23 June 2022

Growthpoint Properties Australia upgrades FY22 guidance, confirms distribution for 2H22 and provides preliminary draft portfolio valuations

Growthpoint Properties Australia (Growthpoint or the Group) announces its distribution for the six months ending 30 June 2022, upgrades its FY22 funds from operations (FFO) guidance and provides preliminary draft external valuations of its property portfolio.

Key highlights

- FY22 FFO guidance upgraded to at least 27.7 cps
- Distribution of 10.4 cps for the six months ending 30 June 2022
- Preliminary draft external valuations indicate a \$64.5¹ million increase which is expected to contribute an approximate 8 cents per security (cps) increase to the Group's net tangible assets (NTA), to \$4.63 per security pro forma, from \$4.55 at 31 December 2021

Timothy Collyer, Managing Director of Growthpoint, said, "We are pleased to upgrade our FY22 FFO guidance today to at least 27.7 cps and announce our distribution of 10.4 cps for the six months to 30 June 2022, which reflects the continued strong performance of the Group over the year. The preliminary results of Growthpoint's external valuations demonstrate the resilience of the Group's growing property portfolio, with the uplift reflecting the ongoing strength of the industrial market and leasing success across both our office and industrial portfolios.

Ongoing market uncertainties caused by high inflation and the Reserve Bank of Australia's increase to the official cash rate will mean a significant rise in interest rate expense for the A-REIT sector going into the next financial year. Growthpoint will be subject to a higher interest expense on its floating debt, with circa 60% of its debt forecast to be fixed as at 30 June 2022. However, the Group has ample head room to debt covenants and no hedges expiring in FY23. The Group's exposure to favoured industrial and metropolitan office property markets and secure income from predominantly large corporate and government tenants provide a resilient foundation for our business. Our goal remains to provide our securityholders with sustainable income returns and capital appreciation over the long term."

FY22 Guidance

In December 2021, Growthpoint provided upgraded FY22 FFO guidance of at least 27.0 cps. Since then, the Group has settled its acquisition of 2-6 Bowes Street, Phillip, ACT, purchased 141 Camberwell Road, Hawthorn East, VIC, has seen Woolworths exercise their five-year lease option for their Queensland distribution centre at Larapinta and received the rental determination, and has continued to see leasing successes across the portfolio. As a result, the Group has upgraded its FY22 guidance to at least 27.7 cps, which represents a minimum of 7.8% growth over FY21.

This guidance also anticipates no significant market movements or unforeseen circumstances occurring during the remainder of the financial year.

Distribution for six months ending 30 June 2022

The distribution for the six months ending 30 June 2022 is 10.4 cps. The key dates for the distribution are:

Ex-distribution date Wednesday, 29 June 2022
Record date Thursday, 30 June 2022
Payment date Wednesday, 31 August 2022

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

¹ Gross increases, excluding capital expenditure incurred and net movement on incentives Growthpoint Properties Australia Trust ARSN 120 121 002 Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

ASX announcement.

Growthpoint Properties Australia (ASX: GOZ)



Property portfolio external valuations

To date, Growthpoint has engaged independent external valuers to revalue 30 of its 58^2 properties, or 58% of the Group's portfolio by value, at 30 June 2022. In line with the Group's valuation policy, the remaining valuations will be undertaken as internal or Director's valuations. The preliminary draft external valuations indicate a \$64.5¹ million, or 2.2%, increase on a like-for-like basis in asset values to 31 December 2021 book values. This uplift is expected to add approximately 8 cps to the Group's NTA, which was \$4.55 per security at 31 December 2021.

Industrial

The Group has had 17 of its 31 industrial assets revalued by independent valuers, representing 61% of its industrial portfolio by value. The preliminary draft external valuations indicate the value of the Group's industrial portfolio has increased by \$69.8 million, 7.0% higher on a like-for-like basis than the 31 December 2021 book values. Rent growth being a significant driver of the uplift. On a like-for-like basis, the average market capitalisation rates of the industrial properties valued has reduced approximately 24 basis points to 4.7%.

Office

Growthpoint has also had 13 of its 27 office assets revalued by independent valuers, representing 56% of its office portfolio by value. The preliminary draft external valuations indicate the value of the Group's office portfolio has marginally decreased, by \$5.3 million, 0.3% lower on a like-for-like basis than the 31 December 2021 book values. On a like-for-like basis, the average market capitalisation rates of the office buildings valued has increased approximately 10 basis points to 5.0%.

The valuations, including the impact of Director's valuations on the balance of the portfolio, are subject to finalisation and audit and could be revised up or down. They also assume that there is no material change in market conditions before 30 June 2022, the effective date of the valuations.

The final audited valuations for individual properties will be available as part of Growthpoint's FY22 results, which will be released to the market on Tuesday 16 August 2022.

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

For further information, please contact:

Kirsty Collins

Investor Relations and Communications Manager Telephone: +61 3 8681 2933

Growthpoint Properties Australia

Level 31, 35 Collins St, Melbourne, VIC 3000 growthpoint.com.au

About Growthpoint

Growthpoint provides space for you and your business to thrive. For more than 12 years, we've been investing in high-quality industrial and office properties across Australia. Today, we own and manage 58 properties, valued at approximately \$5.1 billion.³

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. We are targeting net zero by 2025

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

² Excludes GSO Dandenong, 165-169 Thomas Street Dandenong, Victoria which the Group exchanged contracts to purchase in May 2022. Settlement will occur following satisfaction of settlement conditions.

³ Valuations as at 31 December 2021. Includes acquisition of 141 Camberwell Road, Hawthorn East, Victoria which settled in February 2022. Excludes GSO Dandenong, 165-169 Thomas Street Dandenong, Victoria which the Group exchanged contracts to purchase in May 2022 (and which has not yet settled).