ASX announcement.

Growthpoint Properties Australia (ASX: GOZ)

16 August 2022

Appendix 4E

Growthpoint Properties Australia results for the year ended 30 June 2022

Results for announcement to the market

	Year ended 30-Jun-22	Year ended 30-Jun-21	Change
	$m	*$m*	*%*
Revenue from ordinary activities	**311.5**	294.2	5.9
Profit from ordinary activities after tax attributable to Securityholders[1]	**214.0**	198.3	7.9
Net profit attributable to Securityholders	**459.2**	553.2	(17.0)
Distribution to Securityholders	**160.6**	154.4	4.0

Distributions

	Amount per security/unit	Franked amount per security	Record date
	cents	*%*	
Final distribution payable on 31 August 2022	**10.40**	-	30-Jun-22
Interim distribution paid on 28 February 2022	**10.40**	-	31-Dec-21

Net tangible assets per stapled security

	30-Jun-22	30-Jun-21	Change
	$	*$*	*%*
Net tangible assets per stapled security	**4.56**	4.17	9.4

Additional information regarding the results for the year is contained in the FY22 annual report and the FY22 results presentation released to the Australian Securities Exchange (ASX) on the date of this announcement.

Entities over which control was gained or lost during the year

Growthpoint Properties Australia established the following entities during the year:

Entity	**Date Control Gained**
Bowes Street Property Trust	29 November 2021
Camberwell Road Property Trust	21 December 2021
Growthpoint Funds Management Limited	26 October 2021
Growthpoint Holding Trust No.1	26 November 2021
Growthpoint Nominees (Aust) 3 Pty Limited	25 November 2021
Growthpoint Nominees (Aust) 4 Pty Limited	19 May 2022
Thomas Street Property Trust	20 May 2022

[1] In our FY22 annual report and the FY22 presentation, profit from ordinary activities after tax attributable to Securityholders is referred to as funds from operations (FFO).

Details of associates and joint venture entities

Nil.

Distribution Reinvestment Plan

The Distribution Reinvestment Plan remains suspended and will not be in operation for the final distribution payment.

Audit

The above information is based on the financial report contained within the FY22 annual report which has been audited and contains an independent auditor's report.

The remaining disclosures required to comply with ASX Listing Rule 4.3A are contained within the FY22 annual report.

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

For further information, please contact:

Kirsty Collins
Investor Relations and Communications Manager
Telephone: +61 3 8681 2933

Growthpoint Properties Australia

Level 31, 35 Collins St, Melbourne, VIC 3000
growthpoint.com.au

About Growthpoint

Growthpoint provides space for you and your business to thrive. For more than 13 years, we've been investing in high-quality industrial and office properties across Australia. Today, we own and manage 59 properties, valued at approximately $5.3 billion.[2]

We actively manage our portfolio. We 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 in a sustainable way and reducing our impact on the environment. We are targeting net zero by 2025.

Growthpoint Properties Australia (ASX: GOZ) is a real estate investment trust (REIT), listed on the ASX, and is part of the S&P/ASX 200. Moody's has issued us with an investment-grade rating of Baa2 for domestic senior secured debt.

[2] Valuations as at 30 June 2022. Includes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.

Growthpoint Properties Australia

Growthpoint Properties Australia Trust ARSN 120 121 002
Growthpoint Properties Australia Limited ABN 33 124 093 901 AFSL 316409

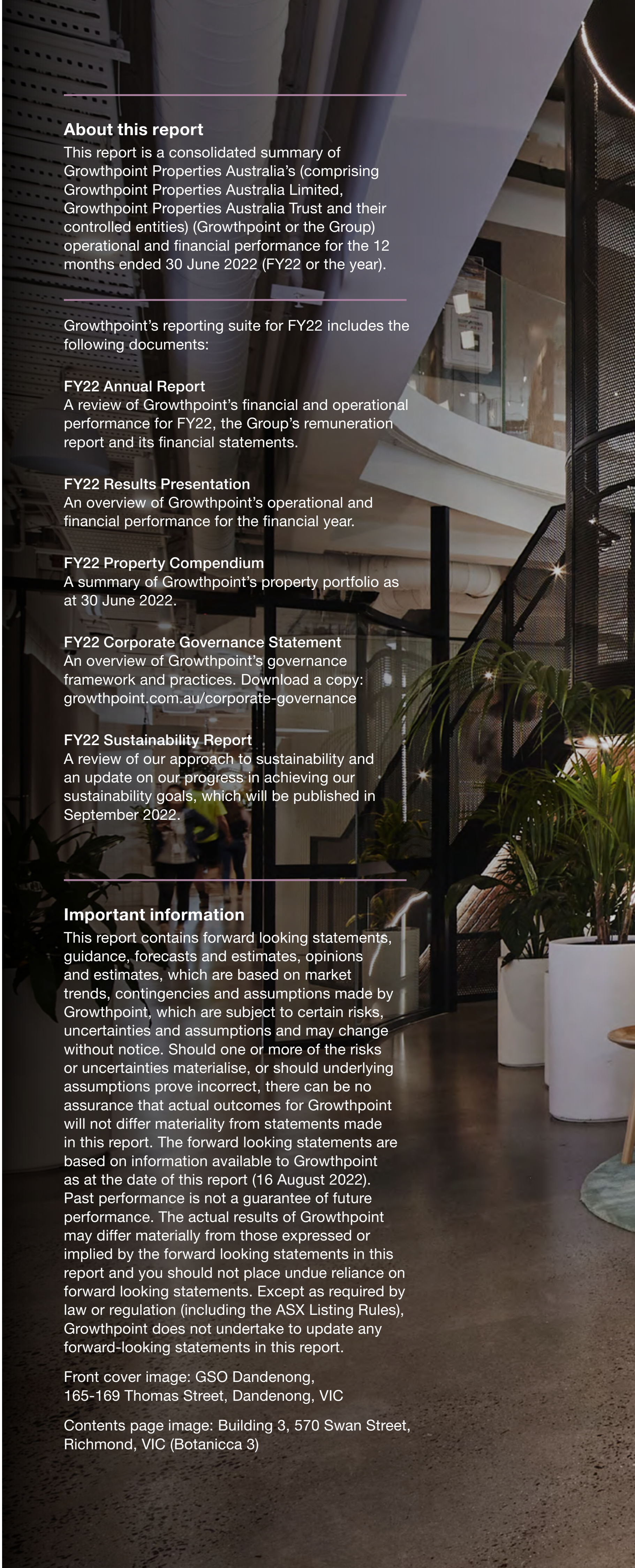
FY22 annual report.

for the year ended 30 June 2022

space to thrive.

GROWTHPOINT PROPERTIES

What's inside.



Directors' Report

Financial Report

Additional information

About this report

This report is a consolidated summary of Growthpoint Properties Australia's (comprising Growthpoint Properties Australia Limited, Growthpoint Properties Australia Trust and their controlled entities) (Growthpoint or the Group) operational and financial performance for the 12 months ended 30 June 2022 (FY22 or the year).

Growthpoint's reporting suite for FY22 includes the following documents:

FY22 Annual Report
A review of Growthpoint's financial and operational performance for FY22, the Group's remuneration report and its financial statements.

FY22 Results Presentation
An overview of Growthpoint's operational and financial performance for the financial year.

FY22 Property Compendium
A summary of Growthpoint's property portfolio as at 30 June 2022.

FY22 Corporate Governance Statement
An overview of Growthpoint's governance framework and practices. Download a copy: growthpoint.com.au/corporate-governance

FY22 Sustainability Report
A review of our approach to sustainability and an update on our progress in achieving our sustainability goals, which will be published in September 2022.

Important information

This report contains forward looking statements, guidance, forecasts and estimates, opinions and estimates, which are based on market trends, contingencies and assumptions made by Growthpoint, which are subject to certain risks, uncertainties and assumptions and may change without notice. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, there can be no assurance that actual outcomes for Growthpoint will not differ materiality from statements made in this report. The forward looking statements are based on information available to Growthpoint as at the date of this report (16 August 2022). Past performance is not a guarantee of future performance. The actual results of Growthpoint may differ materially from those expressed or implied by the forward looking statements in this report and you should not place undue reliance on forward looking statements. Except as required by law or regulation (including the ASX Listing Rules), Growthpoint does not undertake to update any forward-looking statements in this report.

Front cover image: GSO Dandenong, 165-169 Thomas Street, Dandenong, VIC

Contents page image: Building 3, 570 Swan Street, Richmond, VIC (Botanicca 3)

FY22 overview.[1]

Property portfolio value

$5.1b

30 June 2021: $4.5b, +13.3%

Profit after tax

$459.2m

FY21: $553.2m, -17.0%

Funds from operations (FFO)

27.7cps

FY21: 25.7cps, +7.8%

Distributions

20.8cps

FY21: 20.0cps, +4.0%

Net tangible assets (NTA) per security

$4.56

30 June 2021: $4.17, +9.4%

Portfolio occupancy

97%

30 June 2021: 97%

Weighted average lease expiry (WALE)

6.3yrs

30 June 2021: 6.2yrs

Average NABERS Energy rating

5.2☆

FY21: 5.1 stars

GRESB score

80/100

PCP: 74/100, +8.1%

1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.

Who we are.

As at 30 June 2022[1]

Total properties
58

Property portfolio value
$5.1b

Market capitalisation
$2.6b

Total employees[2]
39

Number of tenants
170

Number of investors
>4,380

Growthpoint provides space for you and your business to thrive. For more than 13 years, we've been investing in high-quality industrial and office properties across Australia. We own and manage 58 properties, valued at approximately $5.1 billion.[1]

What we do:

We actively manage our portfolio. We 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 in a sustainable way and reducing our impact on the environment. We are targeting net zero by 2025.

Growthpoint Properties Australia (ASX: GOZ) is a real estate investment trust (REIT), listed on the ASX, and is part of the S&P/ASX 200. Moody's has issued us with an investment-grade rating of Baa2 for domestic senior secured debt.[3]

How we do it:

Our values underpin everything we do.

Respect **Success** **Inclusion** **Integrity** **Fun**

Who we do it for:

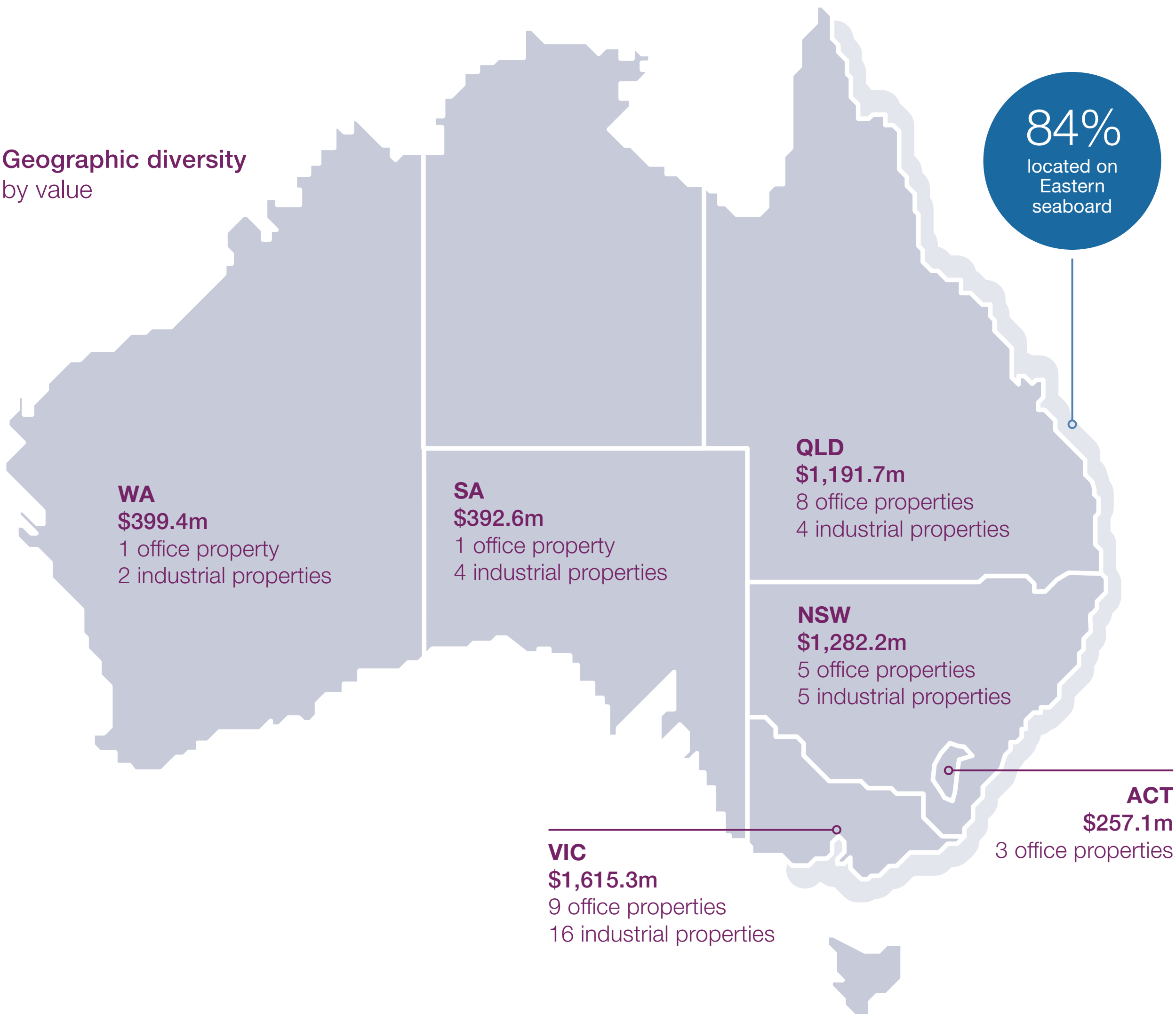
Tenants, employees, Securityholders, debt providers, service providers, local communities, government and regulators.

1. As at 30 June 2022. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. Excludes casual and contract employees.
3. Net zero 2025 target across 100% owned on balance sheet operationally controlled office assets and corporate activities.

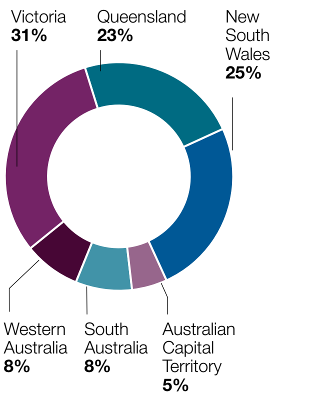
Portfolio summary

as at 30 June 2022[1]

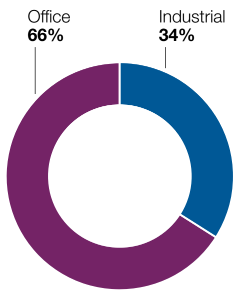
Geographic diversity
by value



Geographic diversity
by value



Sector diversity
by value



Tenant type
by income

1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. Growthpoint estimate of proportion of tenants with revenue below $50 million.

Our **strategy.**

Our goal is to provide Securityholders with sustainable income returns and capital appreciation over the long term.

Invest in **high-quality assets**

We seek to invest in high-quality, modern commercial real estate assets, that provide an attractive income yield and long-term capital appreciation. All our properties are located in Australia, where we have an indepth understanding of the market.

Long track record of delivery

Over $320 million invested in high-quality assets:

- Acquired three high-quality office assets in NSW, ACT and VIC with blended WALE 7.2 years, yield 5.0%[1]
- Invested $60.3 million in additional DXI[2] securities, maintaining circa 15% holding, increasing exposure to industrial assets

Maximise value

We develop asset management and tenant retention strategies for each of our properties to maximise income and value. These include plans for leasing, refurbishment, expansion, development or divestment.

Achieved like-for-like valuation uplift of $356 million, or 7.9%, over FY22 (office: 4.3%, industrial: 15.1%)

Invested $23 million in asset expansions, creating value and supporting lease extension – BMW South Melbourne and Symbion

Continued reinvestment in refurbishment, including enhancing building amenities

Maintain **high-occupancy**

We asset manage the properties we own and we develop long-term relationships with our tenants. We are focused on ensuring our properties meet our tenants' needs now and in the future. This helps us to maintain high occupancy levels and consistent rental income.

Industrial portfolio 100% occupied, 97% across total portfolio. 86% tenant retention[3]

Leasing success with ~234,000 sqm of leasing completed, 17% of portfolio income

Opportunities for growth:

- Property acquisition
- Securities buy-back
- Funds Management
- M&A

1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. Dexus Industria REIT.
3. Weighted by income, includes tenant renewals in future periods.

141 Camberwell Road,
Hawthorn East, VIC

Introduction
from the Chairman and Managing Director.

Over FY22, Australia continued to see the impact of the COVID-19 pandemic on business and individuals with re-introduction of government restrictions early in the period, national vaccination program roll-out and subsequent gradual lifting of pandemic restrictions over the second half the year.

We are pleased that Growthpoint has continued to successfully navigate the pandemic with no direct material impact on financial results to date, which reflects the strength of the Group's financial position over the period and the resilience of the property portfolio.

Strong financial performance

Growthpoint has delivered a robust performance in FY22, with funds from operations (FFO) of 27.7 cents per security (cps), a 7.8% growth on the prior year. The Group's performance exceeded expectations, with an increasingly certain and positive performance over the first half of the year allowing for the upgrade to initial FY22 FFO guidance from 26.3 cps to at least 27.0 cps, and FY22 distribution from 20.6 cps to 20.8 cps in December 2021. FY22 FFO guidance was further upgraded to at least 27.7 cps in June 2022, reflecting progress made in the second half which included the purchase of two office assets (settlement of 2-6 Bowes Street, Phillip, ACT and 141 Camberwell Road, Hawthorn East, VIC), Woolworths confirmation of their five-year lease option at their Queensland distribution centre at Larapinta and continued leasing success across the portfolio.

The Group's performance in FY22 reflects the successful execution of the Group's strategy and the underlying strength of the business. The final FY22 distribution of 20.8 cps represents a payout ratio 75%, in line with the Board's decision to maintain a payout ratio of between 75% and 85%, assisting the Board's objective to provide Securityholders with growing distributions going forward since its introduction in the prior year.

TSR outperforms index over the long term

The Group has outperformed the S&P/ASX 200 REIT Accumulation Index (the Index) over the short, medium and long term, as highlighted in the chart on the opposite page.

Growthpoint's total securityholder return (TSR) performance of -11.7% in FY22 has outperformed the Index by 60 bps, with sector-wide security price performance being significantly impacted in the final months of FY22 as the broader market responded to a changing economic environment of central bank interest rate hikes, rising long-term bond yields and increasing inflation.

Growthpoint's journey.[1]

Since 2009

20 property disposals
$648.3m

54 property acquisitions
$2.9b

Takeover of two A-REITs and agreement to purchase Fortius Funds Management[3]
$670m

2009
Growthpoint Properties (JSE: GRT) recapitalises Orchard Industrial Property Fund

GOZ listed on the ASX
(5 August 2009)
23 assets valued at $650m
(100% industrial)

5 employees

2010
Acquires first office asset

2011
Takeover of Rabinov Property Trust (ASX listed)
(acquires four offices and two industrial properties valued at $184m)

10+ employees

2012
GOZ appoints first female board member

2014
Portfolio exceeds $2.0b

2015
Gains inclusion in S&P/ASX200 Index

2016
Takeover of GPT Metro (ASX listed)
(acquires six A-Grade office properties valued at $440m)

2017
Commits to net zero 2050

Enters USPP market for the first time

20+ employees

2018
Reaches 50:50 employee gender target

2019
Celebrates 10-year anniversary

2021
New target set for net zero 2025

2022
Portfolio exceeds $5.0b
58 assets[2]
(31 industrial, 27 office)

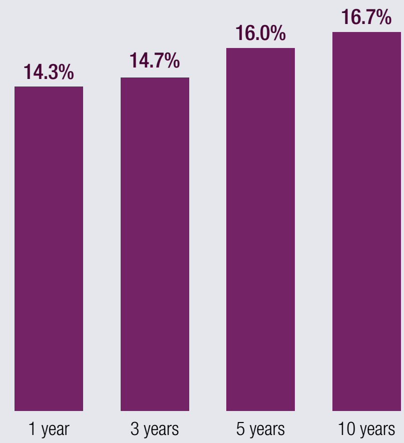
35+ employees

Aug 2022
Enters agreement to acquire Fortius Funds Management[3]
(initial purchase price $45m)

60+[3] combined employees

Total Securityholder return over 1, 3, 5 and 10 years (%)[4]

Return on equity (%)
to 30 June 2022



1. Growthpoint's journey is in calendar years.
2. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria.
3. Initial purchase price of $45 million (with a net asset adjustment) upon completion which is anticipated 1Q FY23, subject to satisfaction of conditions precedent.
4. Source: UBS Investment Research. Annual compound returns to 30 June 2022.

Introduction from the Chairman and Managing Director.

Over the longer term, Growthpoint has delivered TSR performance that has outperformed the Index over the last three, five and ten years. This reflects the continued focus of the management team and Board on successfully executing the Group's strategy for growth and delivering long-term value for Securityholders. Growthpoint's evolution from its ASX listing to today is outlined on the previous page, with the Group's office and industrial property portfolio now valued at $5.1 billion as at 30 June 2022.[1]

Strategic acquisitions

The Group has made a number of strategic, accretive acquisitions in FY22, investing over $320 million in three high-quality modern office assets, and acquiring additional Dexus Industria REIT securities which further increased the Group's exposure to the growing industrial sector.

We are also pleased that the Group has successfully settled on the acquisition of GSO[2] Dandenong at 165-169 Thomas Street, Dandenong, Victoria in July 2022 and entered into a share sale agreement to acquire Fortius Funds Management, a key strategic priority and growth opportunity for the business.

WALE maintained, strong leasing activity

The Group's portfolio continues to be leased to predominantly government, listed or large organisations and has maintained its high occupancy of 97% and WALE of 6.3 years as at 30 June 2022.

Over FY22 Growthpoint has seen its portfolio value increase by 7.9% or $356 million on a like-for-like basis at 30 June 2022, with the uplift over 12 months reflecting the strength of the industrial market and the Group's leasing success across both the office and industrial portfolios in the year.

Significant leasing activity in the year totalled ~234,000 sqm or 17% of portfolio income, with key leases being signed or renewed with Samsung, Fox Sports, Scope and Bunnings in the office portfolio and Woolworths, Linfox and Eagers Automotive in the industrial portfolio. We were pleased to see Woolworths exercise their five-year lease option for their major Queensland distribution centre at Larapinta in the second half of the year. Post balance date, we have negotiated an additional 2.5 year extension to the Woolworths lease, resulting in a 7.5 year lease term from February 2022.

The highly desirable nature of the Group's property portfolio, leasing success and proactive asset management over the years contributes to the strength of our portfolio. We are pleased to see the Group maintain its high tenant retention of 86% over the year and that Growthpoint was ranked industry leader on landlord satisfaction in a tenant survey conducted by property research specialists Brickfields Consultancy during the year.

Net tangible assets (NTA) have increased over FY22 to $4.56 per security, demonstrating the resilience of the Group's growing property portfolio.

You can read more on our office and industrial portfolio on pages 14 to 17.

Continued progress on sustainability

Growthpoint is committed to operating in a sustainable way and we have continued to make progress on sustainability in FY22. We have moved forward on our pathway to net zero by 2025 target,[3] including improving energy and resource efficiency across our portfolio and completing three solar installations in our office portfolio. Performance in external benchmarks remains strong with the Group's overall Global Real Estate Sustainability Benchmark (GRESB) score increasing by 8.1% to 80/100 and above-average CDP score of B being maintained. We were particularly pleased to see the Group recognised by GRESB as a sector leader in FY22 and also rank in the top five for Energy ratings in the NABERS Sustainable Portfolios Index 2022. You can read more about our sustainability performance on page 18 and in our Sustainability Report which will be published in September 2022.

Our people

We recognise that our experienced and dedicated team of people are integral to our success and remain committed to ensuring Growthpoint is a great place to work. We were pleased to again see positive results from our externally conducted annual employee survey which placed the Group in the top decile of its benchmark group on employee engagement and top quartile on employee alignment in FY22, building on top quartile performance last year.

Growthpoint's team has grown over FY22 and we have continued to evolve our employee value proposition to allow the Group to reward, motivate and attract a high performing team. As we move into FY23, we also look forward to welcoming the Fortius Funds Management team to Growthpoint.

Looking ahead to FY23

The changing external environment going into FY23 has created a challenging period for the A-REIT sector with markets responding to and anticipating further central bank rate rises, increasing interest costs, and the impact of higher inflation.

Growthpoint's exposure to favoured industrial and metropolitan office property markets and secure income from large corporate and government tenants provides a resilient foundation for our business.

Early in FY22, Growthpoint enhanced its capital position, taking advantage of low pricing at the time to refinance $715 million debt which reduced the Group's refinancing risk and extended its weighted average debt maturity (WADM).

1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. Government Service Office.
3. Net zero 2025 target across 100% owned on balance sheet operationally controlled office assets and corporate activities.

Going into FY23, Growthpoint is positioned to manage the business through a period of higher inflation and higher interest costs, with 61% of its debt fixed at 30 June 2022 and ample headroom to debt covenants. The Group's gearing of 31.6% at 30 June 2022 remains below the target range of 35-45%, providing flexibility to invest in property or funds where we see value for Securityholders.

The Group has provided FY23 FFO guidance of 25.0-26.0 cps and FY23 distribution guidance of 21.4 cps. We remain committed to providing our Securityholders with sustainable income returns and capital appreciation over the long term.

We would like to take this opportunity to thank our employees for their dedication and contribution to delivering a successful performance in FY22. We would also like to acknowledge our tenants, suppliers and other key stakeholders for their continued support.

We also thank our Securityholders, for their ongoing commitment to the Group.

Geoff Tomlinson
Chairman

Timothy Collyer
Managing Director

Strategic property **acquisitions.**

Four properties acquired since 30 June 2021

$426.6m

BUY


11 Murray Rose Avenue, Sydney Olympic Park, NSW


2-6 Bowes Street, Phillip, ACT


141 Camberwell Road, Hawthorn East, VIC


GSO Dandenong,165-169 Thomas Street, Dandenong, VIC

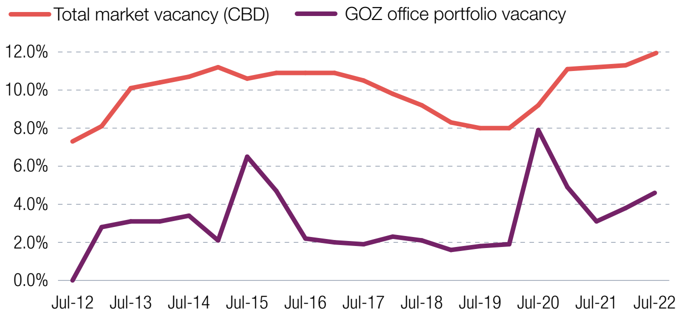
Office market overview.

Australian office markets continued to recover throughout FY22, with solid tenant enquiry and transactional activity recorded in most major cities. Conditions continued to improve, with unemployment falling to 3.5% and job advertisements reaching record highs by year end.

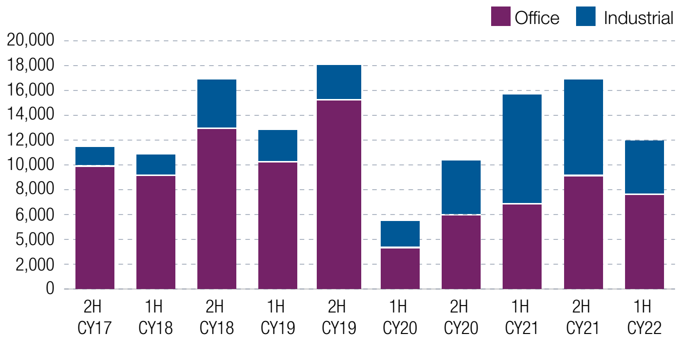
Occupier markets remained resilient despite increased uncertainty. Physical occupancy rates continued to increase as workers return to the office, although slowed in recent months by cold, wet weather and increased COVID-19 cases. Net absorption, although modest, was positive in most markets, particularly metropolitan markets. Small occupiers (<1,000sqm) were most active, seeking larger footprints. After stagnating during the COVID-19 period, face rents began to increase in several of the Group's markets in FY22 including Melbourne Fringe, Brisbane CBD and Brisbane Fringe.

After a strong first half, investment activity was more subdued over the second half of FY22 as buyers digest the impact of increased funding costs and higher bond yields. Office investment volume totalled $16.6 billion[1] over the financial year. Higher quality assets, particularly securely leased assets, continued to generate healthy demand from both domestic and offshore purchasers. After initially compressing in the first half of FY22, yields were relativ ely unchanged over the second half of the year.

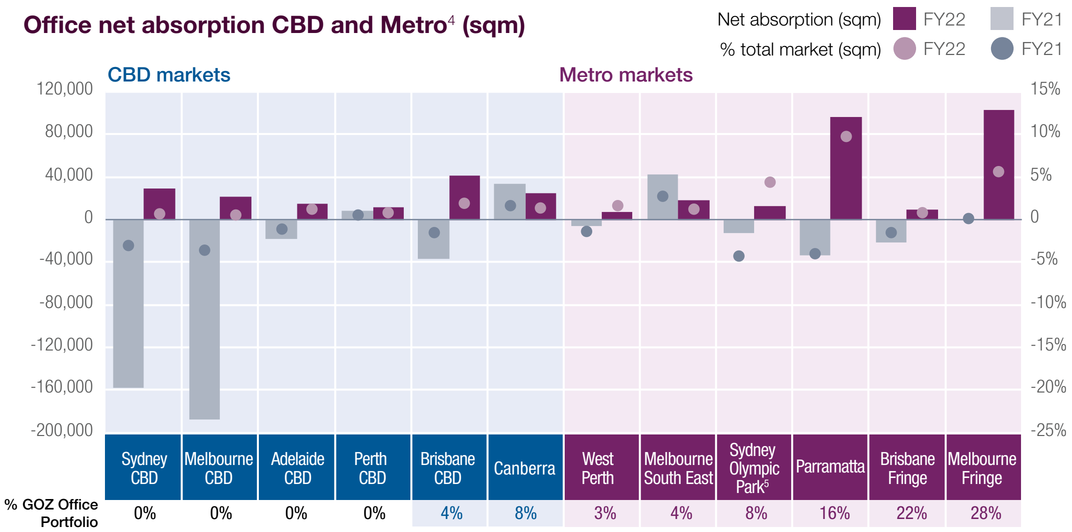
National office vacancy[2] ($AU)



Commercial real estate investment volume[3] ($AU)



Office net absorption CBD and Metro[4] (sqm)



FY22 CBD net absorption
143,550sqm
0.8% of the market[4]

FY22 Metro net absorption
246,077sqm
2.4% of the market[4]

Positive net absorption in Group's markets reflects strengthening demand, improved tenant confidence

1. Cushman & Wakefield. 2. Source: Property Council Australia, Growthpoint. 3. Source: Cushman & Wakefield.
4. Source: JLL. 5. Sydney Olympic Park/Rhodes.

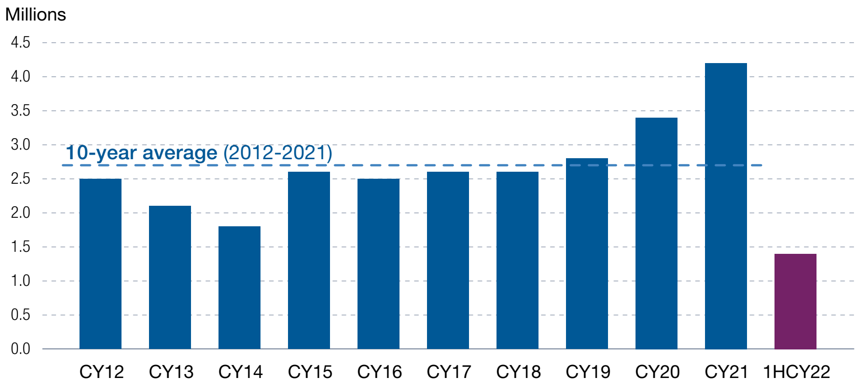
Industrial market overview.

Positive movement in the industrial market continued to accelerate in FY22 as the sector benefited from macroeconomic tailwinds including growth in e-commerce, supply chain infrastructure investment and strong occupier fundamentals.

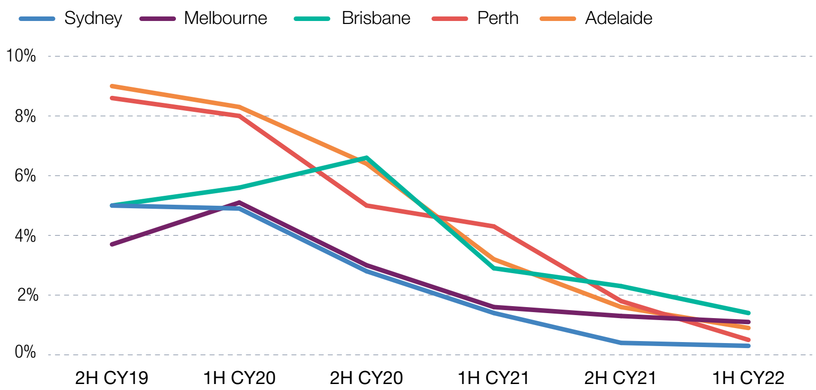
Leasing activity reached historic high levels, with demand originating from a broad range of industries including medical supplies, supermarkets and groceries, transport/logistics and retailers investment in last mile fulfilment. Vacancy continued to fall in the Group's markets, as demand outstripped limited supply, with the national vacancy rate reaching a record low of 0.8% in June.[1] Rent growth accelerated over the year, with most markets recording double digit growth in face rents.

Investors, particularly institutional investors, continued to seek exposure to the sector. Industrial transaction volume totalled $11.9 billion[2] over FY22. Investors sought prime and secondary grade investments, particularly those which provided near term positive rent reversion opportunities (i.e. short-medium WALE assets). Yields continued to re-rate across the year, particularly within the first half.

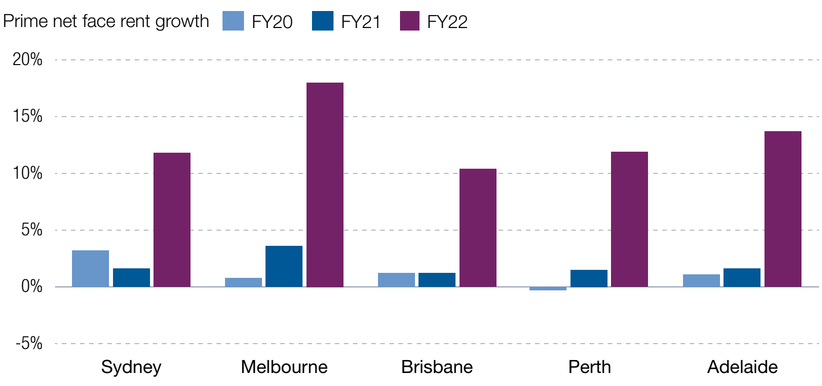
Industrial floorspace gross take-up across Australia[3] (sqm)



Industrial vacancy rates[4] (%)



Industrial net face rent growth[5] (%)



1. CBRE.
2. Cushman & Wakefield.
3. Source: JLL.
4. Source: CBRE.
5. Source: JLL.

Our **office portfolio.**

Our office portfolio consists of 27[1] high-quality office properties, which represent 66% of our total property portfolio by value. Our office properties are predominately located on the fringe of CBDs or in key metropolitan markets.

Leasing

Growthpoint signed 34 office lease agreements in FY22, totalling 41,180 square metres or 11.2% of our office portfolio by income. The weighted average lease term for new and renewed leases was 6.0 years and the weighted average annual rent review was 3.2%. Due to this leasing success, our office portfolio WALE only reduced moderately from 7.0 years to 6.7 years over the twelve months.

The Group signed two large lease renewals with key tenants, Samsung at 3 Murray Rose Avenue, Sydney Olympic Park, New South Wales for 13,423 square metres and Fox Sports at Building C, 219 Pacific Highway, Artarmon, New South Wales for 8,092 square metres. Importantly, these two large corporate businesses extended their leases over the same amount of floor space that they were previously leasing from the Group.

After securing Bunnings as the key 13,886 square metre tenant at Building 3, 570 Swan Street, Richmond, Victoria (Botanicca 3) in October 2020, we were pleased to further expand their footprint in November 2021 by an additional 2,068 square metres. This increased Bunnings' occupancy within the building to 83%.[2]

A key thematic that the Group continued to observe over the year has been a flight to quality by office occupiers and an increasing interest from large corporate and government tenants in leasing highly energy-efficient buildings. Growthpoint's A-grade, highly green credentialled office portfolio is well positioned in this regard.

Capital Transactions

Since 30 June 2021, Growthpoint has acquired four high quality, modern, A-grade office assets, totalling $426.6 million[3] on a blended initial yield of 5.1%, a weighted average lease term of 8.1 years and an average NABERS Energy rating of 5.2 stars.[4] The assets are occupied by government and large corporate tenants and are all located along Australia's eastern seaboard.

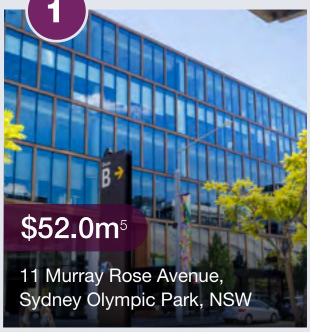
Strategic property **acquisitions.**

BUY

Four properties acquired since 30 June 2021

$426.6m[5]

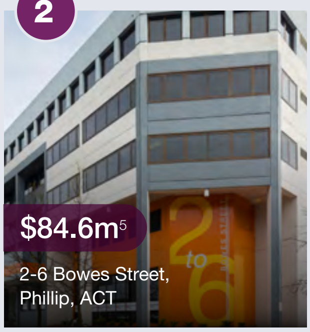
1



$52.0m[5]
11 Murray Rose Avenue, Sydney Olympic Park, NSW

NLA: **5,684 sqm**
WALE: **4.8 years**
Occupancy: **100%**
Major tenant: **B2G Consortium**
(metrics as at settlement Aug 21)

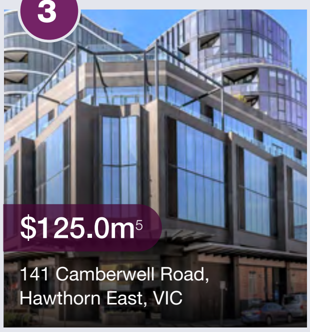
2



$84.6m[5]
2-6 Bowes Street, Phillip, ACT

NLA: **12,376 sqm**
WALE: **9.3 years**
Occupancy: **96%**
Major tenant: **ACT Government**
(metrics as at settlement Dec 21)

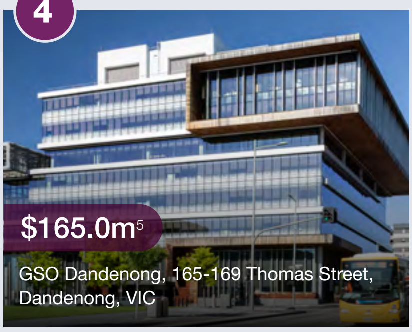
3



$125.0m[5]
141 Camberwell Road, Hawthorn East, VIC

NLA: **10,233 sqm**
WALE: **6.7 years**
Occupancy: **99%**
Major tenant: **Miele Australia**
(metrics as at settlement Feb 22)

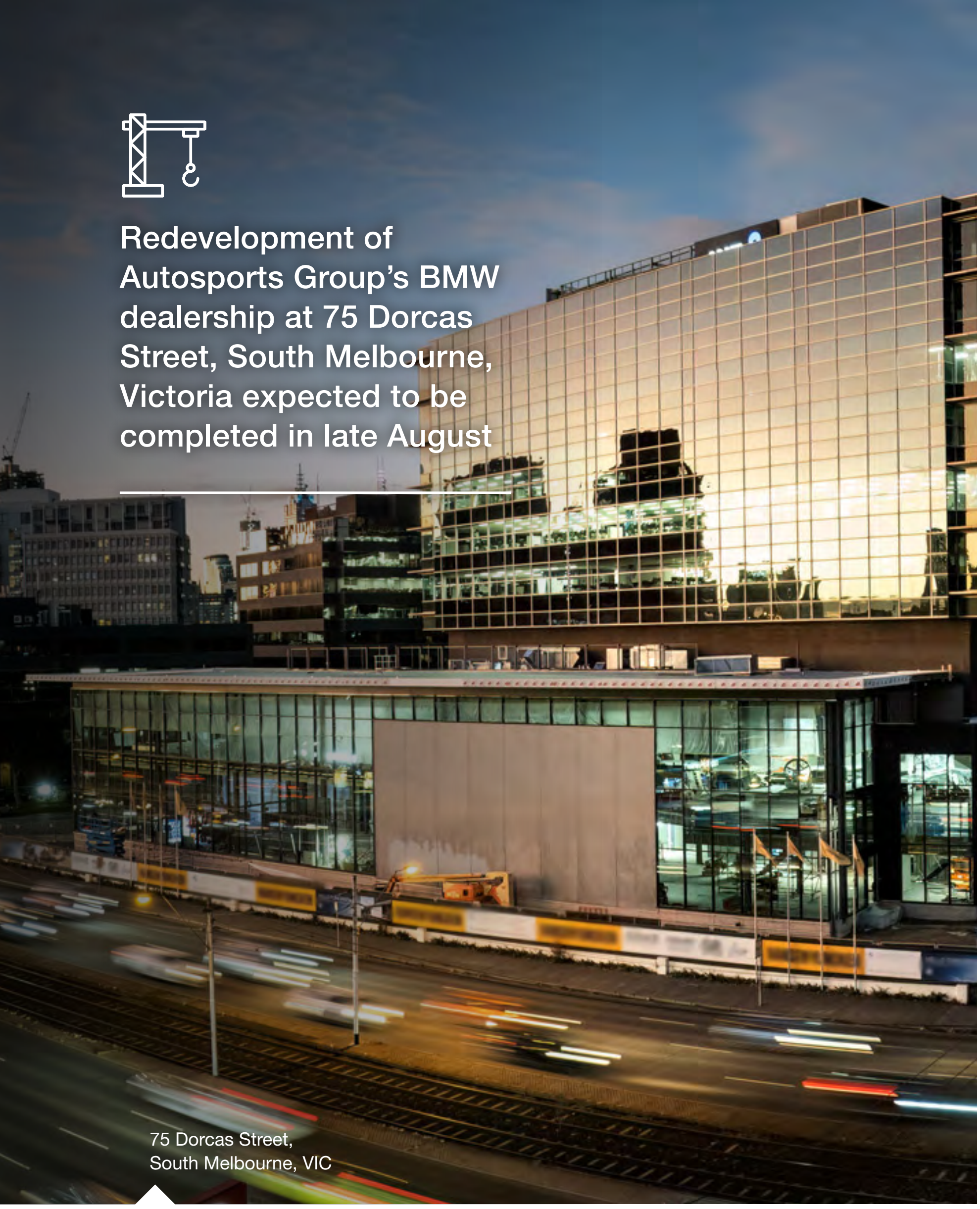
4



$165.0m[5]
GSO Dandenong, 165-169 Thomas Street, Dandenong, VIC

NLA: **15,071 sqm**
WALE: **9.4 years**
Occupancy: **100%**
Major tenant: **VIC Government**
(metrics as at settlement Jul 22)

1. Portfolio metrics exclude GSO Dandenong 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. By area.
3. Figure includes GSO Dandenong 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
4. Excludes 141 Camberwell Road, Hawthorn East, Victoria, which is not rated.
5. Net sale price, excluding acquisition costs.



75 Dorcas Street,
South Melbourne, VIC

Valuation

Over FY22, the value of Growthpoint's office portfolio increased by $129.6 million, or 4.3% on a like-for-like basis, to $3.4 billion. Nearly eighty percent of the Group's office assets increased in value[1], due to a combination of leasing success, yield compression and the advancement of the BMW showroom development at 75 Dorcas Street, South Melbourne, Victoria.

Demand for office investments, particularly quality metropolitan offices, was strong throughout FY22. Over the year, the weighted average capitalisation rate used to value the Group's office portfolio compressed 10 basis points to 5.15%.

Developments and Expansions

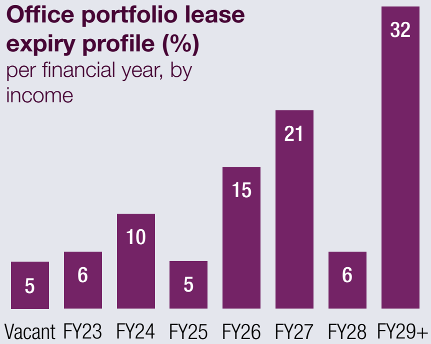
In late FY21 we entered into a new 15-year and 11-month lease with major tenant, Autosports Group at 75 Dorcas Street, South Melbourne, Victoria. As part of the lease extension Growthpoint has funded the redevelopment of Autosports Group's state of the art BMW dealership. Growthpoint is receiving a 7.5% coupon rate for funding the $26.15 million redevelopment which is targeting completion in August 2022.

1. Weighted by value.

Office portfolio snapshot[1]

	30 June 2022	30 June 2021
Total portfolio value	$3,416.6m	$3,025.6m
LFL[2] change in portfolio valuation	$129.6m or 4.3%	
Number of assets	27	24
Occupancy	95%	97%
WALE	6.7 years	7.0 years
Total lettable area	345,835 sqm	317,409 sqm
Tenant retention	72%	76%
Weighted average capitalisation rate	5.1%	5.3%
Weighted average rent review[2]	3.6%[3]	3.6%[4]
NPI	$161.3m	$152.5m

Office portfolio lease expiry profile (%)
per financial year, by income



Top ten office tenants as at 30 June 2022	% portfolio income	WALE (yrs)
NSW Police Force	11	22.5
Commonwealth of Australia	10	4.0
Country Road Group	5	10.0
Bank of Queensland	5	4.6
Bunnings Warehouse	4	8.8
ANZ Banking Group	4	3.0
Lion	3	1.8
Samsung Electronics	3	4.7
Collection House	3	3.9
Fox Sports	3	8.5
Total/weighted average	**51**	**9.2**
Balance of portfolio	49	4.2
Total portfolio	**100**	**6.7**

1. Excludes GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which settled in July 2022.
2. Like-for-like.
3. Assumes CPI change of 6.1% per annum as per ABS release for FY22.
4. Assumes CPI change of 3.85% per annum as per ABS release for FY21.
5. Includes vacancies.

Our **industrial portfolio.**

Our industrial portfolio consists of 31 modern industrial properties, which represent 34% of Growthpoint's total property portfolio by value. Our industrial properties are well-located, near key logistics hubs or population centres.

Leasing

Growthpoint signed eleven industrial lease agreements in FY22, totalling 193,161 square metres or 30.3% of our industrial portfolio by income. The weighted average lease term for new and renewed leases was 4.5 years and the weighted average annual rent review was 2.8%.

The Group extended its largest industrial lease by 5 years to Woolworths at 70 Distribution Street, Larapinta, Queensland. Woolworths will continue to utilise the 76,109 square metre regional distribution facility as a key component of their national grocery supply chain. This lease represents approximately 13%[1] of the Group's industrial portfolio income, or 4%[1] of the Group's total portfolio income. Post balance date, we have negotiated an additional 2.5 year extension to the Woolworths lease, resulting in a 7.5 year lease term from February 2022.

We were pleased to enter into a new 11.2-year lease with Eagers Automotive Group for 14,726 square metres at 5 Viola Place, Brisbane Airport, Queensland in December 2021.

During FY22, we also agreed leases with IPEC, IVE Group and Linfox. As a result of our leasing success, the Group's industrial portfolio was 100% occupied at 30 June 2022. (30 June 2021: 2% vacancy).

Valuation

Over FY22, the value of Growthpoint's industrial portfolio increased by $226.4 million, or 15.1% on a like-for-like basis, to $1.7 billion. Thirty of the Group's thirty-one industrial properties increased in value over FY22, the result of leasing success and positive market fundamentals. Yield compression and rent growth were primary drivers of the value appreciation, with strong rent growth recorded in all the Group's industrial markets.

Investors, particularly institutional investors, continued to seek exposure to the sector. Yields continued to re-rate, particularly within the first half of the year. The weighted average capitalisation rate used to value the Group's industrial portfolio compressed 44 basis points to 4.72% over the year.

Developments and Expansions

In late 2021, Growthpoint agreed to expand our property at 120-132 Atlantic Drive, Keysborough, Victoria, constructing an additional 2,910 square metres of warehousing for the building's occupier Symbion Pharmaceuticals. The circa $3.4 million expansion was funded by Growthpoint with Symbion paying a rentalised yield of 5.75% on the total project costs. The expansion was completed in July 2022. Growthpoint have separately agreed with Symbion to add a 330kW solar array on the roof of the property and Symbion have committed to the property until 2032.

1. Percentage based on Gross income of fully leased portfolio.

70 Distribution Street, Larapinta, QLD | Renewed tenant: **Woolworths** | NLA: **76,109 sqm** | Term: **5.0 yrs**

27-49 Lenore Drive, Erskine Park, NSW | Renewed tenant: **Linfox** | NLA: **29,476 sqm** | Term: **2.0 yrs**

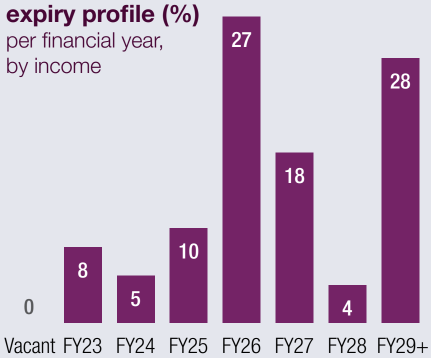
5 Viola Place, Brisbane Airport, QLD | New tenant: **Eagers Automotive** | NLA: **14,726 sqm** | Term: **11.2 yrs**

Industrial portfolio snapshot

	30 June 2022	30 June 2021
Total portfolio value	$1,721.7m	$1,495.4m
LFL[2] change in portfolio valuation	$226.4m or 15.1%	
Number of assets	31	31
Occupancy	100%	98%
WALE	5.3 years	4.7 years
Total lettable area	715,619 sqm	715,619 sqm
Tenant retention	98%	78%
Weighted average capitalisation rate	4.7%	5.2%
Weighted average rent review	3.7%[1]	3.1%[2]
NPI	$78.6m	$77.7m

Industrial portfolio lease expiry profile (%)

per financial year, by income



Top ten industrial tenants as at 30 June 2022	% portfolio income	WALE (yrs)
Woolworths	38	6.6
Linfox	11	3.6
Australia Post	6	9.0
HB Commerce	3	0.2
Brown & Watson International	3	3.1
Laminex Group	3	3.0
The Workwear Group	3	5.0
Eagers Automotive	2	10.6
Autocare Services	2	8.3
Symbion	2	9.5
Total/weighted average	**73**	**6.0**
Balance of portfolio[3]	27	3.4
Total portfolio	**100**	**5.3**

1. Assumes CPI change of 6.1% per annum as per ABS release for FY22.
2. Assumes CPI change of 3.85% per annum as per ABS release for FY21.
3. Includes vacancies.

FY22 **sustainability performance.**

Environment

Ranked 5th for Energy ratings in the NABERS Sustainable Portfolios Index 2022 (SPI)

NABERS Energy rating
5.2 ☆
with 100% of office portfolio rated

NABERS Water rating
5.1 ☆
with 86% of office portfolio rated

NABERS Indoor Environment rating
4.2 ☆
with 87% of office portfolio rated, up from 62% in FY21

People

Employee engagement score
77%
placing Group in top decile of benchmark group
FY21: 77%, top quartile of benchmark group

Employee alignment score
61%
placing Group in top quartile of benchmark group
FY21: 63%, top quartile of benchmark group

Women in leadership positions[1]
50%
FY21: 38%

Gender diversity (all employees)[2]
51.3% 48.7%

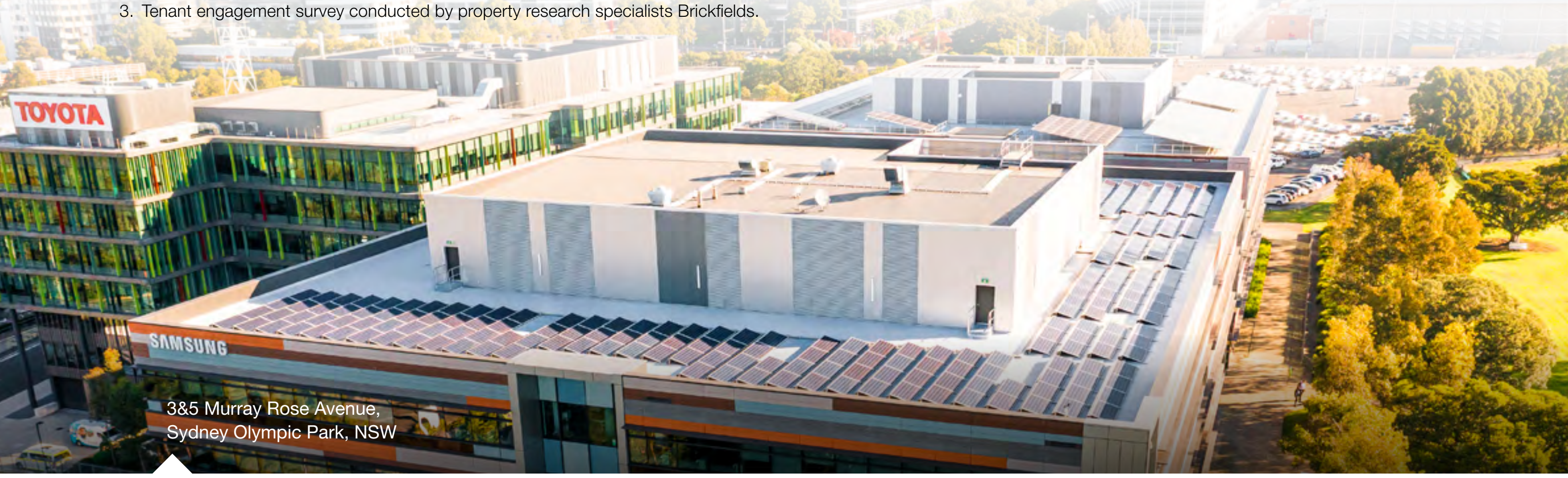
Tenant satisfaction
Industry leader on landlord satisfaction[3]

Governance

GRESB REAL ESTATE sector leader 2021
80
100
GRESB rating increased by 8.1% from pcp (FY21 74/100)

CDP
B Rating maintained

1. EMT and senior managers (permanent employees that report to an EMT member, excluding assistants).
2. Excludes casual and contract employees.
3. Tenant engagement survey conducted by property research specialists Brickfields.



3&5 Murray Rose Avenue, Sydney Olympic Park, NSW

Growthpoint's **2022 Sustainability report** will be published in September

growthpoint.com.au/sustainability

FY23 sustainability **framework.**

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Environment

- Decarbonisation
- Natural resource management
- Waste and circularity

Aligned to UN SDGs

7 11 12 13

Economic

- Climate change resilience
- Green and social economy

Aligned to UN SDGs

11 13

People

- Tenant satisfaction
- Employee engagement
- Responsible and sustainable supply chain
- Social impact

Aligned to UN SDGs

8 11 12 13

Governance

- Sustainability governance
- Communication and transparency

Aligned to UN SDGs

8 12

Progress on solar projects across our portfolio.

Roof-top solar PV systems totalling

589kW

being installed across the portfolio during FY22-FY23

Office portfolio

Completed solar installations at three office assets in Queensland with combined capacity of 259 kW.

Industrial portfolio

We are working with our tenant at 120-132 Atlantic Drive, Keysborough, Victoria to install a 330kW Solar PV system, with installation expected to start in 1Q23.

15 Green Square Close,
Fortitude Valley, QLD
66kW Solar PV System

22 Cordelia Street,
South Brisbane, QLD
100kW Solar PV System

52 Merivale Street,
South Brisbane, QLD
93kW Solar PV System

120-132 Atlantic Drive,
Keysborough, Victoria
330kW Solar PV System

Financial performance.

Growthpoint's strong financial performance for FY22 reflects a year where the Group has successfully executed on its growth strategy, despite the continued economic interruptions from the COVID-19 pandemic.

Initial FY22 FFO guidance of at least 26.3cps and 20.6cps for distributions was provided, with the Group looking to increase growth over the year by acquiring quality properties utilising debt capital, bringing gearing up to the bottom of its 35%-45% target range. This was successfully delivered, with over $320 million deployed across three high-quality modern office assets and an increase to the Group's Dexus Industria REIT (DXI) securities holding which provides further exposure to the growing industrial sector. Further growth was achieved through key leasing outcomes across the year in addition to the refinancing of $715 million of debt facilities on improved terms for the Group.

These achievements have led to FY22 FFO of 27.7 cps, up 7.8% on the prior year, and distributions totalled 20.8cps, up 4.0% on the prior year. The Group's gearing remains at 31.6% as at 30 June, increasing to a pro forma level of 34.3% post the settlement of GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria in July 2022 and the acquisition of Fortius Funds Management which is expected to settle in Q1 FY23.

NTA per security increased to $4.56, 9.4% on the prior year, primarily reflecting the strong valuation uplift across both our office and industrial property portfolios in the first half of the financial year, with growth more subdued in the second half on rising interest rates, curtailing yield compression seen earlier in the year.

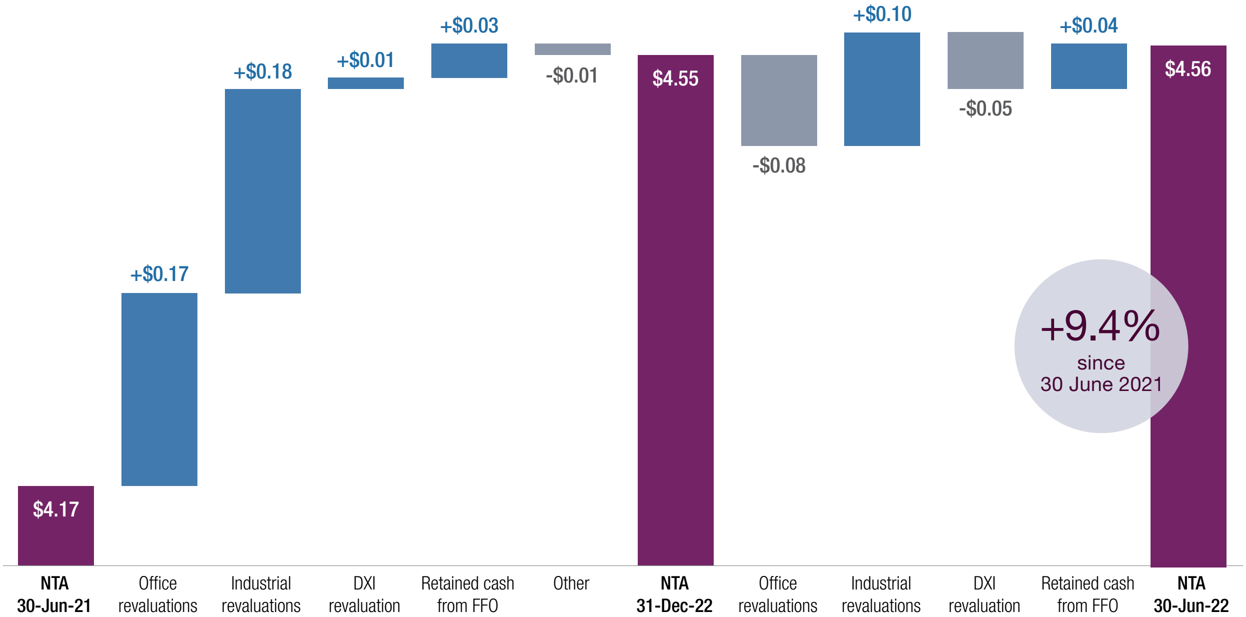
Operating expenses

The Group's management expense ratio (MER) was 0.40%, in line with anticipated MER being circa 0.40% moving forward from FY22. This is up on the prior period (FY21 MER: 0.35%) which was well below the Group's long-term average, largely due to lower spending during periods affected by the COVID-19 pandemic. FY22's increase in operating expense also reflects an increased headcount to support the current and future growth of the business. It also includes an element of 'catch-up' after a hiring freeze and broader cost control during the early phase of the pandemic.

Capital expenditure

Maintenance capital expenditure reduced in total dollars spent in the period ($20.7 million, down from $21.2 million in FY21) and as a percentage of the property portfolio (0.42%, down from 0.48% in FY21). Capital expenditure remained within the Group's guidance range of between 0.3% and 0.5% of average property value. The Group expects to remain towards the upper end of its guidance range over the short to medium term.

Movements in NTA per security
for the 12 months ended 30 June 2022



2-6 Bowes Street,
Phillip, ACT

Financial performance snapshot

	30 June 2022	30 June 2021
Funds from operations	$214.0m	$198.3m
Funds from operations (per security)	27.7 cents	25.7 cents
Distributions	$160.6m	$154.4m
Distributions (per security)	20.8 cents	20.0 cents
Net tangible assets (per security)	$4.56	$4.17

Operating expenses

	FY22	FY21
Total operating expenses	**$19.8m**	$15.7m
Average gross assets value	**$4,911.3m**	$4,425.3m
Operating expenses to average gross assets	**0.40%**	0.35%

Capital expenditure

	FY22	FY21
Total portfolio capex	**$20.7m**	$21.2m
Average property asset value	**$4,956.2m**	$4,384.8m
Capital expenditure to average property portfolio value	**0.42%**	0.48%

Financial performance.

Key debt metrics and changes during FY22		30 June 2022	30 June 2021	Change
Gross assets	*$m*	**5,499.8**	4,777.8	722.0
Interest bearing liabilities	*$m*	**1,740.0**	1,327.1	412.9
Total debt facilities	*$m*	**2,101.5**	1,720.0	381.5
Undrawn debt	*$m*	**353.5**	387.5	(34.0)
Gearing	*%*	**31.6**	27.9	3.7
Weighted average cost of debt (based on drawn debt)	*%*	**3.4**	3.3	0.1
Weighted average debt maturity	*Years*	**4.2**	4.1	0.1
Annual interest coverage ratio (ICR) / covenant ICR	*Times*	**5.2 / 1.6**	4.8 / 1.6	0.4 / –
Actual loan to value ratio (LVR) / covenant LVR	*%*	**33.6 / 60**	29.6 / 60	4.0 / –
Weighted average fixed debt maturity	*Years*	**3.8**	4.3	(0.5)
% of debt fixed	*%*	**60.9**	65.0	(4.1)
Debt providers	*No.*	**21**	20	1

Stress testing covenants

Growthpoint has three main debt and lending covenants which are regularly stress tested. **They are:**

LVR <60%
GOZ: 33.6%
To breach this covenant, GOZ cap rate would need to rise by 429 bps[1]

ICR >1.6x
GOZ: 5.2x
To breach this covenant, NPI would need to fall by 68%[1]

Secured property %
>85%
GOZ: 97%
Percentage must remain above 85%

Capital Management

During the year Growthpoint enhanced its capital position, refinancing $715 million of its debt facilities to secure favourable pricing and extend its weighted average debt maturity. The Group entered into $350 million of new facilities to support strategic acquisitions across the year. The Group also restructured $200 million of its interest rate swaps, entered into five new interest rate swaps with a total face value of $145 million in 2H22, with a weighted average fixed rate of 2.87% and a weighted average tenor of 5.1 years. These transactions result in the Group having 61% fixed debt at 30 June 2022.

In February 2022, Growthpoint extended its on-market buy-back program for up to 2.5% of its issued capital. The program was lightly used over the year with only 499,458 securities acquired (0.06% of issued capital), with the Group’s security price recovering for a large part of the financial year, and the Group not participating in the market as A-REIT security prices fell substantially in the latter part of the year, due to the Fortius Funds Management transaction (see page 94).

Outlook

Strategic, accretive acquisitions made in FY22, in addition to the acquisition of Fortius Funds Management at the beginning of FY23,[2] will help support FFO for the year ahead. However, the recent, rapid rise in interest rates by the Reserve Bank of Australia will result in higher interest expense for the Group which will offset these gains. As a result, Growthpoint is providing guidance for FY23 FFO of 25.0 - 26.0 cps and a distribution of 21.4 cps.

1. As at 30 June 2022. For illustrative purposes only. Assumes no change to other inputs that could impact the calculation of this metric.
2. Subject to completion occurring. Completion of the transaction is subject to satisfaction of conditions precedent.

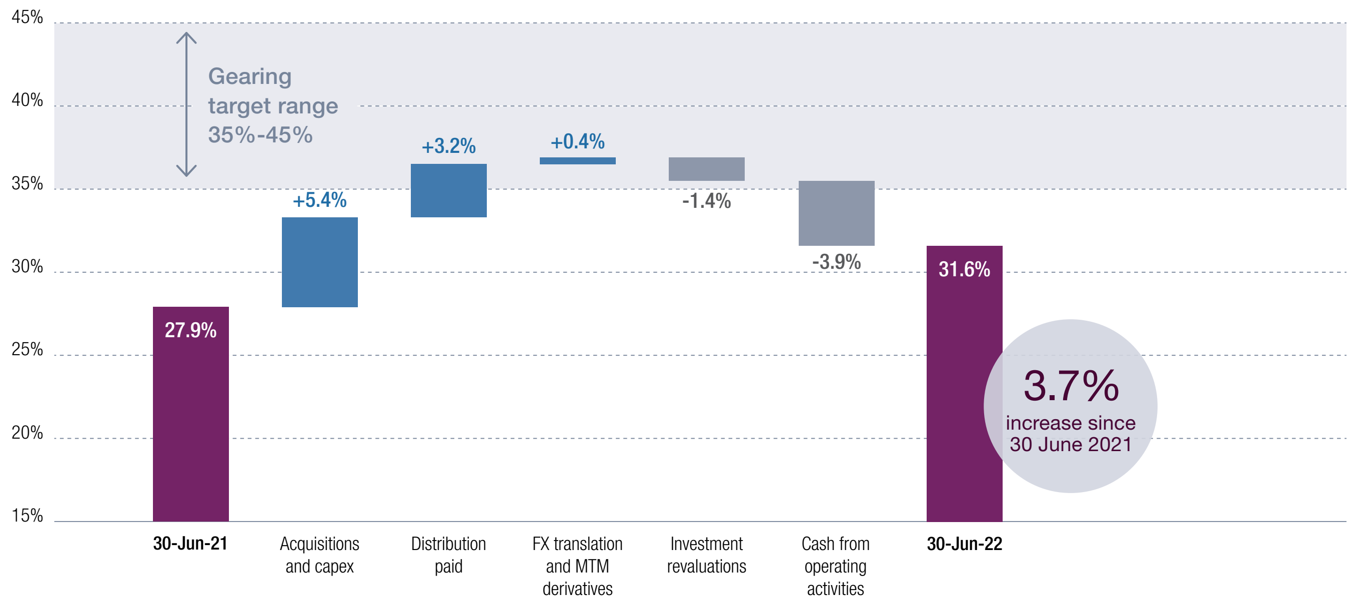
Funds from operations

Growthpoint uses FFO as its primary earnings measure. FFO enables Securityholders to identify the income which is available for distribution and also assists in determining the relative performance of the Group.

The following table reconciles statutory profit to FFO and reports distributions paid to Securityholders.

Reconciliation from statutory profit to FFO	FY22	FY21	Change	Change
	$m	*$m*	*$m*	*%*
Profit after tax	**459.2**	**553.2**	**(94.0)**	**(17.0)**
Less FFO items:				
- Straight line adjustment to property revenue	**(12.1)**	(8.5)	(3.6)	
- Net (gain) in fair value of investment properties	**(285.1)**	(356.5)	71.4	
- Net loss / (gain) in fair value of investment in securities	**32.7**	(29.3)	62.0	
- Net (gain) / loss in fair value of derivatives	**(57.2)**	43.8	(101.0)	
- Net loss / (gain) on exchange rate translation of interest-bearing liabilities	**31.5**	(33.0)	64.5	
- Amortisation of incentives and leasing costs	**33.0**	26.9	6.1	
- Deferred tax expense / (benefit)	**7.2**	(3.3)	10.5	
- Other	**4.8**	5.0	(0.2)	
FFO	**214.0**	198.3	15.8	7.9
Distributions provided for or paid during the year ($m)	**160.6**	154.4	6.2	4.0
FFO per security (cents)	**27.7**	25.7	2.0	7.8
Payout ratio to FFO (%)	**75.0**	77.9		(2.9)

Gearing movement
for the 12 months ended 30 June 2021

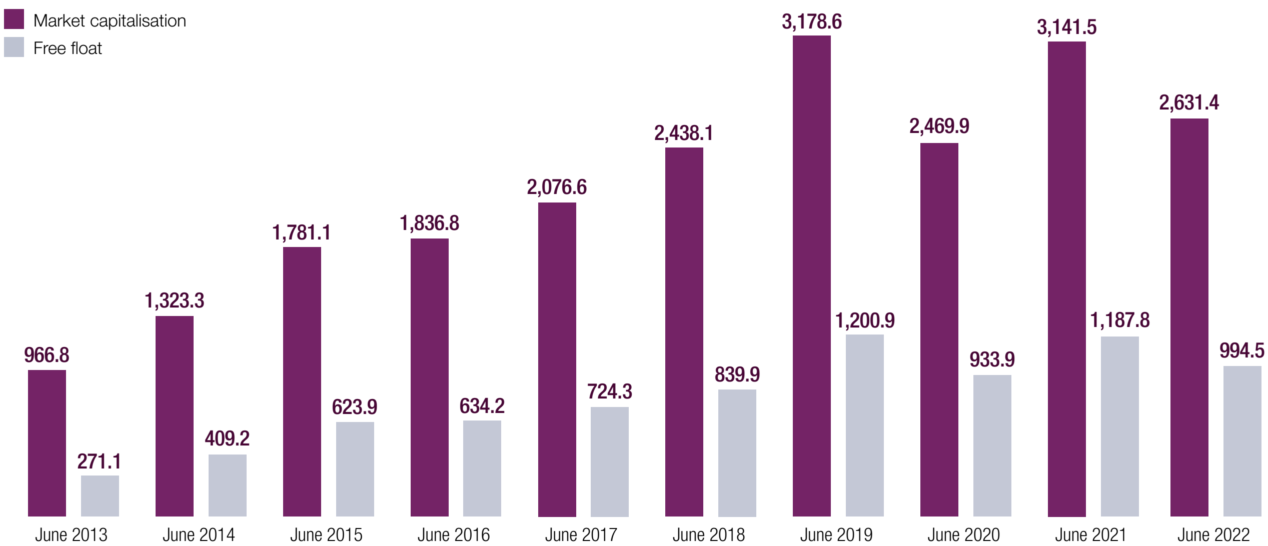


Financial performance.

10-year financial performance summary

As at 30 June		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Financial performance											
Profit for the period	*$m*	**459.2**	553.2	272.1	375.3	357.7	278.1	219.4	283.0	117.3	94.0
Financial position											
Total assets (at 30 June)	*$m*	**5,499.8**	4,777.8	4,500.7	4,117.9	3,474.6	3,328.4	2,879.6	2,407.1	2,128.8	1,680.4
Total equity (at 30 June)	*$m*	**3,519.9**	3,221.4	2,822.6	2,546.5	2,157.0	1,901.5	1,522.4	1,411.5	1,165.1	804.1
Securityholder value											
Basic earnings per security	*¢*	**59.5**	71.7	35.3	52.9	53.5	42.7	38.1	50.4	25.7	23.7
Funds from operations per security	*¢*	**27.7**	25.7	25.6	25.1	25.0	25.5	22.9	21.8	20.2	N/A[1]
Distributions per security	*¢*	**20.8**	20.0	21.8	23.0	22.2	21.5	20.5	19.7	19.0	18.3
Total securityholder return[2]	*%*	**(11.7)**	34.0	(17.7)	21.0	22.3	6.3	7.4	36.4	10.8	23.6
Return on equity	*%*	**14.3**	19.7	10.8	16.9	18.5	18.6	13.5	23.9	17.5	13.1
Gearing (at 30 June)	*%*	**31.6**	27.9	32.2	34.3	33.9	38.5	41.2	36.3	40.3	46.8
NTA per security (at 30 June)	*$*	**4.56**	4.17	3.65	3.52	3.19	2.88	2.61	2.48	2.16	2.00
Market capitalisation (at 30 June)	*$m*	**2,631.4**	3,141.5	2,469.9	3,178.6	2,438.1	2,076.6	1,836.8	1,781.1	1,323.3	966.8

Market capitalisation and free float ($m)



1. Not applicable, no data available for these periods.
2. Source: UBS Investment Research.

141 Camberwell Road,
Hawthorn East, VIC

Risk management.

Refer to the Group's **2022 Corporate Governance Statement** for more details on the Group's risk management framework.

growthpoint.com.au/corporate-governance

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established an Audit, Risk and Compliance Committee (ARCC), which is responsible for oversight of the framework and how management monitor compliance with the Group's risk management policies and procedures.

Management provides regular reports to the ARCC in relation to the risks facing the Group. The ARCC reviews the adequacy of the risk management framework in relation to the risks faced by the Group and makes appropriate recommendations to the Board. The ARCC also reports regularly to the Board on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The following table outlines the material risks that could impact Growthpoint's achievement of its strategic and financial objectives and summarises how we are managing these risks:

Material business risk	How Growthpoint is responding
Strategy and reputation	
Financial performance Not meeting financial performance expectations due to a variety of risks and factors, could impact our reputation, stakeholder confidence, the value of our portfolio and our ability to pay or grow distributions. Risk factors that could impact our financial performance include macroeconomic impacts, rising interest rates, high inflation, low or negative growth and an increase in capital expenditure and incentives paid.	We continually monitor the economic, financial and property markets to ensure that all business decisions, acquisitions and disposals are supported by thorough research. As our earnings are derived from rental income, we look to protect this by maintaining high occupancy rates across our property portfolio through active asset management and tenant engagement. Across the portfolio we currently have an occupancy rate of 97%, a WALE of 6.3 years and a high proportion of fixed annual rent increases. To ensure security of income, we carefully select our tenants and as a result our assets are predominately leased to government, listed organisations and large private companies. We also limit development risk. We only develop properties in our portfolio to meet our tenants' requirements or to maximise the property's value and will only acquire properties under construction when there are material leases in place. We have a structured and proactive approach to maintaining services across the portfolio. This not only ensures that we are providing reliable services and conditions at each asset but also allows us to proactively manage and budget capital expenditure. This process is closely managed and regularly reviewed in conjunction with lifecycle reporting to ensure that financial and operational forecasts remain relevant. We adopt and implement prudent capital management practices. This includes maintaining sufficient liquidity, a percentage of fixed debt in accordance with our Treasury Management Policy and have a long weighted average debt maturity of 4.2 years.

599 Main North Road,
Gepps Cross, SA

Risk management.

Material business risk	How Growthpoint is responding
Physical assets	
Property portfolio The value of our property portfolio could decrease based on new sales evidence, change in valuers' assumptions, the quality of tenant base, the quality of our property assets, the investment decisions we make, external economic factors and the term of our ground lease tenancies.	We have a resilient and high-green credentialed portfolio comprised of high-quality and modern commercial real estate properties, predominately leased to government, listed organisations or large private companies. Our exposure is limited to office (primarily metropolitan) and industrial property sectors. We continually monitor and look to improve the quality of our portfolio. This may involve buying and selling properties at the right time of the property cycle or investing in our existing properties to add value to our portfolio. Detailed due diligence is also undertaken for all investment proposals.
Leasing risk An inability to lease our assets in line with asset management plans and forecasts or prolonged material portfolio vacancies due to weakened tenancy demand.	We focus on proactively engaging with our tenants to understand their tenancy requirements, so that we can best position Growthpoint's assets to meet their changing needs and exceed their expectations. Through this active asset management and tenant engagement we endeavour to minimise vacancy and exposure to high incentives and long downtime.
Structural changes due to disruptive industries and trends The rise of remote working, innovative competitors in the market and building obsolescence can impact on our current and future operations.	Our portfolio and the industry are continually monitored through active research, industry market briefings and developments. We monitor the potential impacts of the increase of automation and how it affects our industrial portfolio. We continue to monitor whether a shift to more flexible working arrangements could lead to a reduction in demand for office space over the long term. To date, there continues to be strong demand for our offices, with strong environmental credentials, primarily located in metropolitan markets, from existing and potential tenants, with a number of long leases signed over FY22. This may be driven by several characteristics of metropolitan offices, which have become more attractive in a post-pandemic world, including lower density, higher ratio of car parks than CBD offices and often being located closer to where people live.
Finance and economics	
Access to capital markets Continuous access to debt and equity markets is important to the sustainability of our business. If our ability to obtain capital is constrained, it may lead to increased costs of financing and our strategic objectives not being met.	Support from our banking partners is dependent on their financial covenants being met. We regularly stress test these covenants. As at 30 June 2022, Growthpoint was well within all its debt covenant limits. We also maintain an investment grade credit rating of Baa2. We exercise prudent capital management and our balance sheet gearing is currently below our target range of 35% to 45%. Growthpoint also maintains strong relationships with its equity investors, through its investor relations program.
Operations, and people and culture	
COVID-19 pandemic Although the COVID-19 pandemic has had an immaterial impact on us to date, the ongoing pandemic may continue to create uncertainty for our operating environment, including more virulent strains that current vaccines are not as effective against and the potential for further outbreaks which may require further government restrictions or recommendations.	Our priority since the outbreak of the COVID-19 pandemic has been protecting the safety and wellbeing of our employees, our tenants and the broader community. We proactively engage with our tenants to understand the impact that the COVID-19 pandemic has had on their business and ensure rental relief has been distributed fairly to those tenants who most need our support. We maintained prudent capital management and high occupancy throughout the financial year and, to date, the COVID-19 pandemic has had an immaterial impact on the Group's operational performance or financial position. Management and the Board will continue to monitor the ongoing impact of COVID-19 on the business.

Material business risk	How Growthpoint is responding
Operations, and people and culture (cont)	
Data, information and cybersecurity Cyber security attacks could potentially interrupt business operations and lead to a loss in productivity and loss of business records, which could cause reputational or financial damage.	We have a dedicated team that oversees our IT systems and regularly conduct penetration testing of our IT systems. We also have a Disaster Recovery Plan and provide training and education to our employees, to assist in reducing the risk and impact of any cybersecurity attack. We undertake IT security assessments of new key suppliers or suppliers of key IT platforms and annually review the business continuity and disaster recovery arrangements of existing key suppliers to minimise the impacts of third-party providers outages on our business.
People and culture The loss of key personnel, particularly in the current environment of record low unemployment, can result in a productivity downturn, an increase in operating costs and place a greater burden on remaining employees. Not having the right team size with the right skills may also adversely affect productivity and the achievement of our strategic objectives.	Our remuneration framework is based on attracting and retaining suitability qualified and experienced employees and is tailored to reward high performance and tenure. We seek to foster a diverse and inclusive workplace culture where we celebrate our successes. We undertake annual employee engagement surveys to identify areas for improvement, which we act upon. We also undertake regular workforce planning to ensure that we have the right team size, skills and experience to support our business. Professional development programs are tailored for individuals based on their career goals and plans.
Legal and regulatory	
Legal, compliance and regulatory Non-compliance of laws or our AFSL or changes in the legal or regulatory environment may impact on our business and operations and lead to reputational damage or an increase in compliance costs.	Our compliance culture is guided by our policies and procedures to ensure that we operate within regulatory requirements. Our team members receive regular training on their compliance obligations, and we have an internal compliance and legal team that ensures that new and updated regulatory requirements are communicated throughout the business and actioned.
Environmental and social sustainability	
Environmental sustainability and climate change Inability to deliver on our environmental strategy could result in poor asset performance, negative reputation impacts and hamper our ability to raise capital.	Our recently approved Sustainability Framework builds on our previous commitment to achieve net zero carbon emissions by 2025. We invest in assets with strong environmental credentials and seek to improve the resilience of physical assets via the implementation of adaption plans to mitigate impacts of physical changes in climate and investing in energy and building management systems.
Social sustainability Failure to comply with relevant legislation and have a positive social impact in the communities in which we operate could result in damage to our reputation and relationship with stakeholders and erode our social licence to operate.	We have published modern slavery statements that detail our approach to identifying and managing modern slavery risks in our supply chain. In conjunction with a specialist consultant, we have undertaken a deep dive risk assessment of our supply chain. In addition, we have provided modern slavery training to all staff, and the Board. Via our Community Program we continue to sponsor and support a range of community and social causes.

See the Group's 2021 TCFD Statement which provides an overview of Growthpoint's approach to managing the risks and opportunities of climate change and shows it is well placed to respond to the potential physical and transitional impacts of climate change over the next 10 years.

Board of Directors.

Geoffrey Tomlinson

BEc – Independent Chairman and Director

Term of office

Geoff was appointed as a Director of the Board in September 2013 and Chairman in July 2014.

Professional experience

Geoff has more than 49 years of experience in the financial services industry including six years as Group Managing Director of National Mutual Holdings (which changed its name to AXA Asia Pacific prior to being acquired by AMP in 2011). Geoff was previously a Director on a number of other Boards, including National Australia Bank and IRESS Limited and the Chairman of MLC.

Other directorships and positions

Geoff is currently a Director of Wingate Group.

Board Committee Membership

- Audit, Risk & Compliance Committee
- Nomination, Remuneration and HR Committee

Timothy Collyer

B.Bus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD – Managing Director

Term of office

Tim was appointed as Managing Director and to the Board in July 2010.

Professional experience

Tim has over 33 years of experience in property investment and development, property valuation and property advisory at both ASX-listed and unlisted property funds. He has worked across the office, industrial and retail property sectors.

Prior to joining Growthpoint, Tim was Property Trust Manager at Australand Property Group. He also held senior positions at Heine Funds Management.

Board Committee Membership

- Investment Committee

Estienne de Klerk

BCom (Industrial Psych), BCom (Hons) (Marketing), BCom (Hons) (Accounting), CA (SA) – Director

Term of office

Estienne was appointed as a Director of the Board in August 2009.

Professional experience

Estienne has 26 years of experience in banking and property investment. He has held senior roles at Growthpoint Properties Limited for over 20 years, with responsibility for mergers, acquisitions, capital raisings and operating service divisions.

Estienne is a past-President of the South African Property Owners Association.

Other directorships and positions

Estienne is currently Growthpoint Properties Limited's Chief Executive Officer: South Africa. He is also a Director of V&A Waterfront Holdings and Chairman of the SA REIT Association.

Estienne is not considered independent due to his position at Growthpoint Properties Limited.

Board Committee Membership

- Audit, Risk & Compliance Committee

Grant Jackson

Assoc. Dip. Valuations, FAPI – Independent Director

Term of office

Grant was appointed as a Director of the Board in August 2009.

Professional experience

Grant has over 36 years of experience in the property industry including 32 years as a qualified valuer. Grant has expertise in a wide range of valuation and property advisory matters on a national basis and he regularly provides expert evidence to courts and tribunals.

Other directorships and positions

Grant is Executive Chairman of m3property.

Board Committee Membership

- Chair - Investment Committee
- Audit, Risk & Compliance Committee

Francois Marais

BCom, LLB, H Dip (Company Law) – Director

Term of office

Francois was appointed as a Director of the Board in August 2009.

Professional experience

Francois is an attorney and is the practice leader and senior director of Glyn Marais, a South African corporate law firm which specialises in corporate finance.

Other directorships and positions

Francois was previously a Director and Chairman of Growthpoint Properties Limited, as well as a Director of V&A Waterfront Holdings.

Francois is not considered independent due to his previous position at Growthpoint Properties Limited.

Board Committee Membership

- Nomination, Remuneration and HR Committee

Deborah Page AM

BEc FAICD FCA – Independent Director

Term of office

Deborah was appointed as a Director of the Board in March 2021.

Professional experience

Deborah has extensive executive experience, having held senior financial and operational roles at a number of leading Australian companies, across the property, financial services, technology and legal sectors. Prior to this, she was a partner at Touche Ross/ KPMG Peat Marwick.

Deborah was formerly Chair of Investa Office Fund and a former non-executive Director of Investa Property Group, GBST Holdings Limited and Australian Renewable Fuels Limited.

Other directorships and positions

Deborah is currently Chair of Pendal Group Limited, a non-executive Director of Brickworks Limited and Service Stream Limited, and a member of the Takeovers Panel.

Board Committee Membership

- Chair - Audit, Risk and Compliance Committee
- Investment Committee

Norbert Sasse

BCom (Hons) (Acc), CA (SA) – Director

Term of office

Norbert was appointed as a Director of the Board in August 2009.

Professional experience

Norbert has over 26 years of experience in corporate finance dealing with listings, delistings, mergers, acquisitions and capital raisings, and over 19 years of experience in the listed property market.

Other directorships and positions

Norbert is the Group Chief Executive Officer and a Director of Growthpoint Properties Limited. He is also a Director of V&A Waterfront Holdings, and Capital & Regional plc and Globalworth Real Estate Investments Limited.

Norbert is not considered independent due to his position at Growthpoint Properties Limited.

Board Committee Membership

- Chair - Nomination, Remuneration & HR Committee
- Investment Committee

Josephine Sukkar AM

BSc (Hons), Grad Dip Ed – Independent Director

Term of office

Josephine was appointed as a Director in October 2017.

Professional experience

Josephine is the co-founder and the Principal of Buildcorp which she established with her husband over 32 years ago.

Josephine was previously a Director of The Trust Company, YWCA NSW, the University of Melbourne's Infrastructure Advisory Board and Opera Australia.

Other directorships and positions

In addition to her position at Buildcorp, Josephine is currently a Governor of the Centenary Institute, a Trustee of the Australian Museum and a non-executive Director of Washington H. Soul Pattinson and Co. Ltd, the Property Council of Australia and the Green Building Council of Australia. Josephine is also Chair of the Buildcorp Foundation and the Australian Sports Commission.

Board Committee Membership

- Nomination, Remuneration and HR Committee

Executive Management Team.

Timothy Collyer

B.Bus (Prop), Grad Dip Fin & Inv, AAPI, F Fin, MAICD – Managing Director

Tim joined Growthpoint in 2009 and has been Managing Director since 2010.

Tim has over 33 years of experience in property investment and development, property valuation and property advisory at both ASX-listed and unlisted property funds. He has worked across the office, industrial and retail property sectors.

Prior to joining Growthpoint, Tim was Property Trust Manager at Australand Property Group. He also held senior positions at Heine Funds Management.

Jacqueline Jovanovski

LLB (Hons), BA, GradDipApp (CorporateGov), FGIA FCG (CS, CGP) – Chief Operating Officer

Jacquee joined Growthpoint as Chief Operating Officer in 2019. As part of this role, Jacquee is also Growthpoint's General Counsel and Company Secretary.

Previously, Jacquee held a number of senior positions at Vicinity Centres, most recently Company Secretary and Head of Compliance.

Prior to joining Vicinity Centres, Jacquee was a lawyer with legal firms Minter Ellison, Linklaters and Herbert Smith Freehills, in Melbourne and London.

Michael Green

B.Bus (Prop), GAICD – Chief Investment Officer

Michael joined Growthpoint in 2009 and has been a member of the Executive Team for over a decade. He has held several executive leadership roles and is currently Chief Investment Officer.

Michael has over 21 years of experience in listed and unlisted property fund management, property investment and development, both in Australia and Europe.

Prior to joining Growthpoint, Michael was based in London and was Transaction Manager for Cordea Savills.

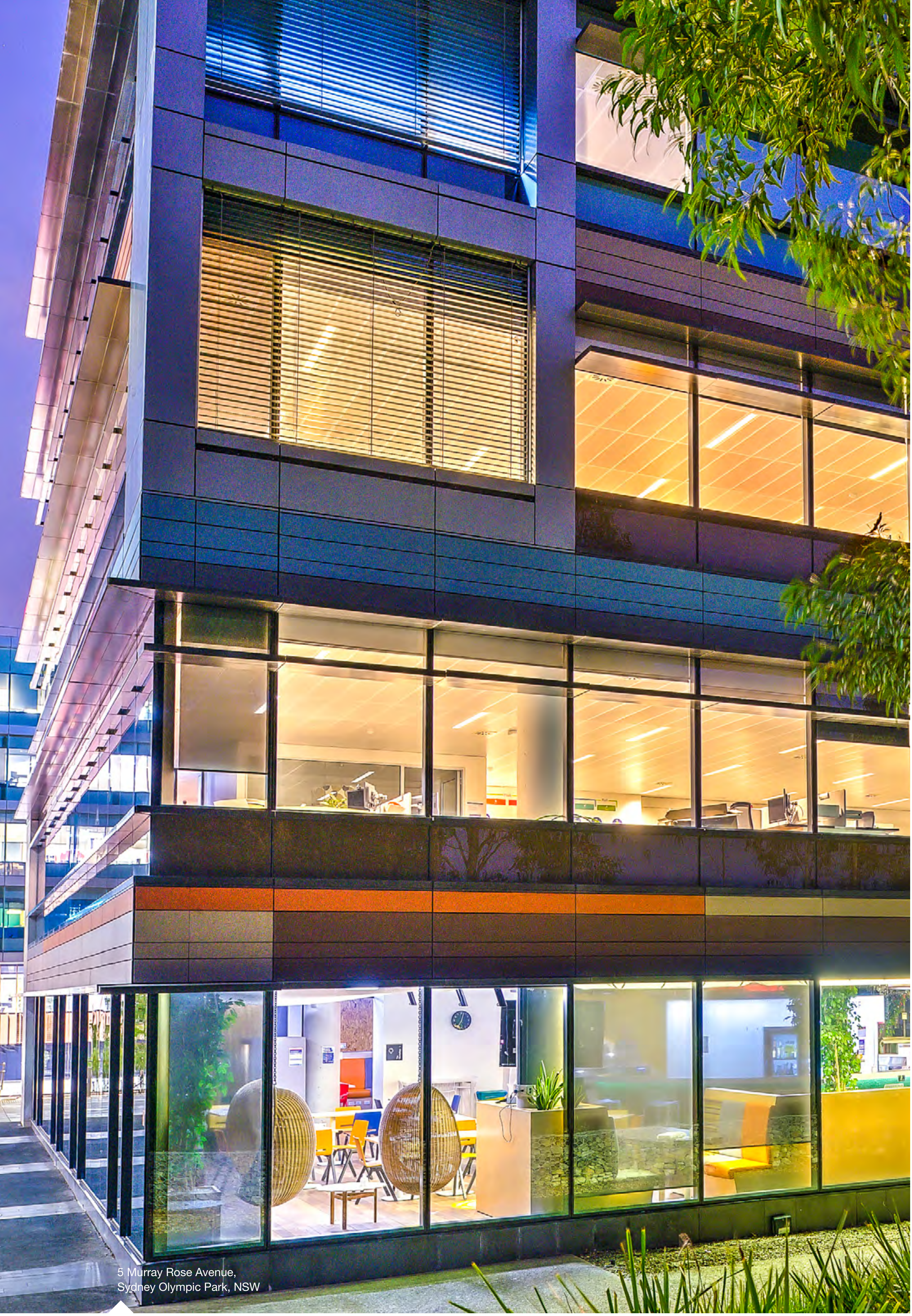
Dion Andrews

B.Bus, FCCA, GAICD – Chief Financial Officer

Dion joined Growthpoint in 2009 as Financial Controller. He was appointed Chief Financial Officer in 2011.

Dion is a Chartered Accountant, with over 20 years of experience in financial roles in Melbourne and London.

Dion joined Growthpoint from MacarthurCook, a listed property funds group, where he held a senior finance position.



5 Murray Rose Avenue,
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Remuneration report.

On behalf of the Board, I am pleased to present Growthpoint's remuneration report, which provides an overview of our FY22 remuneration structure and outcomes, and our approach to FY23.

Positive performance with a resilient, growing portfolio

The COVID-19 pandemic continued to impact business and individuals in Australia and across the world in FY22. Growthpoint continued to successfully navigate the pandemic, with no direct material impact on the Group's financial results to date which reflects the strength of the Group's financial position over the period and the resilience of its property portfolio.

In FY22, Growthpoint has delivered strong results with funds from operations (FFO) of 27.7 cents per security (cps), 7.8% growth on FY21. The Group has made strategic, accretive acquisitions which included investing $375 million in high-quality modern A-grade office assets, acquiring additional Dexus Industria REIT (DXI) securities which provide an attractive yield and further indirect exposure to industrial assets, and progressed its strategy to enter funds management, with the announcement of the entry into an agreement to acquire the Fortius Funds Management platform in early August 2022.

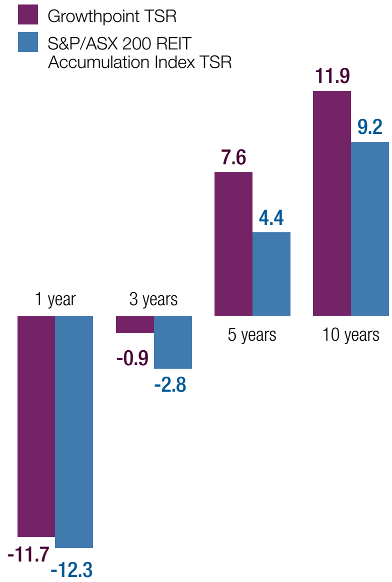
The Group strengthened its capital position during FY22, refinancing $715 million in debt and entering into new facilities totalling $350 million to support the Group's growth ambitions. The Group has seen its portfolio value increase by 7.9% or $356 million on a like-for-like basis at 30 June 2022, with the uplift over 12 months reflecting the strength of the industrial market and leasing success across both office and industrial portfolios. The Group has maintained both its high portfolio occupancy of 97%, predominantly leased to government, listed or large organisations, and portfolio weighted average lease expiry (WALE) of 6.3 years as at 30 June 2022. Net tangible assets (NTA) have increased over FY22 to $4.56 per security, further demonstrating the resilience of the Group's growing property portfolio.

Growthpoint has seen continued outperformance of the S&P/ASX 200 REIT Accumulation Index (the Index) over the short, medium and long term. The total securityholder return (TSR) performance of -11.7% in FY22 has outperformed the Index by 60 bps, with sector-wide security price performance being significantly impacted in the latter part of FY22 as the market responded to an economic environment of central bank interest rates hikes, rising long-term bond yields and increased inflation.

FY22 FFO of 27.7 cps reflects a robust financial performance, the successful execution of the Group's strategy and underlying strength of the business. The final FY22 distribution of 20.8 cps represents a payout ratio of 75%, in line with the Board's decision to maintain a more conservative payout ratio of between 75% and 85% of FFO. This assists in our objective of providing Securityholders with growing distributions going forward since its introduction in FY21.

Norbert Sasse
Director

Total Securityholder return over 1, 3, 5 and 10 years (%)



Source: UBS Investment Research. Annual compound returns to 30 June 2022.

Growthpoint's performance, FY17-22

	FY17	FY20	FY22	2-year CAGR	5-year CAGR
FFO per security	25.5	25.6	**27.7**	4.0%	1.7%
Distribution per security (cents)	21.5	21.8	**20.8**	-2.3%	-0.7%
NTA per security (cents)	2.88	3.65	**4.56**	11.8%	9.6%

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Sydney Olympic Park, NSW

FY22 awards

The Executive Management Team (EMT) short-term incentive (STI) entitlement is divided into financial criteria (70% of total) and non-financial criteria (30% of total). To be eligible for 30% of the financial entitlement EMT were required to deliver a base target FY22 FFO of 26.4 cps, which was set 0.2 cps or 0.8% ahead of budget. A stretch target of 27.5 cps was set at 1.3 cps or 5.0% ahead of budget, providing a maximum 125% achievement. The Board considered the strength of the Group's FY21 performance and the ongoing COVID pandemic environment in setting FY22 targets, with significant achievement required to meet the stretch target.

The Board was pleased to see the Group outperform on its financial target, achieving its stretch target to deliver FY22 FFO of 27.7 cps, increasing FFO by 7.8% on FY21.

In addition to financial achievements, the Board was pleased with the EMT's progress on a number of the Group's strategic objectives and non-financial criteria for FY22 STI entitlement over the year, outlined on page 43. This includes the strategic, accretive acquisitions made in FY22 noted above.

The EMT also progressed the Group's ESG performance, with its importance reflected in an increased weighting to 25% of the FY22 STI non-financial criteria from 20% in FY21. Growthpoint's average NABERS Energy rating has improved to 5.2 stars, with 100% of the office portfolio now rated. The Group's overall GRESB score increased six points to 80 and an above-average CDP score of B has been maintained. Progress has also been made on implementation of solar projects across the portfolio, energy efficiency initiatives and renewable energy procurement to support the Group's pathway to its target of net zero by 2025.[1] The Group has also progressed gender diversity with women in leadership[2] now 50% at 30 June 2022, from 38% in FY21. The introduction of a new sustainability framework and targets toward the end of FY22 further evolves the Group's approach to ESG matters. The framework is outlined on page 19, with further detail to be provided in the Group's FY22 Sustainability Report which will be published in September 2022.

The positive results of the annual employee engagement survey demonstrate the EMT's focus on building a positive, performance driven team culture. The Group places in the top decile of its benchmark group on employee engagement score and top quartile on employee alignment in FY22, building on top quartile scores in FY21.

The Group has also reviewed employee benefits and evolved its offer, introducing additional tenure-based paid leave at the end of FY22 (up to a maximum of five days), in addition to paid superannuation when employees are on unpaid parental leave (for the balance of the first year that is unpaid) and five days paid domestic violence leave. These changes to Growthpoint's employee value proposition allow Growthpoint to continue to reward and motivate a high performing team.

The Group has further strengthened its governance in FY22, establishing an Investment Committee which has streamlined acquisition and disposal approval processes. The Group has also developed key management personnel succession plans.

1. Net zero 2025 target across 100% owned on balance sheet operationally controlled office assets and corporate activities. See page 106 for detail.
2. Women in leadership positions includes EMT and senior managers (employees that report to an EMT member, excluding assistants).

Remuneration report.

Tenant engagement has seen a positive improvement over FY22 with Growthpoint achieving 80% tenant satisfaction in its annual survey and ranking as industry leaders on landlord satisfaction. The Group was market leader in the office category (10% above the average) and ranked second in the industrial category (8% above the average) in the survey conducted by property research specialists Brickfields Consultancy.

Reflecting the Group's performance in FY22, and the EMT's STI performance criteria (financial and non-financial) set at the start of the year, the Board has assessed that the EMT's STI award will be 111.38% of their FY22 STI opportunity as outlined on pages 43 to 44. As the Group's financial results were not materially impacted by the pandemic, the Committee has not made any adjustments to the FY22 STI Award.

In line with the Group's remuneration policy, the Committee will assess the long-term incentive (LTI) award in October for the LTI plan with a performance period of 1 July 2019 to 30 June 2022. The LTI award assesses the Group's TSR and return on equity performance relative to the constituents of the S&P ASX 200 REIT Index over a three-year period.

FY23 remuneration

The STI structure for FY23 will be consistent with FY22 but an adjustment has been made to the terms of any STI granted for FY23, which will now be awarded as 80 percent cash and 20 percent GOZ securities which vest over a two-year period (previously two thirds cash, one third securities). This adjustment allows the STI component of EMT remuneration to remain competitive relative to peers. The EMT all have Minimum Security Holding Requirements (MSR) as detailed on page 50 of this report.

The Committee again engaged PwC to benchmark the EMT's remuneration against an industry peer group, and other listed ASX companies with a comparable market capitalisation.[3] Based on this work, and the Group's relative position in the market, the Board has decided a weighted average 7.2% increase to the EMT's total fixed remuneration (TFR) in FY23.

Other matters

The Committee has considered Director's fees and has agreed an increase of 10% following a review in comparison to the Group's peers which is further outlined on page 50. Fees have not increased since July 2019 and the Board believes that the uplift reflects market competitive fees at a level that ensures the Group can attract and retain suitably qualified and experienced persons to the Board in line with the principles of remuneration.

The Committee oversees the recruitment and appointment of Directors and has made progress on board renewal and succession planning during FY22. This includes planning for the anticipated retirement of Mr Grant Jackson and the Board Chair, Mr Tomlinson, at or prior to the end of their current term, as announced at the 2020 and 2021 Annual General Meetings respectively.

We hope that you find the following report transparent and informative, and welcome your feedback. The Board remain committed to ensuring that the EMT and Securityholder's interests are aligned.

Norbert Sasse
Chair – Nomination, Remuneration and Human Resources Committee

3. Detail of the benchmarking approach can be found on page 52 of this report.

About the remuneration report

The Directors present this ‘Remuneration Report’ for the Group for the year ended 30 June 2022. This report summarises key compensation policies and provides detailed information on the compensation for Directors and other KMP.

The specific remuneration arrangements described in this report apply to the Managing Director and the KMP as defined in AASB 124.

Growthpoint’s remuneration practices outlined in this report comply with best practice governance guidelines, as per ASX Corporate Governance Principles and Recommendations.

What’s **inside.**

Who this report covers

This report covers Key Management Personnel (KMP), comprising Executive Management Team (Executive KMP) and Non-executive Directors.

Executive KMP

- **Timothy Collyer** - Managing Director
- **Dion Andrews** - Chief Financial Officer and Company Secretary
- **Michael Green** - Chief Investment Officer
- **Jacqueline (Jacquee) Jovanovski** - Chief Operating Officer and Company Secretary

Non-Executive Directors

- **Geoffrey Tomlinson** - Independent Chairman and Director
- **Estienne de Klerk** - Director
- **Grant Jackson** - Independent Director
- **Francois Marais** - Director
- **Norbert Sasse** - Director
- **Josephine Sukkar AM** - Independent Director
- **Deborah Page AM** - Independent Director

Remuneration report.

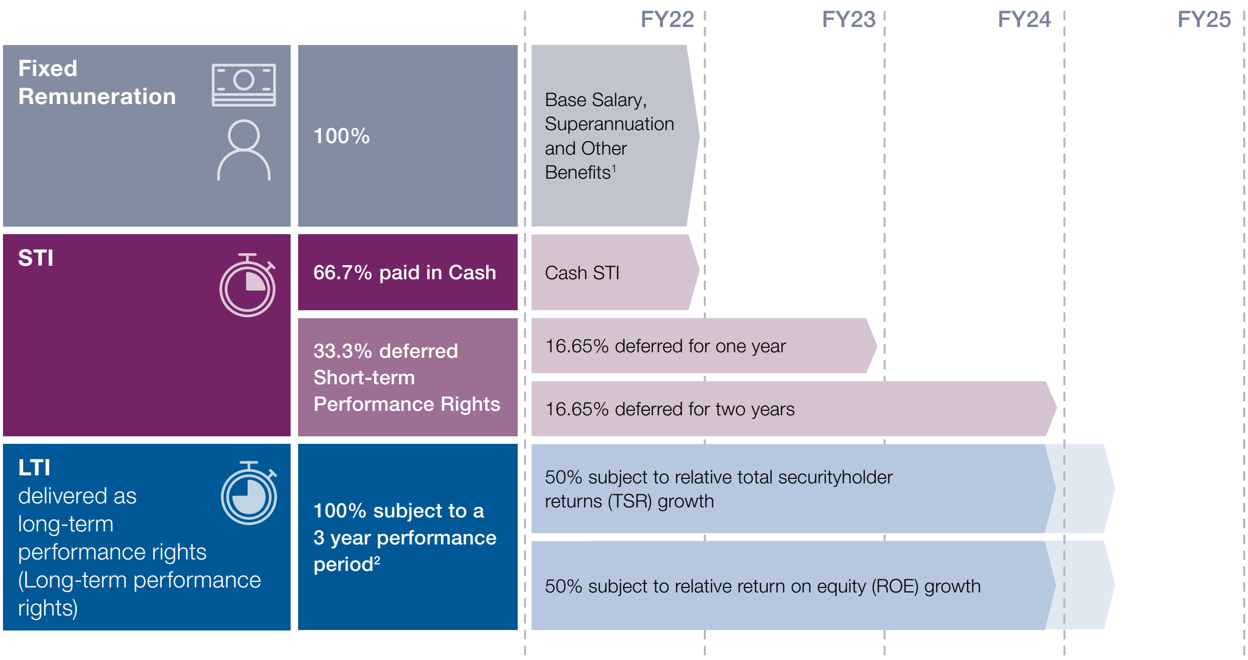
FY22 Executive KMP remuneration policy and framework

Components of FY22 remuneration

Total Fixed Remuneration (TFR) (including applicable superannuation and other benefits)	Set at a level to attract and retain suitably qualified and experienced persons in each respective role and tailored to encourage overall performance of the Group which is in the best interests of all Securityholders. TFR is targeting the straight-line midpoint between the 25th and 50th percentile of the industry benchmark.	
Short-term incentives (STI)	If specified performance criteria are met, eligibility of each Executive KMP to receive an STI bonus payable as two thirds cash and one third as deferred short-term incentive performance rights (Short-term Performance Rights) in respect of each financial year.	42 Current year (FY22) 48 Next year (FY23)
Long-term incentives (LTI)	LTI bonus payable under which, upon meeting specified performance criteria, each Executive KMP is eligible to receive securities in the Group over time to help align each Executive KMP's interests with those of Securityholders.	45 Current year (FY22)

Executive KMP Remuneration delivery FY22

Executive KMP remuneration is structured to link rewards to individual performance and the execution of the Group's strategy to sustainably grow distributions and long-term capital growth. This leads to the creation of Securityholder value.



1. Other Benefits comprise wellbeing and insurance arrangements provided to all Executive KMP.
2. The measurement period finishes on 30 June 2024 with vesting in early FY25.

Executive KMP Remuneration mix FY22 ($000)

Remuneration report.

Principles of remuneration for Executive KMP

1. Executive KMP should receive total remuneration which is competitive with rates for similar roles within the ASX A-REIT sector and ASX listed companies of similar size (measured by market capitalisation), complexity, workload and the relative profit and expenses versus the Group.
2. The total remuneration for Executive KMP should be set at a level to attract and retain suitably qualified and experienced persons in each respective role and tailored to encourage overall performance of the Group which is in the best interests of all Securityholders.
3. Executive KMP are not eligible for any additional fees for additional roles within the Group such as acting as an officer of the Company or being a responsible manager under the Group's AFSLs.
4. From 1 July 2018, the Committee implemented a Minimum Securityholding Requirement (MSR) for KMP (refer to page 50 for details of KMP's current holdings and details of the MSR).
5. Executive KMP are entitled to receive certain payments including the vesting of all unvested performance rights if the Company decides to terminate a position without cause including through redundancy or takeover (refer to page 53 for further information).

Total Executive KMP remuneration (Take home basis)

The following table presents the actual remuneration received by Executive KMP during FY22. This voluntary disclosure is provided to increase transparency and includes:

- Salary and other benefits received during FY22
- FY21 cash STI received during FY22, and
- The value of securities that vested during FY22.

The actual remuneration presented in this table is distinct from the disclosed remuneration presented further below, which is calculated in accordance with statutory obligations and accounting standards and is therefore recognised in the Statement of Comprehensive Income during FY22. These amounts can differ to the amounts actually received. The numbers in the audited disclosed remuneration include accounting values for current and prior years' LTI grants which have not been (or may not be) received, as they are dependent on performance hurdles and service conditions being met.

	Salary and other benefits	Cash STI	Value of deferred STI rights vested[1]	Value of LTI rights vested[1]	TOTAL	% of remuneration performance-based
	$	$	$	$	$	%
Timothy Collyer – Managing Director	1,080,000	472,737	193,460	326,328	2,072,525	48%
Dion Andrews – Chief Financial Officer	545,000	166,311	67,931	121,068	900,310	39%
Michael Green – Chief Investment Officer	545,000	166,311	67,931	121,068	900,310	39%
Jacquee Jovanovski – Chief Operating Officer	467,500	141,132	53,851	–	662,483	29%
Total	**2,637,500**	**946,491**	**383,173**	**568,464**	**4,535,628**	**42%**

1. Based on market price at the time of vesting.

Total Executive KMP remuneration (accounting basis)

	Short-term benefits					Long-term benefits		Security-based payments			
	Base salary	STI cash award	Performance rights cash distribution	Annual leave[1]	Non-monetary benefits	Superannuation benefits	Long service leave[1]	Deferred STI Plan expense	LTI Plan expense	Total	S300A (1) (e) (i) proportion of remuneration performance related
	$	$	$	$	$	$	$	$	$	$	%
Timothy Collyer – Managing Director											
FY22	**1,068,700**	**801,940**	**5,814**	**(21,804)**	**–**	**27,500**	**35,612**	**273,530**	**428,426**	**2,619,718**	**58%**
FY21	990,000	461,024	9,753	15,143	954	25,000	1,827	135,409	369,761	2,008,871	49%
Dion Andrews – Chief Financial Officer											
FY22	**525,675**	**283,278**	**2,041**	**17,121**	**–**	**27,500**	**18,828**	**98,152**	**186,608**	**1,159,203**	**49%**
FY21	482,500	162,198	3,241	9,231	–	25,000	3,558	50,664	154,133	890,525	42%
Michael Green – Chief Investment Officer											
FY22	**525,675**	**283,278**	**2,041**	**(14,078)**	**–**	**27,500**	**17,457**	**98,152**	**186,608**	**1,126,633**	**51%**
FY21	475,077	162,198	3,241	5,533	–	25,000	4,422	50,664	154,133	880,268	42%
Jacquee Jovanovski – Chief Operating Officer											
FY22	**447,013**	**242,995**	**1,621**	**9,841**	**–**	**27,500**	**1,234**	**82,409**	**147,545**	**960,158**	**49%**
FY21	406,375	137,868	1,595	11,297	–	25,000	2,700	40,577	88,435	713,847	38%
Total											
FY22	**2,567,063**	**1,611,491**	**11,517**	**(8,920)**	**–**	**110,000**	**73,131**	**552,244**	**949,187**	**5,865,713**	**43%**
FY21	2,353,952	923,288	17,830	41,204	954	100,000	12,507	277,314	766,462	4,493,511	44%

1. The accounting value of leave movements may be negative; for example, where an Executive's annual leave balance decreases as a result of taking more than the 20 days' annual leave they accrue during the current year.

Remuneration report.

FY22 short-term incentives (STI)

Performance criteria for Executive KMP STI for current year (FY22)

The STI provides Executive KMP with the opportunity to receive cash and equity based on a one-year performance period following an assessment against specified financial and non-financial performance conditions. For FY22 the maximum STI opportunity for the Managing Director's TFR was 117.5% and 82.25% for the other Executive KMP.

STI Plan and Performance Criteria

At the start of each financial year the Committee, in consultation with the Managing Director, and with assistance from remuneration consultants as required, recommends performance targets and reward levels for STIs to the Board in respect of the year ahead. The STI criteria is then set by the Board.

The STI is divided into two criteria, namely;

a) Financial criteria – 70% of total

All of the Executive KMP are subject to the same financial criteria which is based upon achieving above budgeted FFO per security, whereby for FY22, 26.4 cps (base target, which was set 0.2 cps or 0.8% ahead of budget) provides a 30% score, with the opportunity for outperformance of up to 125% of the financial criteria via a stretch target of 27.5 cps (which is 1.3 cps or 5.0% ahead of budget). If FFO per security is below the base target, the Board has discretion whether to grant achievement under the financial criteria.

An FFO target range has been chosen because it demonstrates the closest correlation to Securityholder value creation (measured by total Securityholder return).

For FY22 the achievement was 125% for the financial criteria due to achievement of 27.7 cps.

b) Non-financial criteria – 30% of total

The non-financial criteria are based upon measures relating to the performance criteria in the table on page 43, with some common measures and others applicable to the Executive KMP's individual roles and responsibilities. Achievement of this component is capped at 100%.

The non-financial measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for long term securityholder value.

STI assessment

The Committee undertakes a performance review near the end of each financial year of the Executive KMP's achievement against financial and non-financial criteria to recommend the STI award payable. Any award of a STI to Executive KMP requires Board approval. Cash STI payments are made in August following the financial year in which they were earned.

The Board has ultimate discretion to apply judgement or make adjustments when approving the final performance outcomes. The Board will disclose the exercise of any of these discretions, however, no discretions have been exercised in respect of the reporting year FY22.

The Managing Director's performance criteria, weighted achievements and outcomes for FY22 are reflected on the following page. Other members of Executive KMP have similar measures tailored to their roles and aligned to the Managing Director's strategic themes with the same weightings.

Criteria	Weighting	Strategic objectives	Result	Performance detail
Financial 70%	70%	**FFO per Security** – Base target 26.4 cps = 30% of financial criteria (set 0.2 cps ahead of budget) – Straight line increase to a maximum of 125% (stretch target) earned at 27.5 cps (100% = 27.3 cps, 50% = 26.8 cps)	87.5%	FFO 27.7cps (+7.8% on FY21): 125% of financial component achieved
Non-Financial 30%	5%	**Growth initiatives and funds management** – Identify and acquire accretive FFO and AFFO direct property and listed securities opportunities for growth – Implement funds management strategy which provides opportunities for the Group to grow funds under management (FUM) and other earnings – Maintain appropriate capital structure to finance the targeted growth	3.63%	Strategic, high quality property acquisitions[1] of $374.6m (+$322.6m on FY21), each accretive to FFO, AFFO $60.3 million of additional Dexus Industria REIT (DXI) securities acquired, increasing the Group's exposure to industrial assets and accretive to FFO Several funds management opportunities identified and explored over FY22. Due diligence completed to acquire the Fortius Funds Management platform in FY22, which will add $1.9 billion of FUM. Entry into an agreement to acquire 100% of the shares in Fortius Funds Management Pty Limited was subsequently announced on 3 August 2022 $715m of debt extended, $350m of new facilities established and gearing maintained below target range at 31.6% (FY21: 27.9%)
	7.5%	**Leadership and culture** – Embed a positive, performance driven team culture within Growthpoint, centred on tenants and securityholders – Implement an efficient pathway to facilitate the review and approval of acquisitions and disposals – Maintain a strong governance culture, board reporting and engagement – Succession planning Executive KMP	5.63%	Positive FY22 employee alignment and engagement scores, with engagement in top decile and alignment in top quartile of the benchmark group (FY21: both scores were top quartile) Seamless implementation of COVID-19 tenant protocols and plan Established Investment Committee which streamlined the Group's approval processes for its acquisitions and disposals Progressed governance processes to align with best practice and new regulatory requirement developments Executive KMP succession plans developed
	7.5%	**Environmental, Social and Governance (ESG) initiatives and targets** Deliver performance against ESG and diversity targets including: – Maintain minimum 4.5 stars NABERS rating – Maintain FY21 CDP and GRESB scores – Progress towards Net Zero strategy – Promote and achieve diversity objectives	6.38%	NABERS Energy rating of 5.2 stars with 100% of office portfolio now rated (FY21: 5.1 stars) GRESB score increased to 80 (FY21: 74) and CDP maintained at B Progressed solar projects across portfolio, energy efficiency initiatives and renewable energy procurement strategy to support the Group's pathway to net zero 2025 target Women in leadership positions[2] increased to 50% (FY21: 38%) Published second Modern Slavery Statement detailing actions taken to assess and address risks in the Group's operations and supply chain
	10%	**External stakeholders and customer** – Maintain high level of engagement with external stakeholders including tenants, investors and analysts, potential funders and broader financial community – Enhance Group profile commensurate with ASX200 listed entity – Maintain or improve customer satisfaction (tenants and investors) on FY21, measured via independent surveys.	8.25%	Positive direct feedback and external survey results on the Group's engagement with tenants, with improved tenant satisfaction of 80%. Ranked industry leaders in landlord satisfaction in office and industrial vs. peer group Positive feedback on Group's performance and management from direct investor and analyst meetings. Also positive results from externally conducted investor perception study, with increase in overall average score YoY and favourable score vs. leading peer company Positive media and analyst coverage, with Group coverage extended to 5 from 4 analysts Improved uptake on digital channels including LinkedIn engagement and Group website visits
Total non-financial			23.88%	
Totals	100%		111.38%	

1. Includes settlement of 2-6 Bowes Street, Phillip, Australian Capital Territory on 23 December 2021, 141 Camberwell Road, Hawthorn East, Victoria on 23 February 2022 and GSO Dandenong, 165-169 Thomas Street, Dandenong, Victoria which the Group announced in May and settled in July 2022. Figure excludes 11 Murray Rose, Sydney Olympic Park, New South Wales, which settled on 24 August 2021 and was included in FY21 scorecard.
2. Women in leadership positions includes EMT and senior managers (employees that report to an EMT member, excluding assistants).

Remuneration report.

Other Executive KMP non-financial performance achievements on a weighted average basis were as follows:

	Financial	Non-Financial	Total
Weighting	*70%*	*30%*	*100%*
Dion Andrews – Chief Financial Officer	87.50%	23.88%	111.38%
Michael Green – Chief Investment Officer	87.50%	23.88%	111.38%
Jacquee Jovanovski – Chief Operating Officer	87.50%	23.88%	111.38%

Results of FY22 STI

The table below shows the maximum in cash and Short-term Performance Rights that each Executive KMP could earn for FY22, and the actual results achieved.

	Maximum for FY22				Result for FY22			
Names	Total	Cash	Short-term Performance Rights		Total	Cash	Short-term Performance Rights[1]	
	$	*$*	*$*	*No.*	*$*	*$*	*$*	*No.*
Timothy Collyer – Managing Director	**1,269,000**	846,042	422,958	105,475	**1,202,850**	801,940	400,910	99,977
Dion Andrews – Chief Financial Officer	**448,263**	298,857	149,406	37,258	**424,896**	283,278	141,618	35,316
Michael Green – Chief Investment Officer	**448,263**	298,857	149,406	37,258	**424,896**	283,278	141,618	35,316
Jacquee Jovanovski – Chief Operating Officer	**384,519**	256,359	128,160	31,960	**364,474**	242,995	121,479	30,294
Total	**2,550,045**	**1,700,115**	**849,930**	**211,951**	**2,417,116**	**1,611,491**	**805,625**	**200,903**

1. The number of Short-term Performance Rights was derived by dividing the maximum dollar value by the Volume Weighted Average Price (VWAP) of Growthpoint securities over the first 10 trading days of FY22, being $4.01. The actual number of Short-term Performance Rights earned by Executive KMP will be split into two equal tranches with the first tranche converting to stapled securities on 30 June 2023 and the second tranche converting on 30 June 2024, as long as the individual is still employed and has not submitted their resignation prior to conversion date.

FY22 Deferred STI plan - valuation inputs (Binomial model)

		Tranche 1	Tranche 2
Grant date		29-Nov-21	29-Nov-21
Performance period start		1-Jul-21	1-Jul-21
Performance period end		30-Jun-23	30-Jun-24
Security price at grant date	*$*	4.08	4.08
Fair value	*$*	3.77	3.59
Exercise price	*$*	–	–
Expected life (years)	*years*	1.58	2.58
Volatility	*%*	25	30
Risk free interest rate (per annum)	*%*	0.59	1.01
Distribution yield (per annum)	*%*	5.08	5.08

FY22 long-term incentives (LTI) Plan

The Group has had an Employee Securities Plan (the Plan) in place for all Employees and the Managing Director since 2011. The Plan is designed to link employees' remuneration with the long-term goals and performance of the Group with the aim of consistently increasing total securityholder return.

All securities or LTI Performance Rights issued under the LTI are issued on a zero-exercise price basis.

LTI performance measures

The performance measures for the LTI are reviewed in advance of each financial year by the Committee and the Board. The performance measures are set out below, with no change to the performance measures relating to the FY22 year.

The performance measurement period for the FY20, FY21 and FY22 forward looking plans are the three years to 30 June 2022, 30 June 2023 and 30 June 2024, respectively. For these plans, 100% of the maximum opportunity may vest into stapled securities subject to the performance measures being met.

Total securityholder return (TSR)

50%

TSR is defined as being the amount of dividends/distributions paid/payable by Growthpoint Properties Australia during the measurement period and the change in the price at which Growthpoint stapled securities are traded between the beginning and the end of the measurement period.

TSR is benchmarked relative to the S&P/ASX A-REIT 200 Accumulation Index[1] over a rolling 3-year period as set out in the following vesting schedule:

Growthpoint Properties Australia's TSR rank in the relevant comparator group	% of TSR component of LTI Performance Rights that vest
At or below the 50th percentile	Nil
At the 51st percentile	50%
Between 51st and 76th percentile	Straight line pro rata vesting between 50% and 100% (i.e. plus 2% for each percentile above the 51st percentile)
At or above 76th percentile	100%

Return on equity (ROE)

50%

ROE measures the total return on equity employed and takes into account both capital appreciation of the assets of Growthpoint Properties Australia and cash distributions of income. The return will be calculated on the starting NTA per Growthpoint stapled security and includes the change in NTA per Growthpoint stapled security over the measurement period plus the distribution made as a return on the starting NTA per Stapled Security.

ROE is benchmarked relative to the ROEs of constituents of the S&P/ASX A-REIT 200 Index[1] over a rolling 3-year period as set out in the following vesting schedule:

Growthpoint Properties Australia's ROE	% of ROE Component to be granted as Performance Rights
Below benchmark return	Nil
Achievement of benchmark	50%
Between 1% and 2% above the benchmark	Straight line pro rata vesting between 50% and 100%
At 2% or more above benchmark	100%

1. For both Performance Conditions, the Board has the discretion to adjust the comparator group to take into account events including, but not limited to, de-listings, takeovers, and mergers or de-mergers that might occur during the measurement period, or where it is no longer meaningful to include a company within the comparator group.

LTI Maximum

The maximum LTI opportunity each financial year is 80% of total fixed remuneration (TFR) for the Managing Director and 70% of TFR for other Executive KMP.

LTI Minimum

The Committee may determine that no grant will be made under the LTI.

LTI Rights Granted

The number of LTI Performance Rights granted is based on the VWAP of Growthpoint's securities over the first 10 trading days of the relevant performance period and rounded down to the nearest whole performance right.

Remuneration report.

LTI Achievement

The LTI performance results and vesting outcomes, being the percentage of granted rights in each tranche that shall successfully vest, are independently calculated by Grant Thornton and reviewed by the Committee after the conclusion of the performance period. Any rights that successfully vest are subsequently converted to issued stapled securities and any rights that fail to vest subsequently lapse.

ASX Listing Rules

In accordance with ASX Listing Rule 10.14, the issue of any stapled securities or performance rights to the Managing Director is subject to Securityholder approval.

FY22 LTI Plan details

The table below shows LTI grants made during the year for the FY22 LTI Plan, subject to performance conditions over the three-year performance period ending 30 June 2024. Accounting standards require the valuation of the grants be recognised over the performance period. The minimum value of the grant to participants is nil if the vesting conditions are not met. The fair value reported was calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

Plan participants		LTI max as a % of remuneration	Performance measure	Number of performance rights granted	Fair value per performance right	Total estimated fair value
		%		No.	$	$
Timothy Collyer – Managing Director			TSR	107,730	1.476	159,009
			ROE	107,731	3.652	393,434
	Total	**80**		**215,461**		**552,443**
Dion Andrews – Chief Financial Officer			TSR	47,568	1.476	70,210
			ROE	47,569	3.652	173,722
	Total	**70**		**95,137**		**243,932**
Michael Green – Chief Investment Officer			TSR	47,568	1.476	70,210
			ROE	47,569	3.652	173,722
	Total	**70**		**95,137**		**243,932**
Jacquee Jovanovski – Chief Operating Officer			TSR	40,804	1.476	60,227
			ROE	40,804	3.652	149,016
	Total	**70**		**81,608**		**209,243**

Key inputs used in valuing LTI Performance Rights were as follows:

Grant date	23-Nov-21
TSR performance start date	1-Jul-21
TSR expiry date	30-Jun-24
Share price at issue date ($)	$4.19
Exercise price	–
Expected life (years)	2.6
Volatility	30%
Risk free interest rate	1.01%
Distribution yield	5.08%

The fair value is determined by Grant Thornton using a Monte-Carlo simulation for the relative TSR component and a Binomial methodology for the relative ROE component.

Hedging of performance rights by Executive KMP

Under the Group's Securities Trading Policy, persons eligible to be granted securities as part of their remuneration are prohibited from entering a transaction if the transaction effectively operates to hedge or limit the economic risk of securities allocated under the incentive plan during the period those securities remain unvested or subject to restrictions under the terms of the plan.

Details of Performance Rights that vested to Executive KMP in FY22

Plan identification	Value of securities issued on conversion of performance rights	Number of securities issued on conversion of performance rights	Value of performance rights still to vest[1]	% of plan that vested during FY21
	$	*No.*	*$*	*%*
Timothy Collyer – Managing Director				
FY21 Deferred STI Plan	119,439	35,026	N/A	50
FY20 Deferred STI Plan	74,021	21,707	N/A	50
FY19 LTI Plan (forward looking)	326,328	77,329	N/A	50
Sub-total	**519,788**	**134,062**	**N/A**	
Dion Andrews – Chief Financial Officer				
FY21 Deferred STI Plan	42,021	12,323	N/A	50
FY20 Deferred STI Plan	25,909	7,598	N/A	50
FY19 LTI Plan (forward looking)	121,068	28,689	N/A	50
Sub-total	**188,998**	**48,610**	**N/A**	
Michael Green – Chief Investment Officer				
FY21 Deferred STI Plan	42,021	12,323	N/A	50
FY20 Deferred STI Plan	25,909	7,598	N/A	50
FY19 LTI Plan (forward looking)	121,068	28,689	N/A	50
Sub-total	**188,998**	**48,610**	**N/A**	
Jacquee Jovanovski – Chief Operating Officer				
FY21 Deferred STI Plan	35,716	10,474	N/A	50
FY20 Deferred STI Plan	18,134	5,318	N/A	50
Sub-total	**53,850**	**15,792**	**N/A**	
Total	**951,634**	**247,074**	**N/A**	

1. Actual value will depend upon the security price at the time of vesting.

Remuneration report.

Movements in number of Performance Rights held by Executive KMP during FY22

STI performance rights

Plan participants	Balance at 1 July 2021	Rights granted[1]	Rights lapsed[1]	Rights vested	Balance at 30 June 2022
	No.	*No.*	*No.*	*No.*	*No.*
Timothy Collyer – Managing Director	91,760	105,475	(5,498)	(56,733)	135,004
Dion Andrews – Chief Financial Officer	32,244	37,258	(1,942)	(19,921)	47,639
Michael Green – Chief Investment Officer	32,244	37,258	(1,942)	(19,921)	47,639
Jacquee Jovanovski – Chief Operating Officer	26,267	31,960	(1,666)	(15,792)	40,769
Total	**182,515**	**211,951**	**(11,048)**	**(112,367)**	**271,051**

1. The maximum rights that may have been awarded under the FY22 deferred STI plan were granted during the year. The portion that lapsed based on the actual STI outcome for the year are deemed to have lapsed on 30 June 2022.

LTI performance rights

Plan participants	Balance at 1 July 2021	Rights granted	Rights lapsed	Rights vested	Balance at 30 June 2022
	No.	*No.*	*No.*	*No.*	*No.*
Timothy Collyer – Managing Director	583,003	215,461	(77,328)	(77,329)	643,807
Dion Andrews – Chief Financial Officer	244,778	95,137	(28,688)	(28,689)	282,538
Michael Green – Chief Investment Officer	244,778	95,137	(28,688)	(28,689)	282,538
Jacquee Jovanovski – Chief Operating Officer	147,138	81,608	–	–	228,746
Total	**1,219,697**	**487,343**	**(134,704)**	**(134,707)**	**1,437,629**

FY23 Executive KMP remuneration

Proposed performance criteria for STI for next year (FY23)

The structure for FY23 STI for Executive KMP will remain split between financial measures (70%) (with a stretch arrangement allowing for an opportunity of up to 125% of the financial component) and non-financial measures (30%).

The financial measure will be based on Group FFO per security targets agreed by the Committee for the financial year. The Managing Director's FY23 target STI opportunity is 100% of his FY23 TFR. With a stretch target, his maximum FY23 STI opportunity will be 117.5% of his FY23 TFR. The Chief Investment Officer's FY23 target STI opportunity is 80% of his FY23 TFR. With a stretch target, his maximum FY23 STI opportunity will be 94.0% of his FY23 TFR. The other Executive KMP's FY23 target STI opportunity is 70% of their FY23 TFR. With a stretch target, their maximum FY23 STI opportunity is 82.25% of their FY23 TFR.

An adjustment has been made to the terms of the FY23 STI, which will now be awarded as 80 percent cash and 20 percent GOZ securities which vest over a two-year period (previously two thirds cash, one third deferred securities). This adjustment allows the STI component of EMT remuneration to remain competitive relative to peers.

The non-financial measures will be assessed across measures set by the Committee relating to:

- the execution of operational and strategic priorities, external stakeholder engagement and people, culture and leadership;
- ESG initiatives and targets; and
- Customer satisfaction.

The Board has ultimate discretion to apply judgement or make adjustments when approving the final performance outcomes, including in light of the COVID-19 environment.

Executive KMP FY23 remuneration

The weighted average of total fixed remuneration for Executive KMP payable in FY22 will generally increase in FY23 by 7.2%.

Non-executive KMP arrangements

There are currently seven Non-Executive KMP. An aggregate pool of $1,200,000 available for the remuneration of Non-Executive KMP was approved by Securityholders at the Company's Annual General Meeting in November 2017.

Remuneration paid and payable

The total remuneration to be paid to Non-Executive Directors for FY23 is listed on the following page.

Principles of remuneration for Non-Executive KMP

The principles of non-executive director remuneration are:

1. Non-Executive Directors should receive total remuneration at market rates for equivalent positions at listed Australian entities of similar size (measured by market capitalisation), complexity and Non-Executive Director workload having regard to the industry in which the Group operates.
2. Fees are set at a level to attract and retain suitably qualified and experienced persons to the Board.
3. The Chairman is entitled to a base annual fee and is not eligible for any additional fees for chairing or being a member of any Board committees.
4. All Non-Executive Directors other than the Chair are entitled to a base annual fee plus additional fees for being a chairman or a member of a committee.
5. All Non-Executive Directors' fees are paid on a base fee for the year rather than per meeting.
6. All Non-Executive Directors' fees are to be paid in cash and include superannuation where applicable.
7. From 1 July 2018, the Committee implemented a Minimum Securityholding Requirement (MSR) for Non-Executive KMP (refer to page 50 for details of current holdings and details of the MSR).
8. Non-Executive Directors are not entitled to any termination or similar payments upon retirement or other departure from office.
9. In addition to remuneration, Non-Executive Directors may claim expenses such as travel and accommodation costs reasonably incurred in fulfilling their duties.
10. With the prior approval of the Chairman, Non-Executive Directors may obtain independent advice at the Company's cost.

FY22 Non-Executive KMP Remuneration

		Short-term		Post-employment	
	Period	Fees	Committee Fees	Superannuation benefits	Total
		$	*$*	*$*	*$*
Geoff Tomlinson – Chair (appointed 1 September 2013)	**FY22**	**193,727**	**–**	**19,373**	**213,100**
	FY21	194,612	–	18,488	213,100
Grant Jackson (appointed 5 August 2009)	**FY22**	**99,091**	**22,801**	**12,189**	**134,081**
	FY21	99,543	14,543	10,838	124,924
Francois Marais (appointed 5 August 2009)	**FY22**	**109,000**	**12,300**	**–**	**121,300**
	FY21	109,000	12,300	–	121,300
Norbert Sasse (appointed 5 August 2009)	**FY22**	**109,000**	**26,288**	**–**	**135,288**
	FY21	109,000	19,400	–	128,400
Estienne de Klerk (appointed 5 August 2009)	**FY22**	**109,000**	**13,600**	**–**	**122,600**
	FY21	109,000	13,600	–	122,600
Josephine Sukkar AM (appointed 1 October 2017)	**FY22**	**99,091**	**11,182**	**11,027**	**121,300**
	FY21	99,543	11,233	10,524	121,300
Deborah Page AM (appointed 1 March 2021)	**FY22**	**99,091**	**27,080**	**12,825**	**138,788**
	FY21	33,181	6,971	3,814	43,966
Maxine Brenner (Resigned effective 30 November 2020)	FY21	43,052	9,045	2,861	54,958
Total	**FY22**	**818,000**	**113,251**	**55,414**	**986,457**
	FY21	796,931	87,092	46,525	930,548

Remuneration report.

Non-Executive KMP FY23 remuneration

The Non-Executive Directors fees have not increased since 1 July 2019. During FY22, the Board and Committee fees were reviewed in comparison to the Group's A-REIT and market cap peer groups used for Executive KMP remuneration benchmarking, the ASX 200 A-REIT Accumulation Index and the overall ASX 200. It was determined that fees payable to the Non-Executive Directors in FY23 as part of their membership of the Board and Committees will increase by 10% to ensure that the fees are market competitive and at a level to attract and retain suitably qualified and experienced persons to the Board in line with the principles of remuneration. These fees are set out below.

	Chair fee[1]	Member fee
Board	$234,410	$119,900
Audit, Risk & Compliance Committee	$25,190	$14,960
Nomination, Remuneration & HR Committee	$21,340	$13,530
Investment Committee[2]	$16,500	$9,900

1. The Chairman does not receive Committee fees
2. The Investment Committee was established in FY22.

Executive and non-executive KMP shareholdings

From 1 July 2018, the Committee implemented a Minimum Securityholding Requirement (MSR) for Executive KMP and Non-Executive KMP who must comply with the MSR by 30 June 2022 or four years from their employment or Directorship commencement, whichever is later. The MSR is as follows:

- Non-Executive Directors – 100% of base Directors fees in equivalent value of Growthpoint securities
- Managing Director – 100% of TFR in equivalent value of Growthpoint securities, and
- Other Executive KMP – 50% of TFR in equivalent value of Growthpoint securities.

The table below provides holdings as at the date of this report and indicates the current percentage holdings.

Name	Holding as at 30 June 2021	Securities granted as compensation	Securities acquired	Securities disposed	Holding as at 30 June 2022	MSR	Portion of MSR met[1]
	No.					*%*	*%*
Geoff Tomlinson	88,776	–	–	–	88,776	100	142
Grant Jackson	190,087	–	–	–	190,087	100	595
Francois Marais	169,284	–	–	(25,000)	144,284	100	451
Norbert Sasse	1,656,460	–	–	–	1,656,460	100	5182
Estienne de Klerk	1,802,857	–	-	–	1,802,857	100	5640
Josephine Sukkar AM	14,000	–	–	–	14,000	100	44
Deborah Page AM	25,050	–	5,000	–	30,050	100	94
Timothy Collyer	1,230,184	134,062	–	–	1,364,246	100	431
Dion Andrews	247,606	48,610	–	–	296,216	50	371
Michael Green	125,029	48,610	–	(35,000)	138,639	50	173
Jacquee Jovanovski	20,548	15,792	–	–	36,340	50	53

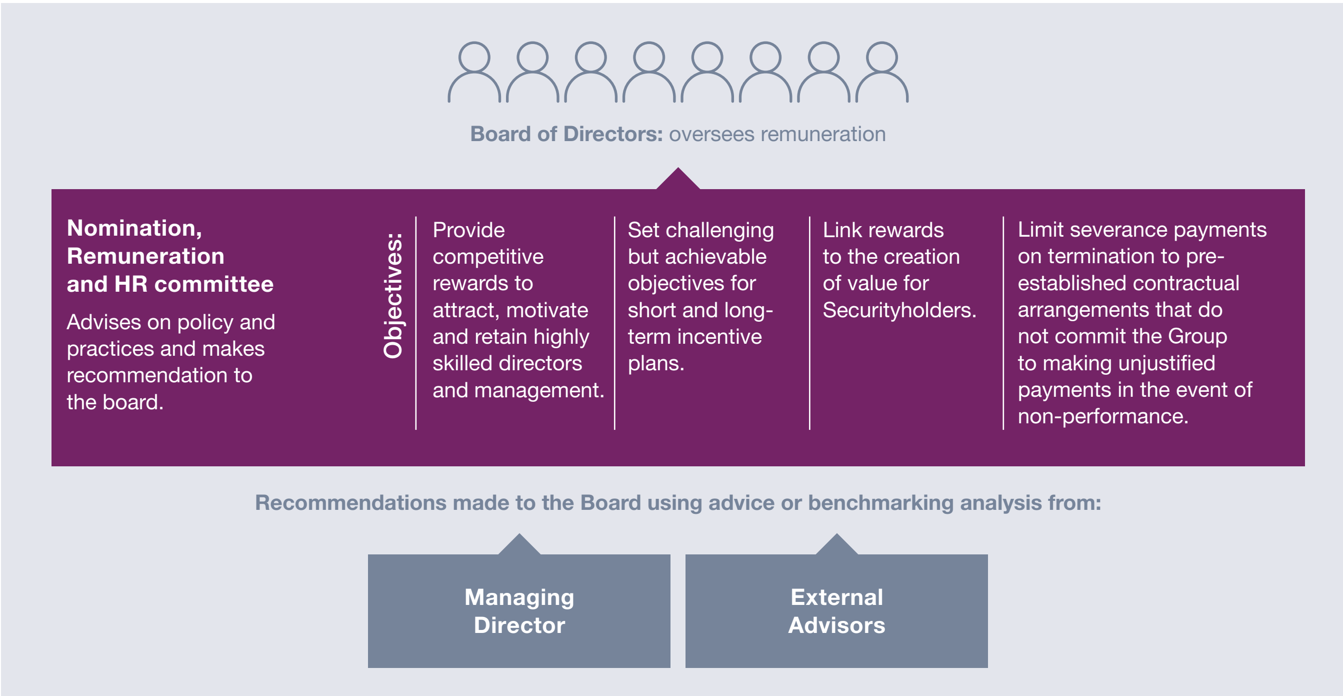
1. Calculated as the closing price of Growthpoint securities on 30 June 2022 ($3.41) multiplied by the holding, expressed as a percentage of the MSR .

All KMP other than Deborah Page (who commenced 1 March 2021) and Jacquee Jovanovski (who commenced 26 August 2019) were due to meet the MSR requirement by 30 June 2022. The MSR requirement has been met by all KMP required by 30 June 2022 other than Josephine Sukkar. Ms Sukkar has committed to the Board to meet her MSR requirement by 31 December 2022.

Remuneration policy and role of the Nomination, Remuneration and HR Committee.

The Committee advises the Board on compensation policies and practices generally and makes specific recommendations on compensation packages and other terms of engagement for non-executive directors, executive directors and other senior executives. The Committee also periodically reviews the compensation arrangements for other employees.

How Governance and remuneration decisions are made



Committee members

The members of the Committee during the year and at the date of this Report are:

- Norbert Sasse (Chairman) – non-executive director
- Francois Marais – non-executive director
- Geoff Tomlinson – independent, non-executive director and Board Chairman
- Josephine Sukkar AM – independent, non-executive director

Delegated authority

The Committee operates under delegated authority from the Board. The duties of the Committee in relation to remuneration are to:

a) Recommend, for adoption by the Board, a remuneration package for the Chairman of the Board and the other Directors on a not less than annual basis.

b) Recommend, for adoption by the Board, a remuneration package, including bonus incentives and related key performance indicators, for the most senior executive officer of the Group both on appointment and on a not less than annual basis.

c) Review the most senior executive officer's recommendations for the remuneration packages, including bonus incentives and related key performance indicators, for other Group employees on a not less than annual basis.

d) Review the most senior executive officer's recommendations for any bonus payments which are in excess of that delegated to the most senior executive officer under the Group's "Delegations of Authority Policy". The Committee cannot approve payments which exceed the bonus pool approved by the Board without Board approval.

e) Make recommendations to the Board in relation to the introduction of, and amendments to, any employee share plan established by the Group.

Remuneration report.

Impact of performance on Securityholders' wealth

In considering the Group's performance and benefits for Securityholders' wealth, the Committee has regard to the financial measures in the table below in respect of the five financial years ended 30 June 2022.

		2022	2021	2020	2019	2018
Profit attributable to the owners of the Group	*$m*	**459.2**	553.2	272.1	375.3	357.7
Dividends and distributions paid	*$m*	**160.6**	154.4	168.2	167.4	148.4
Distribution per stapled security	*$*	**0.208**	0.200	0.218	0.230	0.222
Closing stapled security price	*$*	**3.41**	4.07	3.20	4.12	3.61
Change in stapled security price	*$*	**(0.66)**	0.87	(0.92)	0.51	0.47
Total Securityholder return[1]	*%*	**(11.7)**	34.0	(17.7)	21.0	22.3
Return on equity	*%*	**14.3**	19.7	10.8	16.9	18.5

1. Source UBS Investment Research.

Independent consultants

During the year, the Committee engaged PwC as an independent consultant to provide benchmarking remuneration services in relation to Executive KMP. The PwC analysis compared the relative positioning of remuneration for each EMT role against:

> An industry peer group – 15 ASX listed A-REIT peer group

> A market capitalisation peer group – 10 ASX listed companies above and below Growthpoint by market capitalisation

PwC also undertook a fixed regression analysis, using the industry peer group, to determine an implied remuneration positioning for each EMT member to key metrics such as market capitalisation, square metres of portfolio, total assets, total liabilities and funds from operations. The correlation of remuneration to the key metrics for each role varied from weak (low r-squared) to strong (high r-squared), however, provided the Committee with additional analysis from which to set remuneration levels.

These services did not include specific recommendations to the Committee. PwC was paid a total of $30,000 in FY22 for providing these services.

The Committee also had regard to additional third-party industry remuneration benchmarking surveys.

Remuneration reviews

The Committee reviews the appropriate levels of remuneration for all Directors and Employees based on:

1. Remuneration surveys and trends.
2. Benchmarking against peers.
3. Recommendations from the Managing Director (excluding in relation to his own remuneration).

Executive Director Remuneration and Service Contract

There is currently only one executive director being the Managing Director, Timothy Collyer.

Remuneration paid and payable

The total remuneration paid or payable to the Managing Director for FY22 is listed on page 40 to 41 of this report.

Service contract

The Managing Director has a contract of employment dated 22 August 2016 with the Group that specifies the duties and obligations to be fulfilled by the Managing Director and provides that the Board and the Managing Director will, early in each financial year, consult to agree objectives for achievement during that year. Changes to the Managing Directors' remuneration requires full Board approval and, in certain circumstances, Securityholder approval.

The Managing Director's employment continues until terminated by either the Group or the Managing Director. The Managing Director can resign by providing six months' written notice. The Group can terminate his employment immediately for cause. In addition, the Group can terminate the Managing Director's employment without cause on nine months' notice. The Group may elect to pay the Managing Director in lieu of some or all of this nine months' notice period.

On termination as Managing Director, he must resign as a director of any Group entity and he is restrained from a number of activities in competition with or to the detriment of the Group for a period of six months from the date of termination.

Termination payments for redundancy comprise nine months' notice and redundancy policy benefits.

Principles of remuneration for the Managing Director

The principles of remuneration for the Managing Director are included as part of the Executive KMP principles listed on page 40.

Other service contracts

The service contracts for other Executive KMP are unlimited in term but can be terminated by the Executive KMP on three months' notice and by the Company immediately for cause and on six months' notice. The Group may elect to pay the other Executive KMP in lieu of some or all of this six-month notice period. The restraint of trade period for the other Executive KMP is six months.

Employees are also entitled to receive certain statutory entitlements on termination of employment including accrued annual and long service leave, together with any superannuation benefits and, if applicable, redundancy payments in accordance with a redundancy policy approved by the Committee.

Additional terms relating to LTI or STI performance rights issued to Executive KMP

Cessation of employment

Ceasing employment for cause or due to resignation

Where an Executive KMP's employment with Growthpoint Properties Australia is terminated for cause or ceases due to resignation (other than due to death, ill health or disability), all performance rights will lapse, unless the Board determines otherwise.

Ceasing employment for other reasons

If an Executive KMP's employment ceases at any time for any other reason (including due to death, ill health, disability or bona fide redundancy), all performance rights (whether or not the applicable performance conditions and/or service condition has been satisfied) as at the date of cessation of employment will remain on foot and remain subject to the terms of the offer of the performance rights, as though employment had not been ceased. However, the Board retains a discretion to determine to vest or lapse some or all of the performance rights.

Takeover or Scheme

In summary, the Growthpoint Properties Australia Employee Incentive Plan Rules provide that in the event of each of:

- a takeover bid being recommended by the Board or becoming unconditional; and
- a scheme of arrangement, reconstruction or winding up of Growthpoint Properties Australia being put to members,

some or all performance rights may vest or may remain on foot at the Board's discretion. In the case of STI performance rights, if any of these events occur before the Board has exercised its discretion, the STI Performance Rights will vest.

Remuneration report.

Claw back

The Board has broad "clawback" powers to determine that performance rights lapse, stapled securities are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of fraud or dishonesty).

Non-Executive and Executive KMP Reviews

Non-Executive KMP reviews

The performance of the Board and individual Directors is regularly considered by the Chairman who, from time to time, arranges Board meetings to specifically consider the function of the Board, the strategy of the Group and to hear any concerns/feedback from directors. The Chairman typically meets with each individual Director not less than once per year.

Board composition

The Board currently comprises Directors with extensive experience and expertise in property, funds management, finance, law, investment banking, accounting and corporate governance. Refer to pages 30 to 31 for full profiles of each Director.

Being a property company, the Board has expressed a particular desire to ensure it comprises directors with extensive Australian commercial property knowledge and experience. The Board is eager to ensure that where Board members are replaced, the Board's property experience is not diminished. See page 8 of Growthpoint's Corporate Governance Statement which outlines the current mix of skills represented on the Board, which includes extensive experience within the property industry.

Succession planning for directors

The Committee has developed plans for the succession and/or temporary replacement of the Chairman and the Managing Director.

Executive KMP Reviews

The Managing Director's performance is formally considered annually by the Committee and based on this formal assessment, the Committee makes remuneration recommendations to the Board. In making its assessment, the Committee considers, among other things, the STI performance measures listed on pages 42 to 43 and any remuneration benchmarking analysis it has obtained.

The Managing Director reviews the performance of the other Executive KMP and makes recommendations to the Committee on their remuneration based, in part, on the STI performance measures listed on pages 42 to 43 and any remuneration benchmarking analysis or remuneration survey information obtained.

Meetings of Directors (FY22)

	Growthpoint Board		Audit, Risk and Compliance Committee		Nomination, Remuneration and HR Committee		Investment Committee	
Board member	eligible to attend	attended	eligible to attend	attended	eligible to attend	attended	eligible to attend	attended
G. Tomlinson – Chairman	11	11	4	4	7	7	–	–
T. Collyer – Managing Director[1]	11	10	4	3	6	6	4	4
E. de Klerk	11	11	4	4	–	–		
G. Jackson	11	11	4	4	–	–	4	4
F. Marais	11	11	–	–	7	7	–	–
J. Sukkar	11	11	–	–	7	7	–	–
N. Sasse	11	10	–	–	7	7	4	4
D. Page	11	11	4	4	–	–	4	3

1. Tim Collyer, the Managing Director is a member of the Investment Committee He also has a standing invitation to the Audit, Risk and Compliance Committee and Nomination, Remuneration and HR Committee meetings, unless the members of the relevant Committee determine otherwise, but is not a member of those Committees.

Additional **information.**

Directors

The following persons were members of the Board of Growthpoint Properties Australia Limited (the Company) during FY22:

- Geoffrey (Geoff) Tomlinson, Independent Chairman
- Timothy Collyer, Managing Director
- Estienne de Klerk (deemed non-independent given role as CEO of Growthpoint Properties Limited: South Africa)
- Grant Jackson, Independent Director
- Francois Marais (deemed non-independent given previous position at Growthpoint Properties Limited)
- Deborah Page AM, Independent Director
- Norbert Sasse (deemed non-independent given role as Group CEO of Growthpoint Properties Limited)
- Josephine Sukkar AM, Independent Director

Details of each Director's appointment, qualifications and experience, together with their recent directorships, are set out on pages 30 to 31 of this report. Information about attendance at the meetings of Directors held during FY22 is contained in the Remuneration Report on page 54 of this report.

Company Secretaries

Jacqueline (Jacquee) Jovanovski and Dion Andrews are the Company Secretaries of each member of the Group. Details of their qualifications and experience are set out on page 32 of this report.

Principal activities

The principal activities of the Group during the year continued to be property investment. During the year there were no significant changes in its state of affairs.

Review of operations and results

The Operating and Financial Review is contained on pages 3 to 29 of this report.

Indemnification and insurance of Directors, Officers and Auditor

The Company has entered into a Deed of Indemnity, Insurance and Access with each of its directors, Dion Andrews (Chief Financial Officer), Michael Green (Chief Investment Officer) and Jacqueline Jovanovski (Chief Operating Officer) providing these persons with an indemnity, to the fullest extent permitted by law, against all losses and liabilities incurred in their respective role for the Company. The Deeds also require the Company to grant the indemnified person with access to certain Company documents and insure the indemnified persons.

In compliance with the Deeds referred to above, the Company insured its Directors and officers against liability to third parties and for costs incurred in defending any legal proceedings that may be brought against them in their capacity as Directors or officers of the Group. This excludes a liability which arises out of a wilful breach of duty or improper use of inside information. The premium also insures the Company for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

The Auditor is indemnified by the Group against claims from third parties arising from the provision of audit services except where prohibited by applicable law and professional regulations or due to the negligence, wrongful or wilful acts or omissions by the auditor.

Additional **information.**

Non-Audit services

During the year EY, the Group's auditor, has performed services other than the audit and review of financial statements and other regulatory audit services.

Details of the amounts paid to EY for audit services provided during the year are set out below:

	FY22	FY21
	$	*$*
Audit and review of financial statements	261,600	283,470
Other regulatory audit services	54,000	37,000
Other non-audit services	35,000	–
Total paid to EY	**350,600**	**320,470**

Auditor's independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is set out on page 96.

Subsequent events

On 27 July 2022, settlement occurred on the acquisition of 165-169 Thomas Street, Dandenong, Victoria for $165.0 million (net sale price excluding acquisition costs).

On 3 August 2022, the Company entered into a share sale agreement to acquire 100% of the shares in Fortius Funds Management Pty Ltd. Under the terms of the agreement, Fortius shareholders will be entitled to receive from Growthpoint an initial purchase price of $45 million (with a net asset adjustment) upon completion plus up to an additional $10 million earn out component based on agreed milestones being met over the period to June 2024. Completion is anticipated to take place in the first quarter of FY23, subject to conditions precedent being satisfied. Remaining disclosures required under accounting standards in relation to this business combination will be included in the Company's interim financial report for the period ending 31 December 2022.

There have been no other subsequent events from the end of the year to the date of this report likely to significantly affect the operations of the business, the results of those operations or the state of affairs of the Group in future financial years.

Environmental Regulations

As a property owner, the Group is subject to the normal environmental regulations of landowners within Australia. The Directors are not aware of any significant breaches during the year.

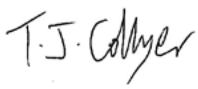
Rounding of amounts

All financial information presented is in Australian dollars and has been rounded to the nearest hundred thousand unless otherwise stated, in accordance with Australian Securities and Investments Commission Instrument 2016/191.

About the Directors' Report

The Directors' Report comprises pages 3 to 56 of this report except where referenced elsewhere.

This report was approved in accordance with a resolution of the Directors of Growthpoint Properties Australia Limited.



Timothy Collyer
Managing Director
Growthpoint Properties Australia

16 August 2022

Financial report.

About the Financial Report

This report covers Growthpoint Properties Australia Limited and its controlled entities, Growthpoint Properties Australia Trust and its controlled entities, together being a stapled group. Growthpoint Properties Australia Limited is the Responsible Entity for Growthpoint Properties Australia Trust. The financial report is presented in Australian dollars.

Growthpoint Properties Australia Trust and its Responsible Entity, Growthpoint Properties Australia Limited, are both domiciled in Australia. The Responsible Entity's registered office and principal place of business is at Level 31, 35 Collins Street, Melbourne, Victoria, 3000, Australia.

A description of the nature of the stapled group's operations and its principal activities is included in the Directors' Report which is not part of the financial report.

The financial report was authorised for issue by the Directors on 16 August 2022.

References to 'the year' in this report refer to the year ended 30 June 2022 unless the context requires otherwise. References to 'balance date' in this report refer to 30 June 2022 unless the context requires otherwise.

Financial Statements

Notes to the Financial Statements

Declarations / Reports

Consolidated Statement of **Comprehensive income.**

For the year ended 30 June 2022

	Notes	2022	2021
		$m	*$m*
Revenue and other income			
Property revenue	2.1	303.7	288.7
Distributions from investment in securities	2.3	7.7	5.4
Interest income		0.1	0.1
Total revenue and other income		311.5	294.2
Expenses			
Property expenses	2.1	(47.1)	(45.7)
Borrowing costs	3.2	(49.7)	(52.3)
Other expenses		(21.8)	(15.4)
Depreciation of right of use assets		(3.9)	(4.1)
Total expenses		(122.5)	(117.5)
Other gains/losses			
Net gain in fair value of investment properties	2.2	285.1	356.5
Net (loss) in fair value on sale of investment properties		–	(1.5)
Net (loss)/gain in fair value of investment in securities	2.3	(32.7)	29.3
Net gain/(loss) in fair value of derivatives	3.4	57.2	(43.8)
Net (loss)/gain on exchange rate translation of interest-bearing liabilities	3.1	(31.5)	33.0
Net gains from other items		278.1	373.5
Profit before tax		**467.1**	**550.2**
Income tax (expense)/benefit	4.1	(7.9)	3.0
Profit after tax		**459.2**	**553.2**
Other comprehensive income		–	–
Total comprehensive income		**459.2**	**553.2**
Total comprehensive income attributable to:			
Owners of the Trust		461.6	554.3
Owners of the Company		(2.4)	(1.1)
Total comprehensive income		459.2	553.2
Earnings per security attributable to securityholders of the Group:			
Basic earnings per stapled security (cents)	3.9	59.5	71.7
Diluted earnings per stapled security (cents)	3.9	59.3	71.5

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of **Financial Position.**

As at 30 June 2022

	Notes	2022	2021
		$m	*$m*
Current assets			
Cash and cash equivalents		49.2	33.5
Receivables and other assets	2.4	7.2	6.1
Total current assets		56.4	39.6
Non-current assets			
Investment properties	2.2	5,233.1	4,619.6
Investment in securities	2.3	132.4	104.8
Receivables and other assets	2.4	16.7	3.7
Derivative financial instruments	3.4	59.1	7.3
Right-of-use assets		–	1.2
Plant and equipment		0.6	0.5
Deferred tax assets	4.1	1.6	1.1
Total non-current assets		5,443.5	4,738.2
Total assets		**5,499.8**	**4,777.8**
Current liabilities			
Distribution to Securityholders	3.8	80.3	77.2
Trade and other liabilities	2.5	46.1	35.0
Current tax payable	4.1	0.4	0.2
Interest bearing liabilities	3.1	40.0	–
Lease liabilities	3.3	0.7	0.9
Deferred tax liabilities	4.1	8.3	0.6
Total current liabilities		175.7	113.9
Non-current liabilities			
Interest bearing liabilities	3.1	1,700.0	1,327.1
Lease liabilities	3.3	103.9	105.9
Derivative financial instruments	3.4	0.3	9.5
Total non-current liabilities		1,804.2	1,442.5
Total liabilities		**1,979.9**	**1,556.4**
Net assets		**3,519.9**	**3,221.4**

Equity			
Contributed equity	3.7	2,046.5	2,048.5
Reserves		13.1	11.2
Retained profits		1,460.3	1,161.7
Total equity		**3,519.9**	**3,221.4**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of **Changes in Equity.**

For the year ended 30 June 2022

		Attributable to unitholders of the Trust (Parent entity)			Attributable to shareholders of the Company (other stapled entity)				
	Notes	Contri-buted equity	Retained profits	Total	Contri-buted equity	Reserves	Retained profits	Total	**Total equity**
		$m	*$m*	*$m*	*$m*	*$m*	*$m*	*$m*	*$m*
Equity as at 30 June 2021		1,978.0	1,161.3	3,139.3	70.5	11.2	0.4	82.1	3,221.4
Profit after tax		–	461.6	461.6	–	–	(2.4)	(2.4)	459.2
Other comprehensive income		–	–	–	–	–	–	–	–
Total comprehensive income		–	461.6	461.6	–	–	(2.4)	(2.4)	459.2
Transactions with Securityholders in their capacity as Securityholders:									
Security buybacks		(2.0)	–	(2.0)	–	–	–	–	(2.0)
Distributions provided or paid		–	(160.6)	(160.6)	–	–	–	–	(160.6)
Share-based payment transactions		–	–	–	–	1.9	–	1.9	1.9
Total transactions with Securityholders		(2.0)	(160.6)	(162.6)	–	1.9	–	1.9	(160.7)
Other reserves		–	–	–	–	–	–	–	–
Equity as at 30 June 2022		**1,976.0**	**1,462.3**	**3,438.3**	**70.5**	**13.1**	**(2.0)**	**81.6**	**3,519.9**
Equity as at 30 June 2020		1,979.4	761.4	2,740.8	70.5	10.3	1.0	81.8	2,822.6
Profit after tax		–	554.3	554.3	–	–	(1.1)	(1.1)	553.2
Other comprehensive income		–	–	–	–	–	–	–	–
Total comprehensive income		–	554.3	554.3	–	–	(1.1)	(1.1)	553.2
Transactions with Securityholders in their capacity as Securityholders:									
Security buybacks		(1.4)	–	(1.4)	–	–	–	–	(1.4)
Distributions provided or paid		–	(154.4)	(154.4)	–	–	–	–	(154.4)
Share-based payment transactions		–	–	–	–	1.4	–	1.4	1.4
Total transactions with Securityholders		(1.4)	(154.4)	(155.8)	–	1.4	–	1.4	(154.4)
Other reserves		–	–	–	–	(0.5)	0.5	–	–
Equity as at 30 June 2021		**1,978.0**	**1,161.3**	**3,139.3**	**70.5**	**11.2**	**0.4**	**82.1**	**3,221.4**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of **Cash Flows.**

For the year ended 30 June 2022

	Notes	2022	2021
		$m	*$m*
Cash flows from operating activities			
Cash receipts from customers		325.1	286.3
Cash payments to suppliers		(100.2)	(92.1)
Distributions from investment in securities		7.0	5.5
Borrowing costs		(48.1)	(46.6)
Interest received		0.1	0.1
Income tax paid		(0.5)	(1.5)
Net cash flows from operating activities	2.6	**183.4**	**151.7**
Cash flows from investing activities			
Receipts from sale of investment properties		–	113.9
Payments for investment properties		(326.6)	(25.1)
Payments for investment in securities		(60.3)	(5.6)
Payments for plant & equipment		(0.3)	(0.1)
Net cash flows from investing activities		**(387.2)**	**83.1**
Cash flows from financing activities			
Proceeds from external borrowings		922.5	297.0
Repayments of external borrowings		(538.5)	(384.4)
Payments for securities buy back		(2.0)	(1.4)
Payments to terminate derivatives		(3.9)	–
Repayments of lease liabilities		(1.1)	(0.8)
Distributions to Securityholders		(157.5)	(154.4)
Net cash flows from financing activities		**219.5**	**(244.0)**
Net cash flows		**15.7**	**(9.2)**
Cash and cash equivalents at the beginning of the year		33.5	42.7
Cash and cash equivalents at the end of the year		**49.2**	**33.5**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements.

Section 1: Basis of preparation, accounting policies and other pronouncements

1.1 Basis of preparation

Reporting entity

Growthpoint Properties Australia was formed by the stapling of two entities: Growthpoint Properties Australia Limited (the Company) and Growthpoint Properties Australia Trust (the Trust) which are collectively referred to as Growthpoint Properties Australia (the Group).

The Group's stapled structure was established for the purpose of facilitating a joint quotation of the Company and the Trust on the Australian Securities Exchange (ASX: GOZ). The constitutions of the Company and the Trust ensure that, for so long as the two entities remain jointly quoted, the number of shares in the Company and the number of units in the Trust shall be equal and the shareholders of the Company and the unitholders in the Trust are identical. The Company, both in its personal capacity and in its capacity as the Responsible Entity of the Trust, must always act in the best interests of the Group. The Group is a for profit entity.

In accordance with AASB 3 *Business Combinations*, the Trust is the parent entity and deemed acquirer of the Company in the stapling arrangement. This financial report includes consolidated financial statements for the Trust, comprising the Trust and its controlled entities and the Company and its controlled entities, for the year ended 30 June 2022. The Group is domiciled in Australia and its registered address is Level 31, 35 Collins Street, Melbourne, Victoria, 3000, Australia.

The ultimate parent of the Group is Growthpoint Properties Limited, a South African Real Estate Investment Trust listed on the Johannesburg Stock Exchange.

Net current asset deficiency

Net current asset deficiency is calculated as the difference between the Group's current assets and current liabilities. The Group reported a net current asset deficiency of $119.3 million as at 30 June 2022 (30 June 2021: $74.3 million) which is an expected outcome from its policy of using cash that is surplus to the Group's short term needs to repay debt facilities, which includes debt of $40.0m maturing on 17 December 2022. The Group has unutilised debt facilities of $353.5 million which can be drawn at short notice. The Group has sufficient working capital and cashflows in order to fund all requirements arising from the net current asset deficiency.

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board on 16 August 2022.

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using historical cost except for derivative financial instruments, investment properties, investment in securities and share-based payment arrangements which are measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Directors' / Financial Reports) Instrument 2016/191 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest hundred thousand dollars unless otherwise stated.

1.1 Basis of preparation (continued)

Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about estimates, assumptions and judgements that have the most significant risk of causing a material misstatement of amounts recognised in the consolidated financial statements is included in the following notes:

- Note 2.2 – Investment properties;
- Note 3.4 – Derivative financial instruments; and
- Note 3.10 – Share-based payment arrangements.

Determination of fair values

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, information regarding the method of determining fair value and about the assumptions made in determining fair value is disclosed in the note specific to that asset or liability.

1.2 Significant accounting policies

The significant accounting policies applied by the Group in this financial report are disclosed in the relevant notes in grey shaded text.

1.3 Impact of new standards, amendments and interpretations

No new accounting standards, amendments or interpretations have come into effect for the year ended 30 June 2022 that materially affect the Group's operations or reporting requirements.

No other standards, amendments or interpretations published that come into effect in a future reporting period are expected to materially affect the Group's operations or reporting requirements.

Notes to the Financial Statements.

Section 2: Operating results, assets and liabilities

2.1 Revenue and operating segment information

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST). Rent from investment properties is recognised and measured in accordance with AASB 16 on a straight-line basis over the life of the lease for leases where the revenue under the lease terms is fixed and determinable. For leases where the revenue is determined with reference to market reviews, inflationary measures or other variables, revenue is not straight-lined and is recognised in accordance with the lease terms applicable for the period. The Group also earns revenue from tenants as stipulated in the lease agreements for services including cleaning, security, electricity and other outgoings. This revenue is recognised and measured in accordance with AASB 15 *Revenue from Contracts with Customers*.

Group earnings and operating segment results

The primary measure of recurring earnings for the Group is funds from operations (FFO), which is used to make strategic decisions and as a guide to assessing appropriate distributions to investors. FFO represents profit after tax adjusted for various non-cash accounting items which are listed in the reconciliation further below.

The Group has two operating segments, namely Industrial property investments and Office property investments. The primary measure of performance of each operating segment is net property income.

The Group's FFO and operating segment results are reported monthly to the Group's Managing Director, who is the chief operating decision maker.

			2022			2021
	Industrial	Office	Total	Industrial	Office	Total
	$m	*$m*	*$m*	*$m*	*$m*	*$m*
Segment items						
Property rental income	84.3	170.5	254.8	83.9	162.2	246.1
Revenue from services to tenants	13.4	23.4	36.8	12.9	21.2	34.1
Property revenue, excluding straight line lease adjustment	97.7	193.9	291.6	96.8	183.4	280.2
Property expenses[1]	(5.5)	(1.8)	(7.3)	(5.2)	(2.0)	(7.2)
Expense from services to tenants[2]	(13.6)	(30.8)	(44.4)	(13.9)	(28.9)	(42.8)
Net property income	**78.6**	**161.3**	**239.9**	**77.7**	**152.5**	**230.2**
Unallocated items						
Amortisation of incentives and leasing costs			33.0			26.9
Other expenses[3]			(19.8)			(15.7)
Distributions from investment in securities			7.7			5.4
Borrowing costs net of interest income[4]			(46.1)			(48.2)
Current income tax expense			(0.7)			(0.3)
FFO			**214.0**			**198.3**
Distributions						
Weighted average securities on issue (m)			771.8			772.0
FFO per stapled security (cents)			27.7			25.7
Distribution per stapled security (cents)			20.8			20.0

1. Property expenses in FFO include $4.5 million (2021: $4.4 million) of ground lease payments which are replaced with depreciation of right of use assets and interest expense associated with leases on the Consolidated Statement of Comprehensive Income.
2. Outgoings expenses from services to tenants includes $7.6 million (2021: $8.7 million) that was not recoverable under the terms of certain leases.
3. Other expenses in FFO of $19.8 million (2021: $15.7 million) excludes $1.9 million (2021: $nil) in discontinued and non-FFO project costs and $0.2 million (2021: $0.2 million) depreciation of plant and equipment and includes $0.3 million (2021: $0.5 million) rent payments for the Group's head office at 35 Collins St, Melbourne which are replaced with depreciation of right of use assets and interest expense associated with lease liabilities on the Consolidated Statement of Comprehensive Income.
4. Borrowing costs are shown in segment reporting net of $0.1 million (2021: $0.1 million) interest income and exclude the $3.5m (2021: $4.0 million) interest expense associated with lease liabilities which is included on the Consolidated Statement of Comprehensive Income.

2.1 Revenue and operating segment information (continued)

Reconciliation of Profit after tax to FFO

	2022	2021
	$m	*$m*
Profit after tax	**459.2**	**553.2**
Adjustments for non-FFO items		
- Straight line adjustment to property revenue	(12.1)	(8.5)
- Net gain in fair value of investment properties	(285.1)	(356.5)
- Net loss/(gain) in fair value of investment in securities	32.7	(29.3)
- Net (gain)/loss in fair value of derivatives	(57.2)	43.8
- Net loss/(gain) on exchange rate translation of interest-bearing liabilities	31.5	(33.0)
- Amortisation of incentives and leasing costs	33.0	26.9
- Deferred tax expense/(benefit)	7.2	(3.3)
- Other	4.8	5.0
FFO	**214.0**	**198.3**

Reconciliation of total property revenue per segment note to revenue per Consolidated Statement of Comprehensive Income

	2022	2021
	$m	*$m*
Property revenue from segments	**291.6**	**280.2**
- Straight line adjustment to property revenue	12.1	8.5
Property revenue as reported on the Consolidated Statement of Comprehensive Income	**303.7**	**288.7**

Major customer

Revenues from Woolworths Group Limited, in the Group's Industrial segment represents $38.9 million (2021: $39.3 million) of the Group's total revenues.

2.2 Investment properties

Investment properties

The Group's investment properties represent freehold and leasehold interest in land and buildings held for rental income and capital appreciation. Investment properties are initially measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity and the cost of that capital expenditure can be measured reliably. All other costs are expensed in the Consolidated Statement of Comprehensive Income in the period incurred.

Subsequent to initial recognition, investment properties are measured at fair value. Directors revalue the property investments based on valuations determined internally or by external independent valuers on a periodic basis. The Group assesses at each balance date whether these valuations appropriately reflect the fair value of investment properties.

Any gains or losses arising from changes in fair value of the properties are recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Lease incentives and commissions

Any lease incentives provided to a tenant under the terms of a lease such as fit-outs or rent-free periods and any leasing commissions paid to agents on signing of lease agreements are recognised on balance sheet in investment property and subsequently amortised as a reduction of revenue on a straight-line basis over the term of the lease.

Notes to the Financial Statements.

2.2 Investment properties (continued)

Determination of fair value

The fair value of the investment properties is determined either solely by Directors' valuations or together with verification from an external, independent valuer, with recognised professional qualifications and recent experience in the location and category of property being valued generally. Every property is valued externally at least once every financial year.

Fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The fair value of investment properties is classified as Level 3 in the fair value hierarchy based on the significant unobservable inputs into the valuation techniques used. Further detail on the Group's valuation process and valuation methods is described below.

			Latest external valuation		Carrying amounts	
Industrial properties			Date	Valuation	**2022**	2021
				$m	*$m*	*$m*
Victoria						
3 Maker Place	Truganina	VIC	30-Jun-22	70.3	70.3	48.3
1500 Ferntree Gully Road & 8 Henderson Road	Knoxfield	VIC	31-Dec-21	61.6	61.8	55.3
9-11 Drake Boulevard	Altona	VIC	30-Jun-22	58.5	58.5	48.0
Lots 2, 3 & 4, 34-44 Raglan Street	Preston	VIC	31-Dec-21	52.8	55.3	41.1
120-132 Atlantic Drive	Keysborough	VIC	30-Jun-22	45.0	45.0	34.8
40 Annandale Road[1]	Melbourne Airport	VIC	30-Jun-22	43.4	43.4	38.3
120 Link Road[1]	Melbourne Airport	VIC	30-Jun-22	25.2	25.2	21.1
130 Sharps Road[1]	Melbourne Airport	VIC	30-Jun-22	24.7	24.7	26.0
20 Southern Court	Keysborough	VIC	31-Dec-21	22.5	24.5	19.4
3 Millennium Court	Knoxfield	VIC	30-Jun-22	19.3	19.3	15.4
6 Kingston Park Court	Knoxfield	VIC	30-Jun-22	18.0	18.0	14.5
31 Garden Street	Kilsyth	VIC	31-Dec-21	15.8	17.3	15.0
19 Southern Court	Keysborough	VIC	31-Dec-21	14.7	14.9	12.8
60 Annandale Road[1]	Melbourne Airport	VIC	30-Jun-22	14.0	14.0	11.9
101-111 South Centre Road[1]	Melbourne Airport	VIC	30-Jun-22	13.4	13.4	11.2
75 Annandale Road[1]	Melbourne Airport	VIC	30-Jun-22	10.4	10.4	8.3
Queensland						
70 Distribution Street	Larapinta	QLD	30-Jun-22	255.0	255.0	235.0
13 Business Street	Yatala	QLD	31-Dec-21	17.5	18.2	15.4
5 Viola Place[1]	Brisbane Airport	QLD	31-Dec-21	14.2	14.2	9.2
3 Viola Place[1]	Brisbane Airport	QLD	31-Dec-21	3.6	3.6	3.3
Western Australia						
20 Colquhoun Road	Perth Airport	WA	31-Dec-21	220.0	225.0	213.0
2 Hugh Edwards Drive	Perth Airport	WA	30-Jun-22	24.3	24.3	17.8
58 Tarlton Crescent	Perth Airport	WA	30-Jun-22	19.8	19.8	17.2
10 Hugh Edwards Drive	Perth Airport	WA	30-Jun-22	14.6	14.6	12.0
36 Tarlton Crescent	Perth Airport	WA	30-Jun-22	11.7	11.7	10.3

[1] Held under leasehold.

2.2 Investment properties (continued)

Determination of fair value (continued)

Industrial properties			Latest external valuation Date	Valuation	Carrying amounts 2022	2021
				$m	$m	$m
New South Wales						
27-49 Lenore Drive	Erskine Park	NSW	31-Dec-21	102.0	106.5	89.9
6-7 John Morphett Place	Erskine Park	NSW	30-Jun-22	79.5	79.5	68.5
51-65 Lenore Drive	Erskine Park	NSW	31-Dec-21	49.0	48.0	45.0
34 Reddalls Road	Kembla Grange	NSW	30-Jun-22	39.0	39.0	33.0
81 Derby Street	Silverwater	NSW	31-Dec-21	31.6	32.5	27.2
South Australia						
599 Main North Road	Gepps Cross	SA	30-Jun-22	245.0	245.0	224.5
1-3 Pope Court	Beverley	SA	30-Jun-22	31.0	31.0	26.4
12-16 Butler Boulevard[1]	Adelaide Airport	SA	31-Dec-21	23.5	25.0	17.7
10 Butler Boulevard[1]	Adelaide Airport	SA	31-Dec-21	12.1	13.1	8.9
Total industrial properties				1,702.9	1,721.7	1,495.7

[1] Held under leasehold.

Office properties			Latest external valuation Date	Valuation	Carrying amounts 2022	2021
				$m	$m	$m
Victoria						
75 Dorcas Street	South Melbourne	VIC	30-Jun-22	292.0	292.0	249.0
Building 3, 570 Swan Street	Richmond	VIC	31-Dec-21	201.5	203.0	183.5
Building 2, 572-576 Swan Street	Richmond	VIC	30-Jun-22	131.6	131.6	130.0
109 Burwood Road	Hawthorn	VIC	30-Jun-22	124.2	124.2	113.0
141 Camberwell Road[1]	Hawthorn East	VIC	31-Dec-21	125.0	123.0	N/A
Building B, 211 Wellington Road	Mulgrave	VIC	31-Dec-21	84.0	84.0	83.2
Building 1, 572-576 Swan Street	Richmond	VIC	31-Dec-21	85.2	82.7	79.0
Building C, 211 Wellington Road	Mulgrave	VIC	31-Dec-21	58.6	58.2	57.4
Car Park, 572-576 Swan Street	Richmond	VIC	30-Jun-22	0.9	0.9	1.0
Queensland						
100 Skyring Terrace	Newstead	QLD	30-Jun-22	242.5	242.5	257.4
15 Green Square Close	Fortitude Valley	QLD	30-Jun-22	147.0	147.0	143.0
333 Ann Street	Brisbane	QLD	30-Jun-22	140.0	140.0	140.0
CB1, 22 Cordelia Street	South Brisbane	QLD	30-Jun-22	99.0	99.0	103.0
A1, 32 Cordelia Street	South Brisbane	QLD	31-Dec-21	93.0	90.0	89.0
A4, 52 Merivale Street	South Brisbane	QLD	30-Jun-22	88.5	88.5	87.5
CB2, 42 Merivale Street	South Brisbane	QLD	31-Dec-21	62.0	61.8	60.0
Car Park, 32 Cordelia Street & 52 Merivale Street	South Brisbane	QLD	31-Dec-21	31.5	32.0	30.8
South Australia						
33-39 Richmond Road	Keswick	SA	31-Dec-21	79.0	78.5	69.0

1. Acquired in February 2022.

Notes to the Financial Statements.

2.2 Investment properties (continued)

Determination of fair value (continued)

Office properties			Latest external valuation		Carrying amounts	
			Date	Valuation	**2022**	2021
				$m	*$m*	*$m*
New South Wales						
1 Charles Street	Parramatta	NSW	30-Jun-22	555.0	555.0	525.0
Building C, 219-247 Pacific Highway	Artarmon	NSW	31-Dec-21	146.0	146.0	137.0
3 Murray Rose Avenue	Sydney Olympic Park	NSW	30-Jun-22	116.0	116.0	111.0
5 Murray Rose Avenue	Sydney Olympic Park	NSW	31-Dec-21	107.3	106.0	100.5
11 Murray Rose Avenue[1]	Sydney Olympic Park	NSW	30-Jun-22	53.8	53.8	N/A
Australian Capital Territory						
10-12 Mort Street	Canberra	ACT	30-Jun-22	90.0	90.0	95.0
2-6 Bowes Street[2]	Canberra	ACT	31-Dec-21	84.6	84.6	N/A
255 London Circuit	Canberra	ACT	31-Dec-21	82.5	82.5	81.0
Western Australia						
836 Wellington Road	West Perth	WA	30-Jun-22	104.0	104.0	100.0
Total office properties				3,424.6	3,416.6	3,025.3
Total portfolio at fair value					**5,138.3**	**4,521.0**
Ground leases as right-of-use assets					94.8	98.6
Total investment properties carrying amount					**5,233.1**	**4,619.6**

1. Acquired in August 2021.
2. Acquired in December 2021.

Valuation process

Each investment property is valued either independently (externally) or internally in December and June each year. Investment properties are valued according to the Group's valuation policy which requires:

- Independent valuations of investment properties at least once per year;
- External valuers are appropriately qualified. Qualified valuers must be authorised by law to carry out such valuations and have at least five years' valuation experience;
- Any individual external valuer may perform valuations on a property on no more than two consecutive occasions;
- Internal valuations are undertaken at the end of a reporting period (half year and year end) if a property is not due for an independent valuation; and
- Where an internal valuation indicates a variance that exceeds prescribed percentage thresholds, an external valuation is undertaken (even if this results in a property being independently valued twice in one year).

The valuation process is governed by the Board with input from the Executive Management Team. The process is reviewed periodically to consider changes in market conditions and any other requirements that would need to be adopted.

At 30 June 2022, 31 investment properties representing approximately 63% (by value) of the portfolio were independently valued by external valuers at eight valuation firms being JLL, CBRE, Savills, Knight Frank, Colliers, m3property, Urbis and Acumentis. Fair values for the remaining 27 investment properties were based solely on Directors' internal valuations.

2.2 Investment properties (continued)

Valuation methodology

The Group determines a property's value within a range of reasonable fair value estimates and, in making that assessment, considers information from a variety of sources including:

- Current prices for comparable properties, as adjusted to reflect differences for location, building quality, tenancy profile and other factors;
- Discounted cash flow (DCF) projections based on estimates of future cash flows; and
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from analysis of market evidence.

Under the DCF approach, a property's fair value is estimated by projecting a series of cash flows over a specified time horizon (typically 10 years) and discounting this cash flow, including the projected exit or terminal value, at a market-derived discount rate. Projected cash flows are derived from contracted or expected market rents, operating costs, lease incentives, capital expenditure and future income on vacant space. The net present value of the discounted cash flow represents the fair value of the property.

The income capitalisation approach involves estimating the potential sustainable gross market income of a property from which annual outgoings are deducted to derive the net market income. Net market income is then capitalised in perpetuity at an appropriate market-derived capitalisation rate (market yield). Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and general characteristics of the property.

At reporting date, the key assumptions used by the Group in determining fair value were as follows:

Industrial	2022	2021
Discount rate	5.3%-6.5%	5.3%-7.3%
Terminal yield	4.0%-9.8%	4.3%-10.3%
Capitalisation rate	4.0%-7.0%	4.0%-7.5%
Expected vacancy period	4-9 months	4-12 months
Rental growth rate	2.5%-3.5%	2.4%-3.5%

Office	2022	2021
Discount rate	5.5%-6.5%	5.5%-6.8%
Terminal yield	4.1%-6.5%	4.4%-6.9%
Capitalisation rate	3.8%-6.8%	3.8%-6.8%
Expected vacancy period	6-18 months	6-18 months
Rental growth rate	2.2%-3.7%	2.2%-3.6%

Discount Rates

As shown in the below table, over the twelve months to 30 June 2022 discount rates utilised in the valuation of the Group's property portfolio tightened (i.e. lowered) by approximately 24 basis points. Over the same time period, the implied property risk premium decreased by approximately 241 basis points. The implied property risk premium is the difference between the weighted average discount rate and the 10-year Australian Government bond yield. The decrease in the implied property risk premium is largely due to a marked increase in the 10-year Australian Government bond yield over the second half of the financial year.

	2022	2021
10-year Australian Government bond rate	3.66%	1.49%
Implied property risk premium	2.18%	4.59%
Weighted average 10-year discount rate used to value the Group's properties	5.84%	6.08%

Notes to the Financial Statements.

2.2 Investment properties (continued)

Capitalisation Rates

Office

Office investment volume totalled $16.6 billion[1] over the 12 months to 30 June 2022. Higher quality assets, particularly those securely leased, continued to generate healthy demand from both domestic and offshore purchasers. $4.6 billion of office sales were recorded in the last quarter of the financial year, despite rising interest rates and bond yields. After initially compressing in the first half of the year, yields were relatively unchanged in the second half of the year. The weighted average capitalisation rate used to value the Group's office portfolio firmed 10 basis points to 5.15% over the 12 months to 30 June 2022.

Industrial

Investors, particularly institutional investors, continued to seek exposure to the industrial sector in FY22 as macroeconomic tailwinds including the growth of e-commerce, supply chain infrastructure investment and strong occupier fundamentals, continued to support trends within the sector. Demand for industrial investments, particularly investments which offer near term positive rent reversion opportunities (i.e. short WALE assets), was sustained at exceptionally high levels throughout the year. Industrial transaction volume totalled $11.9 billion[2] in FY22. Yields continued to re-rate, particularly within the first half of the year. The weighted average capitalisation rate used to value the Group's industrial portfolio compressed 44 basis points to 4.72% over the 12 months to 30 June 2022.

Valuation uncertainty

The fair value of investment property represents the price for which a property could be exchanged on the date of valuation, between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is given by current prices in an active market for comparable property in terms of investment characteristics such as location, lettable area and land area, building characteristics, property condition, lease terms and rental income potential, amongst others.

The fair value of the Group's investment properties has been assessed having regard to market conditions at the reporting date. While this represents the best estimates of fair value as at the balance sheet date, typical valuation uncertainty means that if an investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

The key inputs used to measure fair value of investment properties held at fair value are described below, along with the directional impact an increase and decrease in the input has on fair values:

		Valuation input value		Impact on fair values	
Key valuation input	**Description**	**Jun-22**	Jun-21	Increase in the input	Decrease in the input
Market capitalisation rate	The rate at which the net market rental income is capitalised to determine the value of the property. The rate is determined with regard to market evidence and the prior external valuation. Used within the capitalisation method.	5.0%	5.2%	Decrease	Increase
Net market rent (per sqm)	The estimated amount for which a property, or space within a property, should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction. Used within both the capitalisation method and DCF method.	$249	$244	Increase	Decrease
Discount rate	The rate of return used to discount cash flows, payable or receivable in the future, into present value. The rate is determined with regard to market evidence and the prior external valuation. Used within the DCF method.	5.8%	6.1%	Decrease	Increase
Terminal capitalisation rate	The terminal capitalisation rate used to convert (capitalise) the future net market rental income at the end of the holding period into an indication of terminal value of the property. Used in the DCF method.	5.4%	5.6%	Decrease	Increase

The valuations of the Group's investment properties are sensitive to increases or decreases in key inputs, including market rents, growth rates and yields. An increase in discount rates, terminal yields and or capitalisation rates would decrease the fair value of investment property, whereas a decrease in these inputs would increase the fair value of investment property. Similarly, lower market rents and market rental growth rates would decrease the fair value of investment property, while higher rents and growth rates would increase fair values.

1. Cushman & Wakefield, June 2022.
2. Ibid.

2.2 Investment properties (continued)

Contractual obligations

On 27 May 2022, the Group exchanged conditional contracts to purchase an A-grade modern office asset located at 165-169 Thomas Street, Dandenong, Victoria (VIC) for $165 million (net sale price). The Group paid a deposit of $16.5 million with the balance to be funded at settlement. Following balance date, the conditions were satisfied and settlement occurred on 27 July 2022.

The Group has an obligation to make available $6.0 million to the tenant at 1 Charles Street, Parramatta, New South Wales to spend on capital expenditure or refurbishment at the property. As at 30 June 2022 $4.1 million of refurbishment works had been carried out, leaving a balance of $1.9 million which is held as restricted cash (refer note 2.6). As part of the new 25-year lease arrangements with the tenant, the Group also entered a refurbishment deed under which it will contribute up to $44.0 million of office fit out and building refurbishment works. To the extent the tenant does not utilise the $44.0 million on these works, the balance will be provided as a rent abatement spread over the remaining lease term.

Leasing arrangements

Most of the investment properties are leased to tenants under non-cancellable, long-term leases with rent payable monthly. The minimum lease payments under these leases are receivable as follows:

	2022	2021
	$m	*$m*
Within one year	257.2	246.0
Later than one year but not later than five years	793.8	745.5
Later than five years	975.4	1,005.6
	2,026.4	1,997.1

The Group holds ten investment properties on a leasehold basis which are subject to annual ground rent payments. The minimum lease payments for these leases are presented in the table in note 3.3 Lease Liabilities.

Movement in investment properties' carrying amounts

	2022	2021
	$m	*$m*
Opening balance	**4,619.6**	**4,325.7**
Acquisitions and expansion capital expenditure	297.0	0.4
Maintenance capital expenditure	20.7	21.2
Lease incentives and leasing costs	35.4	52.3
Amortisation of lease incentives and leasing costs	(33.0)	(26.9)
Disposals	–	(113.7)
Straight-lining of revenue adjustment	12.1	8.5
Net movement in ground leases as leasehold asset	(3.8)	(4.4)
Net gain from fair value adjustments	285.1	356.5
Closing balance	**5,233.1**	**4,619.6**

Notes to the Financial Statements.

2.3 Investment in securities

Determination of fair value

The Group holds an investment in stapled securities of Dexus Industria REIT. This financial asset was designated at fair value through profit or loss at inception. Fair value is the last traded market price on the Australian Securities Exchange (ASX) as at reporting date, which at 30 June 2022 was $2.70 (30 June 2021: $3.32). The fair value of Investment in securities has been categorised as Level 1 in the fair value hierarchy; being quoted prices (unadjusted) in active markets for identical assets.

The following table represents the fair value movement in investment in securities for the year ended 30 June 2022.

	2022	2021
	$m	*$m*
Opening balance	104.8	69.9
Acquisitions	60.3	5.6
(Loss)/gain in fair value	(32.7)	29.3
Closing balance	**132.4**	**104.8**

2.4 Receivables and other assets

Property revenue receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance under the Expected Credit Loss (ECL) model. The amount of any impairment loss is recognised in the Consolidated Statement of Comprehensive Income within property revenue. Non-current trade receivables are discounted to present value based on the Group's incremental borrowing rate.

Collectability of property revenue receivables is reviewed on an ongoing basis. Property revenue receivables are generally due for settlement within 30 days. The Group often holds security deposits and/or bank guarantees from tenants in line with industry practice for leasing agreements. Receivables are written off when assessed to be uncollectable relative to the cost and effort required to further pursue collection.

Under its lifetime ECL model, the Group assesses the discounted cash flows expected to be received over the life of each receivable on a probability weighted basis. Any difference between this and the amounts contractually receivable is recognised as an allowance for credit losses. The assessment incorporates a provision matrix which assesses historic loss rates, relevant forward-looking macroeconomic indicators and, for significant individual tenant balances, relevant circumstances known about the tenant including liquidity risk, financial health and levels of engagement.

At 30 June 2022 the Group had $2.6 million in property revenue receivables outstanding (2021: $2.9 million). During the year the Group granted nil rental relief to tenants in the form of deferrals (2021: $0.2 million) as required for qualifying tenants under the National Cabinet's Mandatory Code of Conduct for Small to Medium Enterprise (SME) commercial leasing principles during the COVID-19 pandemic which was given effect by state and territory legislation. Deferrals granted during the pandemic have been agreed with tenants to be repaid over periods between October 2020 and June 2023 and have been classified between current and non-current receivables accordingly.

Of the current property revenue receivables balance not subject to COVID-19 deferrals, $0.8 million is more than 30 days past its due date (2021: $0.8 million). As at 30 June 2022, the Group recognised $0.2 million allowance for ECL (2021: $0.1 million). During the year the Group incurred $0.1 million in credit losses (2021: $nil).

2.4 Receivables and other assets (continued)

Receivables and other assets are presented as follows:

	2022	2021
	$m	*$m*
Current		
Property revenue receivables	1.9	0.9
Property revenue receivables (COVID-19 deferrals)	0.9	1.2
Allowance for expected credit losses	(0.2)	(0.1)
Distribution receivables	2.1	1.4
Prepayments	2.4	2.7
	7.2	6.1
Non-Current		
Property revenue receivables (COVID-19 deferrals)	–	0.9
Deposit and acquisition costs for investment property[1]	16.7	2.8
	16.7	3.7

1. In 2022, balance includes deposit and acquisition costs for 165-169 Thomas Street, Dandenong, Victoria.

2.5 Trade and other liabilities

Trade and other liabilities are for goods and services provided to the Group prior to the end of the reporting period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other liabilities are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost.

Trade and other liabilities are presented as follows:

	2022	2021
	$m	*$m*
Current		
Trade payables	0.7	0.4
Employee entitlements	1.3	1.2
GST payable	1.5	1.7
Accrued expenses - other	19.4	13.7
Unearned income	22.1	16.9
Other liability[1]	1.1	1.1
	46.1	35.0

1. The other liability of $1.1 million is an amount of cash received from a tenant which is required to be used to fund capital expenditure by the Company as the custodian of the Charles Street Property Trust in relation to that tenancy. The amount held is classified as restricted cash (Refer to Note 2.6).

Notes to the Financial Statements.

2.6 Cash flow information

Reconciliation of profit after tax to net cash inflow from operating activities	**2022**	2021
	$m	*$m*
Profit after tax	**459.2**	**553.2**
Net (gain) in fair value of investment properties	(285.1)	(356.5)
Net loss/(gain) on exchange rate translation of interest-bearing liabilities	31.5	(33.0)
Net loss in fair value on sale of investment properties	–	1.5
Net loss/(gain) in fair value of investment in securities	32.7	(29.3)
Net (gain)/loss in fair value of derivatives	(57.2)	43.8
Amortisation of borrowing costs	0.1	0.9
Depreciation of right of use assets	3.9	4.1
Depreciation of plant and equipment	0.2	0.2
Share based payments expense	1.9	1.4
Change in operating assets and liabilities:		
- (Increase) in lease incentives and leasing costs	(2.4)	(25.2)
- (Increase) in receivables	(8.0)	(8.3)
- (Increase)/decrease in prepayments	(6.8)	2.0
- Decrease/(increase) in net deferred tax liabilities	7.2	(3.3)
- Increase in payables	6.2	0.2
Net cash inflow from operating activities	**183.4**	**151.7**

The Group held $3.0 million of restricted cash in trust as at 30 June 2022 (30 June 2021: $3.1 million) in relation to its role as custodian of the Charles Street Property Trust. The balance comprises $1.9 million of the Group's own cash along with $1.1 million received from a tenant. These funds are not available for general use by the Group.

Section 3: Capital structure and financing

3.1 Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Foreign denominated debt is translated at the balance date spot rate in accordance with AASB 121 *Effects of Changes in Foreign Exchange Rates*, with associated gains/losses recognised in the Consolidated Statement of Comprehensive Income. Borrowings with maturities greater than 1 year from balance date are classified as non-current liabilities.

The table below shows the movements in the Group's interest-bearing liabilities during the year along with facility limits and dates of maturity. The carrying amounts and facility limits are reported in Australian dollars.

		Movement during period					
Secured loans	Opening balance 1-Jul-21	Net cash (repayments)/ drawdowns of borrowings	Foreign exchange rate adjustments recognised in profit or loss	**Closing balance 30-Jun-22**	Facility limit	Facility headroom	Maturity
	$m	*$m*	*$m*	*$m*	*$m*	*$m*	
Current							
Floating bank facility 1[1]	40.0	–	–	40.0	90.0	50.0	Dec-22
Total current loans	**40.0**	**–**	**–**	**40.0**	**90.0**	**50.0**	
Less unamortised up-front costs	(0.1)	0.1	–	–			
Carrying amount - Current	**39.9**	**0.1**	**–**	**40.0**			
Non-current							
Syndicated bank facility							
- Facility B	100.0	–	–	100.0	100.0	–	Mar-26
- Facility C	245.0	–	–	245.0	245.0	–	Dec-26
- Facility D	70.0	–	–	70.0	70.0	–	Dec-26
- Facility E	150.0	–	–	150.0	150.0	–	Jun-26
- Facility G	–	150.0	–	150.0	150.0	–	Sep-26
- Facility H	62.5	(62.5)	–	–	75.0	75.0	Dec-24
- Facility I	–	–	–	–	75.0	75.0	Dec-24
- Facility K	–	–	–	–	50.0	50.0	May-25
- Facility L	–	–	–	–	50.0	50.0	May-27
- Facility M	–	75.0	–	75.0	75.0	–	Nov-25
- Facility N	–	75.0	–	75.0	75.0	–	Nov-25
- Facility O	–	75.0	–	75.0	75.0	–	Apr-27
- Facility P	–	71.5	–	71.5	75.0	3.5	Apr-27
- Facility Q	–	–	–	–	50.0	50.0	Apr-27
Loan note 1	200.0	–	–	200.0	200.0	–	Mar-25
Loan note 2	100.0	–	–	100.0	100.0	–	Dec-26
USPP 1 (USD 100.0m)[2]	133.1	–	12.4	145.5	145.5	–	Jun-27
USPP 2 (USD 40.0m)[2]	53.1	–	4.9	58.0	58.0	–	Jun-29
USPP 3 (AUD 26.0m)	26.0	–	–	26.0	26.0	–	Jun-29
USPP 4 (USD 115.0m)[2]	152.8	–	14.2	167.0	167.0	–	May-29
Total non-current loans	**1,292.5**	**384.0**	**31.5**	**1,708.0**	**2,011.5**	**303.5**	
Less unamortised up-front costs	(5.3)	(2.7)	–	(8.0)			
Carrying amount – non-current	**1,287.2**	**381.3**	**31.5**	**1,700.0**			
Total loans	**1,332.5**	**384.0**	**31.5**	**1,748.0**	**2,101.5**	**353.5**	
Less: unamortised up-front costs	**(5.4)**	**(2.6)**	**–**	**(8.0)**			
Total carrying amount	**1,327.1**	**381.4**	**31.5**	**1,740.0**			

1. Previously classified as non-current at 30 June 2021.
2. USD denominated debt closing balance and facility limits are reported in AUD at the 30 June 2022 spot rate of 0.69 (30 June 2021: 0.75).

Notes to the Financial Statements.

3.1 Interest bearing liabilities (continued)

The Group made the following changes to interest bearing liabilities during the year:

- In November 2021, the Group refinanced $715 million of its existing syndicated bank facilities to extend facilities B, C, D & E by three years and facility G by one year at market pricing.
- In November 2021, the Group established syndicated bank facilities M and N, of $75 million each, with four year tenor at market pricing.
- In April 2022, the Group established syndicated bank facilities O and P of $75 million each and facility Q of $50 million, with five year tenor at market pricing.

The weighted average all-in interest rate on interest bearing liabilities (including bank margin and amortisation of upfront fees paid) at 30 June 2022 was 3.38% per annum (2021: 3.32% per annum). Refer to note 3.4 for details on interest rate and cross currency swaps.

Fair value

As at 30 June 2022, the Group's interest-bearing liabilities had a fair value of $1,639.2 million (2021: $1,389.5 million).

The carrying amount of these interest-bearing liabilities was $1,740.0 million (2021: $1,327.1 million). The difference between the carrying amounts and the fair values is due to:

- Unamortised up-front costs which are included in the carrying amounts but excluded from fair values; and
- Movements in discount rates applied in fair value discount cash flows based on current funding curves.

Assets pledged as security

The bank loans, Loan Notes and USPP payable by the Group are secured by first ranking mortgages over the Group's real property interests, including those classified as investment properties.

3.2 Borrowing costs

Borrowing costs are interest and other costs incurred in connection with interest bearing liabilities including derivatives, lease liabilities and the discounting of non-current receivables and recognised as expenses in the period in which they are incurred, except where they are incurred for the construction of any qualifying asset where they are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs can be analysed as follows:

	2022	2021
	$m	*$m*
Bank interest expense and charges	44.5	46.0
Amortisation of borrowing costs	1.6	2.3
Interest expense on lease liabilities	3.6	4.0
	49.7	52.3

3.3 Lease liabilities

In December 2021, the Group exercised an option to terminate its head office lease effective 31 October 2022. The right of use asset and liability associated with the lease have been derecognised, with the net balance of $0.3m recognised in the Statement of Comprehensive Income.

The Group's minimum lease payments fall due as follows:

	2022	2021
	$m	*$m*
Ground Leases		
Not later than one year	4.6	4.5
Later than one but not more than five years	25.5	24.9
More than five years	140.9	145.0
Total	**171.0**	**174.4**
Head Office Lease		
Not later than one year	0.1	0.4
Later than one but not more than five years	–	1.3
More than five years	–	–
Total	**0.1**	**1.7**
Total Leases		
Not later than one year	4.7	4.9
Later than one but not more than five years	25.5	26.2
More than five years	140.9	145.0
Total	**171.1**	**176.1**

3.4 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument. The Group takes out certain derivative contracts as part of its financial risk management, however, it has elected not to designate these to qualify for hedge accounting under AASB 9 *Financial Instruments*. Changes in fair value of derivative instruments are recognised in the Consolidated Statement of Comprehensive Income.

Determination of fair value

The fair value of derivatives is estimated using valuation techniques including discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a substitute instrument at the measurement date. Fair values reflect the credit risk of the instrument, the Group and counterparty when appropriate.

Derivative financial instruments

Derivative financial instruments can be analysed as follows:

	2022	2021
	$m	*$m*
Derivative financial instrument contracts		
Total non-current derivative financial instrument assets	59.1	7.3
Total non-current derivative financial instrument liabilities	(0.3)	(9.5)
	58.8	(2.2)

Notes to the Financial Statements.

3.4 Derivative financial instruments (continued)

Instruments used by the Group

The Group is party to derivative financial instruments to hedge exposure to fluctuations in interest and currency rates in accordance with the Group's financial risk management policies.

Interest rate swap contracts

The Group uses interest rate swaps to economically hedge part of its floating rate debt to fixed rate debt. Interest rate swaps in effect at 30 June 2022 covered 31% (30 June 2021: 27%) of the loan principal outstanding. With total fixed interest rate debt of $1,048.5 million outstanding as at 30 June 2022 (30 June 2021: $868.5 million), the total fixed interest rate coverage of outstanding principal is 61% (30 June 2021: 65%).

The average fixed interest rate of interest rate swaps at 30 June 2022 was 1.33% per annum (30 June 2021: 1.05% per annum) and the variable interest rate (excluding bank margin) is 1.13% per annum (30 June 2021: 0.06% per annum) at balance date. See table below for further details of interest rate swaps in effect at 30 June 2022:

Counter Party	Amount of Swap	Swap Expiry	Fixed Rate	Term to Maturity
	$m		*%*	*Years*
Interest rate swaps				
NAB	20.0	Dec-23	0.22	1.5
WBC	15.0	Dec-23	0.21	1.5
ANZ	25.0	Feb-24	0.22	1.6
WBC	75.0	Sep-24	0.50	2.2
NAB	25.0	Sep-24	0.44	2.2
ANZ	100.0	Jun-25	0.60	3.0
ANZ	100.0	Jun-25	1.29	3.0
NAB	35.0	Dec-25	1.48	3.5
NAB	25.0	Jun-26	4.08	4.0
ANZ	20.0	Jun-26	3.73	4.0
WBC	15.0	Jun-26	3.72	4.0
ANZ	50.0	Mar-27	2.08	4.7
CBA	35.0	Feb-29	2.29	6.7
Total / Weighted average	**540.0**		**1.33**	**3.2**

These contracts require settlement of net interest receivable or payable each 30 days. The settlement dates generally coincide with the dates on which interest is payable on the underlying debt. These contracts are settled on a net basis.

Cross currency swap and Cross currency interest rate swap contracts

The Group is a party to several swaps to mitigate the currency and/or interest rate risk exposures of its USPP bonds.

Cross currency interest rate swaps

The cross-currency interest rate swaps hedge both foreign exchange risk and interest rate risk. The quarterly coupon payments are swapped from a USD denominated principal at a fixed interest rate into an AUD denominated principal at a fixed AUD interest rate. The USD denominated principal repayment at expiry is swapped into a fixed AUD amount.

3.4 Derivative financial instruments (continued)

Cross currency swap

The cross-currency swap hedges the quarterly coupon payments from a USD denominated principal at a fixed interest rate into an AUD denominated principal exposed to BBSW plus a fixed margin. The USD denominated principal repayment at expiry is swapped for a fixed AUD amount.

Counter Party	Amount of Swap	Swap Expiry	Fixed Rate	3 months BBSW+	Term to Maturity
	$m		*%*	*%*	*Years*
Cross currency interest rate swaps					
NAB	32.6	Jun-27	5.29	–	5.0
Westpac	32.6	Jun-27	5.29	–	5.0
ANZ	32.6	Jun-27	5.27	–	5.0
CBA	32.6	Jun-27	5.26	–	5.0
NAB	13.0	Jun-29	5.47	–	7.0
Westpac	13.0	Jun-29	5.47	–	7.0
ANZ	13.0	Jun-29	5.45	–	7.0
CBA	13.0	Jun-29	5.44	–	7.0
Cross currency swap					
Westpac	161.0	May-29	–	3.28	6.9
Total / Weighted average	**343.4**		**5.33**	**3.28**	**6.2**

3.5 Financial instrument fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	**Total**
	$m	*$m*	*$m*	*$m*
30-Jun-22				
Investment in securities	132.4	–	–	132.4
Derivative financial assets	–	59.1	–	59.1
Derivative financial liabilities	–	(0.3)	–	(0.3)
	132.4	58.8	–	191.2
30-Jun-21				
Investment in securities	104.8	–	–	104.8
Derivative financial assets	–	7.3	–	7.3
Derivative financial liabilities	–	(9.5)	–	(9.5)
	104.8	(2.2)	–	102.6

Notes to the Financial Statements.

3.6 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- market risk (including interest rate risk); and
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital as well as relevant quantitative disclosure on risks.

Refer to the Group's 2022 Corporate Governance Statement for details about its overall risk management framework. Specific risks faced by the business are also addressed in the Directors' report.

Financial instruments used by the Group

The Group's principal financial instruments are those used to raise finance for the Group's operations, comprising bank loans and Loan Notes (including USPP Notes). The Group has various other financial instruments such as cash and cash equivalents, receivables and payables, other assets and investments in securities which arise directly from its operations. The Group enters derivative transactions to manage the interest rate risks arising from its financial instruments.

It is the Group's policy that no speculative trading in financial instruments shall be undertaken. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the relevant note to the financial statements.

Credit risk

Credit risk is the risk that counterparties to a financial asset will fail to discharge their obligations, causing the Group to incur a financial loss.

For cash and current receivables, the maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable.

The Group has significant derivative financial instruments held with four major Australian banks, NAB, Westpac, ANZ and CBA, which are considered high quality financial institutions. At balance date, the fair value of these financial instruments is a net asset of the Group (refer to Note 3.4).

The Group manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. Cash at bank is held with a major Australian bank.

Tenants for each of the properties held by the Group are assessed for creditworthiness before a new lease commences. This assessment is also undertaken where the Group acquires a tenanted property. If necessary, a new tenant will be required to provide lease security (such as personal, director or bank guarantees, a security deposit, letter of credit or some other form of security) before the tenancy is approved. Tenant receivables are monitored by property managers and the Group's asset managers on a monthly basis. If any amounts owing under a lease are overdue these are followed up for payment. Where payments are outstanding for a longer period than allowed under the lease, action to remedy the breach of the lease can be pursued, including legal action or the calling of security held by the Group under the lease in accordance with the terms of the lease, subject to any applicable restrictions at law (including State based COVID-19 legislation). The Group assesses aged amounts for collectability based on various criterion in its ECL model and where applicable, raises an ECL allowance through profit or loss. Refer Note 2.4 for additional information on ECL allowances.

Fair values

The carrying values of the Group's financial assets and liabilities approximate their fair values except for interest-bearing liabilities as outlined in Note 3.1. Further information about the methods and assumptions adopted in determining fair values is disclosed in the relevant notes.

3.6 Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Group's income or the value of its holding of financial instruments.

A potential market risk to the Group arises from changes in interest rates. This relates to its floating debt facilities with a principal amount outstanding of $1,051.5 million at balance date (2021: $667.5 million) and a cross currency swap with a principal amount of $161.0 million at balance date (2021: $161.0 million).

The Group is party to derivative financial instruments in the normal course of business to hedge its exposure to fluctuations in interest rates.

The following table sets out the carrying amount of the financial instruments that are exposed to interest rate risk:

	Fixed/Floating	**2022**	2021
		$m	*$m*
Financial assets			
Cash and cash equivalents	Floating	49.2	33.5
Derivative financial instruments	Fixed/Floating	59.1	7.3
		108.3	40.8
Financial liabilities			
Derivative financial instruments	Fixed	0.3	9.5
Borrowing facilities	Fixed	529.4	512.1
Borrowing facilities – hedged	Fixed	540.0	360.0
Borrowing facilities – unhedged	Floating	678.6	460.4
		1,748.3	1,342.0

Derivative financial instruments – interest rate swaps

The Group is exposed to financial risk from movement in interest rates. To reduce its exposure to adverse fluctuations in interest rates, the Group has employed the use of interest rate swaps whereby the Group agrees with a bank to exchange at specified intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional principal amount. Any amounts paid or received relating to interest rate swaps are recognised as adjustments to interest expense over the life of each swap contract, thereby adjusting the effective interest rate on the underlying obligations.

Derivative financial instruments – cross currency swaps

The Group is exposed to financial risk from the movement in foreign exchange rates based on its USD255.0 million denominated debt. To mitigate this exposure, the Group entered into cross currency swaps and cross currency interest rate swaps at inception of the USD denominated debt facilities, which convert USD denominated debt principal repayments and all future interest payments from USD to AUD, thereby eliminating its direct foreign currency exposure.

Notes to the Financial Statements.

3.6 Financial risk management (continued)

Sensitivity analysis – interest rate risk

The following sensitivity analysis is based on the interest rate risk exposures at balance date. At 30 June 2022, if interest rates had increased or decreased 100 basis points (bps), with all other variables held constant, profit and equity would be impacted as follows, noting that all USD interest payments have been converted into AUD through swaps:

	Profit after tax higher/(lower)	
	2022	2021
	$m	*$m*
+100 bps		
Cash and borrowings	(6.2)	(4.4)
Interest rate derivatives	15.0	10.1
Cross currency derivatives	(10.9)	(11.5)
	(2.1)	(5.8)
-100 bps		
Cash and borrowings	6.2	4.4
Interest rate derivatives	(15.6)	(10.4)
Cross currency derivatives	11.7	12.5
	2.3	6.5

These fair value gains or losses would be unrealised and non-cash unless the interest rate swaps were closed or sold.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations in relation to investment activities or other operations of the Group. The Group manages its liquidity risk by ensuring that on a daily basis there is sufficient cash on hand or available loan facilities to meet the contractual obligations of financial liabilities as they fall due. The Board sets budgets to monitor cash flows. In addition, the Company, as an Australian Financial Services Licensee, is required to prepare a rolling 12-month cashflow projection for approval by the Directors. As at the balance date, the Group had cash and cash equivalents totalling $49.2 million (2021: $33.5 million) and undrawn debt facilities of $353.5 million (2021: $387.5 million).

3.6 Financial risk management (continued)

Maturities of financial liabilities

The maturity of financial liabilities (including trade and other payables, provision for distribution, provision for current tax payable, derivative financial instruments and interest-bearing liabilities) at reporting date is shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows, including interest payments based on variable rates at 30 June 2022.

	Carrying amount	Total contractual cashflows	6 months or less	6 to 12 months	1 to 5 years	More than 5 years
	$m	*$m*	*$m*	*$m*	*$m*	*$m*
2022						
Non-derivative financial liabilities						
Bank loans and Loan Notes	1,740.0	1,935.6	59.6	18.9	1,596.4	260.8
Lease liabilities	104.6	171.0	2.3	2.3	25.5	140.9
Trade and other liabilities	109.7	109.7	107.3	1.3	1.1	–
	1,954.3	2,216.3	169.1	22.5	1,623.0	401.7
Derivative financial liabilities						
Interest rate swaps used for hedging	0.3	10.0	0.8	0.8	8.3	–
	0.3	10.0	0.8	0.8	8.3	–
2021						
Non-derivative financial liabilities						
Bank loans and Loan Notes	1,327.1	1,502.2	16.5	16.4	1,221.5	247.9
Lease liabilities	105.9	176.1	2.5	2.4	26.2	145.0
Trade and other liabilities	95.3	95.6	93.2	1.1	1.2	–
	1,528.3	1,773.9	112.2	19.9	1,248.9	392.9
Derivative financial liabilities						
Interest rate swaps used for hedging	9.5	11.0	1.8	1.9	7.3	–
	9.5	11.0	1.8	1.9	7.3	–

Notes to the Financial Statements.

3.7 Contributed equity and reserves

Contributed equity

Stapled securities are classified as equity. Costs directly attributable to the issue of stapled securities are recognised as a deduction from equity, net of any tax effects.

Distributions and dividends

Provision is made for any distribution or dividend declared, determined or publicly recommended by the Directors on or before the end of the period but not distributed at the balance date.

Contributed Equity

Contributed equity can be analysed as follows:

	2022	**2022**	2021	2021
	No. (m)	*$m*	*No. (m)*	*$m*
Opening balance at 1 July	771.9	2,048.5	771.8	2,049.9
Securities issued through employee incentive plans	0.3	–	0.5	–
Total equity issued	0.3	–	0.5	–
Securities bought back on market	(0.5)	(2.0)	(0.4)	(1.3)
Total equity cancelled	(0.5)	(2.0)	(0.4)	(1.3)
Closing balance at 30 June	**771.7**	**2,046.5**	**771.9**	**2,048.6**

Ordinary stapled securities

Ordinary stapled securities entitle the holder to vote at securityholder meetings in person or by proxy and to participate in dividends and distributions in proportion to the number of stapled securities held, subject to being on the register at the relevant record date.

Distribution reinvestment plan

The Distribution Reinvestment Plan was suspended for the 31 December 2021 and 30 June 2022 distributions of the Group.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that the Group can continue to provide returns for Securityholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends and distributions paid to Securityholders, return capital to Securityholders, issue new securities or buy back securities, vary the level of borrowings and/or sell assets.

In February 2021, the Group announced an on-market buy-back of up to 2.5% of the ordinary stapled securities on issue, which it extended for a further 12 months in February 2022. At 30 June 2022, the Group has bought back and cancelled 916,101 ordinary stapled securities, representing 0.1% of the ordinary stapled securities on issue at the time of the announcement.

The Group holds an independent credit rating to aid it in accessing debt capital markets. In April 2022, Moody's confirmed the Group's independent credit rating of Baa2 on senior secured debt with a stable outlook.

Refer to Note 3.1 for capital management initiatives made by the Group for its debt facilities. The Group maintains undrawn debt facilities to aid in capital management.

The Group monitors capital by using several measures such as gearing, interest cover and loan to valuation ratios.

The Group has a target gearing range of 35% to 45%. At 30 June 2022, the gearing ratio was 31.6% (30 June 2021: 27.9%). The gearing ratios at 30 June 2022 and 30 June 2021 were calculated as follows:

	2022	2021
	$m	*$m*
Total interest-bearing liabilities less cash	1,690.8	1,293.6
Total assets less cash and right-of-use assets	5,354.4	4,642.5
Gearing ratio	31.6%	27.9%

3.7 Contributed equity and reserves (continued)

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve comprises the cumulative fair value expensed in the Consolidated Statement of Comprehensive Income for performance rights issued, less any amounts transferred to equity upon vesting, or to retained profits upon forfeiture. Refer to Note 3.10 for more share-based payment information.

Deferred tax expense charged to equity

This reserve comprises deferred tax balances attributable to amounts that are also recognised directly in equity. Refer to Note 4.1 for further income tax information.

3.8 Distributions to Securityholders

Period for distribution	Distributions	Total stapled securities	Distributions per stapled security
	$m	*No. (m)*	*(cents)*
Half year to 31 December 2021	80.3	772.1	10.4
Half year to 30 June 2022	80.3	771.7	10.4
Total distributions for the year ended 30 June 2022	**160.6**		**20.8**
Half year to 31 December 2020	77.2	772.2	10.0
Half year to 30 June 2021	77.2	771.9	10.0
Total distributions for the year ended 30 June 2021	**154.4**		**20.0**

3.9 Earnings per stapled security (EPS)

Basic EPS is determined by dividing the profit after tax by the weighted average number of equivalent securities outstanding during the financial year.

Diluted EPS adjusts the figures used in the determination of basic EPS by including amounts unpaid on securities and the effect of all dilutive potential ordinary securities.

		2022	2021
Profit after tax of the Group	*$m*	459.2	553.1
Profit after tax of the Trust as parent entity	*$m*	461.6	554.3
Basic weighted average number of stapled securities on issue for the year	*No. (m)*	771.8	772.0
Adjustment for potential dilution from performance rights on issue	*No. (m)*	2.3	1.8
Diluted weighted average number of stapled securities on issue for the year	*No. (m)*	774.1	773.7
EPS attributable to securityholders of the Group			
Basic EPS	*Cents*	59.5	71.7
Diluted EPS	*Cents*	59.3	71.5
EPS attributable to unitholders of the Trust as parent entity			
Basic EPS	*Cents*	59.8	71.8
Diluted EPS	*Cents*	59.6	71.6

Notes to the Financial Statements.

3.10 Share-based payment arrangements

The fair value of share-based payment awards granted to employees is recognised as an expense over the period during which the services are performed. For market-based performance rights, the fair value is independently valued using a Monte Carlo simulation pricing model that takes into account the exercise price, the term of the rights, impact of dilution, stapled security price at grant date, expected price volatility of the underlying stapled security, expected dividend yield and the risk-free interest rate for the term of the rights and market vesting conditions. The impact of any non-market vesting conditions (for example, profitability, changes in net tangible assets) are excluded. For non-market-based performance rights, the fair value is independently valued using a Binomial pricing methodology. The amount recognised as an expense is adjusted to reflect the number of rights expected to vest. Details of valuations obtained during the year are reported on pages 46 of the Remuneration Report within the Directors' Report.

At 30 June 2022, the Group had two share-based payment schemes in place (30 June 2021: two):

(a) Deferred Short-term Incentive Performance Rights

Any Short-term Incentive (STI) payable to Executive Key Management Personnel (KMP), which for STI plans on foot (FY22 and prior) are paid as 66.7% cash with the remainder deferred and awarded as Deferred STI Performance Rights. Half of these rights vest after one year and the other half after two years. Further details of this plan are reported on pages 42-44 of the Remuneration Report.

(b) Long-term Incentive Performance Rights

The Group has Long-term Incentive Performance Rights plans in place for participating employees. The plans are designed to align employees' remuneration with the long-term goals and performance of the Group and the maximisation of returns for its Securityholders. The measures for the plans are reviewed regularly by the Nomination, Remuneration and HR Committee and/or the Board. Details of the various Long-term Incentive Plans in place, applicable performance measures, fair value calculation methodologies and details are reported on pages 45-46 of the Remuneration Report.

The table below shows the movement in rights under each type of share-based payment scheme:

	Short-term Performance Rights	Long-term Performance Rights	**Total**
	No.	*No.*	*No.*
Rights outstanding at 30 June 2020	228,027	1,166,323	1,394,350
Rights granted	202,358	994,569	1,196,927
Rights lapsed	(154,001)	–	(154,001)
Rights vested to GOZ stapled securities[1]	(93,869)	(363,509)	(457,378)
Rights outstanding at 30 June 2021	**182,515**	**1,797,383**	**1,979,898**
Rights granted	211,951	820,610	1,032,561
Rights lapsed	(11,048)	(336,541)	(347,589)
Rights vested to GOZ stapled securities[2]	(112,367)	(184,590)	(296,957)
Rights outstanding at 30 June 2022	**271,051**	**2,096,862**	**2,367,913**

1. In October 2020, 363,509 rights under the FY17 backward-looking plan, the FY19 and FY20 transitional Long-term Incentive Plans were converted to Growthpoint stapled securities with a total value of $1,225,025.
2. In October 2021, 184,590 rights under the FY19 forward looking Long-term incentive plans were converted to Growthpoint stapled securities with a total value of $778,970.

During the year, $1.9 million was expensed and recognised in the Company's share-based payments reserve (2021: $1.4 million).

Section 4: Other notes

4.1 Income tax

Trusts

Property investments are held by the Trust for the purpose of earning rental income. Under current tax legislation, the Trust is not liable for income tax provided the taxable income of the Trust, including realised capital gains, is attributed in full to its securityholders each financial year. Securityholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

Company and other taxable entities

For the Company and other taxable entities, income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current and deferred tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustment to tax payable in respect of prior years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted by balance date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax liabilities and assets - recognition

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are recognised for all taxable temporary differences

Net deferred tax assets or liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities, when the deferred tax balances relate to the same taxation authority and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax relating to equity items

Current and deferred tax balances attributable to amounts recognised directly in equity are recognised directly in equity.

Adoption of Voluntary Tax Transparency Code

The Tax Transparency Code (TTC), a voluntary code, is a set of principles and minimum standards to guide medium and large businesses on public disclosure of tax information. The TTC recommends specified tax information be publicly disclosed to help educate the public about medium and large corporate compliance with Australia's tax laws. Growthpoint has adopted the TTC and the required disclosures are contained in this note.

Notes to the Financial Statements.

4.1 Income tax (continued)

Income tax expense

The tables below relate to income tax for the Group's income tax paying entities.

(a) Income tax expense:

	2022	2021
	$'000	*$'000*
Current tax expense	(662)	(304)
Deferred tax (expense) / benefit	(7,218)	3,243
Income tax (expense) / benefit in the Statement of Comprehensive Income	**(7,880)**	**2,939**

(b) Reconciliation of accounting profit to prima facie tax at 30%, statutory income tax expense reported and current tax expense:

	2022	2021
	$'000	*$'000*
Profit before income tax expense	467,100	550,195
Less: Trust profit not subject to tax	(443,706)	(562,004)
Profit / (loss) subject to taxation in the Group's companies	23,394	(11,809)
Prima facie tax (expense) / benefit at 30%	(7,018)	3,543
Tax effect of amounts not deductible / assessable in calculating income tax expense:		
Non-deductible expenses	(9)	(8)
Long-term employee benefits	(400)	(339)
Short-term employee benefits	(164)	(89)
Non-deductible project expenses	(288)	–
Refundable tax offsets	–	51
2021 Tax loss carry back	–	(51)
Over provision	(1)	(168)
Statutory income tax (expense) / benefit	(7,880)	2,939
Deferred tax (expense) / benefit (Refer section (d))	(7,218)	3,243
Current tax expense (payable for the current year)	(662)	(304)

(c) (i) Effective tax rates:

	2022	2021
	$'000	*$'000*
Profit / (loss) subject to taxation	23,394	(11,809)
Statutory income tax (expense) / benefit	(7,880)	2,939
Accounting and TTC Effective tax rate[1]	33.68%	(24.88%)

1. The group operates in Australia and has no offshore operations, therefore is subject solely to Australian income tax. The accounting effective tax rate was the same as the TTC effective tax rate in both the current and prior financial years.

4.1 Income tax (continued)

Income tax expense (continued)

(c) (ii) Current income tax payable:

	2022	2021
	$'000	*$'000*
Income tax payable at beginning of financial year	246	1,441
Less: income tax paid during the year	(493)	(1,499)
Add: Current tax expense	662	304
Current tax payable	415	246

(c) (iii) Deferred tax balances

	2022	2021
	$'000	*$'000*
Deferred tax assets (Growthpoint Properties Australia Limited)	1,561	1,089
Deferred tax (liabilities) (Growthpoint Finance Pty Ltd)	(8,285)	(586)
Net deferred tax (liabilities) / assets	(6,724)	503

As at 30 June 2022, the Company had franking credit balance of $5,628,817 (30 June 2021: $5,135,983).

(d) Reconciliation of deferred tax balances

	Opening balance 1 July 2021	Recognised in profit or loss	Recognised in equity	Balance 30 June 2022
	$'000	*$'000*	*$'000*	*$'000*
Net deferred tax assets attributable to:				
Right-of-use assets	(367)	367	–	–
Lease liability	476	(476)	–	–
Plant and equipment	84	–	–	84
Other accrued expenses	42	10	–	52
Short-term employee benefits	490	289	–	779
Non-trade payables	306	144	–	450
Other	58	146	(8)	196
	1,089	480	(8)	1,561
Net deferred tax liabilities attributable to:				
Interest-bearing liabilities	(8,748)	9.451	–	703
Derivative financial instruments	8,162	(17,388)	–	(9,226)
Recognised tax losses	–	238	–	238
	(586)	(7,699)	–	(8,285)
Net total	**503**	**(7,219)**	**(8)**	**(6,724)**

Notes to the Financial Statements.

4.1 Income tax (continued)

Income tax expense (continued)

	Opening balance 1 July 2020	Recognised in profit or loss	Recognised in equity	**Balance 30 June 2021**
	$'000	*$'000*	*$'000*	*$'000*
Net deferred tax assets attributable to:				
Right-of-use assets	(463)	96	–	(367)
Lease liability	576	(100)	–	476
Plant and equipment	85	(1)	–	84
Other accrued expenses	97	(55)	–	42
Short-term employee benefits	232	258	–	490
Non-trade payables	236	70	–	306
Other	91	(33)	–	58
	854	235	–	1,089
Net deferred tax liabilities attributable to:				
Interest-bearing liabilities	1,157	(9,905)	–	(8,748)
Derivative financial instruments	(4,976)	13,138	–	8,162
Recognised tax losses	220	(220)	–	–
	(3,599)	3,013	–	(586)
Net total	**(2,745)**	**3,248**	**–**	**503**

4.2 Key Management Personnel (KMP) compensation

	2022	2021
	$	*$*
Short-term employee benefits	5,159,699	4,221,253
Other long-term employee benefits	73,132	12,507
Post-employment benefits	165,414	146,525
Share-based payments	1,510,116	1,043,775
	6,908,361	**5,424,060**

Individual Directors' and KMP compensation disclosures

Information regarding individual Directors' and KMP compensation and equity instruments disclosure as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report.

Apart from the details disclosed in this note, no Director has entered a material contract with the Group since the end of the prior financial year and there were no material contracts involving Directors' interests existing at year-end.

4.2 Key Management Personnel (KMP) compensation (continued)

Movements in securities

The movement in the number of ordinary stapled securities in the Group held directly, indirectly or beneficially, by Directors and Executive KMP including their related parties is as follows:

2022

Securityholder	Opening securities 1 July	Securities granted as compensation	Acquired securities	Disposed securities	Closing securities 30 June
G. Jackson	190,087	–	–	–	190,087
N. Sasse	1,656,460	–	–	–	1,656,460
E. de Klerk	1,802,857	–	–	–	1,802,857
T. Collyer	1,230,184	134,062	–	–	1,364,246
F. Marais	169,284	–	–	(25,000)	144,284
D. Andrews	247,606	48,610	–	–	296,216
M. Green	125,029	48,610	–	(35,000)	138,639
G. Tomlinson	88,776	–	–	–	88,776
J. Sukkar AM	14,000	–	–	–	14,000
J. Jovanovski	20,548	15,792	–	–	36,340
D. Page AM	25,050	–	5,000	–	30,050

During the year to 30 June 2022, a total of 247,074 stapled securities with a total value at the time of vesting of $951,635 were issued to KMP upon vesting of performance rights under employee incentive plans.

2021

Securityholder	Opening securities 1 July	Securities granted as compensation	Acquired securities	Disposed securities	Closing securities 30 June
G. Jackson	190,087	–	–	–	190,087
N. Sasse	1,656,460	–	–	–	1,656,460
E. de Klerk	1,752,863	–	49,994	–	1,802,857
T. Collyer	1,035,744	194,440	–	–	1,230,184
F. Marais	169,284	–	–	–	169,284
D. Andrews	176,671	70,935	–	–	247,606
M. Green	53,823	71,206	–	–	125,029
G. Tomlinson	88,776	–	–	–	88,776
J. Sukkar AM	14,000	–	–	–	14,000
J. Jovanovski	–	20,548	–	–	20,548
D. Page AM	–	–	25,050	–	25,050

During the year to 30 June 2021, a total of 357,129 stapled securities with a total value at the time of vesting of $1,269,233 were issued to KMP upon vesting of performance rights under employee incentive plans.

KMP loans

The Group has not made, guaranteed or secured, directly or indirectly, any loans to any KMP or their personally related entities at any time during the reporting period.

Notes to the Financial Statements.

4.3 Related party transactions

Responsible Entity

There has been no change to the Responsible Entity of Growthpoint Properties Australia Trust, being Growthpoint Properties Australia Limited, since its appointment on 5 August 2009.

Responsible Entity's/Manager's fees and other transactions

Under the current stapled structure, the management of the Trust is internalised and no Responsible Entity or management fees are paid to external parties. No performance fee or other fees were paid or payable during the year.

Director transactions

Several Directors, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

One of these entities transacted with the Group in the reporting period. The terms and conditions of the transaction were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with non-related parties on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to directors and entities over which they have significant control or significant influence were as follows:

Director	Transaction	**2022**	2021
		$	$
G. Jackson[1]	Investment property valuation	30,525	42,075
G. Jackson[1]	Statutory and other valuation	32,835	6,545
Aggregate amounts payable at the reporting date		39,545	12,375

1. The Group used the valuation services of m3property, a company of which Mr Jackson is a director, to independently value eight properties (2021: seven). The Group has also used m3property for statutory valuations reviews during the year. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms and Mr Jackson was not directly involved in the Group's engagement of m3property.

Transactions with significant securityholders

During the year there were no transactions with significant securityholders other than distributions to all Securityholders. There were no balances outstanding from transactions other than distributions with significant securityholders as at 30 June 2022 (2021: nil).

4.4 Contingent liabilities

The Group has no contingent liabilities as at the date of this report (2021: nil).

4.5 Commitments

For details of commitments in relation to investment properties refer Note 2.2.

The Group has no other significant capital, lease or remuneration commitments in existence at reporting date which have not been recognised as liabilities in these financial statements (2021: nil).

4.6 Controlled entities

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Where control of an entity is obtained during a period, its results are included in the Consolidated Statement of Comprehensive Income from the date on which control commences. Where control of an entity ceases during a period its results are included only for that part of the period during which control existed. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Controlled entities

The controlled entities of the Group during the year ended 30 June 2022 are listed below. All entities were domiciled in Australia.

Ann Street Property Trust
Atlantic Drive Property Trust
Bowes Street Property Trust
Broadmeadows Leasehold Trust
Building 2 Richmond Property Trust
Building C 211 Wellington Road Property Trust
Camberwell Road Property Trust
CB Property Trust
Charles Street Property Trust
Coolaroo Property Trust
Derrimut Property Trust
Drake Boulevard Property Trust
Erskine Park Pharmaceutical Trust
Erskine Park Truck Trust
Erskine Park Warehouse Trust
Growthpoint Developments Pty Ltd
Growthpoint Finance Pty Ltd
Growthpoint Funds Management Limited
Growthpoint Holding Trust No.1
Growthpoint Metro Office Fund
Growthpoint Properties Australia Limited
Growthpoint Nominees (Aust) 2 Pty Limited
Growthpoint Nominees (Aust) 3 Pty Limited
Growthpoint Nominees (Aust) 4 Pty Limited
Growthpoint Nominees (Aust) Pty Limited
Kembla Grange Property Trust
Kewlink East Trust
Kilsyth 1 Property Trust
Kilsyth 2 Property Trust
Laverton Property Trust
Lot S5 Property Trust
Mort Street Property Trust
New South Wales Property Trust
New South Wales 2 Property Trust
Newstead Property Trust
Nundah Property Trust
Pope Street Property Trust
Preston 2 Property Trust
Queensland Property Trust
Rabinov Property Trust
Rabinov Diversified Property Trust No. 2
Rabinov Diversified Property Trust No. 3
Ravenhall Property Trust
Richmond Car Park Trust
South Brisbane 1 Property Trust
South Brisbane 2 Property Trust
SW1 Car Park Property Trust
Thomas Street Property Trust
Wellington Street Property Trust
Wholesale Industrial Property Fund
William Angliss Drive Trust
WorldPark Property Trust
Yatala 1 Property Trust
Yatala 2 Property Trust
Yatala 3 Property Trust
3 Maker Place Trust
3 Millennium Court Property Trust
6 Kingston Park Court Property Trust
11 Murray Rose Avenue Trust
19 Southern Court Property Trust
20 Southern Court Property Trust
75 Dorcas Street Trust
211 Wellington Road Property Trust
255 London Circuit Trust
1500 Ferntree Gully Road Property Trust

Notes to the Financial Statements.

4.7 Parent entity disclosures

The parent of the Group throughout the year was Growthpoint Properties Australia Trust.

	2022	2021
	$m	*$m*
Financial position at year end		
Current assets	20.4	22.6
Total assets	5,453.4	4,757.3
Current liabilities	117.7	113.4
Total liabilities	2,015.1	1,618.2
Net assets	**3,438.3**	**3,139.1**
Equity comprising:		
Contributed equity	1,976.0	1,978.0
Retained profits	1,462.3	1,161.1
Total equity	**3,438.3**	**3,139.1**
Profit after tax	**461.6**	**554.3**
Total comprehensive income	**461.6**	**554.3**

The contractual commitments of the parent entity are identical to those disclosed in Note 2.2. The parent entity has no contingent liabilities (2021: $nil).

4.8 Remuneration of auditors

The following fees were paid or payable for services provided by the auditor of the Group during the year. There were non-audit services paid to auditors during the year (2021: $nil):

	2022	2021
	$	*$*
Audit services - EY		
Audit and review of financial statements	261,600	283,470
Other regulatory audit services	54,000	37,000
Other non-audit services	35,000	–
	350,600	320,470

4.9 Subsequent events

On 27 July 2022, settlement occurred on the acquisition of 165-169 Thomas Street, Dandenong, Victoria for $165.0 million (net sale price excluding acquisition costs).

On 3 August 2022, the Company entered into a share sale agreement to acquire 100% of the shares in Fortius Funds Management Pty Ltd. Under the terms of the agreement, Fortius shareholders will be entitled to receive from Growthpoint an initial purchase price of $45 million (with a net asset adjustment) upon completion plus up to an additional $10 million earn out component based on agreed milestones being met over the period to June 2024. Completion is anticipated to take place in the first quarter of FY23, subject to conditions precedent being satisfied. Remaining disclosures required under accounting standards in relation to this business combination will be included in the Company's interim financial report for the period ending 31 December 2022.

There have been no other subsequent events from the end of the year to the date of this report likely to significantly affect the operations of the business, the results of those operations or the state of affairs of the Group in future financial years.

Directors’ **declaration.**

In the opinion of the Directors:

a) the attached Financial Statements and notes, and the Remuneration Report in the Directors’ Report set out on pages 34 to 54 are in accordance with the *Corporations Act 2001* (Cth), including:

   i. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 200*1 (Cth); and

   ii. giving a true and fair view of the Group’s financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 to the Financial Statements; and

c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2022.

This declaration is made in accordance with a resolution of the Directors.

T.J. Collyer

Timothy Collyer
Managing Director
Growthpoint Properties Australia

16 August 2022

Auditor's independence declaration.

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Auditor's Independence Declaration to the Directors of Growthpoint Properties Australia Limited, being the Responsible Entity of Growthpoint Properties Australia Trust

As lead auditor for the audit of the financial report of Growthpoint Properties Australia for the year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Growthpoint Properties Australia and the entities it controlled during the financial year.

Ernst & Young

David Shewring
Partner
16 August 2022

Independent **Auditor's report.**

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Independent auditor's report to the Stapled Security Holders of Growthpoint Properties Australia

Report on the audit of the financial report

Opinion

We have audited the financial report of Growthpoint Properties Australia Limited and Growthpoint Properties Australia Trust (collectively Growthpoint Properties Australia or the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Independent **Auditor's report.**

Building a better working world

1. Investment Property Portfolio – Carrying Value and Revaluations

Why significant	How our audit addressed the key audit matter
The Group owns a portfolio of property assets with a carrying value of $5,233.1 million as at 30 June 2022, which represents 95% of total assets of the Group. As outlined in Note 2.2, the property portfolio is carried at fair value, which is based upon valuations sourced from suitably qualified independent valuation experts and internal valuations on a rotation basis, based on market conditions existing at the reporting date. The valuation of the property portfolio is based on a number of assumptions, such as capitalisation rates, discount rates and terminal yields, which require significant estimation and judgement. Minor adjustments to certain assumptions can lead to significant changes in the valuation of the office and industrial property assets. The valuation of investment properties is inherently subjective given there are alternative assumptions and valuation methods that may result in a range of values. We have, therefore, considered this a key audit matter. Note 2.2 of the financial report describes the accounting policy, overview of the valuation methodology, process for valuations (including the use of independent expert valuers and internal valuations), significant assumptions and the relative sensitivity of the valuation to changes in these assumptions in the determination of fair value of investment properties and how this has been considered by the directors in the preparation of the financial report at 30 June 2022.	Our audit procedures included the following: ▶ We discussed the following matters with management: ▶ movements in the Group's investment property portfolio; ▶ changes in the condition of each property including an understanding of key developments; and ▶ controls in place relevant to the valuation process, both for internal director valuations, and independent external valuations. ▶ On a sample basis, we: ▶ Evaluated the key assumptions applied in both internal and external valuations, including rents, capitalisation rates and capital expenditure; ▶ Compared the net income used in the valuations to the actual financial performance of the underlying properties. We performed tests of control over the tenant revenue process and tenancy schedules, which are used as source data in the property valuations; ▶ Reviewed the portfolio of assets with reference to external market data and portfolio performance in order to identify and investigate items that were outside of our expectations; ▶ Tested the mathematical accuracy of the adopted valuations; ▶ Involved our real estate valuation specialists to determine a risk-based sample of properties and assist with the assessment of the key valuation assumptions and methodologies; ▶ Assessed the competence, qualifications and objectivity of the valuers; and ▶ Evaluated the suitability of the valuation methodology across the portfolio. We have also considered whether the financial report disclosures are appropriate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent **Auditor's report.**

Building a better working world

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Growthpoint Properties Australia for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

David Shewring
Partner
Melbourne
16 August 2022

Detailed
portfolio information.

Office portfolio

Address			Book Value	Valuer	Cap rate	Discount rate	Major tenant	WALE	Lettable area	Site area
			$m		%	%		years	sqm	sqm
75 Dorcas St	South Melbourne	VIC	292.0	CBRE	4.88	5.75	ANZ Banking Group	5.7	24,136	9,632
Bldg 3, 570 Swan St	Richmond	VIC	203.0	Directors	4.75	5.88	Bunnings Warehouse	8.0	19,336	8,525
Bldg 2, 572-576 Swan St	Richmond	VIC	131.6	CBRE	5.00	6.00	Country Road Group	10.0	14,602	7,130
109 Burwood Rd	Hawthorn	VIC	124.2	Colliers	5.00	5.75	McConnell Dowell Corporation	4.4	12,388	3,529
141 Camberwell Rd	Hawthorn East	VIC	123.0	Directors	4.75	5.75	Miele	6.4	10,233	–
Bldg B, 211 Wellington Rd	Mulgrave	VIC	84.0	Directors	5.88	6.25	Monash University	3.7	12,780	11,040
Bldg 1, 572-576 Swan St	Richmond	VIC	82.7	Directors	5.00	6.00	Country Road Group	10.0	8,554	8,365
Bldg C, 211 Wellington Rd	Mulgrave	VIC	58.2	Directors	6.13	6.38	Guardian Community Early Learning	1.5	10,289	11,070
Car Park, 572-576 Swan St	Richmond	VIC	0.9	CBRE	23.54	–	GE Capital Finance Australasia	4.9	–	3,756
100 Skyring Ter	Newstead	QLD	242.5	Knight Frank	5.75	6.00	Bank of Queensland	4.6	24,665	5,157
15 Green Square Cl	Fortitude Valley	QLD	147.0	Urbis	5.75	6.38	Queensland Urban Utilities	2.8	16,441	2,519
333 Ann St	Brisbane	QLD	140.0	Knight Frank	6.02	5.75	Federation University	3.8	16,302	1,563
CB1, 22 Cordelia St	South Brisbane	QLD	99.0	Acumentis	5.88	6.13	Integrated Clinical Oncology Network	2.6	11,399	5,772
A1, 32 Cordelia St	South Brisbane	QLD	90.0	Directors	5.75	6.00	Jacobs Group	3.3	10,003	2,667
A4, 52 Merivale St	South Brisbane	QLD	88.5	Colliers	5.75	5.88	Stantec Australia	3.4	9,405	2,331
CB2, 42 Merivale St	South Brisbane	QLD	61.8	Directors	5.63	6.00	Peabody Energy	2.6	6,598	3,158
Car Park, 32 Cordelia St & 52 Merivale St	South Brisbane	QLD	32.0	Directors	5.63	6.25	Secure Parking	2.6	–	9,319
1 Charles St	Parramatta	NSW	555.0	Savills	3.75	5.50	NSW Police Force	22.5	32,356	6,460
Bldg C, 219-247 Pacific Hwy	Artarmon	NSW	146.0	Directors	5.25	6.00	Fox Sports	5.6	14,406	4,212
3 Murray Rose Ave	Sydney Olympic Park	NSW	116.0	JLL	5.14	6.00	Samsung Electronics	4.7	13,423	3,980
5 Murray Rose Ave	Sydney Olympic Park	NSW	106.0	Directors	5.37	6.25	Lion	1.8	12,386	3,826
11 Murray Rose Ave	Sydney Olympic Park	NSW	53.8	JLL	5.05	6.00	B2G Consortium	3.8	5,684	2,642
33-39 Richmond Rd	Keswick	SA	78.5	Directors	5.75	6.50	Coffey Corporate	4.3	11,730	4,169
10-12 Mort St	Canberra	ACT	90.0	JLL	6.75	6.50	Commonwealth of Australia	2.7	15,398	3,064
2-6 Bowes St	Phillip	ACT	84.6	Directors	5.38	6.25	ACT Government	8.8	12,376	4,485
255 London Cct	Canberra	ACT	82.5	Directors	5.25	6.00	Commonwealth of Australia	5.2	8,972	2,945
836 Wellington St	West Perth	WA	104.0	Savills	5.75	6.00	Commonwealth of Australia	4.6	11,973	4,304
Total / weighted average			**3,416.6**		**5.15**	**5.93**		**6.7**	**345,835**	**135,620**

Detailed **portfolio information.**

Industrial portfolio

Address			Book Value	Valuer	Cap rate	Discount rate	Major tenant	WALE	Lettable area	Site area
			$m		*%*	*%*		*years*	*sqm*	*sqm*
3 Maker Pl	Truganina	VIC	70.3	CBRE	4.00	5.50	HB Commerce	0.2	31,092	49,810
1500 Ferntree Gully Rd & 8 Henderson Rd	Knoxfield	VIC	61.8	Directors	4.50	5.75	Brown & Watson International	3.3	22,009	40,844
9-11 Drake Blvd	Altona	VIC	58.5	JLL	4.00	5.25	Peter Stevens Motorcycles	4.0	25,743	41,730
Lots 2, 3 & 4, 34-44 Raglan St	Preston	VIC	55.3	Directors	4.25	5.50	Paper Australia	1.8	27,978	42,280
120-132 Atlantic Dr	Keysborough	VIC	45.0	JLL	4.00	5.50	Symbion	9.5	12,864	26,181
40 Annandale Rd	Melbourne Airport	VIC	43.4	m3property	6.50	5.50	Australia Post	9.0	44,424	75,325
120 Link Rd	Melbourne Airport	VIC	25.2	m3property	6.75	5.50	The Workwear Group	5.0	26,517	51,434
130 Sharps Rd	Melbourne Airport	VIC	24.7	m3property	7.00	5.50	Laminex Group	3.0	28,100	47,446
20 Southern Crt	Keysborough	VIC	24.5	Directors	4.50	5.75	Sales Force National	0.5	11,430	19,210
3 Millennium Crt	Knoxfield	VIC	19.3	JLL	4.25	5.50	Opal Packaging	3.7	8,040	14,750
6 Kingston Park Crt	Knoxfield	VIC	18.0	JLL	4.25	5.50	NGK Spark Plug	–	7,645	12,795
31 Garden St	Kilsyth	VIC	17.3	Directors	4.50	5.75	Cummins Filtration	1.4	8,919	17,610
19 Southern Crt	Keysborough	VIC	14.9	Directors	4.50	5.75	Wabtec Australia	4.8	6,455	11,650
60 Annandale Rd	Melbourne Airport	VIC	14.0	m3property	6.75	5.75	Garden City Planters	7.9	16,276	34,726
101-111 South Centre Rd	Melbourne Airport	VIC	13.4	m3property	7.00	5.75	Direct Couriers	5.4	14,082	24,799
75 Annandale Rd	Melbourne Airport	VIC	10.4	m3property	7.00	5.75	Unipart Group Australia	0.4	10,310	16,930
70 Distribution St	Larapinta	QLD	255.0	Savills	5.07	5.50	Woolworths	4.7	76,109	250,900
13 Business St	Yatala	QLD	18.2	Directors	5.25	5.75	Volo Modular	3.1	8,951	18,630
5 Viola Pl	Brisbane Airport	QLD	14.2	Directors	5.00	6.00	Eagers Automotive	10.6	14,726	35,166
3 Viola Pl	Brisbane Airport	QLD	3.6	Directors	5.50	6.25	Cargo Transport Systems	0.7	3,431	12,483
27-49 Lenore Dr	Erskine Park	NSW	106.5	Directors	4.00	5.50	Linfox	3.2	29,476	76,490
6-7 John Morphett Pl	Erskine Park	NSW	79.5	Knight Frank	4.00	5.25	Linfox	2.7	24,881	82,280
51-65 Lenore Dr	Erskine Park	NSW	48.0	Directors	4.00	5.25	Linfox	5.7	3,720	36,720
34 Reddalls Rd	Kembla Grange	NSW	39.0	CBRE	4.50	5.75	Autocare Services	8.3	355	141,100
81 Derby St	Silverwater	NSW	32.5	Directors	4.00	5.25	IVE Group Australia	3.2	8,253	13,490
599 Main North Rd	Gepps Cross	SA	245.0	CBRE	4.00	5.50	Woolworths	12.9	91,686	233,500
1-3 Pope Crt	Beverley	SA	31.0	JLL	5.50	6.25	Aluminium Specialties Group	3.4	14,459	25,660
12-16 Butler Blvd	Adelaide Airport	SA	25.0	Directors	5.41	5.75	Australia Post	9.1	16,835	30,621
10 Butler Blvd	Adelaide Airport	SA	13.1	Directors	6.16	6.00	IPEC	2.4	8,461	16,100
20 Colquhoun Rd	Perth Airport	WA	225.0	Directors	5.14	6.25	Woolworths	3.3	80,374	193,936
Hugh Edwards Dr & Tarlton Cres	Perth Airport	WA	70.4	JLL	5.40	6.24	Mainfreight	4.8	32,018	57,617
Total / weighted average			**1,721.7**		**4.72**	**5.65**		**5.3**	**715,619**	**1,752,213**

Securityholder information.

Top 20 legal Securityholders as at 29 July 2022

Rank	Name	Number of securities	% of issued capital
1	GROWTHPOINT PROPERTIES LIMITED	480,025,424	**62.21**
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	90,582,017	**11.74**
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	63,850,748	**8.27**
4	CITICORP NOMINEES PTY LIMITED	39,545,351	**5.12**
5	NATIONAL NOMINEES LIMITED	17,363,866	**2.25**
6	BNP PARIBAS NOMS PTY LTD <DRP>	13,458,936	**1.74**
7	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,827,920	**0.37**
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	2,483,649	**0.32**
9	RABINOV HOLDINGS PTY LTD	2,347,279	**0.30**
10	SHARON INVESTMENTS PTY LTD	2,255,779	**0.29**
11	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	1,877,621	**0.24**
12	ESTIENNE DE KLERK + KANDI DE KLERK	1,785,166	**0.23**
13	JONAERE PTY LTD <JDM LEGACY A/C>	1,200,000	**0.16**
14	MS KYLIE MAREE CECILIA THOMAS	1,176,065	**0.15**
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,138,285	**0.15**
16	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	636,653	**0.08**
17	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	624,436	**0.08**
18	BNP PARIBAS NOMS (NZ) LTD <DRP>	595,597	**0.08**
19	UBS NOMINEES PTY LTD	592,586	**0.08**
20	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	538,696	**0.07**
Sub total		**724,906,074**	**93.94**
Balance of register		46,763,821	6.06
Total issue capital		**771,669,895**	**100.00**

Substantial Securityholders as at 29 July 2022

Name	Number of securities	% of issued capital
Growthpoint Properties Limited	480,025,424	**62.21**

Securityholder information.

Distribution of Securityholders as at 29 July 2022

Range	Number of securities	Number of holders	% of issued capital
1 to 1,000	462,188	1,230	0.06
1,001 to 5,000	3,895,860	1,424	0.50
5,001 to 10,000	5,267,629	716	0.68
10,001 to 100,000	22,383,566	922	2.90
100,001 and over	739,660,652	92	95.85
Rounding			0.01
Total	**771,669,895**	**4,384**	**100.00**

Based on the 29 July 2022 closing price of $3.76, the number of Securityholders with less than a marketable parcel of 133 securities ($500) was 413 and they held a total of 6,545 Growthpoint securities.

Class of securities

Growthpoint has only one class of securities, ordinary securities, which are traded on the ASX.

Voting rights

Ordinary stapled securities entitle the holder to vote at securityholder meetings in person or by proxy and to participate in dividends and distributions in proportion to the number of stapled securities held, subject to being on the register at the relevant record date.

Securities restricted or subject to voluntary escrow

There are no securities that are restricted or currently held subject to voluntary escrow.

On market buy-back

On 17 February 2022, the Group announced it was extending its on-market securities buy-back program of up to 2.5% of Growthpoint's ordinary securities on issue. As at 30 June 2022, the Group had purchased 916,101 securities at an average price of $3.72. The program remains in place. For further information on the buyback, please refer to the Group's Appendix 3D which was lodged with the ASX on 17 February 2022.

Glossary.

ABS Australian Bureau of Statistics

ACT Australian Capital Territory, Australia

A-REIT Australian Real Estate Investment Trust

ASX Australian Securities Exchange

b Billion

Botanicca 3 Building 3, 570 Swan Street, Richmond, Victoria

bps Basis points

capex Capital expenditure

cap rate or capitalisation rate The market income produced by an asset divided by its value or cost

CBD Central business district

CBRE An international commercial real estate services firm

CDP a global environmental disclosure system

CPI Consumer price index

cps Cents per security

Cushman & Wakefield An international professional services and property investment firm

DPS Distribution per security

DXI Dexus Industria REIT

EMT Growthpoint's Executive Management Team

ESG Environment, social and governance

FFO Funds from operations

FUM Funds under management

FY Financial year

gearing Interest bearing liabilities less cash divided by total assets less finance lease assets less cash

GOZ Growthpoint or Growthpoint's ASX trading code or ticker

GRESB Global Real Estate Sustainability Benchmark

GSO Dandenong Government Service Office (GSO) Dandenong at 165-169 Thomas Street, Dandenong, Victoria

Growthpoint or the Group Growthpoint Properties Australia comprising the Company, the Trust and their controlled entities

ICR Interest coverage ratio

IRR Internal rate of return

JLL The Australian arm of Jones Lang LaSalle, an international professional services and investment management firm

LVR Loan to value ratio

m Million

MER Management expense ratio

NABERS National Australian Built Environment Rating System

Net zero 2025 target Net zero emissions by 1 July 2025 for all scope 1 and scope 2 emissions from our 100% owned on balance sheet operationally controlled office assets and scope 1, scope 2 and some scope 3 emissions from our corporate activities

NLA Net lettable area

NPI Net property income plus distributions from equity related investments

NSW New South Wales, Australia

NTA Net tangible assets

Payout ratio Distributions ($million) divided by FFO ($million)

PCP prior corresponding period

PV Photovoltaic

Q Quarter

QLD Queensland, Australia

RBA Reserve Bank of Australia

REIT Real Estate Investment Trust

ROE or return on equity Calculated as the percentage change in NTA plus the distributions for a given period divided by the opening NTA

SA South Australia, Australia

SME Small and medium-sized enterprise

sqm Square metres

TCFD Task Force on Climate-related Financial Disclosures

TSR or total securityholder return Change in security price plus distribution paid or payable for the relevant period

USPP United States Private Placement

VIC Victoria, Australia

WA Western Australia, Australia

WADM Weighted average debt maturity

WALE Weighted average lease expiry

Women in leadership positions includes EMT and senior managers (permanent employees that report to an EMT member, excluding assistants)

Woolworths Woolworths Group Limited

yr Year

Contact details.

Corporate Directory

Growthpoint Properties Australia Limited
ABN 33 124 093 901; AFSL No 316409

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ARSN 120 121 002

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Directors

Geoffrey Tomlinson, Timothy Collyer, Estienne de Klerk, Grant Jackson, Francois Marais, Deborah Page AM, Norbert Sasse, Josephine Sukkar AM

Company Secretaries

Jacquee Jovanovski, Dion Andrews

Auditor

Ernst & Young

8 Exhibition Street
Melbourne VIC 3000

ASX

Growthpoint Properties Australia's securities are listed on the ASX under the ticker 'GOZ'.

Contact us

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FY22 Annual Report

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GROWTHPOINT PROPERTIES