3Q24 investor update.

Growthpoint Properties Australia (ASX: GOZ)

36&58 Tarlton Crescent, Perth Airport, WA

18 April 2024

GOZ upgrade to FY24 guidance and 3Q24 update

- FY24 funds from operations (FFO) guidance range upgraded to 23.2 – 23.6 cents per security (cps), previously 22.5 to 23.1 cps
- Reaffirmed FY24 distribution guidance of 19.3 cps
- Stable weighted average lease expiry (WALE) of 5.7 years (31 December 2023: 5.8 years), portfolio occupancy of 95% unchanged from 31 December 2023
- Completed 7,294 square metres (sqm) of leasing across the portfolio, c.1% of portfolio income
- Extended several bank debt facilities totalling $320 million, c.15% of total facilities, on favourable terms

Timothy Collyer, Managing Director of Growthpoint, said, “Following better-than-expected office leasing during FY24, lease surrender fees and make good income, we are pleased to upgrade FFO guidance and reaffirm distribution guidance. The Group continues to proactively address vacancies and lease expiries across the portfolio with signed Heads of Agreement for a further 1.8% of portfolio income. Growthpoint’s quality metropolitan office portfolio is seeing a good level of tenant inquiry from Government and corporate tenants”.

“The Group’s industrial portfolio is poised to benefit from rent reversion. Around 40% of leases expire between FY24-FY26 and are c.14% under-rented relative to market valuation rents. Industrial demand is anticipated to continue above long-term averages given population growth and demand from e-commerce. Rental growth is expected to remain positive due to constraints in land supply, planning challenges and the cost of construction. Vacancy rates remain very low on the eastern seaboard”.

“The Group continues to enhance its capital management approach. Previously, the Group had $715 million of bank debt facilities maturing in FY27, following the extension of several debt facilities, this has now been reduced to $445 million. The Group also maintains $261 million of undrawn bank debt facilities”.

Property portfolio

Office

Office portfolio occupancy decreased slightly to 92.2% (31 December 2023: 92.6%) whilst WALE is 6.1 years (31 December 2023: 6.2 years). Growthpoint entered into four leases representing 3,936 sqm across its directly owned office portfolio, equating to 0.7% of portfolio income. The average term of the new leases is 7.6 years, and the weighted average rent review is 3.50%.

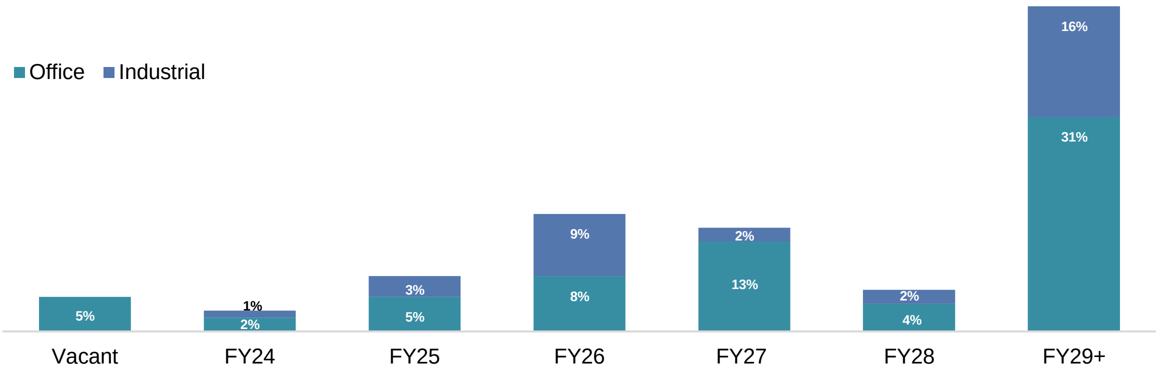
A new ten-year lease for 2,350 sqm commencing in June 2024 was signed with Gravity Media at Building C, 219-247 Pacific Highway, Artarmon, NSW. Gravity Media replaces the outgoing tenant Telstra, whose lease was due to expire in June 2024. The building remains 100% occupied, with Fox Sports occupying the majority of the space.

Industrial

Industrial portfolio occupancy remains at 100%, and the industrial portfolio WALE is 4.7 years (31 December 2023: 4.9 years). Growthpoint entered into one lease for 3,359 sqm in its directly owned industrial portfolio, representing 0.2% of portfolio income. A new 6-year lease was signed with the existing tenant Railtrain Group at 58 Tarlton Crescent, Perth, WA, achieving a re-leasing spread of 37%.

Portfolio lease expiry

per financial year, by portfolio income, as at 31 March 2024



Capital management

During 3Q24, the Group continued to optimise its debt portfolio, converting $500 million of existing bank debt facilities into sustainability-linked loans (SLL), bringing the total amount of SLL's on issue to $1,020 million. Interest margin reductions will be tied to the achievement of predetermined sustainability Key Performance Indicators (KPIs) and targets. The SLL's support Growthpoint's commitment to improving the sustainability performance of our operations, creating value for Securityholders.

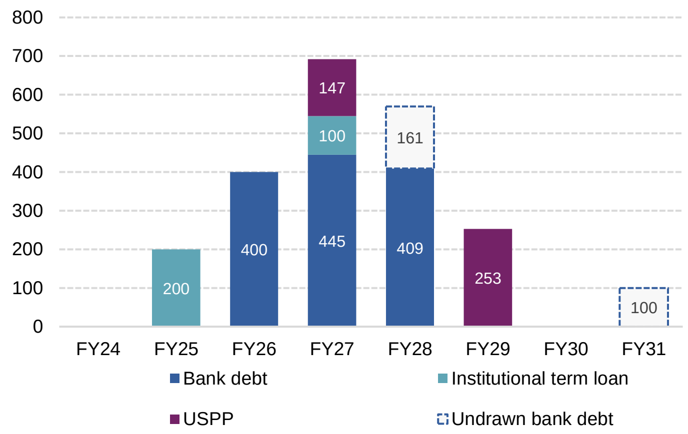
The Group increased its debt maturity profile by extending various bank debt facilities totalling $320 million, c.15% of total facilities, on favourable terms, as follows:

- Facility D ($70 million) from December 2026 to June 2028
- Facility G ($150 million) from September 2026 to December 2027
- Consolidated Facility K ($50 million) May 2025 and Facility L ($50 million) May 2027, into a single facility ($100 million) and extended the maturity to January 2031

As a result of the various bank debt extensions, the weighted average debt maturity profile of the Group at 31 March 2024 increased to c.3.3 years, had the extensions not been executed, the weighted average debt maturity would have been c.2.9 years.

The Group's gearing was 39.3% at 31 March 2024 (31 December 2023: 38.4%) with the increase due to the payment of the distribution in late February. Gearing remains within the target range of 35% to 45%. At 31 March 2024, the Group had an interest cover ratio of 2.8 times (31 December 2023: 2.9 times) and the weighted average cost of debt was 4.7%, unchanged from 31 December 2023.

Group debt maturity profile
at 31 March 2024 ($ million)



Outlook

The Group upgrades its FFO guidance range to 23.2 - 23.6 cps (previously 22.5 – 23.1 cps) and maintains FY24 distribution guidance of 19.3 cps. A key assumption to the guidance is with respect to interest rates, with the Group assuming an average floating cash rate of 4.35% for the remainder of FY24. The guidance is provided on the basis that no significant market movements or unforeseen circumstances occur during the remainder of the financial year.

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

For further information, please contact:

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

Growthpoint Properties Australia
Level 18, 101 Collins St, Melbourne, VIC 3000
growthpoint.com.au

About Growthpoint

Growthpoint provides space for you and your business to thrive. Since 2009, we've been investing in high-quality industrial and office properties across Australia.

Today, we have $6.3 billion[1] in total assets under management. We directly own and manage 57 high-quality, modern office and industrial properties, valued at approximately $4.6 billion. We manage a further $1.7 billion on behalf of third-party investors through our funds management business, which manages funds that invest in office, retail, and mixed-use properties across value-add and opportunistic strategies.

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 are committed to operating sustainably 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 an internally managed real estate investment trust (REIT), listed on the ASX, and is part of the S&P/ASX 300. Moody's has issued us with an investment-grade rating of Baa2 for domestic senior secured debt.

Important information

[1] As at 31 December 2023