



ASX announcement.

Growthpoint Properties Australia (ASX: GOZ)

17 November 2022

2022 Annual General Meeting – Chair and Managing Director Address

Growthpoint Properties Australia (Growthpoint, the Group) is pleased to attach a copy of the Chair's and Managing Director's addresses and presentation to be delivered at the 2022 combined Annual General Meeting of the shareholders of Growthpoint Properties Australia Limited and meeting of the unitholders of Growthpoint Properties Australia Trust.

The hybrid meeting will be held at 11.00am AEDT today at Level 24, 80 Collins Street, Melbourne VIC 3000 and online at <https://meetnow.global/GOZ2022>.

Further information on how to participate in the meeting is available at <https://growthpoint.com.au/2022-AGM>. A link to a recording of the meeting will be available on Growthpoint's website shortly after the conclusion of the meeting.

This announcement was authorised for release by Growthpoint's Managing Director, Timothy Collyer.

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Growthpoint Properties Australia

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About Growthpoint

Growthpoint provides space for you and your business to thrive. For more than 13 years, we've been investing in high-quality industrial and office properties across Australia.

Today, we have \$7.2 billion¹ total assets under management. We directly own and manage 59 high quality, modern office and industrial properties, valued at approximately \$5.3 billion.¹ We actively manage our portfolio and 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 manage a further \$1.9 billion¹ through our funds management business, Fortius, which manages funds that invest in office, retail and mixed-use properties and debt investments across value-add and opportunistic strategies.

We are committed to operating in a sustainable way and reducing our impact on the environment. We are targeting net zero by 2025 across our 100% owned on balance sheet operationally controlled office assets and corporate activities.

Growthpoint Properties Australia (ASX: GOZ) 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.

¹ Total AUM: \$5.3 billion directly owned property (valuations as at 30 June 2022) which includes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022 and 333 Ann Street, Brisbane, Queensland for which a contract for sale was exchanged on 2 November 2022. \$1.9 billion funds under management as at 30 June 2022.



2022 Annual General Meeting

Chair's address

Welcome to the combined annual general meeting of the shareholders of Growthpoint Properties Australia Limited and a meeting of the unitholders of Growthpoint Properties Australia Trust, which is being held as a hybrid meeting, in person and online. I am your Chair, Geoff Tomlinson.

We have a quorum present for these meetings and I am pleased to declare the meetings officially open.

On behalf of Growthpoint, I would like to acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

The Board and I enjoy having the opportunity to meet with Securityholders in person at our annual general meeting. We are very pleased to be able to return to meeting in-person this year while providing the opportunity to participate in the meeting online via the Computershare platform.

Turning to the agenda for today, I'll start the meeting by walking you through a few procedural guidelines for voting and question submission for those in-person and online.

By joining our hybrid meeting today, securityholders and proxies will have the opportunity to ask questions and submit votes. We will answer questions on the Group's recent performance at the end of the Managing Director's presentation and questions related to specific items of business with each formal item of business.

Online attendees can submit questions at any time. Please note that while the online platform is open for questions from now on, I will not address them until the relevant time in the meeting. To ask a question through the meeting platform, select the Q&A icon and select the topic your question relates to. Type your question in the text box and when you have finished press 'Send'. Questions submitted on the online platform may be moderated to avoid repetition of similar questions or summarised in the interest of time. For those Securityholders online who wish to ask a verbal question, please follow the instructions on the online platform.

For those attending in person today, to ask a question, please raise your Securityholder card, which will be either red or yellow. Questions from the floor will be addressed first, and we will then move to online platform questions.

Eligible Securityholders, their attorneys, proxies and representatives can vote on all resolutions. Voting will be conducted by way of a poll on all items of business. Christina Piccolo from Computershare is here today and will act as Returning Officer for the conduct of the poll.

For those attending the meeting online and eligible to vote, a 'Vote' icon will be visible on your screen. Selecting this icon will bring up a list of resolutions and present you with voting options. To cast your vote, simply select one of the options. There is no need to hit submit as the vote is automatically recorded. You are able to change your vote, up until the time I declare voting closed.

For Securityholders, proxies, and corporate representatives attending in-person, I'll ask you to vote once we've gone through all items of business today by completing your voting card that was provided to you when you registered.

I now declare voting open on all items of business. I will give you a warning before I move to close voting at the end of the meeting. A recording of the meeting and our presentation will be available on our website shortly after the meeting.

The Notice of Meeting was made available to all Securityholders and I propose to take it as read.

I will now introduce my fellow Directors who are attending the meeting in person - Grant Jackson, Deborah Page, Estienne de Klerk, Norbert Sasse, Francois Marais, Josephine Sukkar, and our Managing Director, Timothy Collyer.

Also in attendance are Jacquee Jovanovski, Company Secretary and Chief Operating Officer; Dion Andrews, Chief Financial Officer; Michael Green, Chief Investment Officer and Sam Sproats, Executive Director, Funds Management.

Representatives from our auditors, Ernst & Young also join us today. Lead Audit Partner David Shewring is online due to his required attendance at another AGM. His colleagues Brett Kallio and Olga van Ravesteyn are with us here in



the room. They are available to answer questions in connection with Ernst & Young's audit, when the financial reports are tabled later in the meeting.

At the close of today's meeting, Francois Marais will retire from our Board.

Francois was a long serving Chairman of our majority securityholder, Growthpoint Properties Ltd, South Africa's largest primary listed REIT. He joined the Board of Growthpoint Properties Australia in 2009. He is an experienced Director with a sound knowledge of the property market in Australia and an enquiring mind. He is one of those Directors who when he speaks, it warrants attention. On behalf of the Board, I would like to thank Francois for his contribution and commitment to the Board and wish him the very best for the future.

It is intended that a Growthpoint Properties Limited nominated non-executive Director will be appointed to the Board by the Directors in due course to replace Francois. He or she will stand for election at the next Annual General Meeting.

As recently announced, I will retire as Director and Chair of the Board, with effect from 1 March 2023.

Andrew Fay will join the Board as an independent non-executive director on 1 December 2022 and will become Chair on my retirement. Andrew is also here today and on behalf of the Board, I would like to welcome him to Growthpoint. Andrew will stand for election at next year's Annual General Meeting to be held in November.

It has been a privilege to Chair the Board and I'd like to thank my fellow Directors for their support. I am confident that Growthpoint continues to be well positioned to provide securityholders with sustainable income returns and capital appreciation over the long term and that Andrew is well placed to Chair the Group into the future.

Board renewal and succession will continue to be a focus of the Board and ensure that the Board meets its 30% gender diversity target in FY23 and has a majority of independent non-executive Directors.

I will now hand over to the Managing Director, Tim Collyer, who will provide an update on the business.



Managing Director's address

Thank you, Geoff. And good morning to everyone here in the room and online.

Today I will provide an overview of our business, a snapshot of the FY22 financial results including our key operational highlights, and the outlook for the year ahead.

I'll start with a brief overview of the Group as it stands today.

Growthpoint is a leading integrated property REIT and a constituent of the S&P ASX 200. Today, we have \$7.2 billion total assets under management. We directly own and manage a portfolio of high quality, modern office and industrial properties valued at \$5.3 billion as at 30 June 2022. We also manage a further \$1.9 billion of funds under management on behalf of third-party investors through our recently acquired funds management business.

Around a third of our directly owned portfolio assets are industrial, which are primarily used for logistics and warehousing. The other two thirds of our portfolio are offices, which are located on the fringe of CBDs or in well located metropolitan locations.

The office portfolio is focused on modern A-grade assets with high green credentials, and are predominantly leased to government, listed or large organisations, some of whom are highlighted on this slide. We are the largest ASX-listed landlord focussed on city fringe and metro market office assets.

Our funds management business, Fortius, manages funds that invest in office, retail and mixed-use properties and debt investments across value-add and opportunistic strategies.

In FY22, we were pleased to deliver another successful year for the Group, delivering strong financial performance and FFO growth for Securityholders in a changing external environment which has created a challenging period for the sector.

Our FFO for the financial year 2022 was 27.7 cents per security – consistent with guidance which was raised twice during the year – and 7.8% above last year. We were pleased to raise the distribution payment to 20.8 cents per security, an increase of 4% on the prior year.

Acquisitions of well leased office buildings and a very strong leasing performance saw the Group's weighted average lease expiry rise to 6.3 years at 30 June 2022 – which has been maintained as at 30 September. Leasing success and cap rate compression resulted in an increase in the value of the Group's portfolio by 7.9% or \$356 million dollars, on a like-for-like basis at 30 June. This was the primary driver of strong NTA growth, which is \$4.56 per security as at 30 June.

Growthpoint is committed to operating in a sustainable way and we continue to make progress toward achieving our net zero by 2025 target. This includes improving energy and resource efficiency across the portfolio, further property solar installation and developing an energy procurement strategy to secure our medium-term energy needs. External benchmark surveys continue to rate Growthpoint highly, including NABERS, GRESB and CDP.

We were pleased to see positive results on employee engagement and alignment in our externally conducted survey, which show the Group continuing to perform well against our benchmark group in FY22.

The recent introduction of our new sustainability framework and targets further evolves our program. These will drive performance improvements and direct our work in new focus areas so that the business continues to be managed in a way that adds value to the Group and its stakeholders.

The performance over FY22 reflects the successful execution of our strategy and the underlying strength of the business.

We are focussed on our goal to provide Securityholders with sustainable income returns and capital appreciation over the long term. We have provided total securityholder return of 11.9 percent and return on equity of 16.7 percent over ten years to 30 June 2022.

We have a long track record of delivering value on our investment in high quality assets. Over the year we made strategic, accretive acquisitions, investing over \$320 million dollars in three high quality office assets, predominantly leased to government tenants. Our further investment in additional Dexu Industria REIT securities maintained our circa 15% holding and increased our exposure to industrial assets.



We seek to maximise value of Growthpoint's assets and provide accommodation that supports our tenant's success. Properties leased by BMW and Symbion were expanded, and we continue to reinvest into the portfolio to provide a high level of amenity.

The Group's leasing performance was strong in the year, with over 234,000 square metres leased, resulting in continued high occupancy of 97% and a high tenant retention rate of 86%. Occupancy remains high at 96% as at 30 September.

Maintaining our strong relationships with tenants is a key focus for the Group. We were pleased to see positive improvement in tenant engagement over the year, with Growthpoint ranking as an industry leader on landlord satisfaction in a survey conducted by property specialists Brickfields.

We also executed on the Group's growth opportunities in the year, including our successful entry into funds management.

This slide outlines the strategic property acquisitions made by the Group since 30 June 2021.

We have invested \$426.6 million in A-Grade, modern highly green credentialled office assets, further focussing our directly owned office portfolio on the resilient and well performing CBD fringe and metropolitan markets. With a blended weighted average lease expiry of 8.1 years and an average income yield of 5.1%, we believe these acquisitions will have a positive impact on the Group's financial performance for years to come.

Growthpoint has also recently completed the 100% acquisition of Fortius Funds Management, a key growth opportunity for the business.

For over thirty years, Fortius has had a track record of delivering strong returns to its investors, and we are pleased to have Ray Sproats, Sam Sproats and the Fortius team join us to grow the platform within the Growthpoint Group. Our strategic goal is to grow the funds management platform over time, so it represents 10-20% of Group EBIT over the medium term. We are excited about the opportunity – for Fortius investors and for the Group's Securityholders with the aim of delivering incremental growth to earnings and income stream diversification.

As we look ahead, the Group and its portfolio are performing well, against a backdrop of challenging economic conditions. Trading conditions are expected to be affected by higher inflation, debt costs and a slowing economy going forward. The Reserve Bank of Australia, consistent with other central banks, sees inflation as too high and is expected by the market to raise the cash rate further above the current rate of 2.85%. Meanwhile economic growth in the US, Europe and China is weak.

However, our portfolio metrics are strong and we have delivered on key strategic goals to grow the business, including entry into funds management.

Our exposure to favoured industrial and metropolitan office markets and secure income from large corporate and government tenants provides a resilient foundation for the Group as we move forward. We anticipate opportunities will arise in the funds management space.

We have provided FFO guidance of between 25.0 to 26.0 cents per security for the financial year 2023. Distribution guidance of 21.4 cents per security, reflects an increase of 2.9% on FY22 whilst maintaining our FFO payout ratio in the target range of 75% to 85% at the mid-point of guidance.

Before I finish, I would like to echo Geoff's comments on Francois Marais. Francois has been an outstanding Director of Growthpoint since its inception in 2009. His intellect and knowledge of the law, governance and public markets has been a great asset to the Board. The Executive Management Team and I wish Francois all the very best for the future.

I would also like take this opportunity to acknowledge Geoff's contribution as Chairman, at his last AGM. Geoff has provided outstanding leadership to GOZ for over 8 years, within the Board and externally. His vast experience in finance and as Director of public and private companies has been invaluable. For me personally, Geoff has been a fantastic mentor and a wonderful source of support and wise counsel. On behalf of the Board and the Executive Management Team, I would like to thank Geoff today for his commitment to Growthpoint and we look forward to celebrating his retirement and his achievements with him in March 2023.

I will now hand you back to Geoff.