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" or "the Group")

SHORT FORM ANNOUNCEMENT: GROUP AUDITED ANNUAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 30 JUNE 2023

Operational review and results:

The group audited annual results for the year ended 30 June 2023, as compared to the year ended 30 June 2022, ("comparative period"), are set out below:

- Dividend per share increased by 1.3% to 130.1 cents per share (cps) compared to 128.4 cps for the comparative period
- Distributable income per share (DIPS) increased by 1.3% to 157.6 cps compared to 155.6 cps for the comparative period
- Net asset value per share based on the SA REIT net asset value definition decreased by 0.3% to 2 151 cps compared to 2 158 cps in the comparative period.

Strategy
In line with Growthpoint's vision "to be a leading international property company providing space to thrive", the company's strategy incorporates:

The streamlining and optimisation of the South African (SA) portfolio:

- Disposed of 29 properties for R1.5bn in SA compared to R2.1bn in the comparative period with R11.2bn sold since 1 July 2016
- One property of R18.0m held for sale at FY23.

Growthpoint Investment Partners (GIP)

- GIP assets under management grew by 14.7% to R17.9bn from R15.6bn in the comparative period
- GIP increased its management fees received to R98.0m compared to R67.2m for the comparative period
- R750.0m was raised from new investors supporting both Growthpoint Healthcare Property Holdings (RF) Limited (GHPH) and Growthpoint Student Accommodation Holdings (RF) Limited (GSAH), demonstrating appetite for these niche asset classes.

International

- Offshore dividend income grew by 7.6% in Rand terms to R1.6bn compared to R1.5bn for the comparative period
- Our offshore investments contributed 29.1% to DIPS and comprise 45.8% of group property assets
    - Growthpoint Properties Australia Limited (GOZ) delivered strong net property income growth of 19.5% 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 distribution of AUD21.4 cps compared to AUD20.8 cps for the comparative period translating into a distribution of R1,054m for Growthpoint compared to R1,066m in the comparative period

- Capital & Regional Plc (C&R) remains focussed on needs-based retail shopping centres. Loan to Value (LTV) has improved to a healthy 37.0% compared to 45.3% in the comparative period. C&R declared a dividend of GBP5.5 pence per share compared to GBP2.5 pence per share for the comparative period translating into a dividend of R103.6m for Growthpoint compared to R49.8m in the comparative period
- Globalworth Real Estate Investments Limited (GWI) has a diversified office and industrial portfolio with multinational tenants. GWI declared a dividend of EUR29.0 cps compared to EUR27.0 cps for the comparative period translating into a dividend of R395.4m for Growthpoint compared to R317.9m in the comparative period
- Growthpoint elected to receive the scrip dividend alternative for both C&R and GWI.

Liquidity and capital management

We remain focused on liquidity and balance sheet strength to enable us to pursue our strategic initiatives:

- R1.7bn cash on the SA balance sheet compared to R1.5bn in the comparative period
- R500.0m proceeds received on the sale of a convertible loan in GHPH
- R938.5m (before income tax) cash retained compared to R935.0m in the comparative period as a result of the conservative dividend pay-out ratio of 82.5%
- R6.6bn unutilised committed facilities for SA compared to R10.3bn in the comparative period
- Group LTV based on the SA REIT LTV definition increased to 40.1% compared to 37.9% in the comparative period, mainly due to negative property valuations in GOZ
- The South African SA REIT LTV remained conservative at 32.9% compared to 32.0% in the comparative period
- Interest cover ratio remained strong at 2.9 times compared to 3.1 times for the comparative period
- The weighted average debt maturity for SA borrowings increased to 3.5 years from 2.9 years in the comparative period. The increase related to the USD425m-denominated Eurobond which matured in May 2023 and was refinanced with longer tenure EUR debt facilities in a challenging market
- 77.7% of the SA long-term interest-bearing borrowing are fixed compared to 83.9% in the comparative period.

Performance

- Total revenue increased by 5.3% to R13.7bn compared to R13.0bn for the comparative period
- Operating profit increased by 2.1% to R8.9bn compared to R8.7bn for the comparative period
- The V&A has rebounded strongly with a stellar performance in FY23 on the back of the recovery in both domestic and international tourism with a 21.5% increase in our 50% share of distributable income to R688.4m compared to R566.7m for the comparative period
- Over 1,190,000m² of space was let in SA during the year. Vacancies improved to 9.2% from 10.1% in the comparative period. Some fundamentals have started to improve for the industrial and retail sectors whilst the office sector appears to have stabilised. Renewal success declined to 64.9% for the period from 75.1% for the comparative period and renewal growth remains under pressure at negative 12.9% for the period compared to negative 12.8% in the comparative period. Until the SA economy enters a growth phase, letting conditions will remain challenging

- FFO per share based on the SA REIT FFO definition decreased by 4.4% to 148.6 cps compared to 155.5 cps for the comparative period
- Group vacancies increased to 9.4% compared to 9.3%[1] in the comparative period
- Basic earnings per share decreased by 70.3% to 69.24 cps compared to 233.04 cps for the comparative period
- Basic headline earnings per share decreased by 29.1% to 149.61 cps compared to 211.14 cps for the comparative period.

Leadership and prospects

The Board is pleased to advise that Norbert Sasse has agreed that he will continue in his capacity as Group CEO until 31 December 2026, thereby providing continuity in progressing the company's various strategic initiatives.

Growthpoint's diversified portfolio, strong balance sheet and stable foreign currency dividend income streams position us defensively for the next year. However, given the impact of high interest rates for the full year, coupled with the high level of uncertainty in the local and global macro-economic environment, we expect DIPS to decline 10% to 15% for FY24. We endeavor to maintain a payout ratio of 82.5%.

Regulatory requirements

This short form announcement is the responsibility of the Board of Directors and does not contain full or complete details.

The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor did not report on any of the information contained in this announcement. Any investment decisions by investors and/or shareholders should be based as a whole on consideration of the group consolidated 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/Final23.pdf

Final dividend

Notice is hereby given of the declaration of the final dividend number 75 of 65.80000 cps for the year ended 30 June 2023. 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: 9375077717

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

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

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 52.64000 cps. 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
- 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, 17 October
Shares to trade ex dividend	Wednesday, 18 October
Record date	Friday, 20 October
Payment date	Monday, 23 October

Notes:

1. *Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 18 October 2023 and the close of trade on Friday, 20 October 2023, both days inclusive*
2. *The above dates and times are subject to change. Any changes will be released on SENS.*

Sandton
13 September 2023
Sponsor: Investec Bank Limited