

Growthpoint Properties Limited
Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
Registration number 1987/004988/06
ISIN: ZAE000179420
JSE Share code: GRT
("Growthpoint" or "the Company")

GROUP CONDENSED UNAUDITED INTERIM RESULTS AND CASH DIVIDEND DECLARATION FOR THE PERIOD ENDED 31 DECEMBER 2022

Operational review and results:

The group condensed unaudited interim results for the period ended 31 December 2022, as compared to period ended 31 December 2021, ("comparative period"), are set out below:

- We remain focused on liquidity and balance sheet strength to enable us to pursue our strategic initiatives:
 - R756.3m of investment property sales in South Africa (SA) compared to R1.0bn in the comparative period and a total of R10.5bn of investment property sold since 30 June 2017,
 - R500.0m sale of convertible loan in Growthpoint Healthcare Property Holdings (RF) Limited (GHPH),
 - R465.9m (before income tax) cash retained, as a result of the company's conservative dividend pay-out ratio of 82.5% compared to R524.6m (80.0%) in the comparative period,
 - R10.3bn unutilised committed facilities for SA compared to R10.3bn at 30 June 2022,
 - R1.6bn cash on the SA balance sheet compared to R1.5bn at 30 June 2022,
 - Group LTV based on the SA REIT LTV definition increased to 38.8% compared to 37.9% at 30 June 2022.
- Dividend per share increased by 4.6% to 64.3 cents compared to 61.5 cents for the comparative period;
- The V&A Waterfront (V&A) delivered a stellar performance with 23.0% growth in net property income compared to the comparative period as the V&A fully rebounded from the effects of the pandemic;
- Hard currency dividend income grew by 10.1% to R763.0m compared to R693.0m for the comparative period. Our offshore investments contributed 31.0% to EBIT and comprise 43.7% of group property assets.
 - Growthpoint Properties Australia Limited (GOZ) delivered strong net property income growth of 19.0% compared to the comparative period. It has a defensive and well positioned office and industrial portfolio, with 95.0% of the tenant base weighted to large corporates and the government. It has a strong capital position with conservative gearing and significant liquidity. GOZ declared a dividend of AUD10.7 cents per share compared to AUD10.4 cents per share for the comparative period translating into a dividend for Growthpoint of R533.6m compared to R527.0m in the comparative period.
 - Capital & Regional Plc (C&R) remains focussed on needs-based retail shopping centres. Gearing has improved to healthy 36.3% compared to 45.3% at 30 June 2022. C&R declared a dividend of GBP2.75 pence per share translating into a dividend of R50.4m for Growthpoint with no dividend declared for the comparative period.
 - Globalworth Real Estate Investments Limited (GWI) has a diversified office and industrial portfolio with multinational tenants. It has a prudent capital position with significant liquidity. GWI declared a dividend of EUR15.0 cents per share

compared to EUR13.0 cents per share for the comparative period translating into a dividend for Growthpoint of R166.6m compared to R149.8m in the comparative period.

- Growthpoint has undertaken to elect the scrip dividend alternative for both C&R and GWI.
- Growthpoint Investment Partners (GIP) grew assets under management by 7.1% to R16.7bn from R15.6bn at 30 June 2022 and more than doubled management fees received to R48.1m compared to R21.5m for the comparative period. R750.0m was raised from new investors supporting both GPHH and Growthpoint Student Accommodation Holdings (RF) Limited (GSAH), demonstrating appetite for these niche asset classes;
- Over 700,000m² of space was let in SA during the period. Vacancies reduced to 9.9% from 10.3% at 30 June 2022. Some fundamentals have started to improve for the industrial and retail sectors whilst the office sector appears to have stabilised. Until the SA economy enters a growth phase, conditions will remain challenging. As such renewal success declined to 61.2% for the period from 75.1% for 30 June 2022 and renewal growth remains under pressure at negative 16.0% for the period compared to negative 12.8% for 30 June 2022;
- Total revenue increased by 7.4% to R6.85bn compared to R6.38bn for the comparative period;
- FFO per share based on the SA REIT FFO definition increased by 2.1% to 79.0 cents compared to 77.4 cents for the comparative period;
- Operating profit increased by 4.8% to R4.45bn compared to R4.24bn for the comparative period;
- Net asset value per share based on the SA REIT net asset value definition decreased by 2.2% to 2 110 cents compared to 2 158 cents at 30 June 2022;
- Interest cover ratio remained strong at 2.9 times compared to 3.0 times for the comparative period;
- Group vacancies increased to 9.6% compared to 9.3%¹ at 30 June 2022;
- Basic earnings per share decreased by 49.0% to 54.73 cents compared to 107.23 cents for the comparative period;
- Basic headline earnings per share increased by 52.0% to 85.99 cents compared to 56.57 cents for the comparative period.

Growthpoint's diversified portfolio, strong balance sheet and stable hard currency dividend income streams position the company defensively for FY23. However, given the high level of uncertainty in the local and global macro-economic environment, coupled with rising interest rates and inflation, DIPS growth for FY23 is expected to be muted.

The condensed results for the period ended 31 December 2022 are unaudited.

This short form announcement is the responsibility of the Board of Directors and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based as a whole on consideration of the group consolidated interim financial statements which may be downloaded from the Company's website.

<https://growthpoint.co.za/investor-relations/financial-reports/> and <https://senspdf.jse.co.za/documents/2023/jse/isse/GRTE/Interim23.pdf>

It may also be viewed, at no cost, at the registered office of the Company and the Johannesburg office of its Sponsor, during ordinary business hours, for a period of 30 calendar days following the date of this announcement. Copies of the full announcement may also be

¹ The vacancies for Lango and GWI were not previously included.

requested from the Company on request, by contacting the Head of Investor Relations, Lauren Turner on 011 944 6346.

INTERIM DIVIDEND

Notice is hereby given of the declaration of the interim dividend number 74 of 64.30 cents per share for the period ended 31 December 2022. The dividend has been declared from income reserves.

Other information:

- Issued shares as at declaration date: 3 430 787 066 ordinary shares of no par value.
- Income Tax Reference Number of Growthpoint: 9375/077/71/7.

Shareholders are advised that the dividend meets the requirements of a “qualifying distribution” for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 (Income Tax Act). The dividends on the shares will be taxable dividends for South African tax purposes in terms of section 25BB of the Income Tax Act.

Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are, however, exempt from dividend withholding tax (dividend tax) in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the Central Securities Depository Participant (CSDP) or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares, a DTD(EX) form (dividend tax: declaration and undertaking to be made by the beneficial owner of a share) to prove their status as South African residents. If resident shareholders have not submitted the above mentioned documentation to confirm their status as South African residents, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted before the dividend payment.

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between RSA and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 51.44000 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- A declaration that the dividend is subject to a reduced rate as a result of the application of the DTA; and
- A written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the Commissioner of the South African Revenue Service. If applicable, non-resident shareholders are advised to contact the CSDP, broker or the company to arrange for the above mentioned documents to be submitted before dividend payment, if such documents have not already been submitted.

Salient dates and times

	2023
Last day to trade (LDT) cum dividend	Tuesday, 11 April
Shares to trade ex dividend	Wednesday, 12 April
Record date	Friday, 14 April
Payment date	Monday, 17 April

Notes:

- Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 12 April 2023 and the close of trade on Friday, 14 April 2023, both days inclusive.*

Sandton
15 March 2023
Sponsor: Investec Bank Limited