths distribution centre, with a total cost of circa $57 million
  - Broadmeadows, VIC: Prime industrial site of 25 hectares in Melbourne's north, suitable for redevelopment. Potential for an industrial estate with 120,000 sqm of GLA and value on-completion in excess of $150 million[4]

Equity Raising impact & guidance

- The Placement is expected to have the following financial impact:
  - No material impact on FY19 Funds From Operations (**FFO**) per Security guidance, which was recently upgraded to at least 25.0 cps, and declared FY19 distribution per Security (**DPS**) of 23.0 cps
  - Pro forma gearing of 31.6%, below Growthpoint's target gearing range of 35% - 45%
  - Pro forma net tangible assets (**NTA**) increased to $3.37 per Security from $3.36 per Security at 31 December 2018, ahead of expected positive growth from the current year-end property revaluation process
- Growthpoint provides FY20 guidance including the impact of the Equity Raising of:
  - FFO per Security of at least 25.4 cps
  - DPS of 23.8 cps, representing 3.5% growth over FY19
- Growthpoint has actively decided to raise equity via the Placement to facilitate the introduction of new Securityholders onto its register with the objective of increasing liquidity in Growthpoint Securities, which is expected to increase Growthpoint's free float market capitalisation and S&P / ASX 200 index weighting

1. Growthpoint may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.
2. Growthpoint's target gearing range is 35% - 45%.
3. As at 31 March 2019, adjusted to exclude the sale of 7 Laffer Drive, Bedford Park, SA and 89 Cambridge Park Drive, Cambridge, TAS and leasing post 31 March 2019.
4. Broadmeadows redevelopment is subject to Board and third party approvals. On-completion value based on an estimate value calculated at $1,250 per sqm of GLA capital value. Growthpoint may also consider leasing or selling the property.

75 Dorcas Street, South Melbourne, VIC

Growthpoint update

Business update.

June valuations

- 27 of Growthpoint's 57 properties, representing 46% of total portfolio value, are currently being independently valued as at 30 June 2019. The balance will have Directors' valuations applied
- Draft valuations indicate positive yield compression and rental growth across the property portfolio, with growth in valuations on a "like for like" basis. Final valuations will be announced with the Group's full year results for the year ending 30 June 2019

Leasing – FY20 expiries

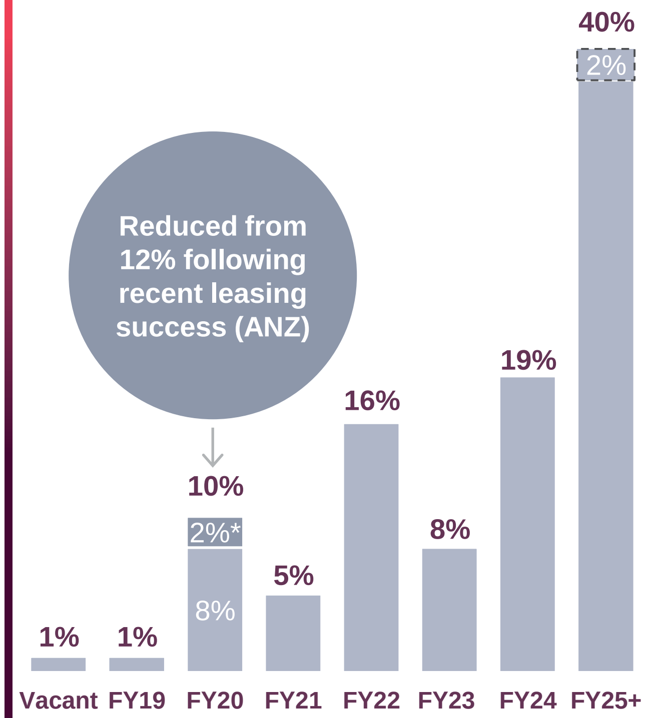
- ANZ has exercised its option and will enter into a new 6-year lease at its South Melbourne, VIC office, representing 13,744 sqm or 2.3% of total portfolio income
- Negotiations with other FY20 lease expiries and with major tenants are progressing well. Further updates will be provided as lease documents are executed

Capital management initiatives

- Reset the interest rate swap book by cancelling existing swaps with a total notional value of $475 million and entering new swaps with a total notional value of $300 million with a weighted average term to maturity of 5.0 years
- Proposed cancellation of a $75 million debt facility
- These initiatives, combined with the Equity Raising, will have the following pro forma impacts:

	Current position	Pro forma
Debt cost[1]	4.21% p.a.	4.04% p.a.
WADM	4.6 years	4.7 years
WAFDM	4.5 years	5.6 years
Fixed debt	80%	74%

Lease expiry profile[2]



* Woolworths lease at 120 Northcorp Boulevard, Broadmeadows. Property likely to be redeveloped post lease expiry.

Portfolio WALE: 5.2 years
up 0.1 years since 31 December 2018

1. Assuming a floating interest rate of 1.18% per annum for FY20.
2. As at 31 March 2019, adjusted to exclude the sale of 7 Laffer Drive, Bedford Park, SA and 89 Cambridge Park Drive, Cambridge, TAS and leasing post 31 March 2019.

Growthpoint development projects update.

Current development projects

Construction of a new 19,300 sqm office building in Richmond, VIC

- Construction currently tracking ahead of schedule with completion expected in Q1 2020
- Feedback from active tenants is positive, with a number shortlisting the development for their future occupation requirements
- Expected to deliver a fully let yield on development cost of between 7.5% and 8.5% with opportunity for capital gain above development cost

Expansion of Woolworths Distribution Centre in Gepps Cross, SA

- $57 million expansion, including an extension of the existing temperature controlled and ambient warehouses, construction of a new recycling facility and other ancillary improvements
- Growthpoint will receive a coupon for project costs at a yield of 6.75% per annum
- Planning includes 1.5MW solar installation
- Lease over existing and expanded buildings resets for 15 years from practical completion, expected Q2 2020

Future pipeline

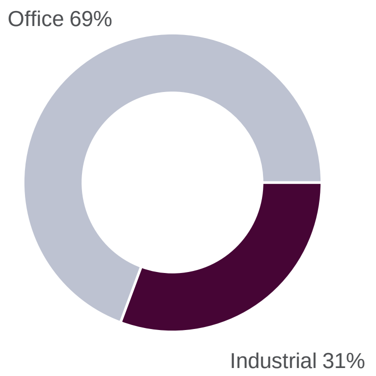
Internal development opportunity under consideration

- Growthpoint is currently evaluating development options at its industrial site in Broadmeadows, VIC
- Prime industrial site of 25 hectares in Melbourne's north, suitable for redevelopment
- Potential for industrial estate of approximately 120,000 sqm GLA, with estimated on-completion value of circa $150 million[1]

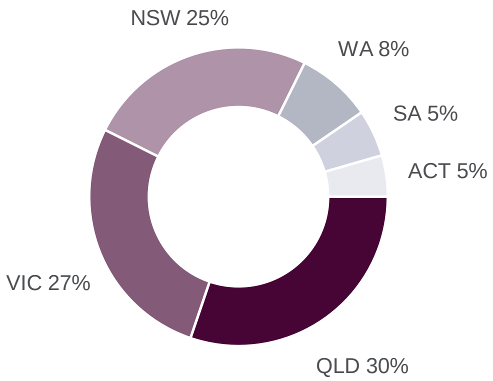
1. Broadmeadows redevelopment is subject to Board and third party approvals. On-completion value based on an estimate value calculated at $1,250 per sqm of GLA capital value. Growthpoint may also consider leasing or selling the property.

Growthpoint's $3.8 billion portfolio is well-diversified across mainland Australian states with 87% weighting to eastern seaboard cities[1].

Sector diversity (%) by property value

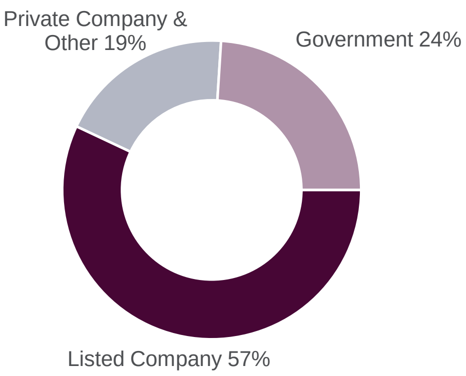


Geographic diversity (%) by property value

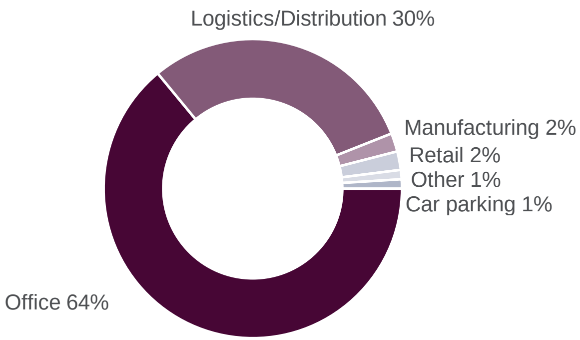


Occupancy (%) by income

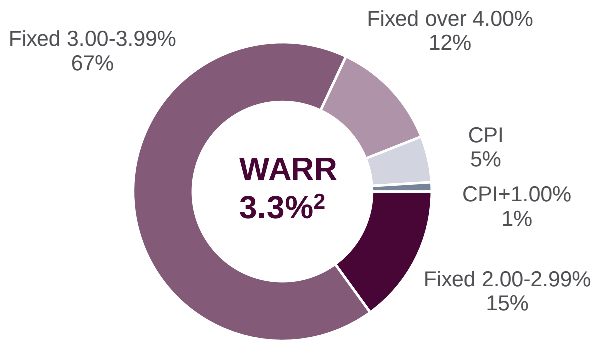
Tenant type (%) by income



Tenant use (%) by income



Annual rent review type (%) by income



Note: all charts on this slide are presented as at 31 March 2019, adjusted to exclude the sale of 7 Laffer Drive, Bedford Park, SA and 89 Cambridge Park Drive, Cambridge, TAS and leasing post 31 March 2019.
1. As at 31 March 2019, adjusted to exclude the sale of 7 Laffer Drive, Bedford Park, SA and 89 Cambridge Park Drive, Cambridge, TAS and leasing post 31 March 2019.
2. Assumes CPI change of 1.3% per annum as per Australian Bureau of Statistics year to 31 March 2019.

15 Green Square Close, Fortitude Valley, QLD

Equity raising and financial impact

Equity Raising details.

Structure

- Placement to raise approximately $150 million, fully-underwritten by J.P. Morgan Securities Australia Limited
- Non-underwritten SPP to provide eligible Securityholders[1] with the opportunity to acquire up to $15,000 of new Securities

Pricing

- Issue price of $3.97 per Security (**Placement Price**) for the Placement represents a:
  - 4.2% discount to the distribution-adjusted last closing price of $4.14 on 26 June 2019[2]
  - 5.4% discount to the distribution-adjusted 5-day volume weighted average price of $4.20 on 26 June 2019
  - 6.0% FY20 DPS yield[3]
- The Placement represents 5.2% of total Growthpoint Securities currently on issue
- The SPP will be priced at $3.97 per Security (being the same issue price as the Placement Price)

Ranking

- New Securities issued under the Placement and SPP will rank equally with existing Growthpoint securities on issue
- As the new Securities will be issued after the record date for the distribution for the half year ending 30 June 2019 of 11.6 cents per security (**2H19 distribution**), they will not be entitled to the 2H19 distribution

Security Purchase Plan

- Eligible Securityholders on the register at 7.00pm (Australian Eastern Standard Time) on 26 June 2019 in Australia and New Zealand will be invited to subscribe for up to $15,000 of new Securities at the Placement Price, free of any brokerage or transaction costs
- The SPP is expected to raise up to $15 million and will not be underwritten[4]

1. With registered addresses in Australia or New Zealand on the register at 7.00pm (AEST) 26 June 2019.
2. Being the last closing price of $4.26 per Security on 26 June 2019, adjusted for the distribution for the half year ending 30 June 2019 of 11.6 cents per Security.
3. Based on FY20 DPS guidance of 23.8 cps.
4. Growthpoint may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

Financial impact and guidance.

- Reaffirmation of FY19 FFO per Security guidance of at least 25.0 cents, including the impact of the Equity Raising[1]
- FY20 guidance[1] including the impact of the Equity Raising of:
  - FFO per Security of at least 25.4 cps
  - DPS of 23.8 cps
- Balance sheet impact:
  - Pro forma gearing of 31.6% including the impact of the Equity Raising, well below the target range of 35% – 45%
  - Pro forma NTA per Security of $3.37 representing a 0.4% uplift from 31 December 2018, prior to the conclusion of the current year-end revaluation process
  - Pro forma weighted average all-in debt cost of 4.0% with approximately 74% of fixed debt
  - Long weighted average debt maturity of 4.7 years (5.6 years for fixed debt)

Sources of Placement proceeds[2]	$m
Placement proceeds	150.0[2]
Total sources	**150.0[2]**

Uses of Placement proceeds	$m
Repayment of debt	147.2
Equity Raising costs	2.8
Total uses	**150.0[2]**

Key metrics[3]	
Placement Price	$3.97
Discount to the distribution-adjusted 5-day VWAP	5.4%
Pro forma market capitalisation post Placement	$3.2 billion
Pro forma free float market capitalisation post Placement	$1.2 billion
FY19 FFO yield (at Placement Price)[4]	at least 6.3%
FY20 FFO yield (at Placement Price)[5]	at least 6.4%
Pro forma balance sheet gearing (post Placement)	31.6%

1. Assuming no unforeseen circumstances or material deterioration in market conditions.
2. Any proceeds under the non-underwritten SPP, which is capped at $15 million, will be utilised to provide additional headroom to fund new opportunities and reduce debt. Growthpoint may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.
3. As at 26 June 2019 and excluding any impact of the SPP.
4. Based on the FY19 FFO guidance of at least 25.0 cps (assuming no unforeseen events and no material change in current market conditions).
5. Based on the lower end of FY20 FFO guidance of at least 25.4 cps (assuming no unforeseen events and no material change in current market conditions).

Equity Raising timetable.

Event	Date[1]
Record date for SPP (the date that eligibility to participate in the SPP was determined)	7.00pm on Wednesday, 26 June 2019
Trading halt and announcement of the Equity Raising	Thursday, 27 June 2019
Placement bookbuild	Thursday, 27 June 2019
Announcement of the outcome of the Placement	Friday, 28 June 2019
Trading halt lifted and trading of Securities recommences on the ASX	Friday, 28 June 2019
2H19 distribution record date	Friday, 28 June 2019
Settlement of the new Securities issued under the Placement	Tuesday, 2 July 2019
Allotment and ASX quotation of new Securities issued under the Placement	Wednesday, 3 July 2019
SPP opening date	Wednesday, 3 July 2019
SPP closing date	5.00pm on Wednesday, 24 July 2019
Allotment of SPP Securities	Wednesday, 31 July 2019
SPP Securities commence trading on ASX	Thursday, 1 August 2019
Despatch of holding statements	Friday, 2 August 2019

1. All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Melbourne time, being Australian Eastern Standard Time (AEST).

Conclusion.

- Growthpoint continues to deliver on its successful business model with strategic acquisitions located in favoured office and logistics markets that are anticipated to grow
- Balance sheet primed to deliver Growthpoint's strategy with a low cost of capital: pro forma gearing of 31.6%, weighted average cost of debt of 4.0% with $197 million of acquisition capacity to the low-end of the target gearing range; and NTA likely to increase with positive June 2019 property revaluations
- Recently upgraded FY19 FFO per Security guidance of at least 25.0 cents confirmed and new FY20 DPS guidance of 23.8 cents[1] representing 3.5% growth in DPS year-on-year
- Opportunity for existing and new investors to increase exposure to Growthpoint's $3.8bn portfolio which is: 87% weighted to eastern seaboard cities; 99% leased with a 5.2 year WALE and 3.3% WARR
- Expected increased liquidity in Growthpoint securities, free float market capitalisation and S&P/ASX 200 Index weighting
- Attractive FY20 DPS yield of 6.0% on Placement Price in low interest rate and inflationary environment

1. Assuming no unforeseen circumstances or material deterioration in market conditions.

Appendices

836 Wellington Street, West Perth, WA

255 London Circuit, Canberra, ACT

Appendix A: Pro forma balance sheet

Pro forma balance sheet.

	as at 31 December 2018	capital management initiatives[1]	Equity Raising[3] adjustments	pro forma
	$'000	*$'000*	*$'000*	*$'000*
Assets				
Cash and cash equivalents	40,955			**40,955**
Investment properties	3,815,575			**3,815,575**
Other assets	136,008			**136,008**
Total assets	3,992,538			**3,992,538**
Liabilities				
Borrowings	1,424,119	13,826 [2]	(147,175)	**1,290,770**
Distribution payable	82,963			**82,963**
Derivative financial instruments	2,299	(2,600)		**(301)**
Other liabilities	39,413			**39,413**
Total liabilities	1,548,794	11,226	(147,175)	**1,412,845**
Net assets	2,443,744	(11,226)	147,175	**2,579,693**
Securities on issue ('000)	727,794		37,783	**765,577**
NTA per Security ($)	$3.36			**$3.37**
Gearing	35.0%			**31.6%**

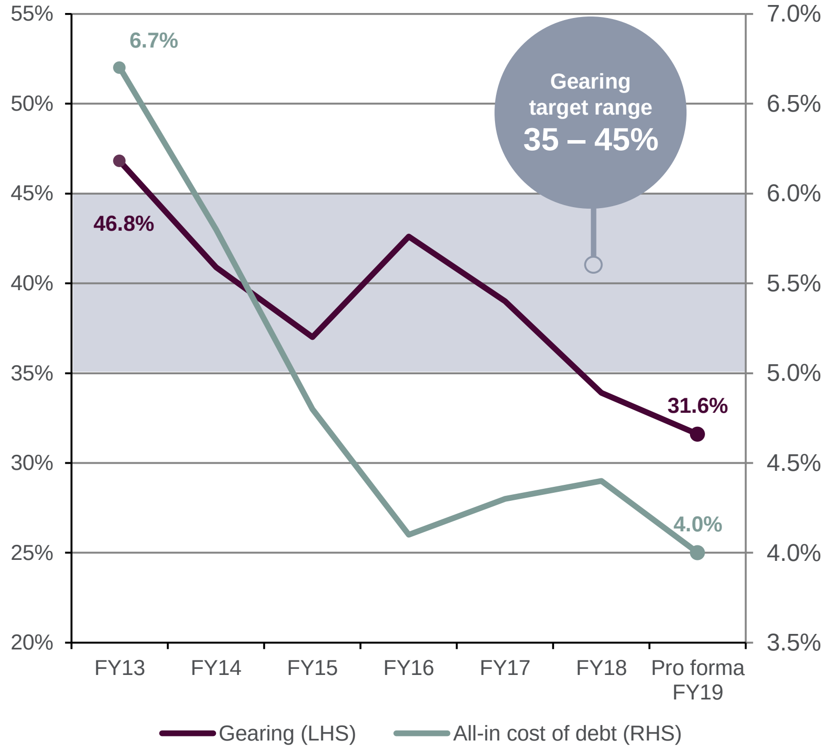
1. Growthpoint cancelled its existing interest rate swaps book with a total notional value of $475 million and entered into new interest rate swaps with a total notional amount of $300 million in June 2019.
2. Capital cost associated with breaking existing interest rate swaps.
3. Excludes the impact of the SPP.

Balance sheet primed to deliver Growthpoint's strategy.

Secured bank loans	Limit	Drawn	Maturity
	$m	*$m*	
Syndicated Facility			
- Facility B	100	**7**	Mar-23
- Facility C	245	**245**	Dec-21
- Facility D	70	**70**	Dec-21
- Facility E	150	**150**	Jun-23
- Facility G	150	**-**	Sep-21
- Facility H	75	**-**	Sep-20
USPP	161	**161**	May-29
Loan note 1	200	**200**	Mar-25
Loan note 2	100	**100**	Dec-22
Loan note 3	60	**60**	Dec-22
Fixed bank facility 1	90	**90**	Dec-22
USPP 1	130	**130**	Jun-27
USPP 2	52	**52**	Jun-29
USPP 3	26	**26**	Jun-29
Total loans	**1,609**	**1,292**[1]	

> **Growthpoint's capital initiatives:**
  - Cancelled existing interest swap book which had a total notional value of $475 million
  - Entered into new interest rate swaps which have a total notional value of $300 million with a term to maturity of 5.0 years

Change in gearing and cost of debt (%)



4.7 yrs Weighted average debt maturity

31.6% Pro forma gearing

4.0% All-in cost of debt

74.0% Fixed interest debt

5.6 yrs Weighted average fixed debt maturity

Note: Pro forma figures are as at 31 December 2018 and include the impact of the Placement, swap book reset and planned cancellation of $75 million debt facility.
1. Total may not add due to rounding.

Appendix B: Growthpoint overview

Simple business model – strong track record of returns.

Property

- Continue to **seek well-leased, well-located commercial real estate** in established areas and in close proximity to CBDs, major transport linkages and significant infrastrure
- Consider internal **development and expansion opportunities** where value can be added to property we own
- Review listed market opportunities
- Act early on upcoming lease expiries
- Not considering investment in retail at this time

Capital management

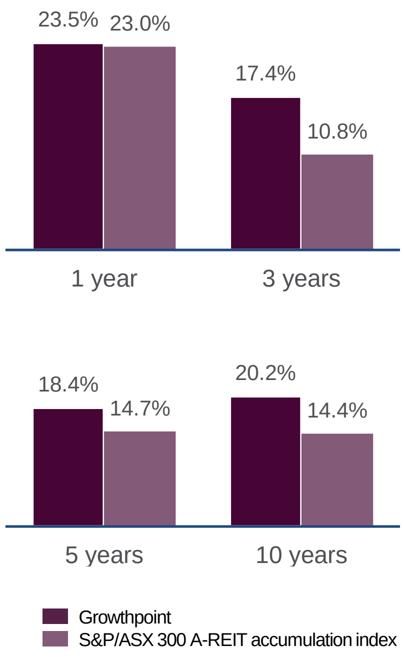
- Future debt capital markets issuance to further diversify and extend funding profile
- Maintain **prudent gearing settings**
- Aim to **match long WADM with long WALE**
- **Raise equity** to support accretive acquisitions
- Investment grade credit rating of Baa2 with stable outlook

Sustainability

- We recognise the relationship between providing great spaces to work and securing long-term returns for our Securityholders
- Focus for FY20 is on progressing solar projects and lowering energy costs for our tenants

Returns

Total Securityholder return (%)[1]



Generate sustained value for our investors, our tenants and the community

1. Source: Bloomberg: total annualised return to 25 June 2019.

Growthpoint's investment principles.

An investment in Growthpoint is a 100% real property investment underpinned by four core principles:

100% investment in Australia

All of Growthpoint's properties are located in Australia where our management understand the key markets. We have continually increased the diversification of the portfolio to cover every mainland State in Australia and the Australian Capital Territory and have also reweighted the portfolio by geography and sector from time to time

100% of income from property

Growthpoint does not have a funds management business nor does it intend to become a fund manager. Growthpoint intends only to manage a portfolio of properties it owns. It may also acquire stakes in other property entities provided the income is sourced primarily from real properties. Accordingly Growthpoint's income is, and will continue to be, derived solely from rental income.

Limited development risk

Growthpoint does not operate a property development business and does not intend to take on any significant development risk. It will likely continue to purchase properties to be developed, fund construction of developments, or enter a joint venture where Growthpoint becomes the owner of the property on completion but only where material leases are in place.

Internalised management

Growthpoint has internalised management via a stapled entity structure. Securityholders own both the property trust and the manager/responsible entity. There are no fees payable to external managers for operating the business and no conflicts of interest between Securityholders and the manager / responsible entity.

Appendix C: Key investment risks

27-49 Lenore Drive, Erskine Park, NSW

Key investment risks.

PROPERTY ACQUISITIONS

A key element of the Group's future strategy will involve the acquisition of properties to add to its property portfolio. Whilst it is the Group's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. Growthpoint may acquire assets to add to its portfolio. There are inherent risks in such acquisitions. These risks could include unexpected problems or other latent liabilities such as the existence of asbestos or other hazardous materials or environmental liabilities. There is also a risk the expected benefits, synergies and other advantages in relation to the acquired assets will not be realised. Growthpoint's value, earnings and FFO may be adversely affected by the occurrence of any of these risks.

GENERAL ECONOMIC CONDITIONS

The Group's operating and financial performance is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, ability to access funding, oversupply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates and an increase in the cost of capital could have a material adverse impact on the Group's operating and financial performance.

TENANT RISK

There is a risk that tenants may default on their rental or other obligations under leases with the Group, leading to a reduction in future income which may impact on the value of properties owned by the Group. Furthermore, there is a risk that the Group will be unable to negotiate suitable lease extensions from existing tenants or replace current leases with new tenants on similarly commercial terms which may impact the value of properties owned by the Group. The Group relies on certain key tenants for the majority of its revenue. Any financial difficulty or insolvency affecting a key tenant, or a breach of lease by a key tenant, could have a material adverse effect on the Group's financial performance or position.

BUILDINGS CONDITION AND DEFECTS

The Group's properties are professionally managed by experienced property managers. Nevertheless, there is a risk that latent defects or condition deterioration in the properties or buildings may prevent the properties being available for their intended use or may require additional capital expenditure. This may adversely affect returns available to Securityholders.

ENVIRONMENTAL

The Group's properties may, from time to time, be exposed to a range of environmental risks, including climate change or natural disasters, which may require remedial work and potentially expose the Group to third party liability. This could potentially impact earnings, distributions and property values.

INTEREST RATES

To the extent that interest rate exposure has not been hedged, fluctuations in interest rates could impact the Group's funding costs adversely, resulting in a decrease in FFO. Furthermore, fluctuations in interest rates may impact the Group's earnings before interest due to the impact this may have on the property market in which the Group operates.

FORWARD LOOKING STATEMENTS AND FINANCIAL FORECASTS

There can be no guarantee that the assumptions and contingencies contained within forward looking statements, opinions or estimates (including projections, guidance on future earnings and estimates) will ultimately prove to be valid or accurate. The forward looking statements, opinions and estimates depend on various factors, many of which are outside the control of the Group.

No assurances can be given in relation to the payment of future distributions. Future determinations as to the payment of distributions by the Group will be at the discretion of the Directors and will depend upon the availability of profits, the operating results and financial condition of the Group, future capital requirements, covenants in relevant financing agreements, general business and financial conditions and other factors considered relevant by the Directors.

No assurance can be given in relation to the level of franking or taxable components of future distributions. Franking capacity will depend upon the amount of tax paid in the future, the existing balance of franking credits and other factors.

FUNDING AND REFINANCING RISK

Market volatility has had a significant impact on the real estate sector and its ability to access capital from investors. The real estate investment industry tends to be highly capital intensive. The ability of the Group to raise funds on favourable terms for future refinancing and acquisitions depends on a number of factors including general economic, political, and capital and credit market conditions. The potential inability of the Group to raise funds on favourable terms for future acquisitions and refinancing could adversely affect its ability to acquire new properties or refinance its debt.

DEVELOPMENT RISKS

The Group is currently undertaking a development at Botanicca Corporate Park in Richmond, Victoria. The Group has a policy not to undertake developments in excess of 15% of assets. Inherent in undertaking a development of property is financial risk, competition risk, leasing risk, valuation risk and onsite physical construction risks.

TRUST TAXATION STATUS

Currently, Growthpoint Properties Australia Trust is an Attribution Managed Investment Trust (**AMIT**). Amounts related to income and offsets of Growthpoint Properties Australia Trust determined by the Responsible Entity to be of a particular tax character are attributed to Securityholders who hold units in the trust and generally retain that tax character in the hands of the Securityholder.

However, the trust may lose this treatment if there is a legislative change or Growthpoint Properties Australia Trust engages in business activities which lead to it being subject to tax at the corporate tax rate. It is the intention of the Directors that Growthpoint Properties Australia Trust will be managed so that the trust is not taxed as a corporate entity and continues to be an AMIT under the existing law.

Depending on the investor's individual circumstances, a change in the current tax treatment of the Growthpoint Properties Australia Trust may adversely affect post tax investment returns. In addition, the taxation treatment of Securityholders is dependent upon the tax law as currently enacted in Australia and other relevant jurisdictions.

Key investment risks continued.

Changes to the unitholder composition could impact Growthpoint Properties Australia Trust and its controlled entities' ability to utilise prior and current year tax losses. While GOZ does not anticipate the Equity Raising will trigger a change of control for tax purposes, any movements in the register will be factored into future change of control monitoring.

EMPLOYEES AND DIRECTORS

The Group is reliant on retaining its key directors, senior executives and other employees. The loss of any director, senior executive or key employee could negatively impact the Group's operations.

CAPITAL EXPENDITURE

There is a risk that unforeseen capital expenditure may be required under the terms of the current property leases as the result of the presence of unexpected hazardous materials or environmental liabilities. This may in turn impact the cash available to service debt and the value of the Group.

REGULATORY ISSUES AND CHANGES IN LAW

Changes in laws or regulatory regimes may have a materially adverse impact on the financial performance of the Group by reducing income or increasing costs such as changes to environmental laws which may impact forecast capital expenditure.

MARKET PERCEPTION RISK

The extent to which the Equity Raising enhances value for Securityholders depends on the Equity Raising being viewed as a positive initiative by the market. There is a risk that this will not be the case. For example, the market may not value the (enlarged) Group as highly as anticipated, because of concerns relating to factors such as the potential for other acquisitions which reduce headroom in debt facility covenants and the continued level of control held by Growthpoint Properties Limited of South Africa (Growthpoint's major Securityholder). This may adversely impact on the market price of the Securities. The market value of the Securities may also differ from the underlying NTA.

PROPERTY ILLIQUIDITY RISKS

Property assets are by their nature illiquid investments. Therefore, it may not be possible for the Group to dispose of assets in a timely manner should it need to do so. In addition, to the extent that there may be only a limited number of potential buyers for the properties, the realisable value of those assets may be less than book value of those assets.

INSURANCE

The Group purchases insurance as is customary for property owners and managers. This insurance provides a degree of protection for the Group's assets, liabilities and people. There is a risk that insurance may not be available or sufficient. Furthermore, there are some risks that are uninsurable or risks where the insurance coverage is reduced.

DEBT COVENANTS

The Group's debt facilities are subject to a variety of covenants including interest cover ratios and loan to value ratios. In the event of unforeseen fluctuations in rental income or a fall in asset values, the Group may be in breach of its loan covenants and be required to repay amounts outstanding under the debt facilities immediately and sell properties at reduced prices. Furthermore, there is a risk that unforeseen capital expenditure may be required under the terms of the current leases as the result of the presence of unexpected hazardous materials or environmental liabilities. This may in turn impact the cash available to service debt.

FIXED NATURE OF COSTS

Many costs associated with the ownership and management of property assets are fixed in nature. The value of properties (and the value attributed to the Group) may be adversely affected if the income from the asset declines and these fixed costs remain unchanged, or increase.

PROPERTY MARKET RISKS

The Group will be subject to the prevailing property market conditions in the sectors in which it operates. Adverse changes in market sentiment or market conditions may impact the Group's ability to acquire, manage or develop assets, as well as the value of the Group's properties and other assets. These impacts could lead to a reduction in earnings and the carrying value of assets.

LAND VALUES

Events may occur from time to time that affect the value of land which may then impact the financial returns generated from particular property related investment businesses or projects. For example, unanticipated environmental issues may impact on the future earnings of the Group. Such events may materially affect the Group's earnings and value.

COUNTERPARTY / CREDIT RISK

A-REITs (such as Growthpoint Properties Australia Trust) are exposed to the risk that third parties, such as tenants, developers, service providers and financial counterparties to derivatives (including foreign exchange and interest rate hedging instruments) and other contracts may not be willing or able to perform their obligations.

PROPERTY VALUATION RISK

The value of properties held by the Group may fluctuate from time to time due to market and other conditions. Factors relevant to determining value include rental, occupancy levels and property yield, and these may change significantly over time for a variety of reasons. External and Directors' valuations represent only the analysis and opinion of such persons at a certain date and they are not guarantees of present or future values. The values of properties may impact on the value of an investment in the Group.

Key investment risks continued.

LITIGATION AND DISPUTES

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of the Group's assets.

FOREIGN EXCHANGE/CURRENCY RISK

All information in this presentation is provided in Australian dollars. Securityholders who are based outside of Australia, or who rely on funding denominated in currency(s) other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns from, the Group.

COMPETITION

The value of property held by the Group may be negatively affected by oversupply or overdevelopment in surrounding areas. Alternatively, prices for properties the Group is considering for acquisition may be inflated via competing bids by other prospective purchasers.

CHANGES IN ACCOUNTING POLICY

The Group must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on the Group.

SECURITY MARKET PRICES

The market price of the Securities will depend on a variety of factors. The price at which these Securities trade on the ASX could deviate materially from their offer price. Factors including general movements in interest rates, domestic and international capital markets, macro-economic conditions, global geo-political events and hostilities, investor perceptions and other factors could all impact the market price performance.

Appendix D: International offer restrictions

International offer restrictions.

This document does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

HONG KONG

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The Securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

SINGAPORE

This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the **SFA**) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

SOUTH AFRICA

This document has not been approved or passed on in any way by the Financial Services Board or any other governmental authority in South Africa, nor has the Group received authorization or licensing from the Financial Services Board or any other governmental authority in South Africa to market or sell Securities within South Africa.

This document is strictly confidential and may not be reproduced or provided to any person in South Africa other than to existing holders of the Group's stapled securities.

SWITZERLAND

The Securities may not be distributed in Switzerland and will not be listed on the SIX Swiss Exchange (**SIX**) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**), and the offer of Securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (**CISA**). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Securities.

This document is personal to the recipient only and not for general circulation in Switzerland.

International offer restrictions continued.

UNITED KINGDOM

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities.

This document is issued on a confidential basis to "professional investors" (within the meaning of the Alternative Investment Fund Managers Directive) who are also "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom. The Securities may not be offered or sold in the United Kingdom by means of this document or any other document except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Group.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Securities are being marketed in the United Kingdom in compliance with the National Private Placement Regime (within the meaning of The Alternative Investment Fund Managers Regulations 2013). The Group's most recent financial and other information it has lodged with the Australian Securities Exchange can be found on the websites of the Group (https://www.growthpoint.com.au/) and the ASX (www.asx.com.au).

UNITED STATES

This document may not be distributed or released in the United States.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The new Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold directly or indirectly in the United States, unless they have been registered under the Securities Act (which Growthpoint has no obligation to do or procure) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws.

CANADA

This document constitutes an offering of the Securities only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Securities or the offering of Securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Securities or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Securities in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Securities outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Securities.

The Group and its directors and officers may be located outside Canada. As a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Group or its directors or officers. All or a substantial portion of the assets of the Group and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Group or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Group or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

International offer restrictions continued.

STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

<u>The following is a summary of the statutory rights available to purchasers in Ontario.</u>

In Ontario, every purchaser of the Securities purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Group if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Group. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the Securities during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Group, provided that:

a) the Group will not be liable if it proves that the purchaser purchased the Securities with knowledge of the misrepresentation;

b) in an action for damages, the Group is not liable for all or any portion of the damages that the Group proves does not represent the depreciation in value of the Securities as a result of the misrepresentation relied upon; and

c) in no case shall the amount recoverable exceed the price at which the Securities were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

Prospective purchasers of the Securities should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the Securities as any discussion of taxation related maters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

LANGUAGE OF DOCUMENTS IN CANADA

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of these securities (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Glossary.

A-REIT Australian Real Estate Investment Trust

ASX Australian Securities Exchange

Board the board of directors of the Company and the Responsible Entity

Capex capital expenditure

Cap rate in full, “capitalisation rate”. Refers to the market income produced by an asset divided by its value or cost

Company Growthpoint Properties Australia Limited

cps cents per security

DPS distribution per security

Funds From Operations (FFO) the net profit available for distribution from the Group which excludes accounting adjustments such as fair value movements to the value of investment property, investment in securities and interest rate swaps, depreciation, profits or losses on sale of investment properties, deferred tax and amortisation of tenant incentives.

FY13, FY14, FY15, FY16, FY17, FY18, FY19, FY20, FY21, FY22, FY23, FY24, FY25 the 12 months ending on 30 June in the year listed i.e. “FY19” means the 12 months ending 30 June 2019

FY25+ FY25 and financial years post FY25

GLA gross lettable area

Gearing interest bearing liabilities less cash divided by total assets less cash

GOZ Growthpoint’s ASX trading code that Growthpoint trades under

Growthpoint or the Group Growthpoint Properties Australia comprising the Company, the Trust and their respective controlled entities

Placement Price $3.97

NLA net lettable area

NTA net tangible assets

m million

REIT real estate investment trust

Responsible Entity Growthpoint Properties Australia Limited acting as responsible entity for the Growthpoint Properties Australia Trust

Security a Growthpoint stapled security, comprising a share in Growthpoint Properties Australia Limited stapled to a unit in the Growthpoint Property Australia Trust

Securityholder a holder of a Security

S&P Standard & Poor’s

sqm square metres

WADM weighted average debt maturity

WAFDM weighted average fixed debt maturity

WALE weighted average lease expiry

WARR weighted average rent review