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
JSE Bond issuer code: GRTI
("Growthpoint" or "the Company" or "the Group")

GROUP CONDENSED UNAUDITED INTERIM RESULTS AND CASH DIVIDEND DECLARATION FOR THE PERIOD ENDED 31 DECEMBER 2024 AND CHANGES IN DIRECTORATE

The results for the six months ended 31 December 2024 (HY25), compared to the six months ended 31 December 2023 (HY24), are set out below:

Group salient features

- Distributable income per share (DIPS) increased by 3.9% to 74.0 cents per share (cps) (HY24: 71.2 cps), mainly due to an improved contribution from the three South Africa (SA) sectors, including like-for-like rental growth, lower negative rent reversions and reduced vacancies in the logistics and industrial sector as well as improved expense efficiencies and recoveries
- SA net property income increased by 6.2% to R2.9bn (HY24: R2.7bn)
- The V&A Waterfront (V&A) delivered a 16.6% like-for-like increase in net property income, due to increased tourism and the positive impact this had on retail, hotels and attractions. Growthpoint's 50% share of distributable income increased by 4.5% to R398.2m (HY24: R380.7m) after taking into account increased net finance costs on external borrowings in line with their funding strategy
- Dividend per share increased by 3.7% to 61.0 cps (HY24: 58.8 cps)
- SA REIT loan to value (LTV) for the Group improved to 40.8% (30 June 2024 (FY24): 42.3%):
  - The SA LTV improved to 35.3% (FY24: 35.4%) due to a marginal decrease in net borrowings, offset by a decrease in property assets as a result of the disposal of Capital & Regional plc (C&R)
  - Growthpoint Healthcare Property Holdings (RF) Limited's (GHPH) LTV increased marginally to 17.6% (FY24: 16.8%)
  - Growthpoint Student Accommodation Holdings (RF) Limited's (GSAH) LTV increased to 36.4% (FY24: 29.7%) due to increased borrowings to fund new developments
  - Growthpoint Properties Australia Limited's (GOZ) LTV improved to 38.5% (FY24: 39.8%) due to the disposals of Dexus Industria REIT and four investment properties which was offset by lower fair valuations on investment property
- Net asset value per share, based on the SA REIT definition, decreased by 2.6% to 1 967 cps (FY24: 2 020 cps), mainly driven by the disposal of C&R and asset write downs at GOZ.

The distributable income for HY25 is composed as follows:

	SA Rm	Net SA finance cost Rm	T&D[1] Rm	V&A Rm	GWI[2] Rm	GOZ Rm	C&R Rm	NRR Rm	GIP[3] Rm	Total Rm
Revenue	4 077		218			1 913	644		477	7 328
Property expenses	(1 221)		(180)			(415)	(367)		(148)	(2 331)
Other operating expenses	(222)		(28)			(202)	(74)		(30)	(556)
Finance cost		(1 442)[4]				(553)	(110)		(85)[4]	(2 190)
Dividend from equity accounted investment				398	129				11	539
Finance and other income		43				24	10	46	10	133
Non-controlling Interest (NCI)						(362)	(47)			(409)
NCI GHPH									(89)	(89)
NCI GSAH									(49)	(49)
Amortisation of incentives added back						259				259
Realised foreign exchange loss						13				13
Trading profits & development fees			15							15
Current normal taxation						(93)		(7)		(100)
Distributable income retained (including NCI's portion)						(51)	1		4	(46)
Total distributable income (HY25)	**2 634**	**(1 399)**	**25**	**398**	**129**	**533**	**57**	**39**	**101**	**2 517**
Total distributable income (HY24)	**2 488**	**(1 334)**	**10**	**381**	**146**	**551**	**90**	**-**	**82**	**2 414**

[1] *Trading and Development (T&D)*

[2] *Globalworth Real Estate Investments Limited (GWI)*

[3] *Growthpoint Investment Partner (GIP), including management fees*

[4] *Intercompany finance costs on the convertible loan between Growthpoint and GHPH has been consolidated out in the table.*

Strategy and its implementation

To simplify our business, we have prioritised two core strategies:

1. **Our strategy to improve the quality of the SA portfolio is focused on decreasing the portfolio weighting to the office sector and exiting deteriorating central business districts and nodes:**

    - We continue to dispose of non-core assets including assets that are high risk and do not possess the future growth prospects that we desire:
        - We disposed of 12 properties, including two office properties, for R589.4m, with a profit on book value of R7.4m (FY24: 17 properties sold for R907.7m, with a loss on book value of R13.6m)
        - Four properties with a value of R748.0m were held for sale at HY25 (FY24: six properties of R580.3m)

    - Despite disposing of 37, mainly B and C grade office assets and properties deemed high risk or in deteriorating business nodes, for a total of R5.2bn since FY15, the sector still suffers from an imbalance of supply and demand. The sector has however reached the bottom of the cycle and we have seen an improvement in the sector's key performance indicators over the last 2 financial years
    - 27 retail assets that are below optimum size or are in deteriorating central business districts, have been sold for a total of R3.3bn since FY15 and all shopping centres that are deemed long term hold have undergone extensive redevelopment and upgrades.

- We continue to prioritise the growth of our investments and exposure to the better-performing logistics sector as well as the Western Cape region:
    - R945.4m development and capital expenditure incurred, including the redevelopment of Bayside Mall, Table View (R134.1m) and The Hilton Canopy Hotel, Longkloof Studios, Gardens (R183.9m) in the Western Cape
    - An additional R182.6m (FY24: R587.0m) was spent on developing new high-quality, modern logistics warehouses
    - The successful implementation is evident in the performance of the logistics and industrial portfolio:
        - Vacancies were 3.5% at HY25, the lowest since June 2018
        - The number of properties reduced by 97 properties over a 10-year period, mainly as a result of the disposal of old industrial and manufacturing properties worth R3.0bn, to 150 properties at HY25
        - The positive rent reversion of 0.9% for HY25, coupled with average in-force escalations of 7.4% had a positive impact on the performance of the portfolio.

- Environmental initiatives to reduce our reliance on the national grid and address water supply and security:
    - R117.3m (HY24: R106.4m) solar installations completed during the period
    - Total installed solar capacity of 52.5MWp (FY24: 40.7MWp)
    - Our milestone power purchase agreement (PPA) with Etana Energy (Pty) Ltd for the acquisition of 195GWh of renewable energy a year will be implemented on a staggered basis with approximately 30GWh coming on stream in the next financial year and the full 195GWh by 30 June 2028
    - As at reporting date, we own 39 registered boreholes and 136 water backup facilities with a total storage capacity of 8 683kl.

2. **Our international strategy which is focused on optimising our international investments:**
    - C&R was identified as a non-core investment given its size and inability to scale the business. It was disposed of for R2.4bn, settled by way of R1.2bn cash and R1.2bn worth of NewRiver REIT plc (NRR) shares. The transaction was implemented on 10 December 2024
    - 37.9% (FY24: 42.1%) of Growthpoint's property assets by book value are located offshore; the reduction is mainly as a result of the sale of C&R

- 30.5% (FY24: 34.2%) of Growthpoint's DIPS is earned offshore; the reduction is mainly due to the reduced dividend income received from GWI as a result of higher finance costs
- 3.4% decrease in Rand-equivalent foreign currency income, via cash and scrip dividend alternatives, of R769.0m (HY24: R796.0m).

We aim to generate diversified returns through our dedicated business units, GIP and T&D.

Liquidity and capital management

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

- R5.2bn (FY24: R6.2bn) unutilised committed funding facilities for SA
- R826.6m (FY24: R174.5m) cash balances on the SA balance sheet
- R440.5m (HY24: R422.5m) cash retained, before income tax, as a result of the 82.5% dividend pay-out ratio
- The SA LTV remained conservative at 35.3% (FY24: 35.4%)
- Group interest cover ratio remained unchanged at 2.4 times (HY24: 2.4 times)
- 74.6% (HY25: 76.7%) of the SA long-term interest-bearing borrowings are hedged.

Group salient performance features

- Distributable income increased by 4.3% to R2.5bn (HY24: R2.4bn)
- Total group revenue, excluding C&R, increased by 5.0% to R6.9bn (HY24: R6.6bn)
- Group operating profit, excluding C&R, increased by 4.8% to R4.5bn (HY24: R4.3bn)
- Funds from operations (FFO) per share, based on the SA REIT FFO definition, decreased by 3.1% to 62.8 cps (HY24: 64.8 cps)
- Basic earnings per share increased to 79.72 cps (HY24: 4.64 cps)
- Basic headline earnings per share increased by 62.8% to 92.11 cps (HY24: 56.59 cps).

SA performance

- Like-for-like gross property income growth was 3.4% and like-for-like property expense declined by 3.8%, resulting in 6.8% (HY24: -0.1%) growth in net property income
- Gross lettable area of 548 049m² was let during the period resulting in improved vacancies of 8.3% (FY24: 8.7%), which are at the lowest levels since 30 June 2019
- Negative rent reversions on renewal improved significantly to -1.8% (FY24: -6.0%), with the logistics and industrial sector showing positive reversions of 0.9% (FY24: -3.3%)
- Total SA cost-to-income ratio, based on the SA REIT definition, has improved to 48.3% (HY24: 48.8%).

Growthpoint Investment Partners (GIP) performance

- GIP's AUM decreased to R8.4bn (FY24: R18.0bn), as a result of Lango Real Estate Limited (Lango) no longer forming part of the GIP portfolio:
  - GHPH AUM increased to R4.2bn (FY24: R4.0bn)
  - GSAH AUM increased to R4.2bn (FY24: R3.6bn)
- During the period, Lango internalised its asset management for USD60.3m (R1.1bn) with Lango Real Estate Management Limited (Lango Manco) accruing USD60.3m (R1.1bn) of income, of which USD18.3m (R341.5m) is attributable to Growthpoint after taking into account our effective shareholding
- Growthpoint received management fees of R47.6m (HY24: R42.0m) from GHPH and GSAH
- Dividends received from GHPH and GSAH increased to R59.3m (HY24: R48.6m), positively impacted by the development of three properties and improved rentals per bed received from NSFAS in GSAH, which was partially offset by negative rent reversions and elevated arrears in GHPH.

Changes in directorate in terms of paragraphs 3.59(b) of the JSE Listings Requirements and paragraph 6.42(b) of the JSE Debt and Specialist Securities Listings Requirements

John van Wyk resigned as Independent Non-executive Director effective 11 March 2025 to pursue business interests in the United Kingdom where he is based. Growthpoint thanks John for his valuable contribution to the company during the past five years.

Prospects

The South African Reserve Bank (SARB) has reduced the repo rate with a cumulative 75 basis points since FY24 based of a significant decline in inflation, the lowest in over three years. While global economic uncertainties and domestic cost pressures remain a concern, the political landscape in South Africa is showing signs of improvement.

Our strategic approach will be guided by our priorities: safeguarding the strength of our balance sheet and fulfilling our commitments towards environmental, social and governance (ESG) objectives. To this end, our focus will remain on improving the quality of our SA portfolio, with emphasis placed on capital allocation, proactive tenant retention strategies, strategic repositioning efforts, fostering green building initiatives, leveraging renewable energy solutions and focusing on higher growth sector geographies.

The improving perception of the SA political landscape is creating a more favourable environment for the REIT sector. This, coupled with lower inflation, further potential interest rate relief during the remainder of FY25 and limited load shedding, will impact positively on all sectors.

The office sector seems to have stabilised and is outperforming in Cape Town and Umhlanga Ridge, KwaZulu-Natal. The logistics and industrial sector, benefiting from a more balanced supply-demand dynamic, is expected to outperform other sectors. We also anticipate that KwaZulu-Natal and the Western Cape will continue to deliver superior performance.

The V&A Waterfront's performance exceeded expectations for HY25, driven by increased domestic and international tourism. The redevelopment of the Lux Mall, which commenced in July 2024, and the Table Bay Hotel which closed from February 2025, will have a negative impact on FY25's performance. Both redevelopments are scheduled to open towards the end of 2025. The V&A Waterfront anticipates achieving mid-single-digit growth for FY25. International expansion is constrained by our high cost of capital, both domestically and offshore, particularly as we are committed to balance sheet strength.

Australia is showing signs of a stabilising rate environment with its first interest rate cut of 25 basis points, the first change since November 2020, announced in February 2025 and two additional interest rate cuts anticipated for the rest of the 2025 calendar year. GOZ confirmed its FY25 FFO guidance range of A$22.3 cps to A$23.1 cps and FY25 distribution guidance of A$20.3 cps (which comprises the forecast 18.2 cps plus the 2.1 cps once-off distribution), assuming that no significant market movements or unforeseen circumstances occur during the remainder of FY25.

GWI continues to maintain a prudent financial position with moderate leverage and high levels of liquidity. Given the significant increase in their cost of debt as a result of their Eurobond refinance in FY24, we are expecting a decrease in dividend income for FY25.

Post the implementation of the C&R deal, we own 14.2% of NRR valued at R1.2bn. NRR's strong performance, driven by the acquisition of C&R and increased scale, low vacancy rates, and positive leasing momentum, positions it for good returns in the short to medium term.

We are committed to retaining our REIT status and intend to continue to pay dividends twice a year, maintaining our payout ratio of 82.5%.

We believe that LTV ratios, linked to valuations, have stabilised. We will continue to focus on strategic initiatives to preserve liquidity and balance sheet strength in the long term.

Our diversified portfolio and income streams position us defensively for FY25. Our domestic portfolio's improving performance driven by strengthening property fundamentals, the strong operational fundamentals of our international investments and the first interest rate cut in Australia since November 2020, indicate that we have reached the bottom of the property cycle. We expect DIPS to grow by between 1% and 3% for FY25, even though interest rate movements remain uncertain.

This announcement contains certain forward-looking statements which relate to the possible future performance and financial position of the Group. All forward looking statements are solely based on the views and considerations of the directors. These statements involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future. The Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information, future events or otherwise. These forward-looking statements have not been reviewed or reported on by the Group's external auditor.

Regulatory requirements

The condensed results for the period ended 31 December 2024 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/investorrelations/financial-reports/ and
https://senspdf.jse.co.za/documents/2025/jse/isse/GRTE/Interim25.pdf

Interim dividend

Notice is hereby given of the declaration of the interim dividend number 78 of 61.00000 cps for the period ended 31 December 2024. 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 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 SA 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 48.80000 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

Last day to trade (LDT) cum dividend	Monday, 14 April 2025
Shares to trade ex dividend	Tuesday, 15 April 2025
Record date	Thursday, 17 April 2025
Payment date	Tuesday, 22 April 2025

Notes:

1. *Shares may not be dematerialised or rematerialised between the commencement of trade on Tuesday, 15 April 2025 and the close of trade on Thursday, 17 April 2025, both days inclusive.*
2. *The above dates and times are subject to change. Any changes will be released on SENS.*

Sandton
12 March 2025

Equity sponsor: Investec Bank Limited
Debt sponsor: Investec Bank Limited