



ASX announcement.

Growthpoint Properties Australia (ASX: GOZ)

23 June 2020

Growthpoint Properties Australia provides an update on its operations and distribution

Growthpoint Properties Australia (Growthpoint or the Group) provides the following update on the impact that the COVID-19 pandemic has had on its business to date and announces its distribution for the six months ending 30 June 2020.

Operational update

The COVID-19 pandemic has had a profound and wide-reaching impact on businesses and individuals across Australia. At all times during this unprecedented period, Growthpoint's priority has been safeguarding the health of its employees, tenants and the broader community. Across the Group, we have implemented all necessary steps to minimise the spread of the virus.

The Group has also put in place a number of measures to protect the long-term value of the business, including:

- Increasing the Group's liquidity by entering a new \$100 million debt facility and extending an existing \$150 million facility, which was due to expire in FY22, for four years. The Group now has undrawn debt lines of \$345 million and \$53 million of cash on its balance sheet;
- Delaying all non-essential capital projects and operating expenses, and
- Implementing a Group-wide hiring freeze for at least the first half of FY21.

Throughout this period, Growthpoint has remained in close contact with its tenants and we have received a number of rent relief requests, which we have reviewed using the process outlined in our 3Q20 trading update. Not all requests have been finalised, as we are waiting to receive additional financial information from some tenants. It is possible that we will receive further rent relief requests.

Rent collection has remained strong throughout this period. For the three months, April to June 2020, we have received to date the following proportion of our billings:

	Jun-20	May-20	Apr-20
Total billings (million)	\$25.8	\$26.4	\$27.1
Collections	87%	96%	100%

Total billings does not include rent waived for small and medium enterprise (SME) tenants, covered by the National Cabinet's code of conduct, given effect through relevant state and territory legislation or regulation. The total amount of rent waived over the three-month period is less than \$1 million.

The Group anticipates collections to increase for May and June, as rent relief discussions are finalised.

At the beginning of June, practical completion was achieved on the expansion of the Group's distribution centre in Gepps Cross, South Australia, ahead of schedule. Woolworths has now entered a 15-year lease extension of the property.

30 June 2020 valuations

Growthpoint has engaged external valuers to value 31 properties or approximately 65% of its property portfolio by value. In line with the Group's valuation policy, the remaining valuations will be undertaken as internal or Director's valuations. At this stage, Growthpoint does not expect the Group's portfolio value as at 30 June 2020 to differ materially from the portfolio's value as at 31 December 2019.



Distribution

Growthpoint had a strong start to the financial year and the Group was on track to achieve its FY20 funds from operations (FFO) per security and distribution per security (DPS) guidance, as announced at its 1H20 results. However, due to uncertainty around the impact and duration of the COVID-19 pandemic on the Group's operating environment and the broader Australian economy, on 26 March 2020, Growthpoint withdrew all forward-looking statements. As the Group now has greater clarity on the level of rent collections for FY20, Growthpoint's Board of Directors (the Board) has determined to pay a distribution for the six months ending 30 June 2020 of 10.0 cents per stapled security. This takes the FY20 total distribution to 21.8 cents per stapled security.

While Growthpoint's earnings to date have not been materially impacted by the COVID-19 pandemic, the Board believes it is prudent to retain a higher level of capital than normal during these uncertain times, as the long-term economic and financial impact of the COVID-19 pandemic is still unknown.

Growthpoint's Managing Director, Timothy Collyer, commented, "Our business is demonstrating its resilience during these unprecedented times. To date, our earnings have not been materially impacted by the COVID-19 pandemic and we continue to have strong cash flow from our diversified office and industrial portfolio of modern properties, leased to high-quality tenants. As a result, we expect that the value of our property portfolio as at 30 June 2020 will be relatively consistent with prior valuations.

After 10 years of consistently growing distributions, it was a difficult decision to reduce our distribution this year to retain more cash within the Group. However, in this uncertain environment, we believe it is the prudent approach which will ensure the Group remains on a strong footing and able to capitalise on future opportunities."

The Distribution Reinvestment Plan and key dates

The Distribution Reinvestment Plan remains suspended and will not be in operation for this distribution payment.

The key dates for the distribution are:

Ex-distribution date	Monday, 29 June 2020
Record date	Tuesday, 30 June 2020
Payment date	Monday, 31 August 2020

Growthpoint's full-year results will be released on Thursday, 20 August 2020.

This announcement was authorised for release by Growthpoint's Board of Directors.

Jacqueline Jovanovski
Company Secretary



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Growthpoint Properties Australia

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Growthpoint provides spaces for people to thrive. For more than 10 years, we've been investing in high-quality industrial and office properties across Australia. Today, we own and manage 58 properties, valued at approximately \$4.2 billion.¹

We actively manage our portfolio. We invest in our existing properties, ensuring they meet our tenants' needs now and into the future. We are also focused on growing our property portfolio.

We are committed to operating in a sustainable way and reducing our impact on the environment.

Growthpoint is a real estate investment trust (REIT), listed on the ASX, and is a constituent of the S&P/ASX 200. Moody's has issued us with an investment-grade rating of Baa2 for senior secured debt.

¹ Valuations as at 31 December 2019.