1Q25 investor update

Growthpoint Properties Australia (ASX: GOZ)

29 October 2024

1Q25 market update

Growthpoint Properties Australia (Growthpoint or the Group) provides its 1Q25 market update[1]

- Launch of Growthpoint Australia Logistics Partnership (GALP) with initial $198 million commitment[2]
- 1Q25 pro forma gearing will reduce to 37.9% (from 41.7% at 30 September 2024) following the sale of the 15.1% investment in Dexus Industria REIT (ASX: DXI) and proceeds from GALP
- Resilient portfolio weighted average lease expiry (WALE) increasing to 5.8 years (30 June 2024: 5.7 years)
  - Office WALE of 6.0 years (30 June 2024: 6.1 years)
  - Industrial WALE of 5.3 years (30 June 2024: 4.9 years)
- Solid portfolio occupancy of 93% (30 June 2024: 95%)
  - Office 91% (30 June 2024: 92%)
  - Industrial 98% (30 June 2024: 100%)
- Completed 96,044 square metres (sqm) of leasing across the portfolio, representing 5.5% of portfolio income since 30 June 2024
- FY25 funds from operations (FFO) guidance range of 22.3 – 23.1 cents per security (cps) maintained
- Reaffirms FY25 distribution guidance of 18.2 cps, with an additional 2.1 cps special distribution forecast[2]

Growthpoint's CEO and Managing Director, Ross Lees, said: "Our solid performance in the first quarter has been driven by good leasing progress and solid occupancy, momentum in our strategy of establishing new funds and initiatives to reduce our gearing position."

Property portfolio

Across the portfolio, the WALE increased to 5.8 years and occupancy remained largely in line with FY24 at 93%. Since FY24, Growthpoint entered into 11 leases, eight were new customers to the portfolio and three were renewals, representing a total of 96,044 sqm and equating to 5.5% of portfolio income.

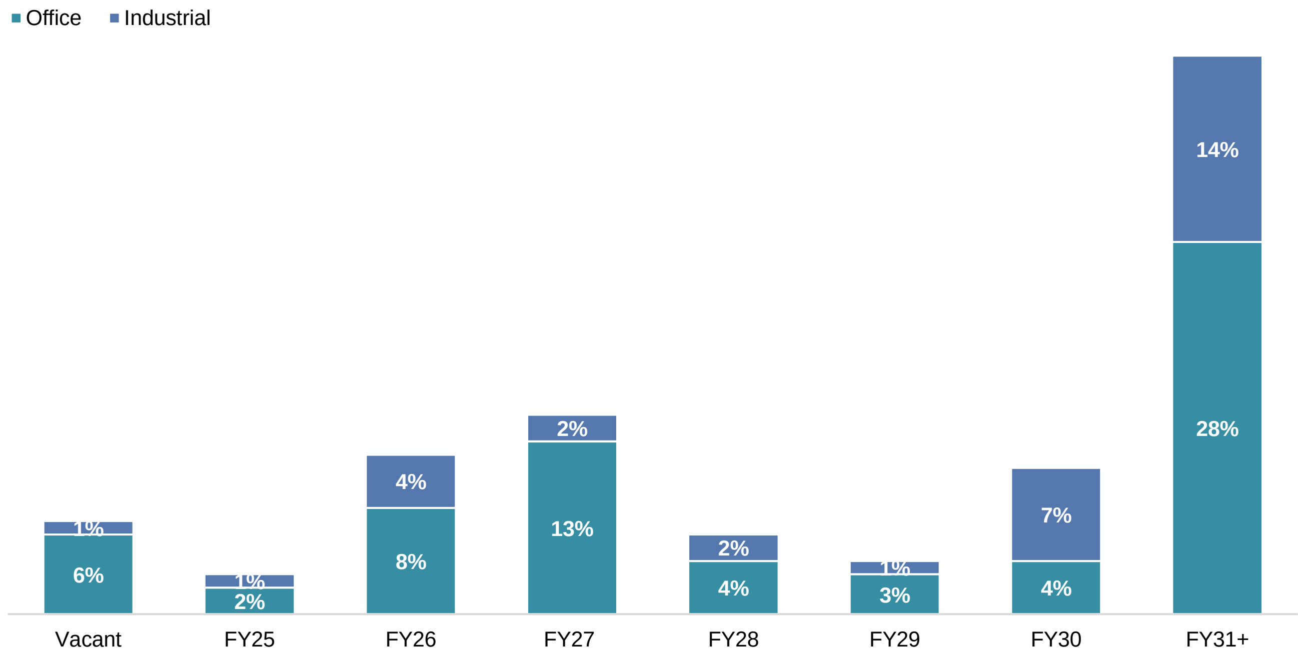
The office portfolio WALE and occupancy rate were relatively consistent with FY24. Nine leases were completed representing 1.6% of the office portfolio income, with an average term of 5.3 years and a weighted average rent review of 3.5%.

In the industrial portfolio, occupancy reduced slightly over the quarter to 98%. The WALE increased to 5.3 years following a five-year lease extension with key customer Woolworths of its Perth Regional Distribution Centre, Perth Airport to 3 October 2030.

Growthpoint also entered into a 10-year lease for 13 Business Street, Yatala, Queensland[3] (8,951 sqm) which commences on expiry of the current lease in August 2025, with no downtime.

[1] All data in this announcement is pro forma including the five-year lease extension at Woolworths' Perth Regional Distribution Centre, Perth Airport, WA, which became effective post 1Q25 end.
[2] Subject to the completion of the Growthpoint Australia Logistics Partnership as announced to the ASX on 1 October 2024.
[3] This asset forms part of the GALP portfolio.

Portfolio lease expiry (per financial year, by income, as at 30 September 2024)



Funds management

On 1 October 2024, an agreement was entered to establish GALP with global asset manager TPG Angelo Gordon, with the objective to grow the partnership in the logistics sector in Australia. The capital partner will acquire a circa overall 80% interest in six Growthpoint industrial assets at 30 June 2024 book values ($198 million) to commence the partnership. Growthpoint will retain approximately 20% of the equity. This important partnership supports Growthpoint's strategy to grow its funds management business and capital partnerships and brings a high-quality institutional capital partner to its funds management platform. Net capital released to the Group is $181 million and will be used initially to repay debt.

The contract for asset management services provided by Growthpoint for Mid-City Centre in Sydney formally expires in mid-November 2024. The impact of this cessation is immaterial to Growthpoint's earnings and has historically been included as $491 million in assets under management. Following the end of the agreement, the ownership group will manage this asset internally.

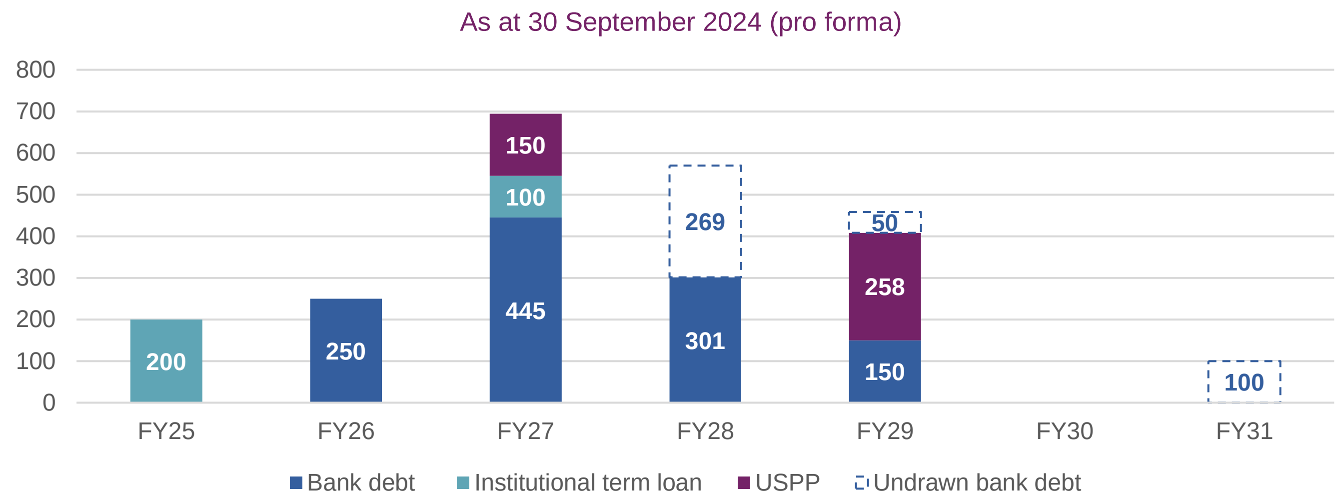
Capital management

During 1Q25, Growthpoint enhanced its debt maturity profile with the following transactions:

- Extended a $75 million Sustainability Linked Loan (SLL) facility by three years to mature in FY29
- Refinanced a $75 million facility due to mature in FY26 with a new $125 million, 4-year SLL facility to mature in FY29

The total SLLs on issue increased by $125 million to a total of $1.145 billion. Undrawn bank facilities also increased on a pro forma basis to $419 million[4], with a facility of $200 million due to mature in March 2025 to be repaid from the undrawn facilities.

[4] Pro forma debt headroom is post the DXI stake sale. Without it was $289 million as at 30 September 2024.



Growthpoint also entered into a further $230 million of interest rate swaps with various start dates across the 2025 financial year. The blended average term of new swaps is 3.6 years with an average fixed rate of 3.53%. The percentage of fixed debt increased on a proforma basis to 82.8%[5] following these transactions.

The net proceeds of the DXI stake sale were used to pay down debt, demonstrating Growthpoint's commitment to disciplined capital management. Together with the proceeds of the GALP transaction, 1Q25 pro forma gearing will reduce to 37.9% (from 41.7% at 30 September 2024), at the lower end of Growthpoint's target gearing range of 35–45%.

Outlook

Significant progress has been made in the first quarter of the FY25 financial year, with demonstrable steps taken to improve gearing and create momentum in our funds management business. Alongside this progress, Growthpoint's directly held portfolio has continued to perform well with significant leasing commitments underpinning solid occupancy of 93% and a WALE of 5.8 years.

There is also progressively positive office sector sentiment with an increase of return to work mandates, population growth and economic rents restricting supply and growing demand. As a result of these dynamics, Growthpoint believes that its high quality, well occupied assets, are set to benefit over the short to medium term.

Growthpoint maintains FY25 FFO guidance[6] of 22.3 - 23.1 cps and FY25 distribution guidance of 18.2 cps, with an additional 2.1 cps special distribution forecast, subject to completion of the GALP transaction.

This announcement was authorised for release by Growthpoint's CEO and Managing Director, Ross Lees.

For further information, please contact:

Ross Lees
Chief Executive Officer & Managing Director
Telephone: +61 3 8681 2933

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

[5] Pro forma fixed debt is post the DXI stake sale. Without it was 77.3% as at 30 September 2024.
[6] A key assumption to guidance is interest rates, with Growthpoint assuming an average FY25 floating rate of 4.35%. The guidance is provided on the basis that no significant market movements or unforeseen circumstances occur during the remainder of the FY25 year.

About Growthpoint

Growthpoint provides space for you and your business to thrive. Since 2009, we've been investing in high-quality Australian real estate. Today, we have $6.0 billion total assets under management[7]. We directly own and manage 57 high quality, modern office and industrial properties, valued at approximately $4.4 billion. We also manage a further nine assets, valued at $1.6 billion, for third-party wholesale syndicates and institutional investors through our funds management business, which invests in office, retail and mixed-use properties.

We are committed to operating in a sustainable way and reducing our impact on the environment. We are on track to achieve our Net Zero Target by 1 July 2025 across our directly owned 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 300. Moody's has issued us with an investment-grade rating of Baa2 for domestic senior secured debt.

Important information

This investor update is current as at 29 October 2024 unless otherwise indicated. It contains statements about Growthpoint's financial position as at 29 October 2024 and such statements are not guarantees, predictions or a reliable indicator of any future performance. Growthpoint makes no representation about future performance which involve known and unknown risks, uncertainties and other factors which may cause future results to differ from the statements in this investor update. This investor update does not take into account the personal objectives, financial situation or specific needs of any Securityholder.

[7] As at 30 June 2024.