INTEGRATED ANNUAL REPORT 2022

GROWTHPOINT PROPERTIES

HOW TO NAVIGATE THIS REPORT

The following icons are used throughout our integrated annual report to show connectivity between sections:

Strategy

- International expansion
- Growing income from GIP
- Optimising the SA portfolio

Property sectors

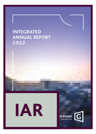
- Retail
- Office
- Industrial

Capitals

- Financial
- Human
- Intellectual
- Manufactured
- Social
- Natural

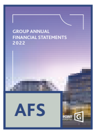
About these reports

In preparing these reports we have endeavoured to present a holistic and integrated representation of the Group's performance in terms of both its profitability and its long-term sustainability.



Integrated annual report (IAR)

The information presented in the report is determined by an analysis of our business context, our operating environment and the six integrated reporting capitals that influence our business operations. This report aims to inform our stakeholders about the objectives and strategies of the Group and its performance.



Group annual financial statements (AFS)

The statutory AFS prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the Companies Act 2008, as amended.

Environmental, social and governance (ESG) report

The report was prepared with reference to the JSE Sustainability Disclosure Guidance, the JSE Climate Disclosure Guidance, and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have aligned our report with the Integrated Thinking Principles as per the Value Reporting Foundation.

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https://www.linkedin.com/company/growthpoint-properties-ltd

@growthpoint

https://www.youtube.com/c/GrowthPointBroadcast

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Our integrated journey

01 Organisational overview

02 Performance review

03 Streamlining and optimising our SA portfolio

04 Growing income streams

05 International expansion

06 Governance

07 Notice of AGM

This report is part of a suite of reports issued for the financial year end and should be read in conjunction with the AFS, AGM notice and the ESG report.

AT A GLANCE

473
High quality physical property assets

REIT
Largest South African primary listed on the JSE

R160.8bn
Group property asset value

6 727 564
Square metres of space

DIVERSIFIED

Sectors
Retail, office, industrial, healthcare, student accommodation, trading and development

Geographies
South Africa, the rest of Africa, Australia, Poland, Romania and United Kingdom

Income streams
Property income, funds management fees, distributions from investments, trading profits and third-party development fees

IMPACTS

- Significant turnaround at the V&A
- Continued robust performance by GOZ
- Improved Group loan-to-value ratio
- Increased dividend payout ratio

OUR PURPOSE

Ensuring we create value for all stakeholders, we provide space to thrive in sustainable buildings, while improving the social and material wellbeing of individuals and communities.

OUR VISION

To be a leading international property company, providing space to thrive.

OUR MISSION

We create value for all our stakeholders through innovative and sustainable property solutions.

Send us your feedback
To ensure that we report on issues that matter to our stakeholders, please provide any feedback and questions to: info@growthpoint.co.za

Scan the QR code to gain quick access to our website.

www.growthpoint.co.za

OUR INTEGRATED JOURNEY

Integrated reporting journey

Growthpoint first issued an integrated annual report (IAR) in FY10. Since then, our reports have evolved and have been refined to reflect developments in integrated reporting. We have aligned our reports with the International Integrated Reporting Framework and Integrated Thinking Principles as per the Value Reporting Foundation.

While the IAR is not audited, it contains information from the annual financial statements (AFS), on which an unmodified audit opinion has been expressed. Where information has not been derived from the AFS, the Audit Committee has obtained assurance that the information has been checked by second and third line assurance providers and by interacting with persons acting in an *ex officio* capacity who attended the special Audit Committee meeting convened to discuss the IAR.

The following lines of assurance have been applied:

1	**First line of assurance**	Line functions that own and manage risk and opportunity.
2	**Second line of assurance**	Specialist functions that facilitate and oversee risk and opportunity.
3	**Third line of assurance**	Internal providers that provide objective assurance.
4	**Fourth line of assurance**	External assurance providers.
5	**Fifth line of assurance**	Board committees and Board.

Guiding principles

- Strategy
- Governance
- Stakeholder responsiveness
- Performance
- Prospects

Growthpoint Properties is committed to delivering workspaces that positively impact the environment and wellbeing of people who occupy our buildings. Our innovative and sustainable property offerings are designed around providing space for you and your business to thrive.

Assurance

Growthpoint has a combined assurance model to enable its Audit Committee to express the view that it is satisfied that suitable assurance has been obtained for all material statements made in the IAR.

Responsibility statement

The Audit Committee and management acknowledge their responsibility to ensure the integrity of this report. The Audit Committee has applied its mind to the report and believes that it addresses all material matters and fairly presents the integrated performance of the organisation.

This report was approved by the Audit Committee on 13 October 2022 and is signed on its behalf by:

M Hamman
Chairman of the Audit Committee

LN Sasse
Group Chief Executive Officer

Forward looking statements

The IAR contains certain statements that are forward looking. By their very nature, such statements cannot be considered guarantees of future outcomes as they are dependent on events and circumstances, the predictability of which is uncertain and not necessarily within the organisation's control.

REPORT SCOPE AND BOUNDARY

This report covers the year 1 July 2021 to 30 June 2022 (FY22) for the Growthpoint Properties Limited Group.

The report provides an overview of the operations and performance of our businesses, which encompass the South African businesses, including its share in the V&A Waterfront Holdings (Pty) Limited (V&A), Growthpoint Healthcare Property Holdings (RF) Limited (GHPH), Growthpoint Student Accommodation Holdings (RF) Limited (GSAH), Trading and Development, as well as its non-South African interests, which include its share in Growthpoint Properties Australia Limited (GOZ), Globalworth Real Estate Investments Limited (GWI), Lango Real Estate Limited (Lango) and Capital & Regional plc (C&R). These businesses have been depicted in a simplified ownership and legal structure on page 21.

Information presented in the report is determined by integrated thinking, an analysis of our business context, our operating environment and the six integrated reporting capitals that influence our business operations. Given the nature of the business and its strategic aspirations, the report has identified elements that are pertinent to the organisation and its stakeholders. Materiality determination and the reporting boundary were informed through ongoing stakeholder engagement, which ensured that the business strategy considers significant social, economic, environmental and governance issues that could have a material impact on the long-term success of the business.

Material issues considered at Growthpoint:

GROUP INVESTMENTS	CONTRIBUTION TO SOCIETY	FINANCIAL FACTORS AND INDICATORS	ORGANISATIONAL STRATEGY AND PROGRESS	MANAGEMENT AND EMPLOYEE DEVELOPMENT	APPROACH TO AND INTEGRATION OF ENVIRONMENTAL ISSUES

Growthpoint applies the JSE disclosure recommendations of double materiality (the interconnectivity of financial, social and environmental impacts). There is an acute awareness of the organisation's role and impact on both the environment and the communities it interacts with.

We remain cognisant of external elements that influence our business context such as climate change.

The report was prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Core elements of the recommended climate-related financial disclosures include Governance, Strategy, Risk Management and Metrics and Targets.

We have identified key risks and opportunities considered material and pertinent to the organisation that could provide understanding to the organisation with the ability to create and sustain value over time or alternatively impede the business strategy. This further influences our approach in dealing with factors within the different capitals.

The report focuses primarily on meeting the needs of shareholders, analysts and investors who wish to make an informed assessment of Growthpoint's ability to achieve its mission to create value for all our stakeholders through innovation and sustainable property solutions.

We have identified the following United Nations Sustainable Development Goals (SDGs) that we prioritise, and believe they will remain aligned to our business strategy and values.

SDGs	How do we make an impact	SDGs	How do we make an impact	SDGs	How do we make an impact
1 No Poverty	Support of educational initiatives and organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on a just transition.	7 Affordable and Clean Energy	Investment in solar, focused utility management, supporting innovation and focusing on green financing.	11 Sustainable Cities and Communities	Local economic development policy and local community engagement. A focus on energy, water and waste management and climate change risk mitigation. Focusing on green financing, green building certifications, social empowerment and support of Property Point.
2 Zero Hunger	Support of organisations addressing hunger alleviation. Support for social concerns, risk assessment and impact on a just transition.	8 Decent Work and Economic Growth	Support of Property Point, local economic development policy implementation.	13 Climate Action	Carbon-neutral objectives, innovation through Greenovate Programme, focusing on green financing, green building certifications. Support of Property Point, climate change risk analysis and mitigation.
4 Quality Education	Support of educational initiatives.	9 Industry, Innovation and Infrastructure	Innovation through the Greenovate Programme. Focusing on green financing and green building certifications. Social empowerment and support of Property Point.	17 Partnerships for the Goals	Active role in industry bodies ensuring adherence to government requirements. Collaboration with strategic partnerships.

01 ORGANISATIONAL OVERVIEW

We remain focused on balance sheet strength to enable us to pursue our strategic objectives.

Contents

Adding value

OUR VALUES

RESPECT

Ethics

The Growthpoint ethics strategy and code of ethics has been approved by the Board of Directors (the Board). This is binding on every employee, officer, director, contractor and supplier of Growthpoint.

The core values articulated in this code provide a firm and unshakeable foundation on which our organisational culture is built. Nonetheless, the code is a dynamic document which is constantly evolving as we strive for even higher standards. Growthpoint is committed to upholding and enforcing the standards articulated in this code and we will reconsider our dealings with individuals or entities not demonstrating the same level of commitment to organisational integrity.

Every employee, officer and director of Growthpoint accepts that any breach of the code of ethics exposes them to the possibility of disciplinary action, which could result in the termination of employment or office on the basis set out in the disciplinary codes. These procedures are available upon request.

REIT DISTRIBUTION

Growthpoint has operated as a Real Estate Investment Trust (REIT) since 1 July 2013. The REIT structure is a tax regime that provides "flow through" on a pre-tax basis of the net property income to investors in the form of a taxable dividend.

It is the most common structure for investment in property in international jurisdictions. As investment in listed property continues to globalise, the REIT structure has become a recognised international standard.

In terms of the dividend and dividend withholding tax provisions of the South African Income Tax Act (the Income Tax Act), read in conjunction with section 25BB of the Income Tax Act, dividends received from a REIT will be taxed in the hands of the shareholder as follows:

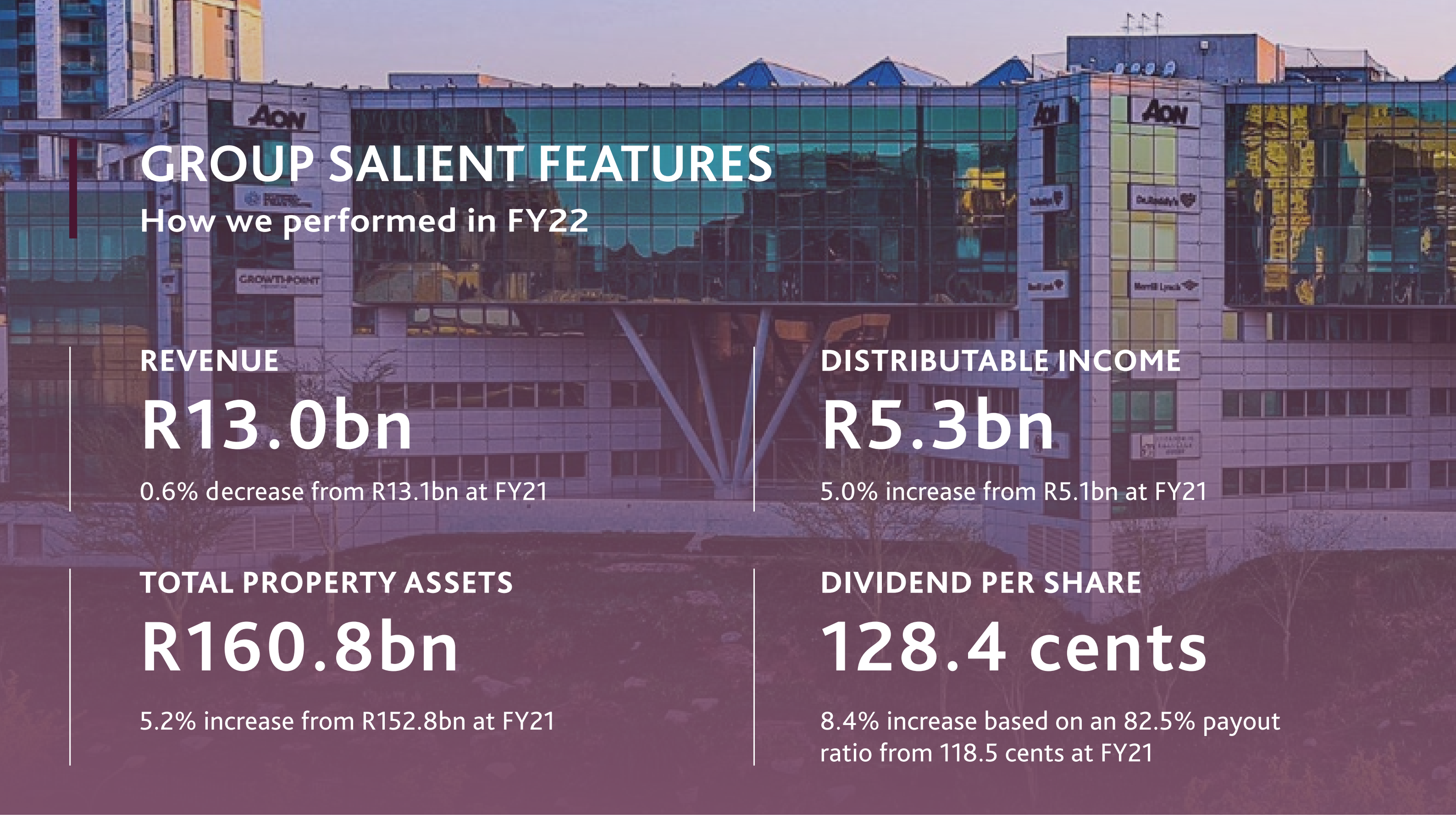
Resident shareholders

Dividends received by resident shareholders are taxed as income in the hands of the recipient, but are exempt from dividend withholding tax.

Non-resident shareholders

Dividends received by non-resident shareholders are exempt from tax in terms of the usual dividend exemptions, but are, however, subject to dividend withholding tax.

Shareholders are encouraged to consult their professional tax advisers if they are in any doubt about the tax implications for distributions received from Growthpoint.



GROUP SALIENT FEATURES

How we performed in FY22

REVENUE

R13.0bn

0.6% decrease from R13.1bn at FY21

DISTRIBUTABLE INCOME

R5.3bn

5.0% increase from R5.1bn at FY21

TOTAL PROPERTY ASSETS

R160.8bn

5.2% increase from R152.8bn at FY21

DIVIDEND PER SHARE

128.4 cents

8.4% increase based on an 82.5% payout ratio from 118.5 cents at FY21

OUR FOOTPRINT

Our retail, office and industrial property portfolios in South Africa are among the country's largest. We also own 50% of the V&A Waterfront in Cape Town.

We have an interest in 58 properties in Australia through our 62.2% investment in GOZ, 71 properties in Central and Eastern Europe through our 29.4% investment in GWI and six community shopping centres in the UK through our 60.8% investment in C&R.

South Africa

Trading in the retail sector is largely back to pre-Covid levels. The industrial sector has performed well, outperforming the other sectors. The office sector has stabilised, but until the South African economy enters a growth phase, conditions will remain challenging for businesses and offices. In-force escalations, escalations on renewal and renewal growth are under pressure in all sectors. 37 properties sold for R2.1bn in FY22 impacting revenue and 113 properties sold for R9.7bn since FY17.

V&A Waterfront

Strong operational performance for six months ended June 2022 as a result of international and domestic tourism resuming with R567m investment income received in FY22 versus R365m in FY21.

GOZ

GOZ has a defensive and well-positioned office and industrial portfolio, with 96% of the tenant base weighted to government and large, listed organisations. GOZ has a strong capital position with conservative gearing and significant liquidity. R1 066m dividend income received for FY22 versus R987m for FY21. 4% increase in AUD dividend per share of 20.8 cents for FY22 versus 20.0 cents for FY21.

C&R

The ongoing focus on needs-based retail shopping centres remains relevant. Key transactions have reduced gearing. Asset values have stabilised. The dividend was reinstated at GBP2.5 pence per share resulting in a dividend of R50.0m for Growthpoint.

GWI

GWI has a defensive office and industrial portfolio with large multinational tenants and limited exposure to retail assets. GWI has a strong capital position with conservative gearing and significant liquidity. R317.9m dividend income received for FY22 versus R370.3m for FY21 as a result of a lower EUR dividend per share of EUR0.27 for FY22 versus EUR0.30 for FY21.

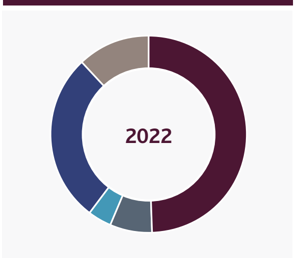
DISTRIBUTABLE INCOME PER SHARE
155.6 cents
5.1% increase from 148.1 cents at FY21

GROUP INTEREST COVER RATIO
3.1 times
improved from 2.9 times at FY21

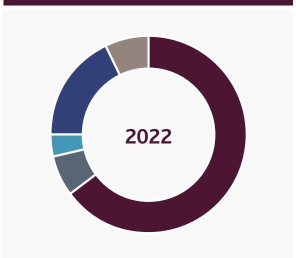
SA REIT NAV PER SHARE
2 158 cents
6.7% increase from 2 023 cents in FY21

GROUP LOAN-TO-VALUE
37.9%
improved from 40.0% at FY21

Property portfolio by value (%)



EBIT by (%)



OUR INVESTMENT CASE

What differentiates us

Why us

- The largest and most liquid South African, Johannesburg Stock Exchange, primary listed REIT with an average monthly value and volume traded of R3.1bn and 220m shares, respectively
- A FTSE/JSE Top 40 company with a R42.4bn market capitalisation
- Underpinned by high-quality, physical property assets, diversified across sectors (retail, office, industrial, student residential accommodation and healthcare) and income streams (property income, funds management fees, distributions from investments, trading profits and third-party development fees)
- Fast-growing diversified funds management business (Growthpoint Investment Partners)
- Dynamic and proven management track record
- Experienced in-house development capability.

An average monthly
R3.1bn/220m
shares traded in FY22

Solid financial metrics

- REIT committed to paying out a minimum of 75% of distributable earnings annually to shareholders
- Sustainable quality of earnings that can be predicted with a high level of accuracy
- Uninterrupted track record of paying dividends
- Attractive dividend yield
- Interest cover ratio of 3.1 times for FY22
- Strong balance sheet with a South African REIT SA LTV ratio of 37.9%
- Policy to hedge a minimum of 75% of our interest rate exposure
- Fitch global scale rating of BB+ and national scale rating of AAA.za.
- Moody's global scale rating of Ba2 and national scale rating of Aa1.za.

28.4%
of EBIT from offshore

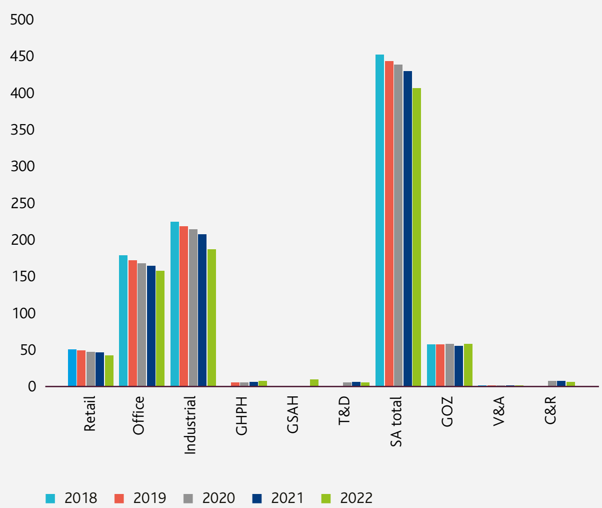
ESG focus

- Alignment of ESG and business strategy
- Best practice corporate governance
- Majority of the Non-executive Directors are independent
- Transparent reporting
- Recipient of multiple reporting awards
- Commitment to be carbon neutral by 2050
- 71 Green Star rated buildings in South Africa
- Included in the FTSE/JSE Responsible Investment Index, FTSE4Good Emerging Index and a member of GRESB
- Level 1 Broad-based Black Economic Empowerment (B-BBEE) contributor
- Active contribution to job creation via Property Point
- Enhanced community stakeholder engagement reducing social risk.

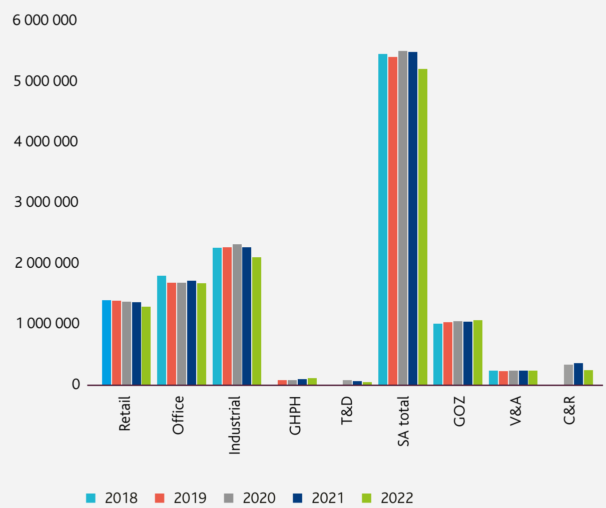
71
Green Star rated buildings in South Africa

FIVE-YEAR KPI REVIEW

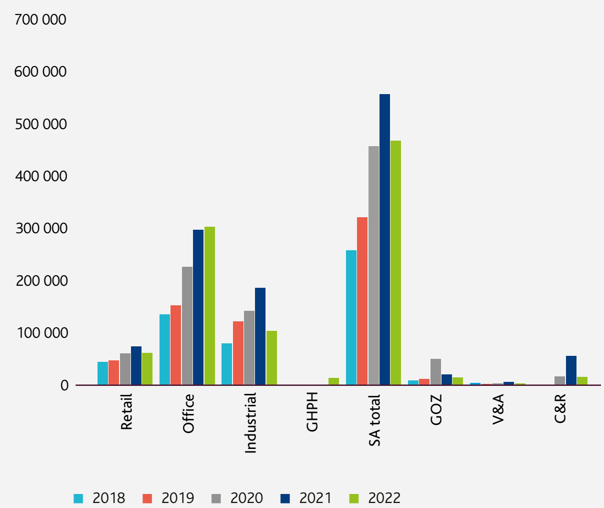
Number of properties



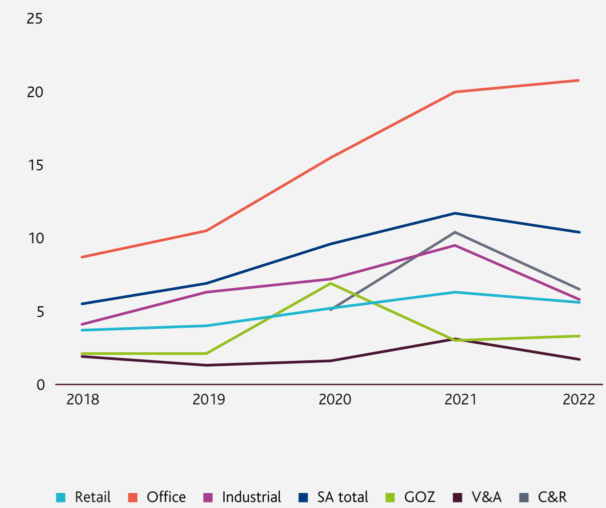
GLA (m²)



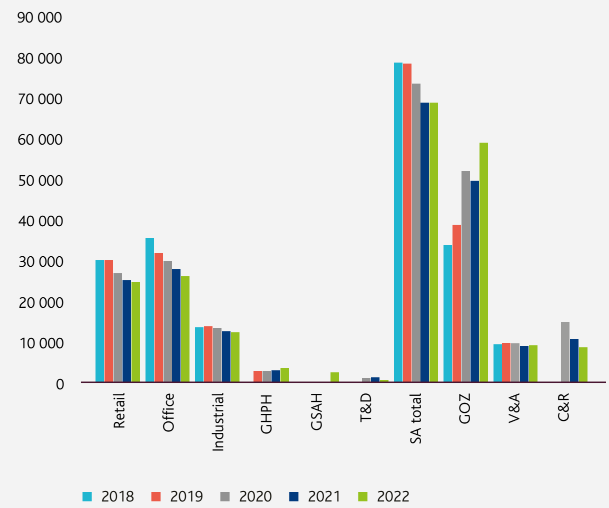
Vacancy (m²)



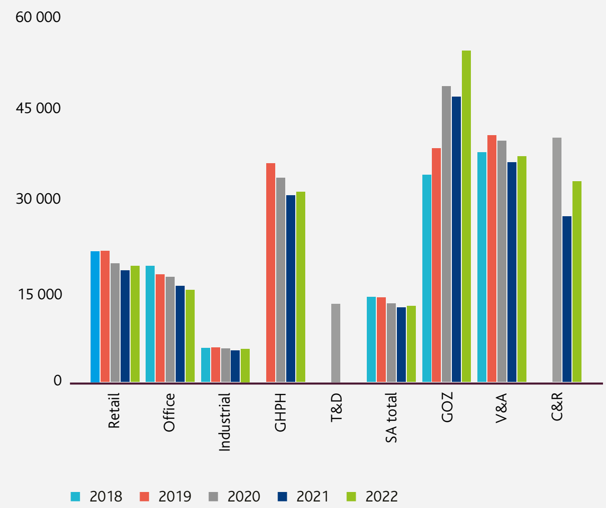
Vacancy (%)



Valuation (Rm)



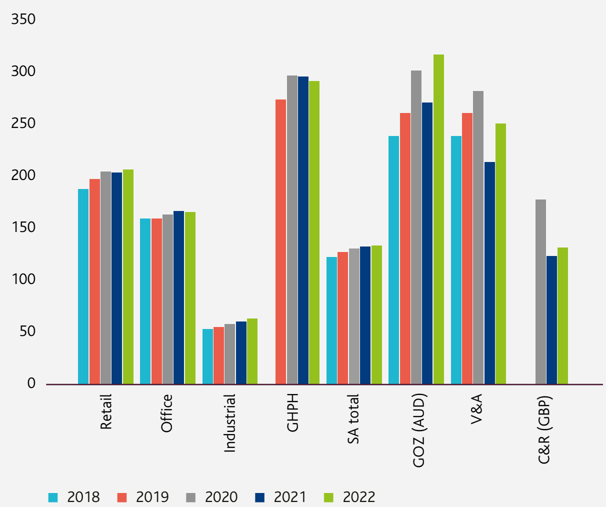
Value per m² (excluding bulk) (R)



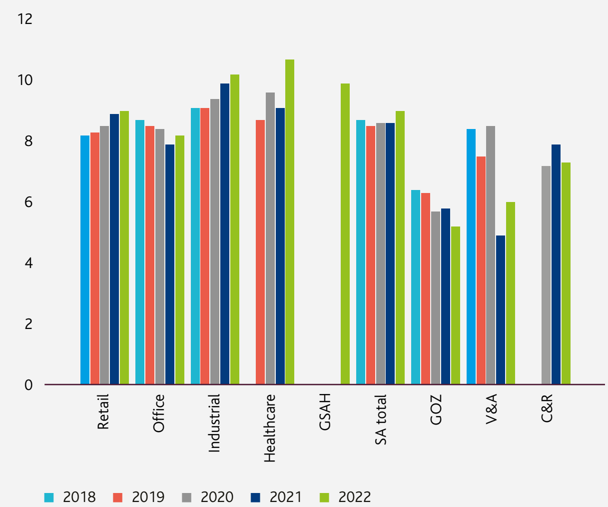
GSAH value per bed: R408 114

FIVE-YEAR
KPI REVIEW *continued*

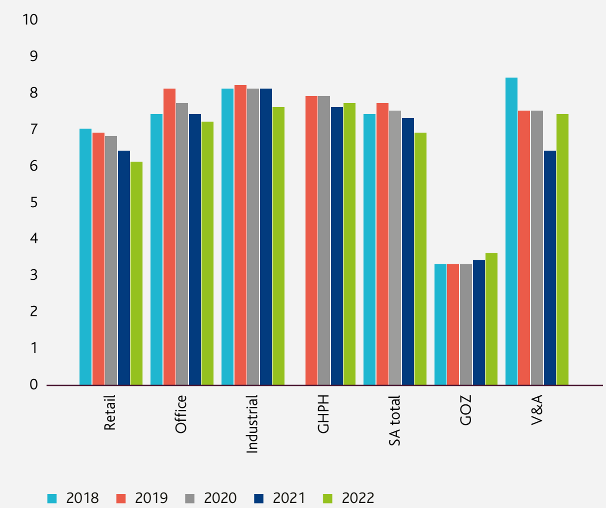
Average gross rental (per m²/month) (R)



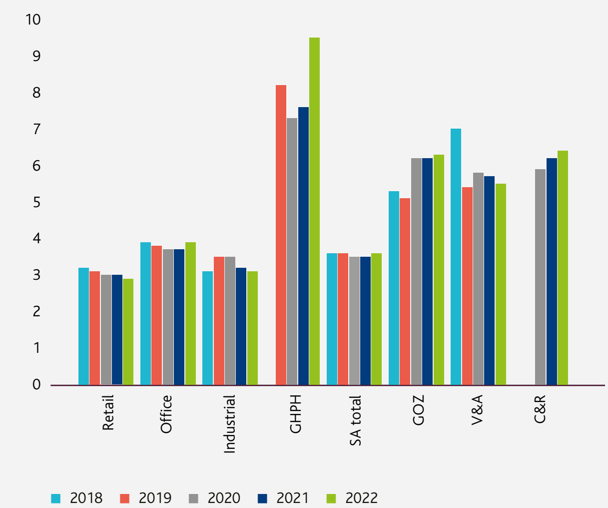
Forward yield (%)



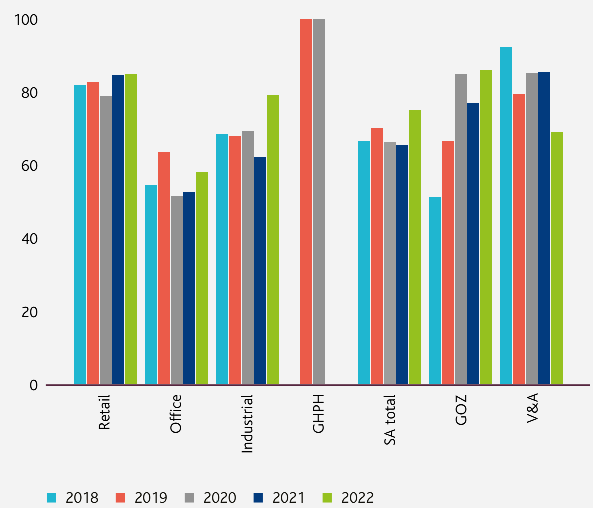
Average in force escalations (%)



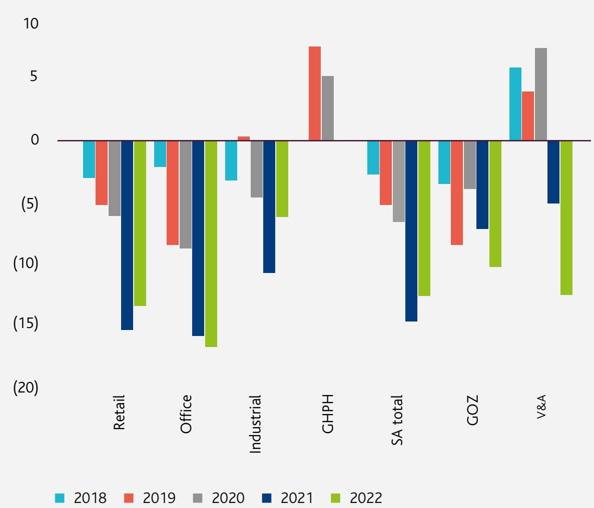
Weighted average lease period (years): by gross rental



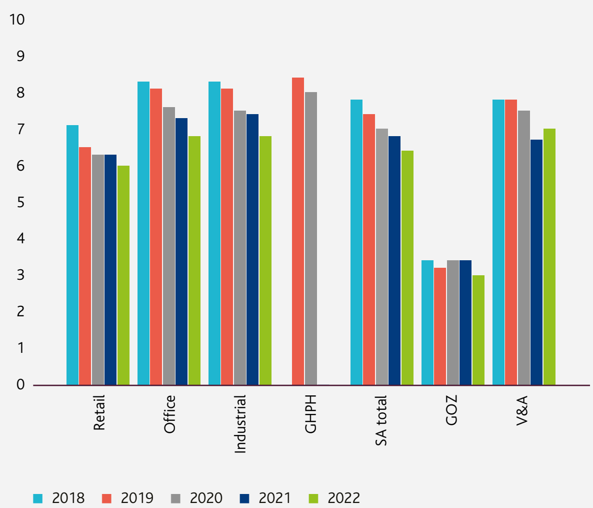
Renewal success rate (%)



Weighted average renewal growth (%)



Weighted average future escalations on renewals (%)



STRATEGY

Our strategy, which we regularly review with our Board of Directors to evaluate opportunities and risks for our business, remains rooted in our commitment to serving our stakeholders over the long term.

With integrity, ethics and our values guiding our governance, we provide space to thrive in environmentally sustainable buildings, while improving the social and material wellbeing of individuals and communities in line with our vision to be a leading international property company providing space to thrive.

To preserve our leadership in sustainable property investment

Successful execution of our strategy will enable us to generate value for all of our stakeholders over the long term.

Optimising the SA portfolio

Our business is rooted in South Africa and our sectorally and geographically diverse SA portfolio is the foundation from which we grow and execute our other strategic focuses and deliver our environmental initiatives including our carbon neutral 2050 commitment and social commitments using our increasingly diverse workforce.

This is a strategic priority because:

Refining our domestic portfolio rotates capital out of non-core assets and into strategic investments, including our co-investment and international expansion strategies. It rebalances our SA portfolio away from risk and towards outperformance while improving our positive effects on society and the environment.

Growthpoint will:

Keep optimising the domestic portfolio's size, quality, composition, independent green certifications and water security and continue to substitute more of the fossil-fuelled energy it consumes with power from renewable resources, ensuring that it can perform sustainably for the long term. Keep investing in educational initiatives and local economic development. Continue developing our people and attracting talent.

Optimising the SA portfolio

Over the years, Growthpoint's South African property portfolio has grown through mergers and acquisitions, each of which added some property assets. We currently have several non-core assets for disposal that either do not align with our criteria or are inappropriately located to facilitate efficiency and management excellence.

Our intention is to ensure that our domestic portfolio, which is the foundation of our business, will remain strong and continue to provide us with a strategic springboard to generate new income streams from co-investment and enable further international expansion.

Strategy in action

Disposing of assets has been challenging for the past few years, exacerbated by the Covid-19 pandemic. There is still weak demand from buyers in the market. Our preference is to sell non-core assets in batches, which has not been possible in this market, so we have proceeded with individual asset sales where the appropriate value was realised. 37 individual assets with a combined value of more than R2.1bn were sold in FY22. The proceeds were used to reduce debt and fund our capital expenditure and development pipeline.

Since FY17, when we began the strategic streamlining of this portfolio in earnest, we have sold R9.7bn of assets:

Disposals	Office Rm	Retail Rm	Industrial Rm	T&D Rm	Total Rm
FY17	1 130.5	606.9	222.8	–	1 960.2
FY18	560.9	628.5	345.4	–	1 534.8
FY19	2 200.0	118.0	307.9	301.0	2 926.9
FY20	321.5	164.0	96.3	–	581.8
FY21	–	15.7	300.3	243.0	559.0
FY22	479.7	626.5	695.8	339.8	2 141.8
Total FY17 – FY22	**4 692.6**	**2 159.6**	**1 968.5**	**883.8**	**9 704.5**
Number of buildings	**27**	**18**	**59**	**9**	**113**

Growing income streams from Growthpoint Investment Partners (GIP)

We identify, create and grow co-investment and co-management opportunities in scalable alternative property classes that enable us to create positive socio-economic and environmental impacts through Growthpoint Investment Partners.

This is a strategic priority because:

This defensive, capital-light growth strategy protects our balance sheet while enabling growth in the low-growth, capital-constrained South African real estate market and adds depth to that market for the broader investment community, specifically impacting investors and development finance institutions (DFIs). It leverages the skills, resources, capacity and experience of Growthpoint's core business and diversifies our risk across more property subsectors.

Growthpoint will:

Continue to be a leading investment partner in alternative real estate markets by scaling the opportunities we have already created and harnessing new ones in order to generate shared value for our investors and our partners, deepen real estate investment markets in South Africa and produce positive socio-economic and environmental impacts.

International expansion

We are internationally diversified with investments in Australia, Poland, Romania and the UK. We support the responsible growth of these investments while remaining open to new offshore investment opportunities.

This is a strategic priority because:

Our strategic international expansion responds to opportunities to recycle capital into more resilient lower risk and higher return economies and markets. It addresses the risks of the weak economic growth outlook for South Africa through increased international diversification in businesses that share our commitment to good governance and positive social and environmental action.

Growthpoint will:

Stay supportive of the growth, good governance and positive impacts of our current international investments and remain open to considering appropriate new opportunities for responsible international expansion, while prioritising a strong balance sheet that supports offshore growth.

We continue to manage assets to optimise their value over the long term and in the process ensure that we have a portfolio that is optimally balanced, fit-for-purpose and well located.

In each portfolio sector, we recycle out of non-core assets to improve the quality and relevance of its core assets. Additionally, our disposal programme continues to play a vital role in rebalancing the overall portfolio away from risk and towards outperforming sectors, nodes, types and sizes of properties. While this is a gradual process, we are shifting the current balance of our portfolio towards slightly more exposure in the industrial sector and specifically logistics, and away from the more risky office sector. We are also targeting increased exposure to the positive performance of the KwaZulu-Natal and Western Cape coastal regions and reducing exposure to the Gauteng market, specifically Sandton.

We further de-risk our portfolio by making our core assets less dependent on non-renewable energy sources and inconsistent state and municipal utilities and ensuring that they promote water security and add to the shared physical, economic and social infrastructure in their areas.

We have set an ambitious goal for our SA portfolio to achieve our environmental targets including to be carbon neutral by 2050. Solar power and independent green building certification are the main ways we expect to achieve this.

This year we invested in solar energy plants at three properties, adding 4.3MWp of solar power generation to the 9.2MWp of generation installed in previous years. We now generate a total of 13.5MWp installed at 19 properties and are well placed to achieve our target of 46MWp in the five years to end-FY26. We are particularly proud that, so far, we have replaced 1.4% of the total fossil-fuelled energy our SA portfolio consumes with power from renewable sources. We expect this to reach 2% in the year ahead.

Growing income streams through GIP

We are de-risking our South African business by diversifying our income streams with a capital-light co-investment strategy. This priority is focused on identifying and growing alternative real estate investments – different from Growthpoint's office, retail and industrial assets. In the main, this strategy is also attracting a new pool of investors, more specifically DFIs and impact investors.

Asset allocation

	Lango	GHPH	GSAH
Growthpoint's shareholding	16.3%	55.9%	16.6%
Cost of investment	R738.5m	R1 206.7m	R240.0m
Net asset value of investment	R859.5m	R1 237.8m	R238.6m
Dividend income earned in FY22	R22.3m	R142.5m	R16.7m
Management fees earned in FY22	R11.5m	R41.2m	R14.5m

We have already reached our initial goal of R15bn of assets under management (AUM) by 2023 and are now aiming to double this to R30bn of AUM in the next five years by end-FY27.

All our alternative investments are currently unlisted and thus provide exposure to direct real estate that tends to be driven by long-term fundamentals rather than the short-term sentiment that creates volatility in listed real estate, which further diversifies our risk.

Strategy in action

This strategy produced several significant milestones this year. Previously labelled our "funds management business", it was formally branded as Growthpoint Investment Partners. The name reflects our strategy to co-invest and co-manage specialist alternative real estate investment portfolios where Growthpoint is both a capital partner and management partner.

International expansion

This strategic thrust for Growthpoint responds to the weak long-term economic prospects in South Africa by increasing our offshore diversification to de-risk our business. We remain committed to our current investment jurisdictions, and we are open to new international investment opportunities. We prioritise a strong balance sheet that supports our offshore growth.

Growthpoint ultimately aims to derive 50% of our book value and 40% of our earnings before interest and taxes (EBIT) from international investment.

We take a fully integrated approach to our international investment in sustainable businesses that share and express our deep commitment to good governance as well as positive social and climate action.

Strategy in action

Asset allocation

	GOZ	C&R	GWI
	Australia	UK	Eastern Europe
			
Growthpoint's shareholding	62.2%	60.8%	29.4%
Cost of investment	R9.6bn	R3.5bn	R8.4bn
Market value of investment	R18.4bn	R1.1bn	R6.0bn
Dividend income earned in FY22	R1 066m	R50m	R318m

We launched our third co-investment opportunity, South Africa's first unlisted, purpose-built student accommodation REIT, with a R2bn portfolio and an immediate development growth pipeline. Its first close attracted partner capital commitments of R1.1bn and approximately R1.4bn in total equity including Growthpoint's co-investment.

We continued to grow our first two co-investments, GHPH and Lango. From a zero-base in 2018, GIP reached its target R15bn of AUM in FY22, earlier than projected.

This year we increased our investment in Lango by R11m.

Importantly, all three investments have related positive long-term socio-economic impacts.

A note on third-party trading and development (T&D)

In 2017, we identified new income streams from third-party trading and development as a strategic thrust to leverage our property and development expertise. This is now a well-established business unit which is integrated into our South African business. Income from third-party trading and development remains a focus and opportunity for our business, although development activity has been scaled back as a result of oversupply in the commercial property market exacerbated by the pandemic. Importantly, this business unit provides a pipeline for new opportunities from GIP. Consequently, this year we believe it is appropriate to remove T&D from our strategic priorities and report on this income stream within our South African business.

We made our first international investment in Australia in 2009 and since then we have expanded our international footprint in Australia, Poland, Romania and the United Kingdom.

This year, we increased our international investment into C&R by R480m.

Currently 43.5% of property assets by book value are located offshore while 28.4% of EBIT is earned offshore.

The dividend income from offshore is in the form of stable hard currency and adds to the defensive nature of our business.

A note on our international expansion

Through stakeholder engagements, we have come to realise that "international expansion" more clearly describes our offshore investment strategy, which we previously termed "internationalisation". The name may have changed but the strategy remains the same.

How we create value

BUSINESS MODEL

Revenue differentiators	Capital outcomes	Capitals impacted
• High-quality property assets • Diversified portfolio across international geographies, sectors and income streams	• 43.5% of property assets by book value located offshore (FY21: 39.9%) in Australia, Poland, Romania & United Kingdom. SA assets in large metropolitan areas • 28.4% of EBIT earned offshore (FY21: 29.1%) • Uninterrupted six-monthly dividends since inception	Manufactured Intellectual Financial Natural Social
• Dynamic and proven management track record • Funds management • Largest portfolio of green buildings in SA • Level 1 B-BBEE contributor • In-house development capability	• Assets under management of R15.6bn (FY21: R11.7bn) • 71 properties with green building certifications (FY21: 60) • Level 1 (FY21: Level 1) • Completed trading & developments projects of R188.0m (FY21: R193.0m)	

Revenue streams	Capital outcomes	Capitals impacted
• Capital appreciation of property assets and investments	• Increase of 5.2% from FY21 in group property assets to R160.8bn (FY21: R152.8bn)	Financial Manufactured
• Net rental income – own properties	• R9.4bn (FY21: R9.4bn)	
• Distributions from investments	• R977m (FY21: R790m)	
• Fund management fees	• R67.2m (FY21: R32.9m)	
• Trading and development	• R81.4m (FY21: R115m)	

Key costs	Capital outcomes	Capitals impacted
• Portfolio operational costs: Municipal charges (rates, water, electricity); contractual services, repairs and maintenance	• SA property expense ratio of 28.3% (FY21: 26.9%)	Financial Manufactured Natural Human
• Portfolio capital costs: Green energy conversions, refurbishments	• SA developments and capital expenditure of R1.2bn (FY21: R1.0bn)	
• Cost of capital	• SA weighted average interest rate of 8.1% (FY21: 7.8%)	
• Employees	• Net property income per employee of R10.0m (FY21: R9.9m)	

Capital differentiators	Capital outcomes	Capitals impacted
• Rigorous focus on balance sheet management	• Group LTV of 37.9% (FY21: 40.0%) and interest cover ratio of 3.1x (FY21: 2.9x). • R10.3bn (FY21: R6.5bn) of unutilised committed SA facilities and R1.5bn (FY21: R709.8m) of SA cash	Financial
• Integrating ESG policies and practices into business strategies	• Policy review undertaken as well as gap analysis of Growthpoint's Environmental Social Management System against IFC performance standards	Natural
• Largely fixed cost of capital	• 83.9% of SA debt cost was fixed (FY21: 85.1%)	Social

SUCCESS FORMULA

Creating value for all our stakeholders through innovative and sustainable property solutions

Key activities

- Finance – accessing capital to fund properties
- Invest – in own properties and companies owning properties
- Manage – own properties and properties held by funds
- Earn – net rental income from properties, distributions from investments, fund management fees, trading profits and third-party development fees

Key resources

- Access to capital
- Property portfolio
- Leadership team
- Property skills and talent
- Trust/social contract

Key relationships

- Employees
- Tenants
- Suppliers
- Providers of finance
- Government and regulators
- Property brokers
- Industry and business organisations
- Communities
- Investors/analysts

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is driven by the identification of key groups impacted by our business. We have applied a multi-pronged approach on how we engage, trying to provide relevant engagement options depending on the type of stakeholder. The nature and degree of engagement varies and is informed by our stakeholder and engagement process.

Stakeholder engagement

Employees	Business partners – tenants	Business partners – suppliers
Engage with employees to ensure their deliverables meet strategic objectives and business strategy	Retaining tenants and attracting new clients to sustain and grow Growthpoint's business	The provision of services, which preserves and enhances our properties
Providers of finance	**Government and regulatory bodies**	**Property brokers**
The provision of funding to support and grow the business	The provision of regulatory frameworks, which will enable Growthpoint to operate in an environment that provides reasonable certainty and is fair and transparent to all competing participants	The letting of available space which enables Growthpoint to sustain and grow its business
Industry and business organisations	**Communities**	**Investors and analysts**
The consensus opinion of the participants, which enables industry and business organisations to influence and impact matters that affect them and their operations	The social impact study on the corporate social investment (CSI) projects to evaluate sustainability	The provision of financial capital to grow the business

Additional detail on stakeholder engagement can be found in the ESG report page 44 stakeholder engagement and operations section.

Meeting of stakeholders' expectations

Employees
- Managing our talent through our HR processes of recruiting the right talent, rewarding them and retaining them to ensure that we meet stakeholder expectations.

Business partners – tenants
- Providing tenants with space to thrive with high-quality, environmentally sustainable, prominently located properties and providing the associated property management services.

Business partners – suppliers
- Providing sustainable business and growth opportunities that are mutually beneficial in a manner that is transparent and equitable.

Providers of finance
- Ensuring the timeous payment of interest and capital
- Maintaining a strong balance sheet and credit metrics that are well within covenants
- Managing the security pools.

Governments and regulatory bodies
- Growthpoint acts in a responsible, ethical and transparent manner.

Property brokers
- The provision of quality properties to take advantage of opportunities, market conditions and user demand.

Industry and business organisations
- The sharing of experience and expertise, which will mutually benefit the property industry and related organisations.

Communities
- Creating long-term relationships with our communities.

Investors and analysts
- Providing investors with a secure investment underpinned by high-quality physical property assets diversified by sector, geography and income streams
- Delivering sustainable, quality earnings that can be projected with a high degree of accuracy
- Providing investors with an investment with an increasing proportion of assets and EBIT from offshore
- Offering investors an investment opportunity with a strong management team that has a proven track record, adheres to high levels of corporate governance and transparent reporting
- Paying bi-annual dividends of at least 75% of distributable income, thereby retaining our REIT status.

Key initiatives

- Providing regular updates to the market
- AGM roadshows
- Engagement with various ratings agencies
- Engagement with bondholders
- Integrated talent management
- Succession management
- Transformation (impact)
- Key accounts engagement
- Rental deferments and discounts
- New RFP initiatives with cost service as the focus
- Ensuring supplier compliance
- Working with Property Point
- Refinancing existing loans
- Proactive refinancing of loans with maturity dates post year end
- Updating of information statement and other items to bring the Domestic Medium Term Note (DMTN) Programme in line with the Debt Listings Requirements
- Ongoing engagements with South African Real Estate Investment Association (SAREIT), South African Property Owners Association (SAPOA), JSE, National Treasury and the National Business Initiative (NBI)
- SmartFlex campaign
- SmartStay Initiative
- SmartMove Initiative
- UNdeposit to minimise effect on the cash flow
- Reporting against best practice recommendations
- Working with the Debt Issuers Association (DIA)
- Working with Property Industry (PI) Group to address challenges faced by landlords
- Increasing Growthpoint GEMS intake numbers
- Growsmart extension
- Training of persons with disabilities
- R51m invested in corporate social responsibility (CSR) activities with 6 566 beneficiaries
- Increased efforts to respond to disaster management
- Targeted efforts towards property sector skills development
- Key drive towards technology-driven solutions.

Engagement with stakeholders through

- Annual and bi-annual results presentations
- Pre-close updates
- Non-deal, ESG, AGM and remuneration roadshows
- Investor conferences
- Site visits
- JSE SENS announcements
- IAR, ESG report and AFS
- Electronic communication
- Training and development
- Wellness and information sessions
- One-on-one employee check-ins and on-site presentations and engagements
- Growthpoint's website
- Operational notices
- Safety notices and safety drills
- Maintenance call centre
- On-site property teams
- Request for proposals (RFPs)
- Property Point's enterprise development programme
- B-BBEE preferential procurement
- Media announcements (Twitter, Facebook, LinkedIn, and Instagram)
- Formal responses on policy and regulation
- Joint initiatives for industry solutions
- B-BBEE scorecards
- Employee equity reports
- Tax legislation
- Workplace skills development plan
- Municipal matters
- Incentive programmes
- Active involvement on boards and committees
- Involved or members of: SAREIT, SAPOA, PI Group, Green Building Council of South Africa (GBCSA), European Public Real Estate Association (EPRA), NBI, Women's Property Network (WPN), South African Institute of Black Property Practitioners (SAIBPP), South African Facilities Management Association (SAFMA), Property Practitioners Regulatory Authority (PPRA) (previously Estate Agency Affairs Board (EAAB)), Investor Relations Agency, Association of Corporate Treasurers of Southern Africa (ACTSA), DIA, Johannesburg Chamber of Commerce and Industry (JCCI) and Business Leadership South Africa (BLSA)
- CSI and environmental initiatives
- Graduate programme and internships.

GOVERNANCE AND MANAGEMENT STRUCTURE

Growthpoint Properties Limited

Independently managed

GOZ
- **Board**
  - Audit, Risk and Compliance Committee
  - Nomination, Remuneration and HR Committee
- Managing Director
- Executive team
- Property management function outsourced

C&R
- **Board**
  - Audit Committee
  - Nomination Committee
  - Remuneration Committee
  - Responsible Business Committee
  - Disclosure Committee
- Chief Executive
- Executive team
- In-house property management function

V&A
- **Board**
  - Audit and Risk Committee
  - Property Committee
  - Social and Ethics Committee
  - Human Resources and Remuneration Committee
- Chief Executive Officer
- Executive Management Committee
- In-house property management function

GWI
- **Board**
  - Audit Committee
  - Remuneration Committee
  - Investment Committee
  - Risk Committee
  - Nomination Committee
- Chief Executive Officer and Deputy CEO
- Executive Committee
- In-house property management function

Lango
- **Board**
  - Advisory Committee

Lango Management Limited
- **Board**
  - Investment Committee

Growthpoint Student Accommodation Holdings (RF) Limited
- **Board**
  - Audit Committee
  - Advisory Committee

Growthpoint Student Accommodation en commandite Partnership
- **Management partnership**
  - Investment Committee
  - Operations Committee

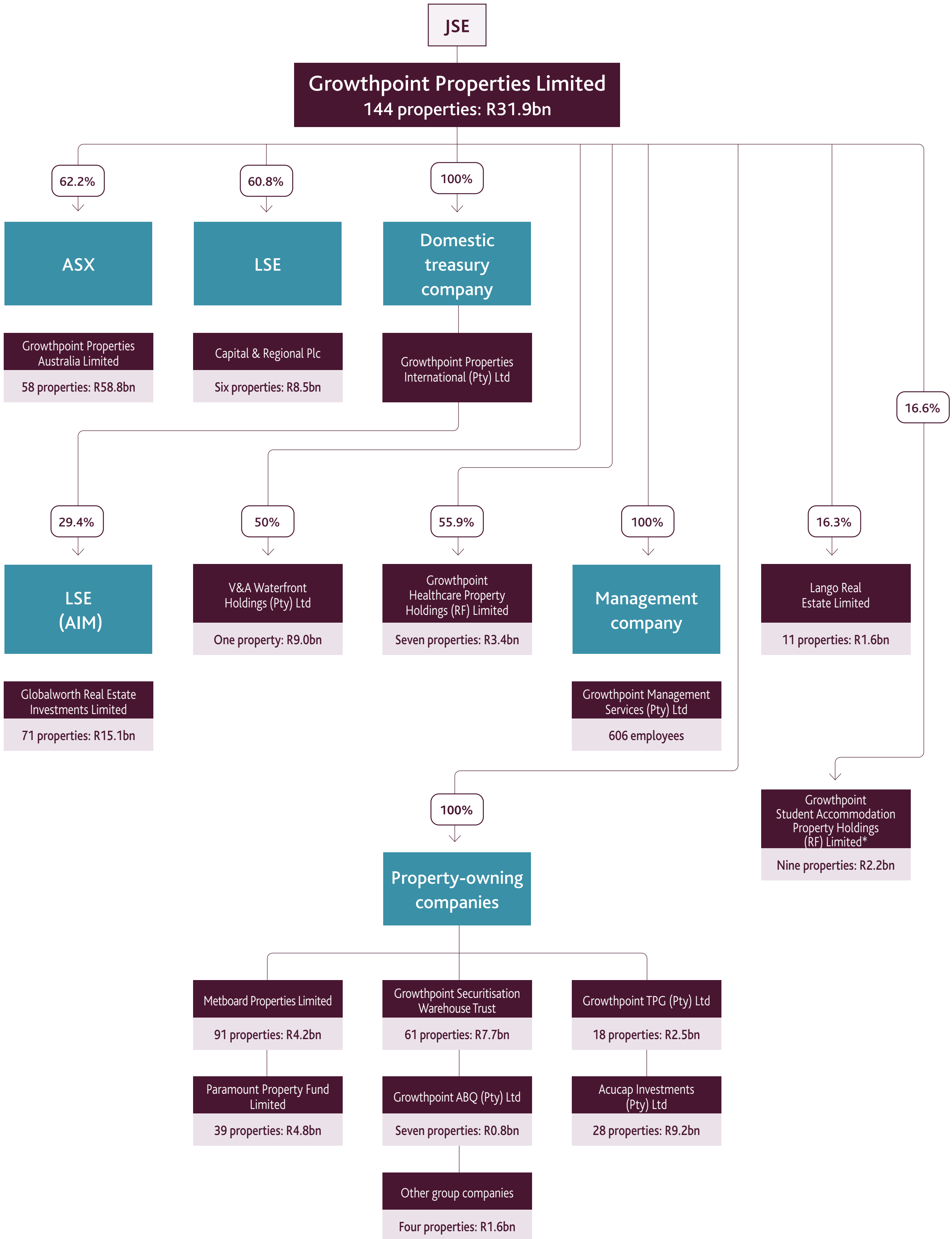
Managed

South African portfolio (excluding the V&A)
- **Board**
  - Audit Committee
  - Governance and Nomination Committee
  - Property and Investment Committee
  - Human Resources and Remuneration Committee
  - Risk Management Committee
  - Social, Ethics and Transformation Committee
- Group Chief Executive Officer
- Chief Executive Officer: SA
- Executive committees (Group and SA)
- Deal forum (Group and SA)
- In-house property management function
  - Retail | Office | Industrial
  - Healthcare
- Group Services

GHPH Management
- **Board**
  - Deal forum

GHPH
- **Board**
  - Audit and Risk Committee
  - Advisory Committee

SIMPLIFIED OWNERSHIP AND LEGAL STRUCTURE



* *Although the Group owns less than 50% of shares in GSAH and has less than half of their voting power on a GSAH Board level, management has determined that the Group controls the entity by virtue of an agreement with its other shareholders.*

BOARD OF DIRECTORS AND GOVERNANCE

Joined the Board in 2020

B GN RM HR

Rhidwaan Gasant (63)

Chairman, Non-executive

BCompt (Hons), CA(SA), ACMA, CGMA, Executive Development Programme

Skills and expertise: Corporate leadership, strategy development and execution, mergers and acquisitions, corporate finance and risk management

Professional membership: SAICA and CIMA

Joined the Board in 2003

B GN RM PI HR

Norbert Sasse (57)

Group Chief Executive Officer

BCom (Hons) (Accounting), CA(SA)

Skills and expertise: Corporate finance, capital markets, property and general management

Professional membership: SAICA, PPRA (Master Practitioner in Real Estate)

Joined the Board in 2013

B A RM

PI HR SET

Gerald Völkel (62)

Group Financial Director

BAcc, CA(SA)

Skills and expertise: Financial, tax and general management

Professional membership: SAICA

Joined the Board in 2008

B GN A

RM PI HR

Estienne de Klerk (53)

CEO: SA

BCom (Industrial Psychology), BCom (Hons) (Marketing), BCom (Hons) (Accounting), CA(SA)

Skills and expertise: Financial, general management and property

Professional membership: SAICA, PPRA (Master Practitioner in Real Estate)

Joined the Board in 2018

B RM HR SET

Olive Chauke (51)

Human Resources Director

BSoc Science, Advanced Programme in Strategic Management

Skills and expertise: Strategic and operational, human resources management and transformational leadership

Professional membership: Master Practitioner South African Board of People Practices

Joined the Board in 2019

B GN A PI HR

Frank Berkeley (66)

Independent Non-executive

BCom, BAcc, CA(SA)

Skills and expertise: Strategy development and implementation, successful implementation of mergers and leadership and management of large complex organisations

Professional membership: SAICA

Joined the Board in 2021

B GN A PI

Melt Hamman (51)

Independent Non-executive

BCom(Hons) Investment Management, BCompt (Hons), CA(SA)

Skills and expertise: Financial reporting, risk, banking, real estate and leadership development

Professional membership: SAICA

Joined the Board in 2020

B A RM

Prudence Lebina (41)

Independent Non-executive

BCom, HDip (Acc), CA(SA)

Skills and expertise: Business development, corporate finance, accounting and financial reporting

Professional membership: SAICA and the Institute of Directors of South Africa

Joined the Board in 2012

B PI SET

Patrick Mngconkola (60)

Non-Independent Non-executive

BTech (Business Admin), BA (HR Management), National Diploma Police Admin, Certificate: Forensic Investigative Auditing (Unisa), Certificate: Property Development and Investment (UCT), Certificate: Advanced Risk Business Management (UCT), Certificate: Investment Management (UCT)

Skills and expertise: Business oversight and as a public servant, particularly in finance, supply chain management and people management skills

Professional membership: The Institute of Directors of South Africa

Joined the Board in 2009

B HR SET

Mpume Nkabinde (62)

Independent Non-executive

MBA, Honours in HRD, Bachelor of Social Science, Diploma in Adult Education, Postgraduate Diploma in Property Development and Management

Skills and expertise: Human resources, business development and general management, which have been acquired over a 20-year period in local and international companies

Professional membership: SAIBPP

Joined the Board in 2020

B GN A SET

Andile Sangqu (56)

Lead Independent Non-executive

BCom (Acc), BCompt (Hons) CTA, HDip Tax Law, EDP, MBL, AMP (INSEAD), Higher Certificate in Christian Ministry

Skills and expertise: Business financial restructuring, financial systems development, implementation, strategic planning and organisational transformation

Joined the Board in 2019

B GN RM PI

John van Wyk (58)

Independent Non-executive

BCom, BAcc, CA(SA)

Skills and expertise: Private equity and investments

Professional membership: SAICA

New Non-executive Directors appointed by the Board

Joined the Board in 2022

B A SET

Clifford Raphiri (59)

Independent Non-executive

BSc Eng (Hons) Mechanical Engineering, Postgraduate Diploma in Mechanical Engineering, MBA

Skills and expertise: Financial reporting, risk, process management and leadership development

Professional memberships: Engineering Council of South Africa, The Institute of Directors of South Africa

Joined the Board in 2022

B GN RM HR

Eileen Wilton (62)

Independent Non-executive

BCom Economics and Industrial Psychology, Postgraduate Diploma in Digital Business

Skills and expertise: Financial reporting, risk, IT and leadership development

Board skills, experience and diversity

Skills and expertise

- Legal as applicable to corporate finance in general and dispute resolution
- Mergers and acquisitions
- Transaction funding
- Property and general management
- Financial and tax management
- Transformation
- Strategy development and implementation
- Leadership and management of large complex organisations
- Analytics and risk assessment
- Human resources
- Business development in local and international companies
- Supply chain management
- Business financial restructuring
- Financial systems development
- Strategic planning and organisational transformation
- Private equity and investments
- Corporate finance
- Accounting and financial reporting
- Strategic leadership
- IT, ICT and related risks
- Leadership development

Tenure

- 9 years +
- 1 – 4 years

Demographics

- African, Coloured and Indian (ACI) females – 3
  ACI males – 4
- White females – 1
- White males – 6

Gender

- Females – 4
- Males – 10

Age

- ≥ 60 years – 6
- 50 – 59 years – 7
- 30 – 49 years – 1

Independence

- Executive Directors – 4
- Non-executive Directors – 1
- Independent Non-executive Directors – 9

Key: Committees

B	Board
GN	Governance and Nomination Committee
RM	Risk Management Committee
HR	Human Resources and Remuneration Committee
(filled green circle)	Standing invitation
(filled purple circle)	Chairman of the committee
A	Audit Committee
PI	Property and Investment Committee
SET	Social, Ethics and Transformation Committee

GROUP EXECUTIVE MANAGEMENT

Norbert Sasse* (57)

Group CEO
BCom (Hons) (Accounting), CA(SA)
Joined Exco: 2017
Skills and expertise: Corporate finance, capital markets, property and general management
Professional membership: SAICA, PPRA (Master Practitioner in Real Estate)

Estienne de Klerk* (53)

CEO: SA
BCom (Industrial Psychology), BCom (Hons) (Marketing), BCom (Hons) (Accounting), CA(SA)
Joined Exco: 2017
Skills and expertise: Financial, general management and property
Professional membership: SAICA, PPRA (Master Practitioner in Real Estate)

Gerald Völkel* (62)

Group FD
BAcc, CA(SA)
Joined Exco: 2017
Skills and expertise: Financial, tax and general management
Professional membership: SAICA

Olive Chauke* (51)

Human Resources Director
BSoc Science, Advanced Programme in Strategic Management
Joined Exco: 2017
Skills and expertise: Strategic and operational, human resources management and transformation leadership
Professional membership: Master Practitioner South African Board of People Practices

Engelbert Binedell (51)

COO
BA(Ed), MBL
Joined Exco: 2018
Skills and expertise: Skilled in all aspects of property management, asset management and property development
Professional membership: PPRA (Master Practitioner in Real Estate)

Dirkje Bouma (50)

Group Treasurer
MSc Finance, CFA
Joined Exco: 2017
Skills and expertise: Funding, treasury and financial markets
Professional membership: CFA

Xolani Hlatshwayo (39)

Group Legal Counsel
LLB, LLM
Joined Exco: 2019
Skills and expertise: Mergers and acquisitions, corporate restructurings, real estate, funds management and capital raisings (debt and equity capital markets)
Professional membership: Legal Practice Council

George Muchanya (50)

Head of Growthpoint Investment Partners
BSc Eng, MBA, ACFP
Joined Exco: 2017
Skills and expertise: Engineering, management consulting and the property industry. Instrumental in leading Growthpoint's new initiatives

Lauren Turner (46)

Head of Investor Relations and Client Acquisition
BCompt (Hons)
Joined Exco: 2017
Skills and expertise: Financial markets experience including investor relations, stock exchange listings, depositary receipts and fixed income sales and structuring, property experience, relationship management and business development

By invitation

Johan de Koker (58)

Company Secretary
CIS, HDip Company Law
Joined Exco: 2019
Skills and expertise: Company Secretarial
Professional membership: Chartered Governance Institute of Southern Africa

* *Executive Director.*

02 PERFORMANCE REVIEW

Growthpoint made good progress by selling R2.1bn of non-core assets with a profit on book value of R240.9m.

Contents

INDEPENDENT ECONOMIC OVERVIEW

South Africa (SA)

In May 2022, S&P revised SA's growth outlook to "positive" from "stable", largely because of SA's positive terms of trade and structural reforms. The potential upgrade from BB status depends on SA exceeding S&P's current GDP growth expectation of around +1.7% in the medium term and achieving further fiscal consolidation.

> *Government has made headway on a few initiatives to improve water and electricity supplies under Operation Vulindlela ("clear the way" in isiZulu), with the amendment of Schedule 2 of the Electricity Regulation Act to altogether remove the licensing threshold of 100MW and enable private power generators to sell directly to customers freely, as an example. Current internal Standard Bank GDP growth estimates are +2.3% and +2.1% for CY22E and CY23E respectively (or slightly more conservative than the SA Reserve Bank (SARB) forecasts but ahead of the 1.7%). That said, the major short-term risk to implementing further initiatives is the uncertainty around Eskom and its power generation capacity.*

The high inflation experienced in developed European and US markets, while comparable to SA inflation in magnitude (high single digits), differs relative to country-specific history for the respective regions. Put differently, the peak +7.3% expected inflation experienced in SA is not yet at unprecedented levels (given that the SARB's inflation target range remains 3% to 6%), unlike in Europe, where the high single-digit (and some double-digit) inflation far exceeds the usual 1% to 2% levels. That said, the SARB proactively frontloaded the interest rate hikes, announcing a 75bps increase in July 2022, and in doing so avoided replicating the "mistakes" of some central banks. For example, the US Federal Reserve first underestimated the pervasiveness of inflation, under-reacted and then had to compensate by hiking rates more aggressively.

Unemployment remains a concern in SA as the country battles to support strong and sustainable economic growth. The latest unemployment figure is 34.5%, slightly down from 35.3% in 1Q22, but significantly higher than the c. 30% levels seen pre-Covid-19. Some of this recent upside arrived through growth in the community and services sectors which is typically underpinned by government spending and thus may be temporary. Weak employment figures also raise the risk of higher office vacancies.

With the above in mind, we tracked the return profile of SA direct property through a few economic cycles since 2002 and found that property total returns have typically mirrored the fluctuations in SA GDP growth (that is, income returns from properties plus valuation changes). More importantly, throughout these periods the income return was somewhat stable, operating within a tight standard deviation range of c. 3%. Consequently, the marginal downside on GDP is buttressed by consistent REIT income, where the latest forecast income return in the listed sector is c. 11%.

Australia

The Australian inflation outlook remains grim, with CPI and PPI figures climbing to levels last seen in 2000 when the Goods and Service Tax was introduced. The Australian Reserve Bank (RBA) has responded by hiking rates 125bps YTD to 1.35%. According to the Economic Intelligence Unit (EIU), inflation is set to keep rising, driven by a shortage of materials due to global supply chain constraints, high commodity prices as a result of the Russian invasion of Ukraine and robust consumer demand because of the previously expansive monetary policy. Most of these factors are outside of the RBA's control.

> *After a solid rebasing in 2021, when GDP growth was +4.8%, expectations are for a lower but impressive growth of +3.2% in CY22E. Lower unemployment is likely to support national household spending and the renewable energy sector should expand the private sector investment. Despite inflation, growth should then normalise to around 2% p.a., which is a positive for the Australian property sector.*

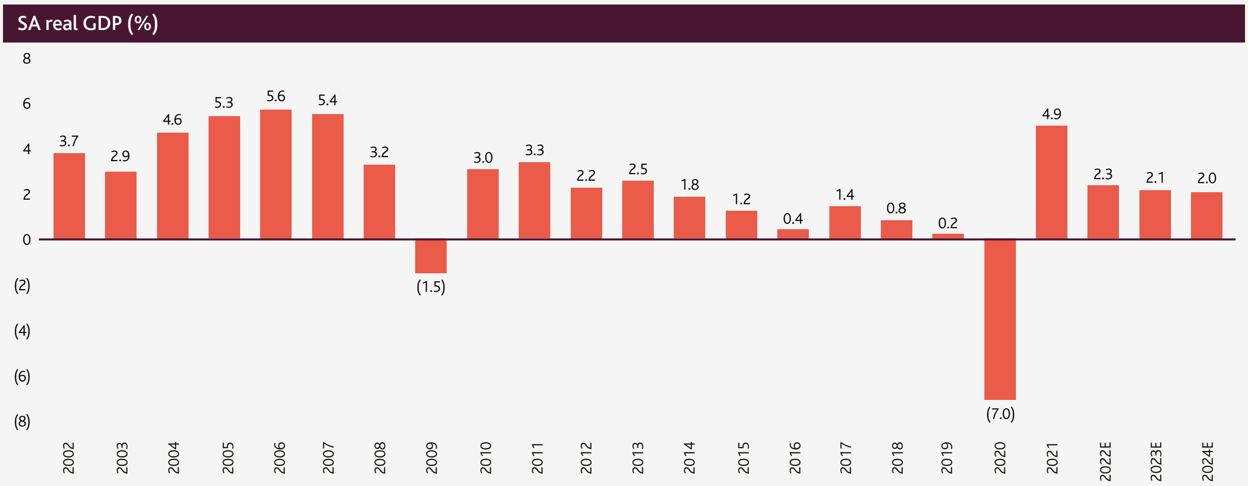
United Kingdom (UK)

UK economic growth is still undermined by surging inflation, Brexit import challenges and expected tax hikes. According to the EU, this results in much weaker disposable income for UK citizens, with recovery likely to be protracted due to high regional inequality and skill gaps. This discontent has already manifested itself through national strikes. Consequently, while GDP forecasts are strong for CY22E at +3.6% due to Covid-19 recovery base effects, they quickly fall to +0.6% in CY24E and normalise at c. 1%. This read-through to UK property screens as weak in the medium term, with the logistics sector likely to be the net winner relative to other property asset classes, due to the increased demand for inventory and lower reliance on supply chains at major air, water and land ports.

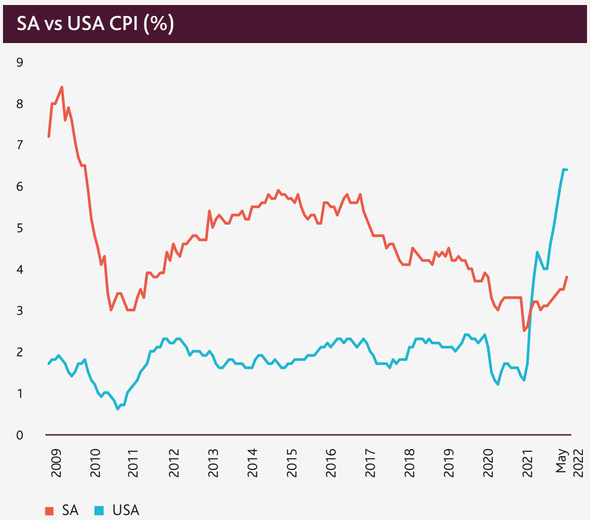
Central and Eastern Europe (CEE)

Within Poland (the dominant CEE investment territory), higher inflation boosted goods prices by +15% year on year in May. Still, the tighter labour market, falling unemployment and government tax cuts should support consumer demand in the short term. Further, the government is introducing a cap on value-added tax on energy goods and a price cap on necessities. We feel that these price control initiatives should be implemented cautiously. In addition to the preceding measures, the National Bank of Poland has raised the base rate nine times since October 2021, taking it from 0.01% to 6%. It appears set to continue on this course as inflation remains elevated.

From a property investment perspective, momentum had returned in 2021, as evidenced by a 6% year-on-year growth in capital transactions, but the Russian invasion of Ukraine has weakened the expected volumes for 2022 as investors take a wait-and-see approach. In fact, according to Colliers, many leasing deals have been placed on hold and/or outright cancelled in the interim. Transaction volumes in 2021 were up +38% on 2019 levels in Romania and were among the highest in the CEE region, but this momentum is unlikely to continue into 2022.



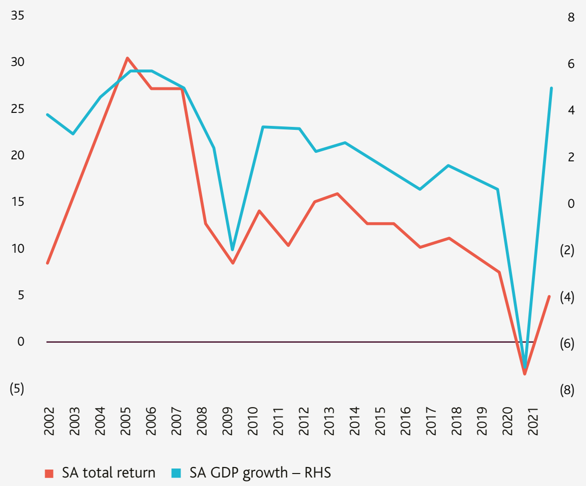
SA GDP Growth and forecasts, Source: Stats SA, SBR Houseview



SA and USA CPI, Source: Stats SA, SBR Houseview

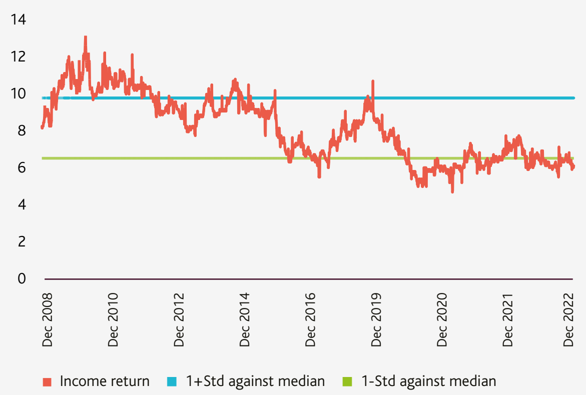
SA unemployment rate vs office vacancy, Source: Stats SA, SAPOA

SA total revenue vs SA GDP growth (%)



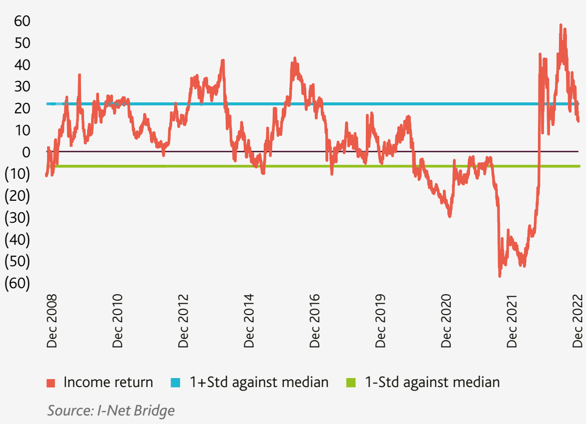
Direct property total return and SA GPD growth, Source: Stats SA, SBR Houseview, IPD/MSCI Data

SAPY (J253) historic income return (%)



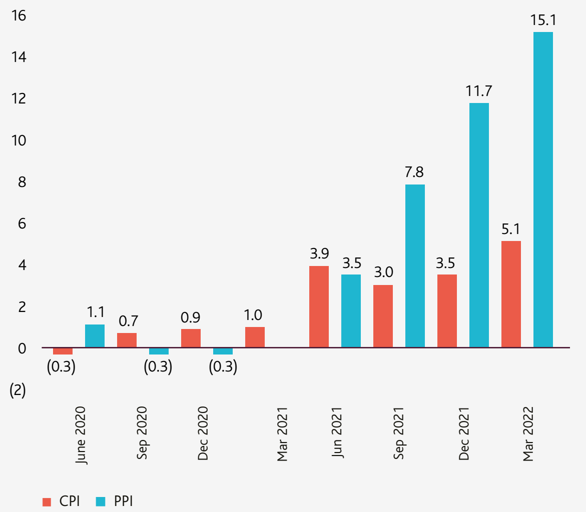
Source: I-Net Bridge

SAPY (J253) historic capital return (%)



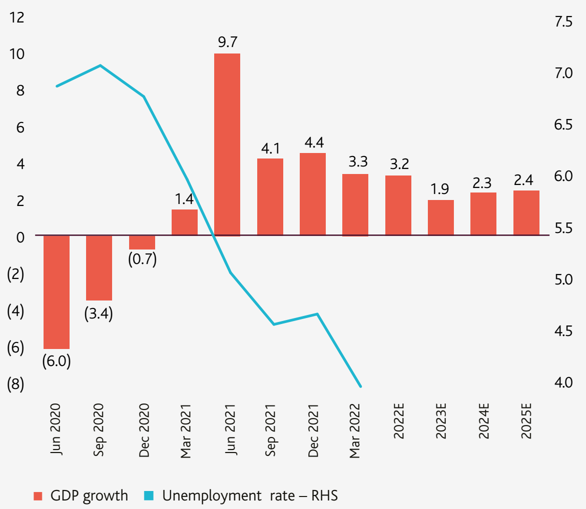
Source: I-Net Bridge

Australia CPI and PPI (%)



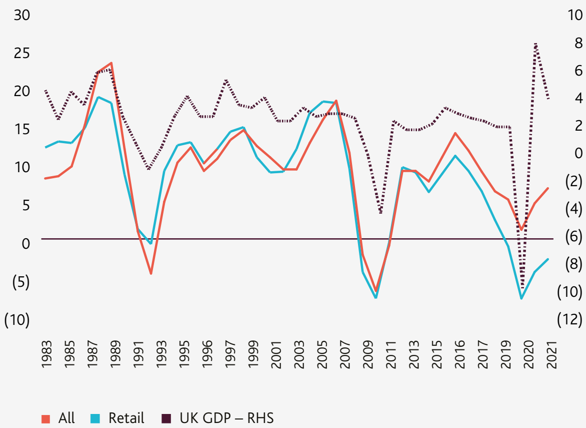
Australia CPI and Australia PPI, Source: Economic Intelligence Unit, Reserve Bank of Australia

Australia GDP vs unemployment (%)



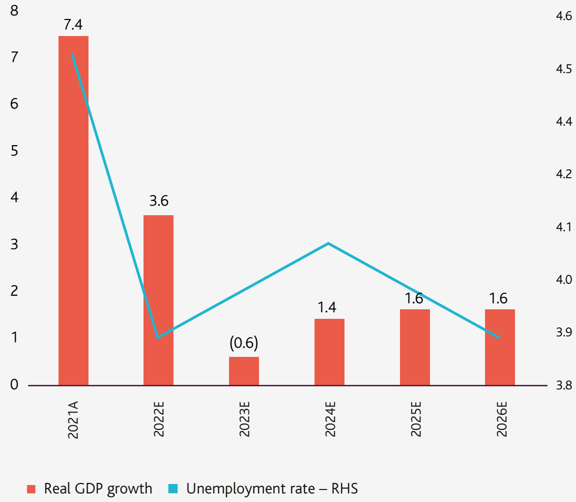
Australia's GDP vs unemployment rate, Source: Bloomberg, Economic Intelligence Unit

UK direct property total return vs GDP growth (%)



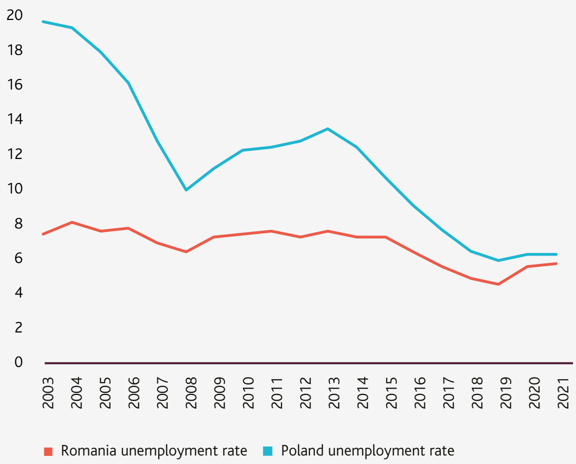
UK direct property total return vs UK GDP growth, Source: Thomson Reuters, IPD/MSCI Data

UK real GDP growth vs unemployment (%)



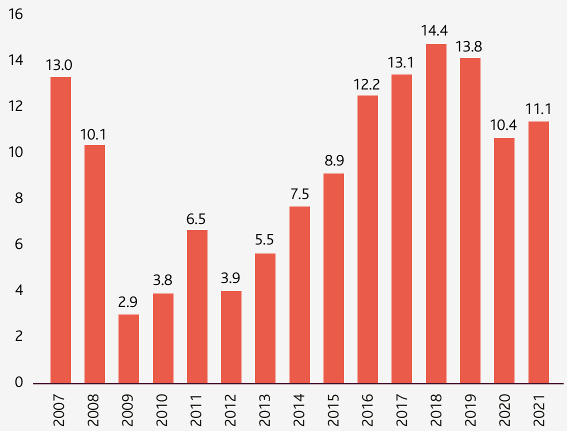
Source: Economic Intelligence Unit

Poland and Romania unemployment (%)



Source: Central Statistical Office of Poland

CEE transaction volumes (€bn)



CEE transaction volumes, Source: Colliers International

Mweishö Nene
Institutional Equity Research
Real Estate Analyst
SBG Securities

30 June 2022

CHAIRMAN'S REVIEW

In these uncertain times, Growthpoint's conservative financial approach has stood it in good stead and the company will continue to focus on its balance sheet strength and liquidity to enable it to execute its strategies effectively.

THE PROGRESS MADE IN GROWTHPOINT'S CO-INVESTMENT
strategy
WAS A SIGNIFICANT HIGHLIGHT.

ASSETS UNDER MANAGEMENT (GROWTHPOINT INVESTMENT PARTNERS)
R15.6bn

In my first report as Chairman of the Board of Growthpoint, I am pleased to advise that the company made meaningful progress in implementing its strategies this year, in the face of a challenging global macro-economic environment occasioned by a number of significant factors, including the ongoing war in Ukraine and the resulting stagflation, supply chain disruptions, increased commodity prices, rising interest rates and exchange rate volatility.

In South Africa, relief at the removal of the Covid-19 lockdown measures was counteracted by the impact of continual loadshedding, civil unrest and adverse weather-related events. Profit margins have come under increased pressure due to the combination of administered cost increases in excess of revenue growth and poor service delivery by, and the failure of, municipalities. Engagement with the relevant authorities via the property industry associations continues.

The Covid-19 pandemic continued to influence our business directly, albeit to a lesser degree than in FY21. As case numbers, infections and restrictions became less severe, the long-term impacts have started to emerge as people reassess their lifestyle priorities. We have seen an increase in staff turnover for all employees in line with "the great resignation" trend, acceleration of the shift in working patterns impacting the office sector of our business, the need for increased employee psychosocial support and increasing demand for our social programmes.

In these uncertain times, Growthpoint's conservative financial approach has stood it in good stead and the company will continue to focus on its balance sheet strength and liquidity to enable it to execute its strategies effectively. In South Africa, Growthpoint's targeted asset disposal programme to align and rebalance its property portfolio continued apace.

Its cost-efficiency programme delivered notable savings while customer service levels improved. The company also benefited from the significant turnaround at the V&A Waterfront as international tourists returned to our shores, and improvement in the fundamentals of the retail and industrial property sectors is encouraging.

On the international front, GOZ continued to deliver a standout performance and remains a strategic investment. A sustainable solution for the minority position in GWI continues to be sought. C&R succeeded in stabilising its balance sheet in spite of a difficult UK operating environment.

The progress made in Growthpoint's co-investment strategy was a significant highlight. The third alternative real estate co-investment opportunity, Growthpoint Student Accommodation REIT, was launched during the year, while a convertible loan to equity deal was completed with the IFC for the Growthpoint Healthcare REIT. The overall target of R15bn of assets under management (AUM) has been achieved ahead of time and challenging growth targets have been set for the next five years. We formally branded our co-investment initiative and proudly introduced Growthpoint Investment Partners to the market.

The performance of Growthpoint's business continues to be inextricably linked to that of the economies in which it operates. Given the challenges described above, the current focus is to optimise the respective portfolios and to grow AUM in a capital-light manner.

In times of adversity, opportunities inevitably arise, and local and international markets are continuously monitored in this regard.

Growthpoint is a values-driven organisation based on ethical behaviour, transparency and caring. These values have been formalised in our code of ethics.

Growthpoint's environmental leadership in the industry in the areas of clean energy, water saving and green buildings is well recognised by our stakeholders. Challenging, science-based targets for achieving our carbon-neutral 2050 goal are being set and embedded in Growthpoint's operations. Solar energy expansion lies at the heart of achieving these targets.

The JSE released its sustainability and climate disclosure guidelines in June 2022. I am happy to report that Growthpoint is already well aligned with this newly published guidance.

Notwithstanding the macro-economic challenges facing the industry, Growthpoint is holding firm in its commitment to continue to address important issues in society, building on a strong foundation in the important areas of promoting access to quality education, developing small businesses and advancing women's empowerment.

Rhidwaan Gasant, Chairman

We continue to make good progress in our transformation and diversity programme, which is ongoing at the executive and senior management levels.

The Growthpoint Non-executive Board refresh is complete and after the company's AGM in November 2022, all the Non-executive Directors will be independent. Valuable skills have been added in the areas of property, IT governance and sustainability.

Growthpoint's former Chairman, Francois Marais, retired this year and I would like to thank him for his unwavering commitment and tremendous contribution to the success of Growthpoint during his tenure. My thanks also go to Mpume Nkabinde and Patrick Mngconkola, who are both due to retire at our AGM in November, for their dedication and long service to our Board. We wish all of them well for the future. My appreciation extends to my fellow Board members, our executive management and employees for their commitment and hard work during a challenging year.

Last but far from least, I thank our shareholders who have supported Growthpoint, our clients and by extension the South African economy through an extremely challenging period. We value constructive engagement with our shareholders, a practice we intend to continue.

Rhidwaan Gasant
Chairman

GROUP CEO'S REVIEW

Preserving our balance sheet strength continued to be an overriding theme for the year and accordingly, Growthpoint's business continues to be well capitalised.

> *Growthpoint performed well in a challenging environment to create and conserve long-term value for all our stakeholders and successfully deliver R5.3bn of distributable income.*

INTERNATIONAL EXPANSION CONTINUES TO BE A STRATEGIC priority GIVEN THE WEAK DOMESTIC MACRO-ECONOMIC ENVIRONMENT.

45.5%/ 54.5%
SECURED VERSUS UNSECURED DEBT

Advancing our strategies in a capital-constrained environment is a noteworthy achievement. We also opened new opportunities and established new business lines to continue to deliver on our strategies in FY23.

Preserving our balance sheet strength continued to be an overriding theme for the year and accordingly, Growthpoint's business continues to be well capitalised. Our loan-to-value (LTV) ratio is stable and within our desired range, having ended the year at 37.9%.

Our balance sheet intentionally reflected high levels of liquidity at year end in the form of cash and committed but undrawn debt facilities amounting to R11.8bn. International debt and bond markets will likely remain challenging in the year ahead and we have pre-empted the refinancing of our USD425m Eurobond due to expire in May 2023 by putting traditional bank funding in place for use should the market not recover sufficiently.

When we first entered the Eurobond market, a single credit rating was adequate. Now, as we approach renewal, two or more ratings are preferred and Growthpoint therefore pursued a second rating, from Fitch. The outcome was positive, with Growthpoint achieving a BB+ Long-Term Foreign Currency Issuer Default Rating, which is higher than the SA sovereign rating of BB. This outcome improves the perception of Growthpoint's credit in the market.

The domestic bond market remains very receptive and Growthpoint enjoys good access to both bank debt and debt capital markets in South Africa.

Interest rate exposure on debt is 84% hedged, but Growthpoint still has exposure to floating rates and our unhedged debt book is exposed to rising interest rates that affect our overall interest costs.

When considering equity capital markets, the current global and local economic cycles with rising interest rates make real estate less appealing to investors. Globally and across the SA REIT sector, counters are trading at significant discounts to NAV and Growthpoint is not immune to this. In our case, the biggest requirements for narrowing this discount are the recovery of the South African economy and a resulting turnaround in property fundamentals. NAV and property values will continue to come under pressure as rising interest rates have become another clear challenge.

In the short term, while markets remain uncertain due to the war in Ukraine, constrained international debt capital markets, rising inflation and interest rates and a weak domestic South African economy, Growthpoint will remain conservative and continue to pay dividends of approximately 80% of distributable income.

Optimising our South African portfolio

Growthpoint made good progress by selling R2.1bn of non-core assets, with a profit on book value of R240.9m. While we have not set specific targets, we intend to dispose of R1bn to R2bn of assets a year over the next couple of years as we optimise, rebalance and right-size our South African portfolio.

The emphasis of this effort is to increase our portfolio weighting towards retail, industrial and logistics assets while selectively rationalising our office portfolio. It is also designed to lighten our exposure to cities and provinces with less supportive business and property dynamics by reducing our Gauteng portfolio and investing more in the Western Cape and in KwaZulu-Natal (KZN), where total property returns have been better.

Norbert Sasse, Group CEO

The South African economy remained under pressure and created a tough operating environment with no reprieve in FY22. The strong correlation between the economy and the real estate sector resulted in soft, albeit steadier, property fundamentals.

The early positive signs in some of the fundamentals have not yet translated into positive property valuations. Growthpoint's South African portfolio valuation decreased by R1.2bn, or 1.7%. Retail and industrial valuations were stable and slightly improved, respectively. Office valuations declined by R1.5bn or 5.4%. There are indications of a more benign environment going forward, although the global dynamic of increasing interest rates does carry some downside risk, as do steeply rising administered costs and the higher cost-of-living which is negatively impacting the consumer. With this in mind, valuations are likely to remain under pressure.

The trading and development business had another good year, although our development for Bakers Transport in KwaZulu-Natal did not transfer in the second half of the year as anticipated but we expect it to transfer in FY23.

> *The V&A Waterfront made a remarkable recovery this year and was able to substantially improve its contribution to our performance compared to the previous year, with distributions increasing by R202m or 55.3%.*

Structural long-term trends in the real estate sector that were accelerated by Covid-19 are covered in detail in the SA CEO's report. The boost for online shopping seems to have played out with little change at our retail properties, the most noticeable impact being the positive effects of on-demand grocery deliveries from physical stores. Logistics is driving the recovery of the industrial property sector and, to some extent, demand for new development. The office portfolios of our investments in Australia and CEE show that work-from-home has had little actual effect on office occupancy and demand. The extent to which it is influencing the South African office market, if any, is clouded by the weak economy, with this sector having come under pressure long before the pandemic arrived.

Our international investment expansion

The Growthpoint Board continues to emphasise international growth with an understanding that, given the capital constraints we are faced with due to our target gearing range of below 40% LTV on the one hand and the undesirable situation of raising equity at a discount to NAV on the other, our international growth is going to be constrained until the wider dynamics change.

We nevertheless continued to pursue international investment this year to increase our non-SA assets and our exposure to international markets, with a focus on increasing our exposure to lower-risk, higher-growth markets. By approaching our international growth incrementally, aligned with our balance sheet and LTV management, we aim to roll out capital-light funds management strategies in all the international jurisdictions where we have control.

Growthpoint invested a further GBP23.7m (R480m) in C&R, which was our only additional international investment. We are waiting for more stability in international markets before actively allocating capital. We have no immediate plans to enter new markets. In the short term we remain focused on optimising our existing investments.

GOZ had one of its best years, with funds from operations (FFO) per share increasing by 7.8% and higher valuations driving NAV per share growth of 9.7% and a dividend per share increase of 4.0% despite the payout ratio reducing to 75%. Post year end, GOZ achieved its key objective of acquiring Fortius Funds Management, paying AUD45m for AUD1.9bn of assets under management. GOZ provided guidance to the market for FY23 of FFO of between 25cps and 26cps, which is lower than FY22 and is mainly attributable to higher interest rates on floating rate debt. Guidance was also provided for distributions of 21.4cps, representing growth of 2.9% over FY22.

GWI declared a dividend of EUR0.14cps for its HY22 reporting period, from January to June 2022, which represented 90% of EPRA earnings of EUR0.16cps and was better than the dividend for the previous six months of EUR0.13cps. In June 2022, GWI repaid the total outstanding principal amount of EUR323.0m of its inaugural GWI 17/2022 corporate bonds, with the result that it has no material debt maturities until March 2025. Like-for-like property values increased marginally, by 0.8%, while a new industrial development in Romania and mixed-use refurbishments in Poland, which are debt funded, had the impact of increasing Group LTV levels to 41.0% from 40.1% at December 2021. NAV per share increased marginally by 0.6%, from EUR8.66 at 31 December 2021 to EUR8.72 at 30 June 2022.

Inflation in Europe and CEE is currently at multi-decade highs, averaging in the low to mid-teens and should provide future rental growth in the short term as most of GWI's leases are indexed to an annual inflation adjustment. This dynamic should provide support for stable and possibly growing dividends for GWI in the short term.

C&R delivered a solid operating performance in 1H22 and returned to paying a dividend of GBP2.5 pence per share for the six months to 30 June 2022. Following a rapid decline, valuations have finally stabilised. Property valuations on its investment assets increased by 1.7% in the first six months of 2022.

The UK economy is still struggling, with Brexit causing a lag in recovery, and it seems that these challenges will remain for a while. Occupancies are at 93.7% and improving, and rent collections have returned to pre-Covid levels of 96% year-to-date. Transactional activity has resulted in the net LTV ratio reducing from 49% at December 2021 to 40% at June 2022. Capital & Regional's NAV per share increased by 15.7% to 118 pence per share at 30 June 2022 (December 2021: 102 pence per share).

Growing income streams from capital-light specialist co-investment

Our current growth ambitions in South Africa are focused on GIP. The introduction of our alternative asset class co-investment business has improved the efficiency of and returns from the Growthpoint operating platform off which it leverages. This comprises of property professionals with industry-leading expertise in many fields, from funds, facilities and property management to leasing, development and marketing. GIP leverages our core strengths, competencies, experience and position in the domestic market.

While we have gradually sold R9.7bn worth of balance sheet assets since 2017, we have replaced these with R15bn worth of assets under management by GIP since 2018. We are now seeking to double GIP assets under management by growing existing portfolios and introducing new investments. To ensure our ability to achieve these targets we have promoted staff internally and employed dedicated staff to manage the investment portfolios.

GIP had a very successful year, especially with regard to the establishment of the new GSAH, where R1.3bn of third-party capital was raised from investors. In addition, USD80m of equity and convertible debt funding was raised from the IFC for investment into GHPH, with good interest from institutional investors.

Lango is in advanced discussion with potential investors to raise additional capital which will be used to settle debt and acquire additional assets in Nairobi, Kenya.

ESG

All of our investments are committed to good corporate citizenship, long-term sustainability and positive social and environmental practices. Each one has its own strategy relevant to its operating environment and reports its impacts in this regard.

> *Growthpoint actively executes its own ESG commitments via our South African business operations and portfolio. Details in this regard can be found throughout this report and in our dedicated ESG report.*

Refreshing the Board has been a three-year process, which is now essentially complete. We have injected some exceptional new skills and talent and progressed our transformation agenda. The new Board is supportive and adds value to the business.

Changes to our management further supports our strategic initiatives by matching skills to priorities. These changes have mostly been to resource GIP to ensure its ability to grow, and all recent appointments advance our employment equity, transformation and diversity goals. Growthpoint has a detailed succession strategy and plan in place, which it continually refreshes and refines. Key individuals have been identified for key roles and they have participated in readiness and compatability assessments to enable growth where needed.

To enhance sustainability and ESG practices in our business, we embarked on a course to identify the material matters for Growthpoint's IAR and ESG report. This was done to ensure the validity of our reporting and to meet the latest developments in global reporting standards. All the key contributors to our reports were invited to participate in establishing an agreed-upon and globally aligned approach to materiality.

We also established a Disclosure Committee comprising members representing the entire spectrum of our business. This committee has extensively reviewed the IAR and ESG report. Growthpoint has always been proud of the quality and transparency of the market intelligence we provide and this year represents a further stride in our journey towards increased excellence and disclosure in this area.

We are confident that we have clearly articulated our company strategy for long-term value creation (see page 12) and that this integrated annual report addresses Growthpoint's most significant risks and opportunities. This includes ESG matters that may influence the assessment of our future performance.

Additionally, we have taken care to ensure that our ESG report addresses the most significant ESG impacts of our South African business, whether these are positive or negative, direct or indirect.

For both reports, we sought alignment with the most recent developments in global reporting standards, which has been informed by IFRS, TCFD and JSE Sustainability Disclosure Guidance.

Our Board oversees our sustainability-related impacts, risks and opportunities, which are integrated into our governance processes through our Board committees and is specifically reflected in the updated terms of reference of the SET Committee.

De-risking our business and pursuing growth in lower-risk, higher-growth markets are both encapsulated in our strategy, while creating positive impacts is indelibly entrenched in everything we do, "thrive" is our overriding ethos.

By prioritising our own sustainability goals, we assist our stakeholders reach theirs. We set targets and measure, monitor and manage our sustainability impacts and believe we have done well in this regard.

Our focus on sustainability has also enabled Growthpoint to attract and retain client business and support economies, during the Covid-19 pandemic specifically, but also in our ongoing operations. For example, we continue to protect many of our clients against business disruption from loadshedding by providing them with a continuous power supply. Our sustainable actions thus support sustainability well beyond our own business.

None of this is easy to achieve. These actions take time and introduce more complexity and cost to our business, which also adds risk, especially in the face of regulations, standards and benchmarks that are constantly evolving. While we are property investors and managers at our core, our focus on sustainability has seen us become experts in clean energy production and procurement, education, entrepreneur development, road infrastructure development and much more.

Nonetheless, we do this in the awareness that we add value to society through our actions and by addressing the specific challenges and opportunities that exist in the South African context. One such initiative introduced during the year is our local economic development strategy, which is designed to enable small businesses in the local communities served by our retail assets to become partners in the operation and maintenance of our shopping centres.

Prospects

We expect another tough year in FY23, but Growthpoint is robust and ready for the challenges that lie ahead. We have a resilient business, skilled employees, diversification and astute financial management and a track record of delivering value to our stakeholders through different cycles. This gives us cause for optimism about our prospects.

Our performance in South Africa in FY23 will be inextricably linked to the country's economic health. Our business approach will reflect our priorities of protecting balance sheet strength and furthering our ESG targets. We will remain focused on optimising our South African portfolio through capital rotation, tenant retention, strategic repositioning, green building, solar energy and cost management.

The South African retail sector is largely back to pre-Covid levels and although consumers remain under financial pressure, we anticipate modest growth from it. The industrial sector, which has enjoyed the most balanced supply and demand dynamics, is expected to perform well and continue outperforming other sectors. The office sector has stabilised, but until the South African economy enters a growth phase, conditions will remain challenging for businesses and offices. In-force escalations and escalations on renewal are under pressure in all sectors.

The V&A Waterfront rebounded faster than expected due to the recovery in tourism and we anticipate continued improvement from this investment.

The capital-light growth of assets under management will continue to receive our attention locally and internationally. In South Africa, this focus will be executed by Growthpoint Investment Partners, which we are well positioned to expand.

International expansion continues to be a strategic priority given the weak domestic macro-economic environment.

GOZ has been relatively unaffected by the pandemic and has a robust balance sheet and liquidity position and strong tenancies. It is a strong performer and has continued to invest further in high-quality assets and Fortius Fund Management. While there may be negative impacts from the prevailing global challenges, as reflected in the guidance from GOZ for a decrease in FFO for FY23, this will be cushioned to some extent by our hedging strategies. We expect a marginally improved contribution from GWI and will continue to seek a solution for our shareholding in GWI.

The UK environment has stabilised, C&R has recapitalised, refocused and restructured. After declaring no dividend for 18 months, C&R reinstated the payment of a modest dividend and we expect to see an improved contribution next year.

Our diversified portfolio, strong balance sheet and stable hard currency dividend income streams position us defensively for FY23. However, given the high level of uncertainty in the local and global macroeconomic environment, coupled with rising interest rates and inflation, we expect muted DIPS growth for FY23.

GROUP FD'S REVIEW

The consolidated impact of foreign exchange rates relating to Growthpoint's international investments was beneficial to us.

SOLD
R2.1bn
OF ASSETS

R11.8bn
OF UNUTILISED FACILITIES AND CASH AT FY22

Growthpoint's balance sheet strength, which is still benefiting from our FY21 capital raise, stood us in good stead during the period under review, supporting our liquidity. Our balance sheet was also bolstered by the FY21 DRIP, our reduced payout ratio, disposing of R2.1bn of assets during the year and securing additional debt facilities.

Our business has several components, all of which are covered in detail throughout this report, and Growthpoint's diversification served us well in a challenging environment during FY22, as did the high quality of our earnings.

Two of the major issues we dealt with in FY21 were declining property values and higher-than-ever levels of business failures. Fortunately, property values stabilised during the year, there were significantly fewer business failures and bad debts were reduced substantially. In this regard, we operated in a totally different space from the previous year.

In addition, the consolidated impact of foreign exchange rates relating to Growthpoint's international investments was beneficial to us.

Our challenge is to recover to pre-Covid levels and then grow from that base. For our South African portfolio, this has required active management of income and expenses in an environment where costs are increasing and rental escalations are under pressure. A substantial contributor to expenses in South Africa, is runaway municipal cost increases, for which fewer services are being reliably received and a lack of infrastructure maintenance.

Meeting this challenge has reinforced the importance of our ongoing capital recycling, which we continued to progress with R2.1bn of asset disposals during the year. It has also necessitated pursuing our growth ambitions in an incremental fashion, keeping gearing down in an environment where raising equity is unfeasible. We closed the year with a low SA REIT loan-to-value (LTV) ratio of 37.9%, which includes our contingency planning for the upcoming maturity of the USD Eurobond as detailed on page 52.

While the extent to which global rising interest rates will affect the SA REIT sector is unclear, it will undoubtedly add pressure to delivering better returns than other asset classes and increase capital attraction risks.

The civil unrest in South Africa in July 2021 and floods in KZN tested our insurance risk management, but we proved to be well covered. Our staff-support initiatives that have been in place since the arrival of Covid-19 continued to serve us well and formed the basis for other staff assistance applied during these events.

ESG, reporting, communication and best practice

During FY22, the IFRS Foundation Trustees announced the creation of a new standard-setting board, the International Sustainability Standards Board (ISSB). This entity will deliver a comprehensive global baseline of sustainability-related disclosure standards for information about companies' risks and opportunities to enable informed decisions. It issued two exposure drafts during the year, one on general sustainability-related disclosure standards and the other on climate-related disclosure standards. After public comment is finalised and the standards are issued, early adoption is permitted.

From a reporting point of view, the requirements are not likely to have a material impact on Growthpoint as our company and country are relatively advanced in this area. We always strive to adopt best practices early and would consider taking this step, as we have with other standards in the past. Reporting on these measures creates more awareness and encourages increased incorporation into our operations. As such, ESG matters have gained greater traction throughout our business during the year, but there is still work to be done.

Investors are increasingly calling for high-quality, transparent, reliable and comparable reporting on all ESG matters. These are also becoming more important for funders.

The newly issued JSE Sustainability Disclosure Guidance is aligned with the most influential global initiatives on sustainability and climate change disclosure. Because Growthpoint strives for international best practices for disclosing the sustainability targets, measures and impacts in our South African business, our reporting in this area is already well aligned with the JSE's guidance.

Audit

This is the third financial year that EY has been Growthpoint's appointed external auditor and our process to produce timely, accurate and relevant reporting has improved each year.

Automation and business intelligence

Our recently adopted MRI software system has not only delivered its intended benefits but its associated data and analysis are providing valuable business intelligence. This supports Growthpoint's ability to remain competitive and attract the right tenants to our portfolios.

Tax and regulatory updates

The JSE Listings Requirements have changed and no longer require the publication of a short-form announcement for full-year results if publishing annual financial statements. We will, however, continue to publish this document as our stakeholders consider it valuable.

Gerald Völkel, Group FD

The amendment to IFRS 3 *Business Combinations – Definition of a Business* became effective for the first time this financial year and requires a company to meet the requirements of a business. A business is defined as a set of activities and assets that has outputs. Property businesses tend to comprise several companies that only have assets. Under the new definition, a company without activities is classified as an asset. During the year, Growthpoint applied the new definition when it acquired 10 such companies with assets for Growthpoint Student Accommodation REIT.

A significant amendment in the Tax Act from 1 July 2021, under which foreign dividends were previously exempt, now states that dividends paid to shareholders with more than a 10% shareholding in a foreign company are taxable. This means that Growthpoint must now pay tax on a portion of its foreign dividends. We have carefully considered this update and its tax implications.

Tax has been a challenging aspect of the REIT sector this year and through the SA REIT Association's Tax and Regulation Committee, which I chair, we are actively engaging with relevant stakeholders to find remedies where necessary.

Collaborating for sustainability

The value of collaboration is exponential and Growthpoint continued to build our relationships and play a proactive part in various industry groups, including the SAPOA, SA REIT, the SACSC and others. Furthermore, Growthpoint actively nurtures good relationships with all our capital providers.

Simplified distribution income statement

For the year ended 30 June 2022	Notes	FY22 Rm	FY21 Rm
Revenue	1	**12 884**	12 804
Property expenses		**(3 516)**	(3 436)
Net property income		**9 368**	9 368
Other operating expenses		**(832)**	(613)
Finance and other investment income	6	**1 055**	906
Interest paid		**(3 115)**	(3 107)
Profit before taxation		**6 476**	6 554
Taxation	7	**(263)**	(450)
Profit before dividends and debenture interest		**6 213**	6 104
Minorities' share of profit and realised foreign exchange loss		**(906)**	(1 052)
Distributable income		**5 307**	5 052
Number of shares in issue (net of treasury shares)		**3 407 663 028**	3 402 889 319
Distributable income per share (cents)		**155.6**	148.1

Simplified balance sheet

at 30 June 2022		FY22 Rm	FY21 Rm
ASSETS			
Property assets	8	**136 031**	128 790
Equity-accounted investments		**14 585**	15 003
Intangible assets	9	**445**	538
Derivative assets		**2 492**	814
Long-term loans granted		**3 313**	2 534
Listed investments		**1 489**	1 122
Unlisted investments		**921**	808
Equipment		**49**	57
Deferred tax		**38**	12
Current assets		**5 315**	4 718
Cash and cash equivalents		**2 841**	2 622
Taxation receivable		**153**	9
Other current assets		**2 321**	2 087
Total assets		**164 678**	154 396
EQUITY AND LIABILITIES			
Shareholders' interest		**71 212**	66 410
Non-controlling interest		**18 934**	14 192
Interest-bearing borrowings		**62 857**	61 947
Derivative liabilities		**817**	1 995
Lease liability		**1 826**	2 235
Deferred taxation	10	**5 385**	4 224
Current liabilities		**3 647**	3 393
Trade and other payables		**3 580**	3 204
Taxation payable		**67**	189
Total equity and liabilities		**164 678**	154 396

Reconciliation between Statutory and Simplified financial statements

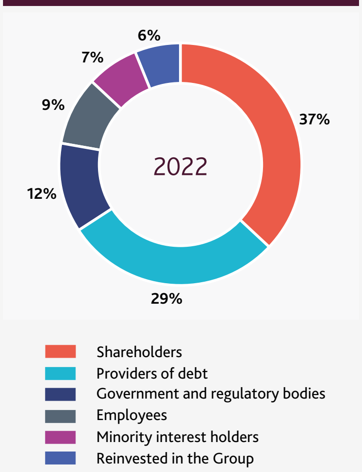
		FY22 Rm	FY21 Rm
1.	**Revenue as stated**	**13 048**	13 126
	Less: Straight-line lease income adjustment	**(164)**	(322)
		12 884	12 804
2.	**Fair value adjustments as stated**	**6 268**	(4 163)
	Less: fair value adjustments reversed	**(6 268)**	4 163
		–	–
3.	**Equity-accounted investment profit**	**(479)**	(1 206)
	Less: equity-accounted investment profit reversed	**479**	1 206
		–	–
4.	**Non-cash charges as stated**	**(80)**	(166)
	Less: non-cash charges reversed	**80**	166
		–	–
5.	**Capital items as stated**	**74**	(52)
	Less: capital items reversed	**(74)**	52
		–	–
6.	**Finance and other investment income as stated**	**1 067**	933
	Less: GWI dividend declared after year end, based on FY20 earnings	**306**	(239)
	Add: GWI dividend declared after year end, based on FY21 earnings	**(318)**	195
	Add: antecedent dividend received	**–**	17
		1 055	906
7.	**Taxation as stated**	**(1 293)**	(850)
	Add: deferred taxation	**1 030**	400
		(263)	(450)
8.	**Property assets as stated**	**134 712**	128 061
	Add: investment property reclassified as held for sale/ trading and development	**1 319**	729
		136 031	128 790
9.	**Intangible assets as stated**	**496**	597
	Reversal of additional goodwill raised on deferred taxation liability*	**(51)**	(59)
		445	538
10.	**Deferred taxation as stated**	**5 436**	4 283
	Reversal of additional deferred tax liability on intangible asset	**(51)**	(59)
		5 385	4 224

** In terms of IFRS 3 Business Combinations, goodwill was created as a result of the deferred tax liability that was raised on initial recognition of the intangible assets acquired in terms of the acquisitions of the property services businesses.*

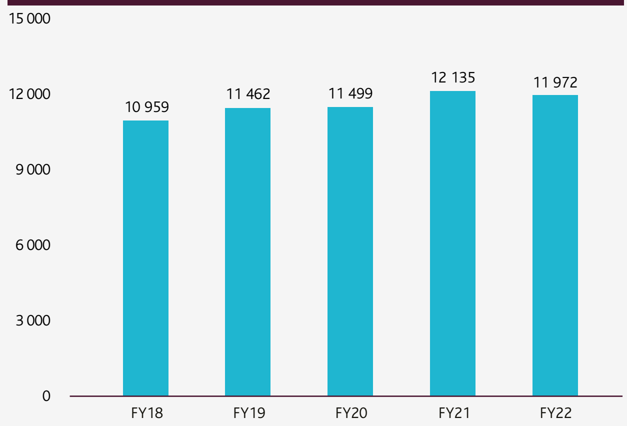
VALUE ADDED STATEMENT

	FY22 Rm	FY21 Rm	FY20 Rm	FY19 Rm	FY18 Rm
Turnover	**14 963**	14 707	12 935	12 313	11 817
Property and other operating expenses	**(3 043)**	(2 245)	(2 124)	(1 554)	(1 426)
Value added	**11 920**	12 462	10 811	10 759	10 391
Finance, investment income and other adjustments	**52**	(327)	688	703	568
Wealth created	**11 972**	12 135	11 499	11 462	10 959
Attributed to:					
Shareholders	**4 404**	4 068	4 495	6 430	6 108
Providers of debt	**3 479**	3 640	3 138	2 627	2 597
Government and regulatory bodies	**1 485**	1 810	1 447	1 042	1 176
Employees	**1 030**	852	707	643	623
Minority interest holders	**810**	748	729	720	455
Reinvested in the Group	**764**	1 017	983	–	–
Wealth allocation	**11 972**	12 135	11 499	11 462	10 959

FY22 (%)



Wealth created and allocated (Rm)



03 STREAMLINING AND OPTIMISING OUR SA PORTFOLIO

We are optimising and de-risking our portfolio and steadily scaling down our exposure to offices, growing industrial logistics warehousing, and keeping retail at current levels.

Contents

CEO: SA REVIEW

Despite the difficult macro-environment in South Africa, we continued to improve the quality and performance of this portfolio and refine it through the sale of non-core assets. This strategy plays a key role in achieving our objective and supporting our balance sheet. We successfully progressed this strategy with R2.1bn of asset sales for the year.

SIGNIFICANT REDUCTION IN TOTAL RENTAL DISCOUNTS GIVEN TO TENANTS

R17m

(FY21: R198m)

REDUCTION IN ARREARS

R195m

(FY21: R308m)

FY22 coincides with a torrid time in South Africa's history – a culmination of years of economic weakening, aftershocks from the pandemic and its lockdowns, riots and civil volatility, natural disasters, failing infrastructure and increasingly inadequate municipal delivery. Operating in this environment has been challenging.

Fortunately, our South African business is well diversified, with investments in the retail, office and industrial sectors, as well as a 50% shareholding in the V&A Waterfront. It also benefits from income streams from property trading and development as well as GIP, which co-invests and co-manages in niche real estate sectors such as South African healthcare property and student accommodation, and beyond our borders in income-producing properties in Africa. The management team performed well in South Africa and in line with our expectations.

In a good outcome for our business and the economy, the country not only avoided another local Covid-19 lockdown in late 2021, but experienced a more supportive environment with the removal of almost all pandemic-related restrictions in the second half of FY22. This reduced the need for Growthpoint to provide further tenant assistance, with a few exceptions in specific retail categories.

Income growth is a focus of our South African portfolio, and in-force lease escalations and renewal growth support this. However, in the current environment where costs are escalating while the rental line remains under pressure on new lets and negative renewal growth in all three sectors, margin squeeze is a reality. Increased incentive costs also add to the higher price of retaining and attracting tenants in a competitive environment.

Growthpoint remains committed to the critical area of tenant relations and we have worked hard to assess requirements, measure satisfaction and become more scientific at providing the products they require. Our dedication to excellent client service is an ongoing imperative. Growthpoint Properties' market positioning and brand strength have enabled us to successfully establish ourselves as leaders in our field with all stakeholders.

South African real estate sector context

Doing business in South Africa has become increasingly demanding for the property sector. To ensure the sustainability of our businesses, Growthpoint and other property companies have to provide infrastructure and services not previously within our scope of services. From providing energy, water and waste removal, to building a highway off-ramp in Woodmead, we have had to pick up the delivery of services that the different levels of state have failed to deliver.

These all come with additional costs and management. Some, however, are opportunities for our business. For example, the change in regulations as a result of South Africa's electricity crisis enables us to play a bigger role in providing green power to our properties through power purchase agreements (PPAs) from Independent Power Producers (IPPs). However, there is still regulatory clarity necessary in order to do this which has delayed our journey to carbon neutrality.

Poor municipal delivery coupled with runaway increases in the cost of rates and municipal services is an ongoing battle and concern. We invest heavily in municipalities and it is getting more difficult to deal with the challenges that their poor services pose.

Estienne de Klerk: CEO: SA

The country's electricity challenges are well known and water security is an emerging concern. Municipal water supplies have become increasingly intermittent, and, even when available, the water pressure is often insufficient to comply with the minimum standards for fire safety. Over the past decade, we have had to invest significant amounts to build water tanks and pumps at a growing number of our industrial and retail properties to ensure they have sufficient water pressure to douse a fire effectively, should one break out. We continued to roll out this process this year and regularly monitor water supply and pressure trends at all our buildings, prioritising interventions for those in our core portfolio that need them.

These challenges are not Growthpoint's alone, and we work with SA Inc. and the broader property industry to find solutions, represent interests and advocate for better practices. We are also working as hard as we can to not only reduce the impacts on our tenants and ourselves but exert pressure on the relevant municipalities to be reasonable about the rates and other administrative costs they charge.

We have become a point of reference for our industry and take this leadership role seriously by acting in conjunction with the wider industry and promoting the sector. We do this through representation on, and contributions to, industry bodies. Several of our talented and experienced team members hold leadership roles in industry organisations.

When the riots broke out in KwaZulu-Natal in July 2021, our staff managed the situation on the ground by literally putting their lives at risk, and for this reason, we were less effected than others. Yet while the physical damage, financial impacts and downtime of the riots and floods were immaterial for Growthpoint, they eroded confidence from a business and community perspective. As such, there is declining appetite and confidence to invest in areas where lawlessness and poor infrastructure management are present. These events have also undermined insurance cover security to some extent and driven up rates.

As we moved out of the pandemic environment, the commercial property sector experienced some recovery, albeit uneven. In the retail and industrial segments specifically, there are indications of improvement.

> *"There are three structural shifts that are most commonly talked about in the commercial property sector: online shopping, work-from-home and the rise of logistics."*

Online shopping and our retail portfolio

World Wide Worx's most recent Online Retail in South Africa 2021 report, as well as Stats SA data, reveal that the market share of online retail in South Africa grew to 2.8% in 2020. This includes the first nine months of the pandemic and the hardest months of lockdown when online retail was the only available purchasing channel in many cases. While it has grown, online retail has not materially impacted our shopping centres.

South Africa's online shopping story is about the growth of last-mile fulfilment, which has played out in favour of our retail properties. On-demand shopping from last-mile delivery platforms such as OneCart, Checkers Sixty60, Woolies Dash and others, especially food retailers, source their deliveries from our tenants physical stores, contributing positively to turnover in our malls.

Our retail team did well to introduce on-demand leader OneCart to our centres. Growthpoint acquired shares in OneCart in March 2020 to accelerate its growth and footprint. The investment was subsequently sold to Massmart for a profit of R45m.

The retail property sector recovered significantly during the year and we are seeing many retailers trading close to the pre-Covid-19 levels of 2019. As a result, their cost of occupation is moving in line with industry norms, which signals a positive turnaround for the sector.

While no new international retailers entered the market, our national retailers are strong and diversified and working hard to win market share. Value retail is performing well across categories, driving good performance from our retail portfolio.

Furthermore, we are seeing grocery retailers investing in store upgrades and this is being rewarded with increased customer spend and sales turnover.

Consumer spending will, however, remain under pressure in light of increasing interest rates, inflation and high unemployment, further stressing non-discretionary spending. In addition, with the pandemic and the July 2021 riots still fresh in retailers' minds, lease negotiations typically remain longer and harder than before. Banks are generally downsizing their retail spaces, thereby reducing the relevance of banking malls, and where they still feature in our portfolio, they will be converted to retail over time.

Work-from-home and our office portfolio

In the office portfolios of Growthpoint's international investments in Australia and CEE, which have more supportive economies, work-from-home is having little to no impact on office occupancy. This supports our belief that the increase in office vacancies in the South African market comes down to a weak domestic economy, expressed through a lack of business and investment confidence, with many companies reducing their office space. We acknowledge that the work-from-home trend is still playing out and contributing to market uncertainty.

Factors working against the return to office include high fuel prices and the increasing cost of living, while dynamics supporting it include the fact that corporate cultures and values cannot be adequately nurtured remotely. Load shedding is also bringing people back to the office and increasing the impetus of our alternative energy and green power roll-out.

At the time of writing this report, we were seeing many different strategies from businesses returning to offices and a three-day office work week trend is starting to emerge.

Even with hybrid working patterns set to stay, the pandemic-driven misconception that offices will become obsolete in South Africa is proving untrue. As proof of this, we concluded leases for a number of smaller companies that gave up their offices during the pandemic.

Indications are that many companies are likely to keep their offices but will change how they use the physical spaces, such as spreading out and creating more areas for collaboration, meetings and amenities. For tenants that do not already have strong office amenity offerings, Growthpoint is looking at ways to improve this.

Lease agreements are taking longer to finalise and Growthpoint's office portfolios in Durban and Cape Town have outperformed Johannesburg and Pretoria.

What the numbers do not accurately show is how this uncertainty is driving a positive level of tenant retention. Many of our office tenants are opting to stay in their current space while they wait for more clarity to support decisions about future space requirements, although some have downsized, skewing the numbers.

Tenants that are relocating want flexibility without set-up costs and we are certainly seeing a rise in demand for plug-and-play office space, both managed and unmanaged. Offices that accommodate flexibility are well placed in this market and decentralised offices located closer to traditional residential areas are also coming back into vogue.

The rise of logistics and our industrial portfolio

In the industrial property sector, the substantially reduced impacts of Covid-19 are helping tenants recover, leading to improved fundamentals. The industrial property sector has outperformed others, primarily due to its logistics segment, which is a critical component of South Africa's economy because we are increasingly importing goods. Logistics properties have maintained reasonably strong performance levels and are at the forefront of the property sector's recovery.

Growthpoint has also noted a trend of rotation into better located, newer and better designed industrial facilities. Such facilities are seeing strong demand and as there is little existing stock, most of this demand is being met by development.

The manufacturing sector of our economy, however, is under strain and properties serving industries such as construction are more exposed to difficulty. South Africa is now significantly impacted by global demand-supply and geopolitical factors, with the steel industry particularly vulnerable. The possible impacts of the Russia-Ukraine war on this local sector will only become more apparent in time.

Growing assets under management and Growthpoint Investment Partners

Our co-investment and co-management business flourished this year, marked by its new name, the launch of its third themed investment and several senior appointments. Growthpoint Investment Partners has established itself as an attractive investment destination for those looking for quality bespoke unlisted investments.

Our hypothesis has been proven in this very scalable business with investments in niche areas of the South African property industry driven by value and investment capital availability. We are actively seeking to grow in tandem with institutional unlisted investor demand.

The healthcare and student accommodation sectors are performing well.

Portfolio optimisation and earning fees with trading and development

The different parts of our business offer strong synergies for the growth of our co-investment strategy and assets under management. By extending our services, we have also broadened our income streams. For instance, our relatively new trading and development division not only helps us provide a full service to Growthpoint's clients and adds value for our investors, but is also playing an increasing role in growing the assets for Growthpoint Investment Partners. This year, it commenced two purpose-built student accommodation developments for Growthpoint Student REIT.

The purpose of this division, however, is primarily to service Growthpoint's portfolio optimisation with purpose-built new developments and portfolio-improving projects.

From a risk perspective, we have prudently reduced our exposure to development activity through this period, with a conservative but profitable approach.

Any growth by development of our assets on balance sheet is demand driven or, at the very least, significantly pre-let or pre-sold. This year, the developments we undertook in this regard were exclusively in the industrial sector, with the development for Beckman Coulter being a noteworthy example.

However, our real focus this year was on improving the relevance and quality of the assets we own by updating those properties that have the potential for good performances over the long term so that they can compete well in their markets.

We undertook several such projects during the year in all three sectors, but mainly in the office sector including Altron Woodmead, AECI and the building where our own head office is located, 1 Sandton Drive. Our trading and development teams actively integrate with our asset management teams to support the upgrade processes.

The other facet of this business is trading and development, and we have done well in this profitable area, although its complexities make it very sensitive to delays. This year, the division secured income from the transfer of its development of Cintocare Hospital and the NTT Johannesburg 1 Data Centre.

The return of tourism

The V&A Waterfront has, in the past, been protected from the general South African macro-economic environment because international tourism drives its performance. Global tourism was virtually absent from the start of Covid-19, but returned in 2022, driving a rapid and better-than-expected rebound for the V&A. This has been a highlight of FY22.

Deepening our positive ESG impacts

We action our ESG commitments through our South African business while aspiring to international best practices. There is an increasing awareness and commitment to improving and looking for opportunities to drive ESG. This is backed by deeper integration of our ESG strategy into the business.

A key component of our strategy is our 20:20:20:2 targets that aim to achieve 20 net-zero buildings, 20MW of solar energy, R20m worth of green leases recoveries for Growthpoint and two commercially implemented Greenovate Awards ideas.

Solar projects and green building certifications are the main tools to reach our greenhouse gas emissions reduction goals, and Growthpoint started investing in green buildings and solar energy more than a decade ago. In the acceleration of our journey to carbon neutrality by 2050 and de-risking our portfolio against energy insecurity, Growthpoint has already installed 13.5MWp, including co-owned investments, of renewable energy generation capacity at our properties and has plans to grow this to 27.1MWp, including co-owned investments, in FY23. As a result, we have replaced 1.86% of our fossil-fuelled energy consumption with energy from renewable sources. Growthpoint currently produces 12 837MWh of solar power which results in the decrease of 13 607 tonnes of carbon emissions released into the atmosphere.

The development of small businesses is another big focus area. This year we formalised an enterprise development programme for SMMEs that assists us in developing small businesses in the communities where Growthpoint has invested in retail assets. This is being done in conjunction with Property Point and emphasises localisation, which helps us to support the communities that support our assets and build trust and affinity. Our local economic development policy was approved by the Board this year.

Transformation is part of our ESG prerogative and a key imperative in every part of our business. Growthpoint is certified as a level 1 B-BBEE company. We are systematically working to improve within each category.

Looking to the future

Even though we are operating in a volatile world, Growthpoint is approaching FY23 optimistically. Slowly but surely, we expect to see improvement in our operating environment. In fact, there is already some improvement in our retail and industrial portfolios. The main uncertainties set to influence our performance in the year ahead, include the domestic macro-economic environment, load shedding, rising interest rates and domestic political volatility.

From a South African real estate perspective, we are cautiously optimistic that we will be able to deliver somewhat improved results. We need improved demand metrics to support the sector and our portfolio, and are seeing small examples of incremental increases in demand for space, which we hope will improve during the year ahead.

We will focus on our strategy as planned, with key areas remaining the optimisation of the portfolio, amplification of client service, enhancement of tenant retention, the securing of better power purchase arrangements and generation of returns from the growth of Growthpoint Investment Partners.

We are optimising and de-risking our portfolio, steadily scaling down our exposure to offices, growing industrial logistics and warehousing, and keeping retail at current levels.

There is an integral link between the economy and how businesses perform, and thus how our portfolio performs. This is true of the national economy, but also provincial, regional, metropolitan and local economies. We need to operate within the economies that are attracting the interest and investment of business, which is an important consideration as we modify our portfolio balance. For Growthpoint, this means a rebalance of exposure away from inland Gauteng and towards the coastal regions, specifically Cape Town and, even though it is a smaller market, the Durban area. We still favour investment in the metropolitan areas. Furthermore, we will seek to improve the quality of assets across all sectors.

Our digital strategy will improve client centricity and efficiency with better processes and systems in the business, while our key initiatives relating to ESG and transformation will continue to enjoy our dedicated focus.

RISKS AND OPPORTUNITIES

South Africa (SA)

Risks	Mitigation	Opportunities
• Weak macro-economic fundamentals	• Diversify geographical contribution to distributable income with international expansion	• "Capital-light" investments and expansion of Growthpoint Investment Partners • Local debt capital markets including green and sustainability bonds • Custom-designed assets to retain and attract quality clients • Providing more flexible rental solutions • Improve environmental sustainability performance • Property developments for Growthpoint Investment Partners.
• Rising interest rates and inflation	• Policy to hedge a minimum of 75% of interest rate exposure	
• Deteriorating infrastructure and service delivery	• Properties are situated in predominantly metropolitan nodes. Nonetheless, initiatives such as generators, solar power, boreholes, water tanks, etc. have been introduced to properties where necessary	
• Downward pressure on rentals and negative rental reversions • Administered costs escalating at rates in excess of inflation	• The introduction of new revenue streams by identifying, creating and growing co-investment and co-management opportunities	
• Defensive nature and size of portfolio limits the extent to outperform.	• The optimisation and streamlining of the portfolio and the introduction of new revenue streams.	

Our ESG position statement:

With integrity, ethics and our values guiding our governance, we aim to provide space to thrive in environmentally sustainable buildings, while improving the social and material well-being of individuals and communities.

Value proposition

- Corporate responsibility
- Future proof assets and tenant benefit
- Value beyond compliance
- Investor requirements
- Legal compliance
- Risk management

Environmental

All buildings within direct control of the organisation to operate at net zero carbon by 2030 and all buildings by 2050.

- Energy **efficiency** and green building **certification**
- **Water** efficiency

Social

Labour

Endeavour to create a positive work experience for each of our employees while protecting the interests of the organisation and ensuring that it meets its objectives.

Community

Driving sustainable impact for the communities in which we operate. Our core-focus areas have been supporting education initiatives, entrepreneurship development and staff engagement.

- Employee **training and development**
- Employee **health and safety**
- Meeting **B-BBEE** requirements
- **Property Point enterprise** and supplier development programmes
- **Early childhood development** Training early childhood caregivers and practitioners

Governance

To give all stakeholders confidence that Growthpoint is a well-governed and well-conducted business.

- Appropriate **skills and experience** on the Board
- **Succession plan** in line with updated structure
- **Create awareness** throughout Growthpoint

- 20:20:20:2 targets
- Renewable energy investment
- Waste: Zero organic waste to landfill
- Feasibility of waste management study
- Energy investment feasibility study
- Carbon neutral pathway

- Good indoor environmental quality
- Biodiversity: a focus in the next two years
- Green building guidelines for Growthpoint and property sector.

Impact

- **Reduced greenhouse gas (GHG) emissions**
- **Utility efficiencies**
- **Cost savings**
- **Asset future proofing**
- **Tenant lower cost of rental**
- **Reduced impact on natural resources.**

Labour

- Employment equity targets for the next three years
- Pay a living wage
- Review of benefits for contractors versus full-time employees
- Diversity and inclusion committee
- Review of staff fit for the corporate strategy
- Focus on succession planning
- Policy review and development
- Conducting employee engagement surveys
- Accentuated wellness report to drive strategy for EAP offering
- Improved wellness offering especially emotional wellness
- Prioritise mental wellness and enable managers to have a deeper understanding of these issues.

Impact

- **Benefits of continual staff learning**
- **Business sustainability**
- **Employer of preference**
- **Employee wellbeing**
- **A safe work environment for employees**
- **Minimise health and injury-related risk within the workplace**
- **Talent management**
- **Meet employment equity objectives**

Community

Education

Inclusion of technology in projects and proposals.

Early childhood development (ECD)

- Training early childhood caregivers and practitioners.

Primary

- GEMS – Providing financial support for educating the children of low income earning staff at Growthpoint
- Growsmart – Maths and literacy programme for schools in underprivileged areas
- Introducing virtual access to the programme.

Tertiary

- Bursaries
- GEMS.

Skills development

- Graduate programme
- External learnerships (disability and work readiness focus).

Enterprise and supplier development

- Collaboration within the property industry
- To the Point sessions
- Local economic development.

Pertinent societal issues

- Staff engagement projects
- Gender-based violence
- Assisting vulnerable groups
- Urgent disaster relief challenges.

Impact

- **Providing support to parents to enable them to assist their children with online learning**
- **Address inequality and inequity**
- **Development of sustainable small businesses**
- **Diversifying our supply chain**
- **Stimulating job creation**
- **Address skills shortage**
- **Enhanced local community engagement**
- **Provides a safe place for vulnerable groups to seek help from domestic abuse**
- **Provided disaster relief during KZN floods.**

- Integrated thinking approach to governance
- Compliance with King IV
- JSE Listings Requirements
- Annual review of the Board charter and each committee's terms of reference
- Disclose Board responsibilities and accountability
- Board independence assessment
- Board rejuvenation
- Limited number of boards the non-executives can serve on

- Optimal meeting attendance
- Updated social and ethics committee terms of reference now includes ESG
- Increased focus on cyber and information security
- Review of structure and skills to implement strategy
- Regular review and development of policies
- Revised ethics strategy
- Establishment of a formal ethics committee

Impact

- **Provide assurance to stakeholders that Growthpoint is a responsible company with sound leadership**
- **Adhering to regulatory compliance.**

Growthpoint has achieved a B-BBEE level 1 rating. We are currently anticipating changes to the property sector charter and, as a result, will be doing a transformation strategy refresh at that point in time.

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Ownership						
B-BBEE ownership	• Broad-based black economic empowerment (B-BBEE) deal with 10% of Growthpoint shares	June 2018	No B-BBEE deals were concluded. We have 48.4% exercisable voting rights in the hands of black people and 27.2% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have increased ownership with 50.3% black exercisable voting rights in the hands of black people and 27.9% economic interest of black people in Growthpoint	No B-BBEE deals were concluded. We have a slight decline in ownership with 29.0% voting rights in the hands of black people and 17.5% economic interests of black people in Growthpoint	No B-BBEE deals were concluded. We have, however, achieved 33.8% voting rights in the hands of black people and 21.1% economic interests of black people in Growthpoint
Structure net equity value	• Realise a minimum of 40% of the annual targets	June 2020	27.2%	27.9%	19.3%	20.6%
Disposal of assets to black-owned entities	• 35% disposal to: – 50% black-owned entities over a five-year period – A minimum of 20% of the 35% must be achieved in each year	June 2018	Not achieved during this period. There has been no disposal to >50% black-owned entities	10.5% through the sale of the old Exxaro building to a 100% black-owned entity	Not achieved during the period. There has been no disposal to >50% black-owned entities	Not achieved during the period. There has been no disposal to >50% black-owned entities

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Management control						
Diversify the Growthpoint Properties Board	• 40% black Board members • At least 25% black female appointees	June 2019	50.0% black Board members 21.4% black female Board members	46.1% black Board members 23.1% black female Board members	42.9% black Board members 14.3% black female Board members	45.0% black Board members 21.0% black female Board members
Diversify Executive Directors	• 25% black Executive Directors	June 2019	25.0% black Executive Directors	25.0% black Executive Directors	25.0% black Executive Directors	25.0% black Executive Directors
Diversify Executive management	• 27% black Executive management with at least 50% being black female	June 2019	25.0% black Executive management 10.0% black female executives	21.4% black Executive management 10.0% black female executives	25.0% black Executive management 10.0% black female executives	25.0% black Executive management 10.0% black female executives

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Employment equity						
Diversify senior management	• Increase black senior management from 15% to 28%	June 2020	23.0%	20.8%	21.5%	31.6%
Diversify middle management	• Increase black middle management from 32% to 45%	June 2020	40.8%	48.8%	46.9%	66.5%
Diversify junior management	• Increase black junior management from 69% to 77%	June 2020	51.7%	60.1%	70.2%	85.7%

Objectives	Target set	Timeline targets	FY22	FY21	FY20	FY19
Skills development						
Alignment of skills programmes with business needs	• 80% of training offerings within category B, C, D of the skills matrix	June 2018	49.5%	49.0%	47.0%	Achieved
Training plan aligned to succession plan	• 5% of leviable amount spent on black people (targets based on employee assistance programme (EAP) stats)	June 2018	3.2%	3.0%	3.1%	Achieved
Implement a disability learnership programme	• 0.3% of leviable amount is spent on disabled people	June 2018	0.5%	0.3%	0.5%	Achieved

Objectives	Target set	Timeline targets	**FY22**	FY21	FY20	FY19
Preferential procurement						
Segmentation of procurement spend*	• 40% procurement spent with companies who are at least 51% black-owned	Ongoing	36.2%	46.3%	37.8%	22.6%
	• 100% of all suppliers must be B-BBEE rated with 80% of suppliers on a minimum of a level 4	Ongoing	99.0% with 87.2% of suppliers on a minimum of level 3	88% with 58% of suppliers on a minimum of level 4	66.7% with 45.4% of suppliers on a minimum of level 4	48.5%
	• 12% procurement spend on companies who are at least 30% black women-owned	Ongoing	21.7%	32.9%	11.9%	10.3%
Continued support and funding of Property Point	• 1% net profit after tax (NPAT) towards enterprise development	Ongoing	1.1%	2.3%	1.8%	5.6%
	• 2% NPAT towards supplier development	Ongoing	2.2%	3.8%	3.8%	11.5%

Objectives	Target set	Timeline targets	**FY22**	FY21	FY20	FY19
Socio-economic development						
Annual value of all SED contributions of Growthpoint	• 1% NPAT towards beneficiaries that are black**	Ongoing	2.6%	1.2%	4.7%	9.6%

* *Changes in legislation on the Property Sector Charter in the financial year 2022 audit were based on levels 1 – 3.*
** *Black refers to African, Coloured and Indian of South African origin.*

SA EXECUTIVE MANAGEMENT

Estienne de Klerk* (53)
CEO: SA
BCom (Industrial Psychology), BCom (Hons) (Marketing), BCom (Hons) (Accounting), CA(SA)
Joined Exco: 2017
Skills and expertise: Financial, general management and property
Professional membership: SAICA, PPRA (Master Practitioner in Real Estate)

Olive Chauke* (51)
HR Director
BSoc, Advanced Programme in Management
Joined Exco: 2017
Skills and expertise: Strategic and operational, regional, Africa and international human resources experience, practical experience in transformation
Professional membership: Master Practitioner South African Board of People Practices

Engelbert Binedell (51)
COO: SA
BA(Ed), MBL
Joined Exco: 2018
Skills and expertise: Listed property. Skilled in all aspects of property management, asset management and property development
Professional membership: PPRA

Paul Kollenberg (60)
Head of Asset Management: Office
B Architecture, MBA
Joined Exco: 2018
Skills and expertise: Property industry, encompassing property management, asset management, property development, sales and acquisitions
Professional membership: PPRA

Nadine Briers (51)
Head of Marketing and Communication
Joined Exco: 2017
Skills and expertise: Marketing and communication experience in developing and driving internal and external communications strategies, managing diverse and exceptionally creative teams and handling communication situations. Public relations, media management, brand direction, change/project management, multi-media marketing, corporate identity management and sponsorship management

Francois Schindehütte (57)
CFO: SA
BCompt (Hons), CA(SA)
Joined Exco: 2018
Skills and expertise: More than 30 years' experience in executive financial management including over 10 years' experience as the CFO of JSE-listed companies. Experience gained in media, banking and ICT sectors and has been in the real estate sector for the last eight years
Professional membership: SAICA

Neil Schloss (51)
Head of Asset Management: Retail
BSc Town and Regional Planning
Joined Exco: 2018
Skills and expertise: 28 years' experience in the property industry with 25 years in retail property dealing with property developments, extensions, asset management, acquisitions and disposals, and disposals and due diligence
Professional membership: Director of SACSC

Linda Sigaba (45)
Healthcare Fund Manager
MD (USA), PGD MP, MBA
Joined Exco: 2019
Skills and expertise: Private equity, management consulting, large infrastructure development projects and fund management

Errol Taylor (61)
Head of Asset Management: Industrial
National Diploma Building Surveying, National Diploma Property Development and Management
Joined Exco: 2018
Skills and expertise: Property management and asset management involving the retail and industrial sectors in South Africa
Professional membership: PPRA

Shawn Theunissen (43)
Head of Corporate Social Responsibility
BCom (Industrial Psychology), Masters Programme in People Centric Innovation, Harvard Business School Senior Executive Programme
Joined Exco: 2017
Skills and expertise: Strategy, socio-economic development, transformation and governance
Professional membership: Institute of Directors of South Africa

By invitation

Alec Davis (57)
Chief Information Officer
BCompt (Hons), CTA, CA(SA)
Joined Exco: 2019
Skills and expertise: Financial and Information Technology skills relating to the property industry
Professional membership: SAICA

David Stoll (63)
Regional Head: Cape Town
BA (Acc and Economics), CA (Scot), CA(SA)
Joined Exco: 2017
Skills and expertise: Listed property sector, primarily in financial, property and general management
Professional membership: SAICA, Institute of Chartered Accountants of Scotland (ICAS), SACSC, PPRA

Greg Worst (48)
Regional Head: KZN
BCompt
Joined Exco: 2019
Skills and expertise: Property management
Professional membership: PPRA

* *Executive Directors.*

TREASURY MANAGEMENT

This report pertains to the treasury function managed in South Africa.

Capital flows

Growthpoint continued to solidify its liquidity position in FY22 by disposing of properties valued at more than R2bn. Growthpoint made an additional investment in C&R of R480m, R11.3m in Lango and invested R240m in the newly established Growthpoint Student REIT. In addition, R869.2m was used on capital expenditure and R281.4m on developments. The bulk of the development expenditure relates to Growthpoint Investment Partners. The debt balance increased from R37.8bn in FY21 to R39.2bn in FY22, mainly due to the additional loans in respect of the initiatives of Growthpoint Investment Partners.

Liquidity position

Growthpoint had R10.3bn of unutilised committed facilities at year end and a surplus cash balance of R1.5bn. The facilities are intentionally high in anticipation of repaying the USD425m bond (R6.9bn) in May 2023 and include specific Euro-denominated facilities of EUR260m (R4.4bn) for this purpose. The undrawn facilities are spread across several financiers for different terms. At year end, loans due in the next 12 months amounted to R8.6bn, including the USD bond. The unutilised committed facilities are across five different banks with a weighted average maturity of 2.1 years.

Interest-bearing liabilities

	FY22 Rm	% of total debt	FY21 Rm	% of total debt
South Africa				
Secured debt	**17 811**	**45.5**	16 255	43.0
Bank debt	**14 275**	**36.4**	13 702	36.2
Institutional financiers	**3 536**	**9.0**	2 553	6.7
Unsecured debt	**21 370**	**54.5**	21 581	57.0
Bank debt/ institutional financiers	**2 842**	**7.3**	2 941	7.8
Corporate bonds	**11 589**	**29.6**	12 569	33.2
Eurobonds	**6 939**	**17.7**	6 071	16.0
Total South African debt	**39 180**	**100.0**	37 836	100.0
Accrued interest	**280**		257	
Fair value on debt	**155**		398	
Australia and UK				
Secured debt				
Bank debt and loan note	**23 242**		23 456	
Consolidated debt	**62 857**		61 947	

We were very pleased with the demand for our bonds in the SA debt capital markets. We placed a bond in June 2022 via a public auction, to re-finance a bond that matured in March 2022. Growthpoint raised R250m at 128 basis points over the Johannesburg Interbank Average Rate (JIBAR) for three years and R550m at 155 basis points over JIBAR for five years. The book was 4.8 times over-subscribed. Given the supply and demand dynamics in the domestic capital markets and the quality of our credit rating, we obtained a contraction in the margins from the public auction the year before of 27 basis points in the three-year term and 44 basis points in the five-year term. Just over 20% of the bids were submitted by the banks.

On a net basis, Growthpoint redeemed more than R1bn in the domestic debt capital market during FY22. In our view, there will continue to be strong demand for corporate paper, especially for higher quality credit names.

The USD425m Eurobond has a May 2023 maturity date and management continues to consider various options in respect of its redemption and has taken measures to ensure that sufficient liquidity is available resulting in elevated levels of liquidity for the period under review.

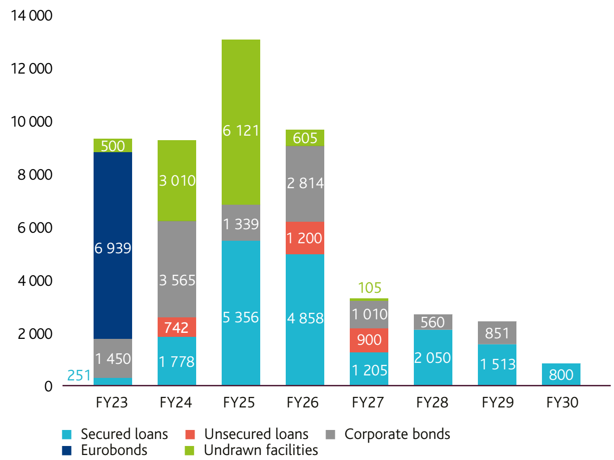
The banks are very supportive and we have re-financed or extended the maturity dates of bank term facilities of R5.2bn that had an original maturity date prior to 30 June 2023. The facilities were re-financed at similar or slightly higher margins. Debt for an amount of R2.2bn was redeemed and an amount of R2.4bn of new debt was entered into.

Other than the newly issued bonds of R800m, the new facilities relate to the strategy in respect of Growthpoint Investment Partners, where USD60m was in respect of an exchangeable loan from the IFC, where the IFC has the option to convert the loan to Growthpoint into equity in GHPH. Growthpoint will advance this funding over time to GHPH for the acquisition and development of qualifying healthcare assets. The balance of the new funding was utilised for the newly established GSAH, where R550m was used for the purchase of the initial properties and R107m was used for a new student residential property under development.

We have obtained a social loan from Standard Bank for GSAH for R550m. As the funding is being used for essential accommodation in the education sector and takes into account the number of students supported by the National Student Financial Aid Scheme (NSFAS), we believe that this will support a sustainable funding model for the relatively young purpose-built student accommodation sector.

All activities mentioned above have resulted in a weighted average term of the debt of 2.9 years compared to 3.1 years for the prior period.

FY22 debt expiry profile – SA (Rm)



Of the total outstanding liabilities at 30 June 2022, 54.5% were unsecured. The majority of the unutilised facilities are secured facilities, so should these facilities be utilised, this percentage will decrease.

The ratio of secured loans to total property value for the South African operations was 26.1% at 30 June 2022. The unencumbered direct property pool at year end amounted to R25.9bn and our shares in V&A, GOZ, GWI, C&R and Lango are all unencumbered. The equity listed investments plus the market value of the shareholdings in GOZ and C&R total R34.2bn.

Foreign-exchange-denominated liabilities

Our policy is not using hard-currency-denominated debt to fund the ZAR-denominated South African operations. We only use hard-currency-denominated debt to fund hard-currency-denominated investments. We view cross-currency interest rate swaps as synthetic foreign-denominated debt and they are used to fund foreign investments because, from a pricing perspective, they are typically more efficient than vanilla loans.

An exception to the above principle is the IFC loan, where we borrowed US Dollars and swapped them to ZAR to be used over time for the acquisition and development of qualifying healthcare assets. These funds are intended to be a path to equity in GHPH.

The metrics related to our foreign-denominated investments and debt are set out in the following table:

Balance sheet hedge table

	Currency	Assets at NAV in millions	Cost in millions	Market value in millions	FX debt in millions	CCIRS in millions	FX debt + CCIRS in ZAR millions	Debt as a % of assets at NAV FX LTV
GOZ	AUD	**$2 240**	**$1 087**	**$1 637**	**–**	**$970**	**R10 904**	**43**
GWI	EUR	**€513**	**€543**	**€350**	**–**	**€326**	**R5 567**	**64**
C&R	GBP	**£140**	**£179**	**£56**	**–**	**–**	**–**	**–**
Lango	USD	**$53**	**$51**	**Unlisted**	**$30**	**$14**	**R721**	**83**

The "Debt as a % of assets at NAV" is a reflection of the LTV calculated as foreign-denominated liabilities over foreign-denominated assets at NAV and is within acceptable levels. These metrics are monitored by the Risk Management Committee on a quarterly basis.

Cost of funding

The weighted average cost of funding as per the SA REIT best practice recommendations is set out in the following table:

SA REIT BPR – cost of debt

Basis	ZAR Quarterly %	AUD Semi-annually %	EUR Semi-annually %	USD Semi-annually %
Floating reference rate plus weighted average margin	**6.3**	**–**	**–**	**3.3**
Weighted average fixed rate	**9.9**	**–**	**–**	**5.9**
Pre-adjusted weighted average cost of debt	**6.4**	**–**	**–**	**5.5**
Adjustments:				
Impact of interest rate derivatives	**1.4**	**–**	**0.7**	**–**
Impact of cross-currency interest rate swaps	**0.3**	**3.5**	**3.1**	**(0.5)**
Amortised transaction costs imputed into the effective interest rate	**–**	**–**	**–**	**0.2**
All-in weighted average cost of debt	**8.1**	**3.5**	**3.8**	**5.2**

Growthpoint's weighted average cost of SA-denominated debt has increased from 7.8% at 30 June 2021 to 8.1% at 30 June 2022. This is mainly due to floating interest rates increasing during the year under review.

Credit ratings and covenants

Fitch Ratings assigned a global scale credit rating of BB+ to Growthpoint, with a stable outlook. This credit rating is two notches above the South African sovereign rating of BB-, due to Growthpoint's significant and stable foreign currency earnings, which comfortably cover the projected foreign currency interest obligations. Growthpoint's national scale rating was assigned by Fitch at AAA.za as a result of the rating being higher than the sovereign rating.

Moody's global scale credit rating for Growthpoint is Ba2, with a national scale rating at Aa1.za. In line with the outlook for the South African sovereign rating, the outlook was changed to stable. Moody's does not consider our international exposure to be sufficient to warrant a delinking from the sovereign rating.

Growthpoint's strictest corporate loan covenants are set out in the following table.

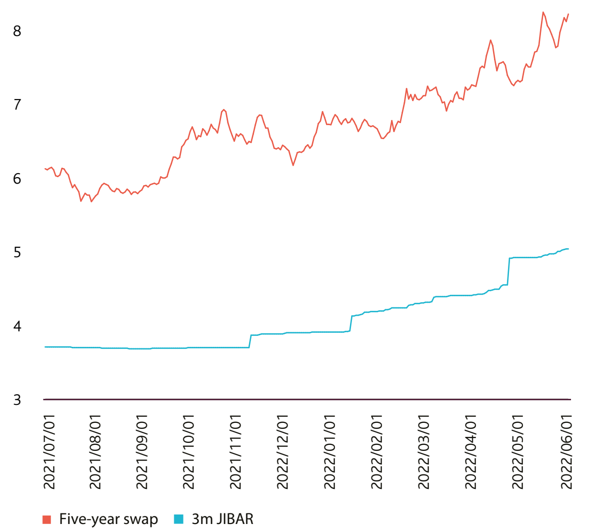
Covenants	Limit	FY22 including GOZ and C&R	FY22 excluding GOZ and C&R	FY21 including GOZ and C&R	FY21 excluding GOZ and C&R
Loan-to-value ratio (SA REIT)	≤55%	37.9%	32.0%	40.0%	35.1%
Interest-cover ratio (operating profit plus investment income/ net interest expense)	≥2.0x	3.1x	3.4x	2.9x	3.2x

Interest rate risk management

Swap rates have consistently stayed above the three-month JIBAR rates as short-term interest rates are expected to increase.

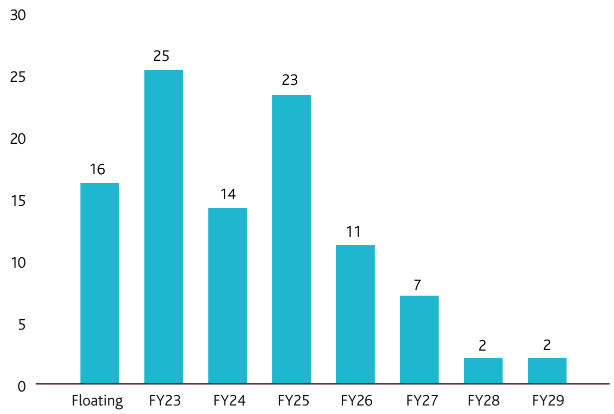
Given our substantial borrowings, our earnings are exposed to interest rate changes. Higher global inflation expectations, exacerbated by the energy crisis brought about by the Ukraine-Russia war, have been the main cause of interest rate increases. During the year under review, the prime interest rate increased by 1.25% and three-month JIBAR saw a similar increase. It is expected that these floating interest rates will continue to increase in the short term.

FY22 five-year swap and 3m JIBAR



We have a policy of hedging at least 75% of our borrowings at a fixed interest rate to reduce volatility in earnings and at 30 June 2022, 83.9% of borrowings were hedged at a fixed interest rate. This assisted with our weighted average cost of funding not increasing at a similar rate to prime. Should interest rates increase by 1% for a full year, we would pay additional interest of R63m per year, which translates to 1.8c in distributable income per share. When swap rates were lower, we took advantage and extended a number of existing swaps. We therefore believe that we are well positioned for further interest rate increases.

SA fixed interest expiry profile (%)

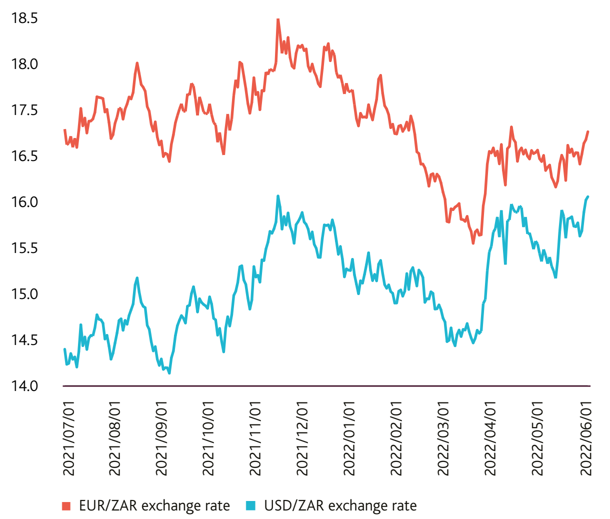


The weighted average term of the fixed interest rate profile for the ZAR exposure is 2.9 years, compared to 3.1 years in FY21.

Exchange rate risk management

The ZAR is one of the most volatile currencies in the world. During the year under review, the ZAR weakened significantly to the USD. Given the monetary policy actions taken by the Fed in the US, the USD appreciated to most currencies. The EUR also weakened to the USD and is moving towards parity.

FY22 USD/ZAR exchange rate



From a balance sheet point of view, some of the foreign-denominated investments are hedged via foreign-denominated liabilities, either in the form of direct foreign-denominated debt or via cross-currency interest rate swaps. Therefore, our balance sheet is immunised from foreign exchange movements, to the extent that the investments are hedged.

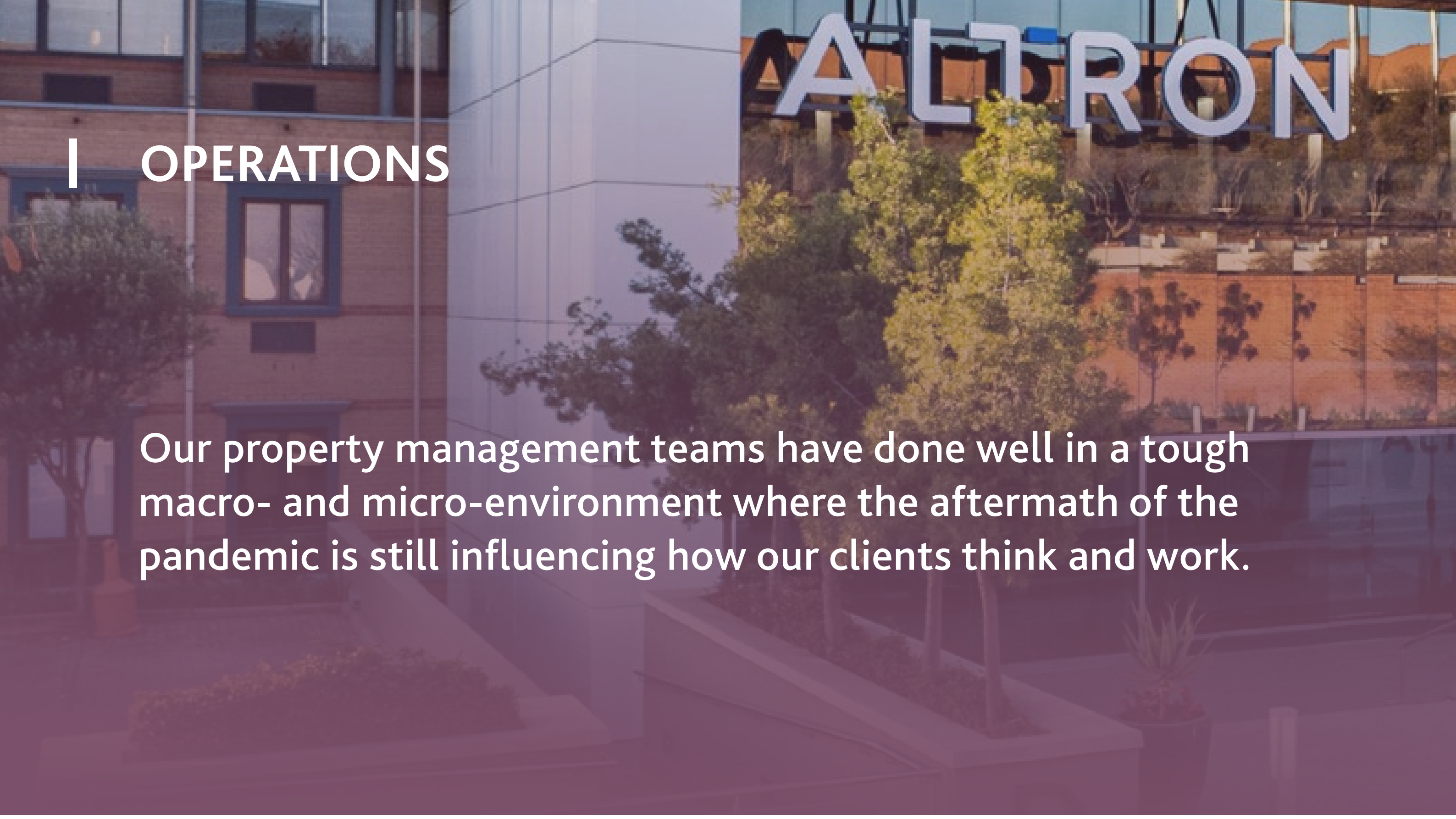
We have no GBP obligations in respect of debt or cross-currency interest rate swaps for our investment in C&R.

As the dividends from the foreign investments are earned in foreign currency, our earnings are subject to exchange rate movements. We mitigate this foreign exchange rate risk by matching the interest expense in the same currency as the dividend receipt and by fixing the outstanding portion of the receipts via forward exchange contracts (FECs).

FY23 Forex (FX) dividend hedge table

	Currency	% of dividends to be used for servicing FX interest	% of dividends hedged to ZAR via FECs	% FY23 dividends hedged	Weighted average FX rate on FECs	Impact of ZAR1 change in FX rate on DIPS (in cents)
GOZ	AUD	18	26	44	12.04	1.5
GWI	EUR	69	n/a	69	n/a	0.2
C&R	GBP	n/a	n/a	n/a	n/a	n/a
Lango	USD	69	n/a	69	n/a	–

The table is based on the expected dividends from the foreign-denominated investments in FY23. We monitor the extent to which the expected dividends are able to cover the foreign-denominated interest obligations.



OPERATIONS

Our property management teams have done well in a tough macro- and micro-environment where the aftermath of the pandemic is still influencing how our clients think and work.

We are retaining and attracting tenants, but this is coming at the cost of rental growth, lease length reductions and lower annual escalations. Fortunately, some of our key performance indicators, such as successful lease renewals, have finally started to strengthen, but there is definitely room for further improvement.

It is not easy to do business in the current environment. Our clients' requirements have become more complex and negotiating these often in virtual meetings is far from optimal. We have redoubled our efforts to understand our clients and tailor our approaches to leasing and renewals accordingly. Our suite of offerings now support our leasing and renewal efforts, and these include UNdeposit, SmartMove, SmartStay, SmartFlex, SmartRefer and #BringUs.

Client relationships are crucial for our business and we continue to foster these partnerships. Growthpoint has taken the opportunity presented by the current market conditions to improve all touchpoints with our clients' and their stakeholders' journey with us.

We surveyed our clients about their experience with Growthpoint, taking a targeted approach in the different sectors. The feedback was positive and very helpful in guiding our future efforts to achieve excellence in customer centricity. Areas identified that require further work are a key focus of the team.

Brokers work hard to create shared value and make a positive contribution to our business. We continue to nurture relationships and build affinity with the broking community. Growthpoint values our relationships with brokers. We respect them and reward them.

Collective action benefits the entire property sector and beyond. Growthpoint participates in the leadership and initiatives of organisations such as SAPOA, GBCSA, SCCSA, SA REIT and other appropriate property industry groups. We are active members of many city improvement districts (CIDs), where we collaborate with other appropriate property owners to manage, maintain and improve the urban fabric.

> *The operational teams are well aligned with Growthpoint's ESG strategy. We are well positioned to continue to deliver on our long-term ESG objectives.*

Our focus is to ensure that our ESG strategy is applied throughout the business and that its objectives remain constant with overarching goals for all.

We remain committed to our published environmental targets. These targets are ambitious and their delivery has been disrupted by external constraints, resulting in a pause in capital expenditure because of pandemic uncertainty. However, they remain in place. This year, Growthpoint has accelerated its investment in renewable energy and water security, and is working hard to make up for time lost due to the constraints created by the pandemic.

Recently relaxed regulations in South Africa around alternative power supply support our solar projects and benefit our business and its tenants. We have bolstered our sustainability and utilities teams as this is a key focus area, where Growthpoint is well recognised as an industry leader.

Utilities management has become a science and the complexity of handling the many different municipal suppliers, their different tariffs and responsible recovery is an incredibly demanding but essential task. Rampant electricity tariff increases pose a net rental erosion risk. Our environmental dashboard verifies our utilities performance and provides accurate and auditable information.

In line with new regulations, certain buildings, notably office buildings over 2 000m², have to obtain and prominently display Energy Performance Certificates (EPCs) by December 2022. We welcome this move and believe our buildings will perform well. We have, however, identified a potential bottleneck in the market: there are only a few official certifiers and everyone in our industry is seeking their services simultaneously. Still, we remain committed to meeting the deadline.

The successful sale of R2.1bn worth of non-core assets this year on a property-by-property basis kept our legal and compliance team very busy. In an ever-changing legislative environment and in accommodating flexibility for our tenants, our legal and compliance teams seek to minimise risk to the business.

The new Property Practitioners Act came into effect this year. South Africa's Protection of Personal Information Act (POPIA) came into effect on 1 July 2021. After much preparation involving several teams and our service providers, all the applicable practices were put in place. We have commissioned an external audit to verify our POPIA compliance and are awaiting the results.

> *Growthpoint has completed the first implementation phase of our new property and financial management system, which provides us with an excellent technological operational infrastructure. We will continue to improve this with future upgrade phases of the system.*

Cybersecurity remains an immense concern and our IT division continuously mitigates risks in conjunction with specialist partners. Staff training and our policies and procedures support the mitigation of this risk.

We have on-site health and safety officers at our properties and hold quarterly meetings dedicated to protecting the wellbeing of our staff as well as our tenants and their clients. Our health and safety protocols proved valuable and guided our actions during the July 2021 unrest. This year's challenges have been tough for our entire team, especially our KwaZulu-Natal team, who had to deal with the consequences of both the riots and the recent floods in the province.

Using our local economic development (LED) policy and working with Property Point, we are increasing procurement from community-based suppliers and helping them to become partners in our property operations. We have also bolstered the capacity of our procurement team to support the audit and verification of these functions. We are reviewing our procurement processes to further incorporate ESG targets.

Facilities management is responsible for various initiatives that enhance the performance of our assets. The facilities management team achieves this by delivering maintenance solutions, value-added client experiences and quality facilities for the whole lifecycle of each asset, guided by best practices and legislation and tenant requirements. New technology continues to change the built environment and our teams are harnessing the value that this technology brings.

ASSET MANAGEMENT

Overview of SA property portfolio

	Retail		Office		Industrial	
	2022	2021	**2022**	2021	**2022**	2021
Asset value (Rm)	**24 573**	24 915	**25 999**	27 672	**12 092**	12 373
Number of properties	**42**	46	**158**	166	**187**	208
Gross lettable area (GLA) (m^2)	**1 283 698**	1 356 981	**1 669 867**	1 708 285	**2 093 262**	2 262 728
GLA as a % of SA portfolio	**24.7**	24.8	**32.2**	31.2	**40.3**	41.4
Value per m^2 (excluding bulk) (R)	**19 005.6**	18 254.0	**15 073.0**	15 721.0	**5 432.0**	5 165.0
Capital expenditure (Rm)	**232.1**	180.0	**302.7**	512.0	**220.0**	144.0
Gross property revenue	**3 165.0**	3 116.0	**3 063.0**	3 193.0	**1 591.0**	1 550.0
Property expenses (Rm)	**(926.0)**	(923.0)	**(986.0)**	(892.0)	**(378.0)**	(389.0)
Property expense ratio (%)	**29.3**	29.6	**32.2**	27.9	**23.8**	25.1
Net property income (Rm)	**2 239.0**	2 193.0	**2 077.0**	2 301.0	**1 213.0**	1 161.0
Net property income as a % of SA portfolio	**36.8**	36.0	**34.2**	37.7	**19.9**	19.0
Vacancies (%)	**5.5**	6.2	**20.7**	19.9	**5.7**	9.4
Arrears (Rm)	**68.3**	148.2	**59.7**	91.4	**45.1**	59.0
Bad debts provision for bad debts (I/S) (Rm)	**(35.3)**	22.9	**(15.3)**	(14.0)	**(9.7)**	25.9
Bad debts written off and recovered (I/S) (Rm)	**50.2**	51.1	**21.2**	15.2	**11.4**	49.0
Average gross rental (per m^2/month)	**205.5**	203.1	**165.1**	166.2	**63.3**	60.4
Average annualised yield (%)	**9.0**	8.9	**8.2**	7.9	**10.2**	9.9
Average in-force escalations (%)	**6.1**	6.4	**7.2**	7.4	**7.6**	8.1
Weighted average renewal lease period (years)	**3.5**	3.8	**3.1**	4.4	**3.2**	3.0
Weighted average lease period (years)	**2.9**	3.0	**3.9**	3.7	**3.1**	3.2
Renewal success rate (%)	**85.0**	84.6	**58.0**	52.5	**79.1**	62.2
Weighted average renewal growth (%)	**(13.6)**	(15.6)	**(17.0)**	(16.1)	**(6.3)**	(10.9)
Weighted average future escalations on renewals (%)	**6.0**	6.3	**6.8**	7.3	**6.8**	7.4
Number of employees						

Healthcare		Trading and development		Student Accommo-dation	Total		V&A	
2022	2021	**2022**	2021	**2022**	**2022**	2021	**2022**	2021
3 406	2 802	**453**	1 064	**2 233**	**68 756**	68 826	**9 001**	8 801
7	6	**5**	6	**9**	**408**	432	**1**	1
107 562	89 637	**37 512**	55 403	**n/a**	**5 191 901**	5 473 034	**232 040**	232 531
2.1	1.6	**0.7**	1.0	**n/a**	**100**	100	**–**	–
31 168.5	30 648.0	**n/a**	24 063.0	**408 114.1**	**12 487.0**	12 266.0	**37 009.0**	36 053.3
3.8	2.0	**188.0**	175.0	**204.0**	**1 150.6**	1 013.0	**194.5**	227.0
378.0	289.0	**107.0**	193.0	**174.0**	**8 478.0**	8 341.0	**855.0**	661.0
(56.0)	(33.0)	**(3.0)**	(5.0)	**(48.0)**	**(2 397.0)**	(2 242.0)	**(245.0)**	(259.0)
14.8	11.4	**2.8**	2.6	**27.6**	**28.3**	26.9	**28.7**	39.2
322	256.0	**104**	188.0	**126.0**	**6 081.0**	6 099.0	**610.0**	402.0
5.3	4.2	**1.7**	3.1	**2.1**	**100**	100	**–**	–
0.1	–	**n/a**	–	**n/a**	**10.3**	11.6	**1.6**	3.0
6.7	5.1	**2**	4.5	**13.5**	**195.3**	308.2	**103.7**	85.0
0.9	(5.9)	**(0.9)**	1.0	**–**	**(60.3)**	29.9	**(4.3)**	18.4
–	–	**–**	–	**1.9**	**84.7**	–	**–**	–
290.7	295.0	**n/a**	n/a	**n/a**	**133.1**	132.0	**250.0**	213.1
10.7	9.1	**n/a**	n/a	**9.9**	**9.0**	8.6	**6.0**	8.6
7.7	7.6	**n/a**	n/a	**n/a**	**6.9**	7.3	**7.4**	6.4
n/a	n/a	**n/a**	n/a	**n/a**	**3.2**	3.6	**3.4**	2.5
9.5	7.6	**n/a**	n/a	**n/a**	**3.6**	3.5	**5.5**	5.7
n/a	n/a	**n/a**	n/a	**n/a**	**75.1**	65.4	**69.1**	85.5
n/a	n/a	**n/a**	n/a	**n/a**	**(12.8)**	(14.9)	**(12.7)**	(5.2)
n/a	n/a	**n/a**	n/a	**n/a**	**6.4**	6.8	**7**	6.7
					606	611	**215**	209

RETAIL

The outpouring of support that our shopping centres received from their communities during the July 2021 riots highlighted the strength, importance and reciprocal nature of these relationships.

This year saw many retailers rebasing and recalibrating their strategy after two years of lost growth due to the Covid-19 pandemic and the weakening macro economy before that. The retail sector has, however, recovered substantially, although its operating environment remains challenging.

> *We have become more analytical and are building closer relationships with retailers. We are more flexible in working and partnering with tenants. We strive to accommodate their requests for collaborative initiatives with shared value.*

Performance

Turnovers have mostly recovered to pre-Covid-19 levels, with some centres even exceeding those levels. Footfalls have also rebounded but have yet to surpass previously high levels because buying patterns have changed, for example people are spending more money on fewer shopping trips.

Smaller centres outperformed the larger ones in FY22. Value retail is performing well across many categories, especially fashion, and athleisure continues to deliver good performance. There is significant investment in store upgrades in the apparel and grocery categories, and this is being rewarded with spend and turnover. On-demand and food deliveries now contribute a higher percentage of our mall turnovers as they drive business through our tenants' stores. Growthpoint encourages and accommodates these services by providing convenient pick-up zones and parking facilities for on-demand vehicles at our centres.

On the back of better tenant trading and the lifting of various lockdown levels seen in the period, we provided less Covid-19 relief than expected, which added to our FY22 performance.

Vacancies have reduced since July 2021 but remain over 5%, mainly because of specific challenges at a few properties. A strategic intervention at Bayside Mall in the Western Cape is a priority to respond to the fierce competition that has resulted in the loss of key tenancies, including Woolworths, Edgars and Game.

Letting activity increased in FY22 as national retailers acquired and introduced new brands and sought to right-size their established brands. This is positive for trading and we are actively collaborating with national groups to both optimise the store sizes of the brands under their umbrellas and grow their new brands.

As trading densities recover, retailers' turnovers are becoming more supportive of rentals and escalations, thus making for more productive lease negotiations, versus the prior year. Rental reversions on renewal are still negative though and retailers are insisting on more favourable lease terms. They are evaluating their performance on a store-by-store basis.

Sit-down restaurants are still in the process of recovering from the Covid-19 restrictions and we are recovering resultant arrears. Our arrears position improved steadily in FY22, with our highest arrears amount, relating to Ster-Kinekor, being fully provided for and written off during the year.

Portfolio highlights

Our non-core disposals de-risked our portfolio and were achieved at, or above, book value. We have also identified additional properties for disposal. Growthpoint remains particular about how we transact and time our exits from investments. Our broader strategy is to keep our retail holdings at the current level while optimising the portfolio.

We use technology to find out more about our shoppers and their shopping patterns. We also get good shopper insights by talking to our retailers. Data gathering for shopper analytics relies on Wi-Fi and we have identified 20 centres where we will invest in connectivity upgrades. Wi-Fi will be offered free to shoppers on an opt-in basis and include basic analytics for the centre. We will begin this Wi-Fi rollout in FY23.

Developments and refurbishments

We invested significantly in refurbishing 15 of our assets before the pandemic and continued to invest in small improvement projects at Paarl Mall, Vaal Mall and River Square in FY22 ensuring that these centres remain attractive and competitive. These improvements included installing on-site solar plants given rising electricity costs.

Environmental and social

We have reviewed each of our shopping centres to assess their potential to accommodate a solar plant and because our portfolio comprises mature centres with roofs that were not originally designed for solar installations, our options are to strengthen roof structures or to install solar panels on parking shelters. Nonetheless, substituting power from fossil fuels with energy from renewable resources remains our priority.

Several of our Western Cape shopping centres can operate off-grid for water security and most of our assets have licensed boreholes and backup water for ablutions, fire safety and select water-dependent retailers. We are monitoring the drought in the Eastern Cape. We support the national agenda for zero organic waste and we are investigating ways to achieve this.

In response to the growing focus on ESG coupled with the social issues our country has seen in recent times, we have continued to work even more closely with our communities to support local economic opportunities and procurement. Through Property Point, we are working with our communities to conduct skills assessments and assist small businesses to formalise and qualify to work with Growthpoint and other companies. This exercise has been very fruitful in shifting perceptions and building trust. The outpouring of support that our shopping centres received from their communities during the July 2021 riots highlighted the strength, importance and reciprocal nature of these relationships. Our centres are active members of their local civic organisations, such as business, community and crime prevention forums.

Outlook for FY23

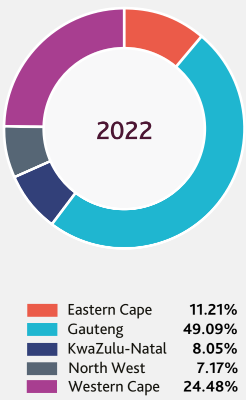
We expect rentals to start growing, although at a rate still well below inflation. Leasing pressure from some national retailers is likely to persist for the next 12 to 18 months and vacancies in our portfolio will increase in the short term as we deal with the redevelopment of Bayside Mall and the disposal of The Avenues. After that, vacancies should improve.

Increased turnovers and positive trading are expected to halt the three-year declining valuation cycle for retail property and growing valuations will enhance our total return to investors. We will continue to invest in our shopping centres and increase their relevance, competitiveness, efficiency and positive impact on the environment and society. Our shopping centres are open for business and remain relevant for their tenants, shoppers and communities.

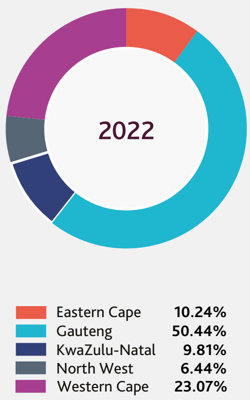
Developments and refurbishments

Building	Location	Description	m² actual floor area affected – not centre's GLA	Completion date
Completed				
Lakeside Mall	Benoni	Solar project	N/A	September 2021
In progress				
Vaal Mall	Vanderbijlpark	Solar project, access road and fuel station development	N/A	May 2023
Paarl Mall	Paarl	Solar and battery installation	N/A	December 2022
Paarl Mall	Paarl	Extension	3 521	March 2023
Kolonade	Pretoria	Solar installation	N/A	February 2023
River Square	Vereeniging	Redevelopment of ex Game and adjacent tenants	7 047	November 2023

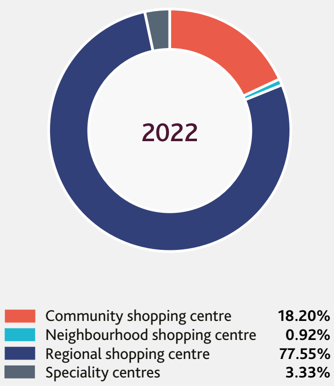
Geographical split by value (%)



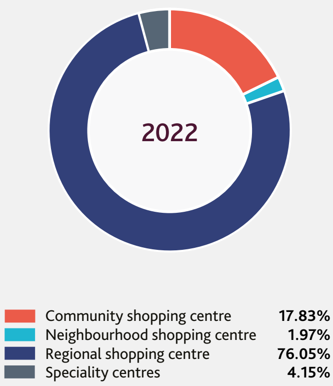
Geographical split by GLA (%)



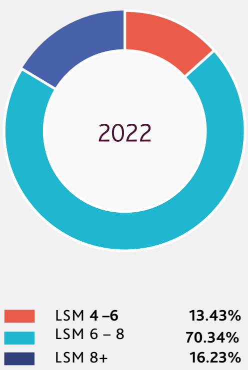
Segmental split by value (%)



Segmental split by GLA (%)



Retail LSM (%)



Retail properties top five by value

Festival Mall

This regional centre is close to the CBD and near the residential areas of Kempton Park. Due to the mall's close proximity to public transport, the centre also benefits from strong support from the Tembisa area. The tenant mix covers a wide range of categories, with a strong national representation.

1

Kempton Park | Rm 1 717 | 6.99% | m² 82 850 | 6.45%

Brooklyn Mall and Design Square (75%)

Brooklyn Mall is nestled in the affluent suburb of Pretoria's cosmopolitan area of Brooklyn, surrounded by established upmarket residential homes, corporate offices and a large number of embassies and diplomatic properties. Brooklyn Mall is the premier shopping destination in Pretoria. It offers shoppers a full complement of national retailers, specialist boutiques, restaurants and coffee bars and the best of home and décor shops.

2

Pretoria | Rm 1 659 | 6.75% | m² 56 304 | 4.39%

Waterfall Mall

Waterfall Mall draws shoppers from as far afield as Botswana. Located in the upmarket suburbs of Rustenburg, the centre has easy access from the R24 and N4 highways. The size of the centre allows for an extensive representative tenant mix which includes most national retailers as well as a variety of specialised retailers.

3

Rustenburg | Rm 1 434 | 5.84% | m² 51 028 | 3.98%

N1 City Mall

N1 City Mall is located in a strong, well-established business precinct with excellent visibility and access off the N1 freeway. The centre offers a comprehensive tenant mix and caters to a wide range of shoppers from LSM 5 to LSM 10.

4

Cape Town | Rm 1 408 | 5.73% | m² 63 390 | 4.94%

Vaal Mall (66.7%)

Vaal Mall is in the heart of Vanderbijlpark and the Vaal triangle with 150 fashion and retail stores, a food court and sit-down restaurants.

5

Vanderbijlpark | Rm 1 329 | 5.41% | m² 44 081 | 3.43%

Location | Rm Value | % of total retail portfolio | m² GLA m² | % of total retail GLA

OFFICE

Our strategy is to expand our Western Cape office portfolio in growing nodes.

The office market has been tough for some time now, but tenants are starting to come back to their premises and we are seeing an improvement in sentiment across the sector.

Tenants are adjusting to hybrid working arrangements and their offices are allowing for more flexibility. We aim to satisfy this need by focusing on modern, high-grade, green and sustainable buildings that provide this flexibility and are situated in amenity-rich locations.

We are disposing of underperforming buildings in low-growth nodes and have identified strategic acquisition opportunities.

> *Growthpoint's diversified office portfolio caters for a wide variety of users. Even though we have always sought to attract blue-chip tenants, we can accommodate businesses of all sizes. Our ability to offer businesses a national footprint is an advantage in this market. We are actively targeting growth industries.*

Performance

Vacancies in some nodes are decreasing, but it will be some time before we see growth in rentals as a result of the oversupply in the market.

Our total vacancy percentage is higher than most of our competitors due to our heavy weighting to the Sandton area, which was the location of more than half the new office developments in South Africa in the years prior to Covid-19. These properties were developed at the top of the market and business growth projections have since been severely disrupted, leaving two types of vacancies: tail-end vacancies in the buildings vacated by corporates when relocating to new headquarters and so-called "ghost vacancies" where vacant spaces are being sub-let by corporates in their head office buildings. The latter are often spaces that have already been fitted out and thus offer tenants all the amenities of modern corporate headquarters with low set-up costs. This type of space has created new competition for us, but some has already been taken up and supply is diminishing.

We do believe that parts of the Sandton office market will recover, although parts of Sandton will take longer than others. Central areas are faring better than those on the periphery and as a result we have developed a detailed strategy for each subnode within Sandton which includes disposals, development and repurposing.

A reassuring prospect is that leasing is regaining momentum in some other areas. We see good office demand in KwaZulu-Natal, Cape Town and specific parts of Johannesburg, such as Rosebank. We are particularly pleased to have had recent letting success at some long-standing vacancies including letting the entire Draper on Main building in Cape Town to a single tenant.

According to the SAPOA, Illovo in Johannesburg had the highest vacancy levels of the nodes it measured in 2021, yet by year end we managed to achieve about 10 000m^2 of letting in the area either signed or under negotiation. Our biggest deal was a long lease with Fluxmans for an entire 4 600m^2 building at Illovo Corner.

Businesses are taking advantage of rentals that have decreased and have rebased in some areas. Tenants are signing leases to secure and taking the opportunity to upgrade in terms of both location and quality of buildings they occupy.

Generally, deals are taking longer to finalise, especially bigger leases, because companies are uncertain about their space needs and are spoiled for choice.

Office rent arrears are under control. We continue to lose tenants due to liquidations, but this number is significantly lower than last year. Arrears are at the lowest they have been since before the pandemic.

Portfolio highlights

We are disposing of underperforming buildings in low-growth nodes where rentals are under pressure. We sold approximately R480m worth of offices mostly to owner-occupiers or the current tenants, and some to investors during FY22 and have identified buildings to the value of almost R1bn to sell in FY23.

We have disposed of two office buildings for residential conversions. A further building is being converted by our own development team, together with Setso Property Fund and BlackBrick. While this is a good solution, this strategy only applies for specific office buildings and in cases where price, location and configuration are supportive.

Our strategy is to expand our Western Cape office portfolio in growth nodes.

Developments and refurbishments

We continue to invest in our buildings, maintaining or improving their quality and keeping them current, with projects ranging from minor renovations to major overhauls. We are also doing a significant amount of work to respond to tenant-specific needs, such as our R38m project for AECI at The Woodlands, in return for a longer lease.

This year we began the refurbishment of The Place at 1 Sandton Drive, where Growthpoint has its own head office. This upgrade will include the common areas and adding new amenities.

Environmental and social

We are focused on owning and managing efficient and green buildings that not only contain costs for our clients and ourselves, but also further our shared environmental objectives. In accordance with this, Growthpoint is working to secure Energy Performance Certification for all qualifying South African buildings by the end of 2022.

Sustainability is an increasing focus for ourselves and our tenants. Fortunately, Growthpoint is in a good position as many of our buildings are green rated. We ensure that our green buildings have the appropriate ratings to meet the demand from users.

Through Property Point, we have appointed small black-owned and run businesses to provide services to our buildings, and as such our office portfolio is contributing to our corporate social and economic development objectives.

We are active participants in several city improvement districts (CIDs) where we work together with other stakeholders to maintain the infrastructure and improve the public spaces around our buildings.

Outlook for FY23

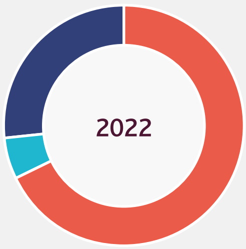
We expect recovery in the office sector to be a long and slow process. It is going to take some time for changes to filter through as a result of the oversupply of offices in the sector.

Revenue is stable and we expect vacancies to turn the corner and begin reducing in FY23. There is scope to speed this process up through our targeted asset-management initiatives and in a tough environment, we will focus on differentiating our buildings, not only through price but also amenities, quality and efficiency.

Developments and refurbishments

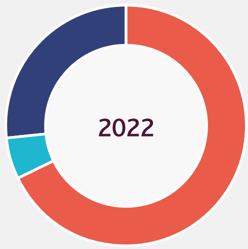
Building	Location	Description	Tenancy	m^2 actual floor area affected – not building's GLA	Completion date
Completed					
144 Oxford	Rosebank	Tenant installation	Anglo American	29 461	September 2021
In progress					
Woodlands Office Park	Woodmead	Redevelopment of buildings 22 and 23	AECI	5 005	December 2022
4 Pencarrow	Umhlanga Ridge	Redevelopment	Sivest	2 426	July 2022
Sandown Mews	Sandton	Refurbishment	Various	10 450	August 2022
The Place	Sandton	Refurbishment	Various	35 932	December 2022

Geographical split by value (%)



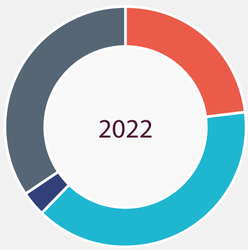
Gauteng	67.83%
KwaZulu-Natal	5.74%
Western Cape	26.43%

Geographical split by GLA (%)



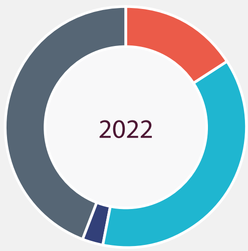
Gauteng	72.29%
KwaZulu-Natal	5.53%
Western Cape	22.18%

Segmental split by value (%)



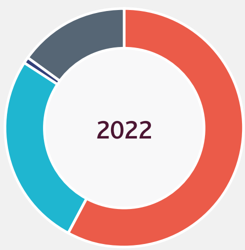
High rise > 5 storeys	23.33%
Low rise <= 5 storeys	39.00%
Mixed-use office and retail	3.40%
Office park	34.27%

Segmental split by GLA (%)



High rise > 5 storeys	15.89%
Low rise <= 5 storeys	37.41%
Mixed-use office and retail	2.60%
Office park	44.10%

Diversification by grade (%)



A	58.66%	C	0.42%
B	26.09%	P	14.83%

Office properties top five by value

Discovery 1 & 2 (55%)

The Discovery campus is prominently situated in close proximity to Sandton City and the Gautrain. The interior boasts modern state-of-the-art finishes and a variety of amenities.

1

Sandton | Rm 2 562 | 9.85% | m² 64 127 | 3.83%

Woodlands Office Park

This office park consists of 33 buildings. The buildings are situated in a low density, game park environment with free roaming blesbok, impala, springbok, other smaller animals and bird life. The Woodlands boasts amenities such as a restaurant, a gym, a nursery school and dry cleaner. The park is on a Gautrain shuttle route and is known in the area for hosting a park run.

2

Woodmead | Rm 1 311 | 6.86% | m² 114 708 | 6.86%

144 Oxford Road

Located in a prime position at the gateway to Rosebank, this nine storey office development offers a large floor plate to accommodate tenants. It is located a block away from the Gautrain station.

3

Rosebank | Rm 1 084 | 4.17% | m² 37 487 | 2.24%

Constantia Office Park

With a superb location benefiting from excellent N1 highway visibility and accessibility, together with amenities including a gym and a hotel, it offers a combination of A- and B-grade office space to 90 tenants, set in a lush park environment.

4

Roodepoort | Rm 872 | 3.35% | m² 74 982 | 4.48%

Inanda Greens

The office park offers easy access to major public transport routes. The park is a mix of modern and contemporary buildings that allows natural light to flow through. It groups around a chip and putt golf course.

5

Sandton | Rm 759 | 2.92% | m² 40 757 | 2.44%

Location | Rm Value | % of total office portfolio | m² GLA m² | % of total office GLA

INDUSTRIAL

We took advantage of the buoyant industrial market over the year to dispose of non-core assets that no longer meet our investment criteria.

Our positive performance in FY22 is noteworthy. While logistics was the only segment in the industrial sector to show outperformance, the balance of our diverse portfolio also performed well.

To mitigate risk in the South African market, Growthpoint is rebalancing its overall property portfolio and increasing its industrial sector. We are divesting from older manufacturing assets while retaining select multi-park exposure, in addition to investing in new solar power installations where it is feasible.

Growthpoint has a tail of non-core industrial assets to dispose of and is adding to the portfolio with new developments and acquisitions. Changing our industrial portfolio composition will take time, but we are making steady progress.

> *The performance of the properties in this portfolio is dependent on the success of our tenants occupying them. We build solid relationships with tenants. At the same time, we are reducing our exposure to non-core, smaller properties that are most susceptible to economic changes in the short term.*
>
> *South Africa offers logistics and warehousing facilities of a high standard that also appeal to international clients and Growthpoint is concentrating on the logistics facilities offering of 5 000m^2 to 20 000m^2.*
>
> *We strive to make our industrial assets attractive by adding selected amenities such as communal facilities in multi-parks, where the need for these enhancements has become evident.*

Performance

With harsh Covid-19 restrictions behind us, the economic turnaround presented opportunities, which we capitalised on by letting space and reducing vacancies. We were successful in attracting new tenants and retaining existing tenants, which remains our primary focus.

Rent reversions have improved compared to the prior year, although still negative, as reflected in the renewal success rate in the current year and our vacancies are steadily trending downwards.

Vacancies in the coastal regions have reduced much faster than the inland regions, with both our Western Cape and KwaZulu-Natal portfolios now having very low vacancy rates.

The number of business rescue cases and liquidations, and resultant levels of arrears have reduced.

During a year of exceptional challenges including the ongoing pandemic, riots and floods, our team worked exceptionally hard to ready premises that suffered damages for tenants. During the KwaZulu-Natal riots in July 2021, one building had extensive damage while others sustained minor damage. A dozen of our industrial properties were also affected by the recent flooding in KwaZulu-Natal. However, we have insurance cover in place for such events, with any damage being fully insured.

Portfolio highlights

We took advantage of the buoyant industrial market over the year to dispose of non-core assets that no longer meet our investment criteria. Fortunately, many non-institutional investors assembling smaller portfolios are focused and have investment criteria that match the properties we are selling. We did extremely well in selling several assets during the year, either to investors or to existing tenants. Many of these were single asset sales in spite of our efforts to dispose of assets in batches. We did, however, sell most of the assets at prices equal to or better than their valuations.

In Gauteng, we have refined our investment focus to the eastern and northern areas of Johannesburg, away from the industrial nodes to the south and west of the city, where we are reducing our exposure.

Developments and refurbishments

We are proud of the facility that we developed for Beckman Coulter in CentralPoint Innovation District, Midrand, which was completed in December 2021. We retained an excellent tenant for the long term and added a premium quality product to our portfolio. Our development activity was slower than usual in FY22, which was appropriate for market conditions.

Environmental and social

An ongoing challenge we currently face at our buildings is maintaining uninterrupted power and water supplies. We are therefore rolling out solar installations where feasible and will continue to do so going forward. We are aiming to feed our properties with clean energy thereby reducing their carbon footprint and achieving Growthpoint's shared environmental objectives. Our water backup systems, including rainwater harvesting for grey water needs, will also keep our buildings and our tenants' businesses functional during water supply disruptions.

The compliance requirements associated with approvals for new developments including environmental impact assessments when developing greenfield industrial properties is extensive, costly and challenging, but we believe it is worthwhile in order to benefit society and the surrounding communities.

We work closely with our CSR and Property Point teams on new developments and take a proactive approach to involving local communities in opportunities where possible. We target local contracting and employment where possible and our approach has proven successful.

We consider our impact on society and the environment by ensuring that the industrial assets we own and develop are located in areas that are suitably zoned for their occupancies and use.

Outlook for FY23

South Africa's consumption-based economy is set to endure and logistics remains the conduit for the supply of goods to consumers. In spite of the economy not necessarily growing sufficiently at present, advances in the logistics sector make it a competitive and efficient sector with growth potential associated with meeting future consumer demand.

Rising inflation, particularly the cost of steel, which is a major component of any industrial development, is impacting feasibility of new developments. This challenge is not unique to Growthpoint and will inhibit new developments in the sector in the short to medium term for all developers.

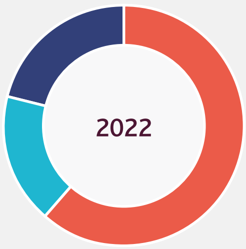
We will continue to focus on our clients, grow our industrial portfolio and rebalance it in favour of modern logistics assets, dispose of non-core assets not aligned with our investment criteria and accelerate our substantial rollout of on-site solar.

Developments and refurbishments

Building	Location	Description	Tenancy	m^2 actual floor area affected – not building's GLA	Completion date
Completed					
CentralPoint	Johannesburg	Warehouse	Beckman Coulter	5 742	December 2021
Bulk earthworks	Johannesburg	Various sites	–	–	June 2022
In progress					
CentralPoint infrastructure	Johannesburg	Multifaceted industrial park	–	–	Ongoing

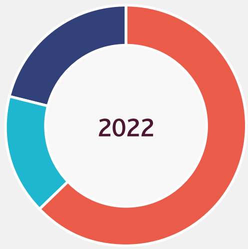
INDUSTRIAL
continued

Geographical split by value (%)



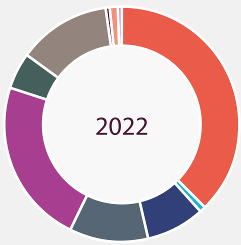
Gauteng	61.61%
KwaZulu-Natal	17.54%
Western Cape	20.85%

Geographical split by GLA (%)



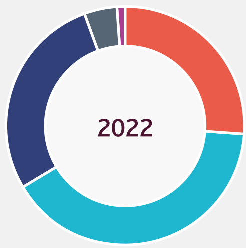
Gauteng	62.85%
KwaZulu-Natal	16.27%
Western Cape	20.88%

Segmental split by value (%)



Industrial – distribution centre	37.68%
Industrial – heavy manufacturing	0.89%
Industrial – light manufacturing	7.91%
Industrial – warehouse	10.94%
Industrial other – Industrial Park	22.69%
Industrial other – warehouse showroom	5.11%
Industrial other – workshops multi occupancy	12.57%
Not categorised	0.14%
Office – low rise	0.57%
Retail warehouse	1.05%
Industrial other – workshops single occupancy	0.45%

Diversification by grade (%)



A	26.12%
B	40.54%
C	27.93%
D	4.44%
P	0.97%

Industrial properties top five by value

Montague Business Park (25%)

Growthpoint has 25% joint ownership of this A-grade industrial park in the sought-after Montague node. It is home to 27 businesses. There is high demand for further development of the park's available bulk.

1

Cape Town | Rm 431 | 3.56% | m² 44 990 | 2.15%

Growthpoint Business Park

Growthpoint Business Park is a mixed-use facility in central Midrand with highway exposure to the N1. Set in a tranquil estate with a number of national and international clients. There is some bulk available for future development.

2

Midrand | Rm 417 | 3.26% | m² 68 261 | 3.26%

Hilltop Industrial Park

With superb highway frontage and access, Hilltop Industrial Park encompasses some of the most functional industrial premises in South Africa. This B-grade industrial park has undergone a major upgrade.

3

Germiston | Rm 364 | 3.02% | m² 76 283 | 3.64%

Mill Road Industrial Park

Mill Road Industrial Park is a storage, warehouse and distribution park consisting of premium-grade warehousing with associated offices in Bellville South Industria. It is ideally located with easy access to the N1, N2 and R300 highways and benefits from excellent highway visibility.

4

Cape Town | Rm 258 | 2.14% | m² 38 042 | 1.82%

Wadestone Industrial Park

Wadestone Industrial Park is in a manufacturing node offering easy access to rail and road. The warehouse component has natural light and height. The property has large privately fenced yards and there are numerous gantry options. The park is currently about 50% developed with the potential to further develop another 25 000m^2.

5

Germiston | Rm 242 | 2.00% | m² 26 929 | 1.29%

Location | Rm Value | % of total industrial portfolio | m² GLA m² | % of total industrial GLA

V&A WATERFRONT (V&A)

"The V&A has rebounded faster than anticipated."

It has been a year of two halves …

From July to December 2021, the V&A remained particularly hard hit because there was virtually no international tourism to South Africa, which is a major driver of its success. Although it did enjoy some level of recovery, sales were 22% below the last normal levels for the six-month period ended 31 December 2021 compared to the equivalent period in 2019. In December 2021, international tourism to Cape Town was at 27% of pre-pandemic levels and tourism-dependent businesses, including some hotels, restaurants, jewellery and curio shops, suffered as a result of the loss of their customers.

There has been a rapid recovery since January 2022, with international tourism increasing every month. By the end of June, international visitor arrivals at Cape Town International Airport were at an average of 75% of pre-pandemic levels and retail sales at the V&A recovered to above pre-Covid-19 levels. The number of direct international flights into Cape Town is now higher than ever.

Retail

Using the last normal year, or April 2019 to March 2020, as a base, retail sales at the V&A have rebounded sharply, surging to a 14% increase for the quarter to June 2022 after being 34% down in July 2021. Vacancies are currently below 1% and reversions on renewal are at a relatively low 11% in respect of 9% of total retail GLA. They continue to assist only the most vulnerable retail categories with Covid-19 rental relief, but this has reduced materially as their turnover improves.

> *The retail offering component has successfully weathered the storm. Categories exceeding pre-Covid-19 turnovers include groceries, luxury items and clothing. Although there are a few exceptions, restaurant trade has recovered.*

The V&A is positioning itself to be the preferred precinct for retailers to expand their omnichannel offering. They will be focusing on the fulfilment part of the value chain and looking at partnerships with key role players in click-and-collect and delivery services.

Offices

The office portfolio at the V&A continued to deliver a solid performance, with their blue-chip tenants, which make up approximately 60% of their office tenant base and their staff occupancy levels had returned to approximately 60% and is increasing. Office vacancies remained low at 1.8% at FY22.

The V&A is receiving requests for more office space from some tenants in response to growth in their sectors and is accommodating this demand in existing space. The four co-working spaces in the precinct are benefiting from post Covid-19 uncertainty and are doing well. The reversion for the portfolio by 14.4%, was driven by the Nedbank five-year rent review in respect of their 25 400m^2 office building. The V&A are expecting further office rental reversions increasing in line with the market conditions. The V&A is seeing demand in the Western Cape as a result of the well-managed V&A precinct which is proving particularly attractive for business.

Industrial and marine

As an essential industry, fishing operated as usual throughout the pandemic period, with performance in line with expectation. South Africa was closed to cruise liners, only reopening in early 2022, which was too late for the current cruise season. This impacted the cruise performance for FY22, but the outlook for the next cruise season, starting in October 2022, is positive, with more than 100 cruises already booked for the V&A. Overall, this sector performed at 15% below the last normal levels during FY22 but is expected to return to the levels compared to three years ago in the next 12 months.

Hospitality and residential

The V&A hotels were severely impacted considering that before the pandemic 75% of their revenue was driven by international key source markets. In the last six months of 2021, some hotels remained closed and those that were open were running at 20% of revenue per available room (RevPAR) compared to the same period of FY20.

As of 30 June 2022, one hotel remained closed and The Silo Hotel and Radisson Red were ahead of pre-Covid-19 trading levels from April to June 2022. The others were well within reach of their pre-pandemic performance, with occupancies at the end of June at 81% of the last normal levels. However, the average RevPAR of all hotels at June 2022 is now 22% in excess of the last normal levels, reflecting the faster recovery of the high-end hotels.

Based on the recovery so far, they expect the RevPAR at the V&A hotels to equal or exceed the last normal levels by the end of 2022. Ownership of The Cape Grace changed hands in March and it will now be managed by the French Accor Group.

Residential-to-let is a small but important component of the precinct's overall property mix. Occupancies were at 100% heading into the pandemic, but then reduced to approximately 70%. They have now recovered to around 82% and are quickly returning to maximum occupancy.

Developments and upgrades

Capital spending at the V&A, which usually exceeds R1bn per annum, was reduced to R195m for Growthpoint's FY22. They took the opportunity to upgrade infrastructure in the precinct, including changing some of their road systems and upgrading their drop-and-go and e-hailing facilities. The V&A also began construction on the 10 600m² multi-tenanted office building in the Canal District which will be anchored by Investec Bank in approximately 6 900m² and is scheduled for completion in early FY24. This development includes the demolition and relocation of the Caltex fuel station, which is on track to reopen in November 2022.

Environmental and social

The big focus for their environmental position is to be carbon neutral by 2030. So far, they have reduced their municipal water consumption per square metre by 61% and grid energy consumption by 47%, and invested R40m in energy-efficiency projects. The V&A currently generates 2MW of renewable energy through solar power and intends to double this in the next two years, supported by the reroofing of the Victoria Wharf, which is well underway.

The V&A have invested in central diesel tanks to feed the 48 emergency generators which make the precinct immune to the immediate challenge of loadshedding. Having all hotels, restaurants and retailers consistently trading normally throughout loadshedding is a competitive advantage and nothing less than what is expected from a premier destination. However, while absolutely essential now, backup generators will in time become defunct as they shift their energy mix towards more reliable, renewable energy sources and move closer to carbon neutrality. The V&A is eagerly watching developments around independent power producers selling green energy to the private sector through wheeling, as its local area has the necessary regulations in place to do this. The V&A is also exploring battery technology.

Construction of a 3.3 megalitre desalination plant in the Pierhead District has commenced and will be completed by the end of Growthpoint's FY23. The plant's capacity will be sufficient to meet the V&A's daily water requirement and take its water consumption completely off-grid. To offset the energy required to operate the plant, we are exploring pyrolysis in line with their goal of using zero-energy from the grid. The V&A have also launched a black water treatment plant which will convert 10% to 15% of the precinct's sewerage water for use in irrigation and toilet flushing.

The V&A diverts 1 600 tonnes of waste from landfill annually through various initiatives based at its on-site recycling centre.

Social investment is carefully focused on areas where the V&A can have the most direct impact, creating jobs and opportunities. During the uncertainty caused by the Covid-19 lockdowns, protecting jobs became a priority. This started with their team and contractors, but also included measures to sustain small businesses. With 450 small businesses based at the V&A, this is a big focus.

The V&A was honoured that their efforts were acknowledged at the 2021 Absa Business Day Supplier Development Awards. This recognition was for their contribution to supporting small businesses within the V&A during the Covid-19 lockdowns. The V&A also received a World Responsible Tourism Award for sustaining employees and communities throughout the pandemic. The V&A's Joy from Africa to the World festive celebration of local talent and environmental sustainability saw it partnering with more than 140 African artisans to create a vibrant wonderland made from upcycled materials. All the precinct's festive decorations are sourced from around 60 local weavers and beaders. Makers' Landing, a food community and kitchen incubator, is another exciting initiative of the V&A that not only assists people to find employment, but creates jobs.

Outlook for FY23

> *The V&A has rebounded faster than anticipated and it is reasonable to expect their performance to exceed that of their last normal year.*

The convergence of above-inflation cost increases for many of their operational expenses, from security to power and lower retail rental escalations is something they will be monitoring. There is bullishness in the travel industry projections for Cape Town, driven by tourism and eventing, and this bodes well for the V&A's continued recovery and increased performance.

OUR PEOPLE

Our employee value proposition makes Growthpoint a preferred employer and includes competitive rewards, developmental opportunities, a caring and supportive staff environment and an inclusive team culture without rigid hierarchy. This value proposition proved to be of significant importance during the challenging period of the pandemic.

Employment equity (EE) and transformation

Growthpoint remains dedicated to transforming our business, economy and society, and has made progress towards achieving a diverse, transformed and inclusive work environment where all employees feel a sense of belonging.

In terms of meeting our EE numerical goals, a challenge remains at Exco level due to minimal employee turnover during the past five years, which is likely to remain low. However, the Board has resolved to fill positions that become available with EE candidates going forward. Six of our recent senior appointments have been EE candidates.

Ensuring fair and equitable employment policies and practices allows us to promote equal opportunities in the workplace. Our affirmative action (AA) measures enable us to redress employment barriers to transformation as experienced by our employees, and ensure equitable representation of employees from designated groups.

Growthpoint's transformation strategy has fared well in achieving its objectives. We are working towards achieving the transformation targets and tracking our progress against them quarterly. Transformation targets enable the organisation to demonstrate diversity and integration within the workforce, which remain an imperative for Growthpoint as a good corporate citizen.

While targets are important, we are realistic about those we set for our organisation. Consideration is given to business growth, availability of skills, projected employee retirements and employee turnover at all the various occupational levels – a process we believe will ensure sustainable transformation. Our progress in achieving transformation objectives is monitored and evaluated by our dedicated Diversity and Inclusion Forum, which feeds back to our Social, Ethics and Transformation Committee. Our EE plan is a critical part of our transformation strategy, and we monitor and report on progress against the EE plan annually.

Skills shortages at all occupational levels remain a challenge for transformation, especially in the property sector where all businesses are competing for the same skills. Our employee value proposition supports our competitiveness and, in many cases, we see people who have left Growthpoint's employment seeking to return.

Other diversity indicators

Besides race, Growthpoint also strives for workforce diversity in terms of age and gender. The collaboration of people of different ages, work experience and backgrounds inspires greater respect for others, fosters new perspectives and solutions, and makes our business more innovative.

During the reporting period our gender split was 54% female and 46% male. Our average employee age was 45.

Growthpoint endeavours to foster a supportive environment of, and is respectful of individual identities. There is increased pressure for organisations to disclose various indicators of diversity, and this includes information on LGBTQIA+. We do not require employees to disclose their sexual orientations but welcome voluntary disclosure of gender identity. All employees are treated with respect and receive the same benefits regardless of sexual orientation. For this reason, we do not collect data on this indicator. Should it become necessary, we would consider a gender sensitivity policy in consultation with our employees.

Hybrid working

In line with best practice and a survey conducted among our employees, we have introduced a 60/40 hybrid working model, which requires employees to work at least 60% of their time in the office and 40% remotely to promote a healthy work-life balance. Indications are that many employees are eager to return to the office, which is unsurprising considering studies show that people thrive on human interaction, rather than in a completely virtual environment. Some employees are also not able to work from home and are accommodated at the office.

Our Johannesburg offices are being renovated and most employees there are working remotely unless their jobs require them to be in the office. Extensive staff communication regarding our hybrid policy will take place in early FY23, once the renovation is complete.

Living wage and pay gaps

Our remuneration is competitive and equitable, with internal and external parity. Given the vital role it plays in retaining valuable skills, our approach to remuneration is always evolving and improving. We are particularly mindful of the gap between our highest and lowest earners.

Our current living wage is R12 500 per month. Growthpoint's definition of a living wage differs from the generally accepted level in South Africa. We believe a living wage should enable employees to afford five fundamentals: decent accommodation, food, healthcare, transport and education for dependants. We are comfortable that our employees are remunerated in line with this definition.

We performed favourably in a gender pay-gap analysis that was conducted in FY21. Using several measures to track our performance in this area, including those set by the Department of Labour, we intend to ensure that our remuneration practices continue to exclude arbitrary biases, and will conduct an updated pay-gap analysis in FY23 to gauge whether there have been any changes.

Staff communication

We continue to communicate with staff regularly through a variety of channels in order to reach them effectively, and we conduct monthly check-ins randomly while focusing on those employees who require additional support.

Employee surveys

We take a consultative approach to our way of working, and value employee feedback. In addition to our internal survey on Covid-19-related matters, we conducted two external staff surveys during the year. One of these was the completely anonymous employee engagement survey by Deloitte, in which more than 75% of employees reported being fully engaged. This resulted in Growthpoint receiving a Platinum Award and being ranked among the top 150 engaged employers in South Africa.

We continue to find ways to educate, inform and deepen the ethical behaviour in the company. In FY22 we followed up on our first Gordon Institute of Business Science (GIBS) Ethics Barometer survey, which was carried out in 2019 to establish a baseline of ethical conduct in our business, with a second survey to assess our progress. We also established an Ethics Committee with broad representation to evaluate, guide and drive our progress. Our new formal ethics strategy, based on the survey results, was approved by the Board in June 2022. Ethics are important to us, and we believe that such conduct warrants a special focus in the context of a general ethical deterioration in South Africa and globally.

Health and safety

Our dedicated Health and Safety Forum proactively monitors and reports concerns to ensure that our work environment remains incident free as far as possible. We comply with the Occupational Health and Safety Act (OHSA) and all elements of the national health and safety regulations and requirements. Besides the minimum requirements, we have a clear vision to achieve a zero rate of workplace-related incidents.

It is our duty to keep the workplace safe and our Covid-19 safety protocols were aligned with the stipulations of the National Department of Health. We also have additional safeguards in place to meet our own needs.

Reach for a Dream, Port Elizabeth.

Talent and succession management
We have a four-pronged strategy to attract talent, with the foremost being word of mouth from our employees. The strength of our brand also attracts talent, and we use social media platforms such as LinkedIn that link directly to our recruitment portal. In addition, Growthpoint has initiated a young talent and graduate programme at university level, and we are especially pleased that we have managed to retain 95% of these graduate candidates in our business.

We ensure that new employees are aligned to our culture and values to optimise shared success. The same applies to career development for existing employees.

Given its importance as part of our succession policy, our new succession plan is a living document. Our middle management and levels below them are contributing positively to our succession programme, with mentorship and talent management going hand in hand with this planning. To further career advancement within Growthpoint, we were able to promote 18 employees in FY22.

Training and leadership development
We want to develop the best, brightest and most innovative teams, so we invest considerable time, effort and resources in training and development to support and advance our employees' careers. This year, the training environment led us to focus on areas of priority and necessity and, in this way, our staff members were still able to advance their skills and expand their knowledge. We invested R6.8m in training 458 staff members in a wide range of skills from first aid, firefighting and courses offered by SAPOA in leadership and management development, computer skills and specialist masterclasses, among others.

Labour and employment practices
We comply with various labour laws, including the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, the Skills Development Act and the OHSA. Over and above legislation, we strive to be a good corporate citizen and have policies and processes in place to ensure that we offer equal or more favourable employment conditions than those required by law. Although not unionised, Growthpoint does not restrict employees' freedom of association. This is well communicated as a position in our employee handbook, which is given to each new employee and available to all employees on our intranet.

Growthpoint stands firmly against child labour, forced labour, slave labour and bonded labour. All our employees are aged 18 years or above, and the average age is 45.

Human rights
Growthpoint has entrenched, in policy, its commitment to uphold human rights, including the right to freedom from discrimination of any kind. In line with the country's constitution, we do not tolerate any form of hate speech and we believe every individual has the right to live the way they choose. Our commitment to human rights includes indigenous rights.

This has reinforced our commitment to creating a diverse and inclusive workspace, where every employee feels safe and heard, and has equal opportunity to succeed. We deal with incidents of discrimination swiftly and any form of racist conduct is a dismissible offence. We did not have any such cases this year. Even so, we have identified the opportunity to educate people on unconscious bias, which we will roll out in FY23.

GEMS awards, Johannesburg, South Africa.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Growthpoint's CSR initiatives are aligned with the objectives and needs of the communities in which we operate and are therefore not based on a one-size-fits-all approach.

A key pillar of our strategy is understanding the extent of the themes we aim to address and then constantly monitoring and evaluating our responses to ensure we add maximum value to the people whose lives we touch. We have also ensured that our CSI initiatives are aligned with the UN SDGs and our own ESG strategies.

Our focus has always been to facilitate real change in the communities we work with and ensure a positive reputation for the company. We aim to address key social needs and challenges, including education, entrepreneurship and development.

In the year under review, other critical areas addressed included the impact of natural disasters, gender-based violence and wellness, and particularly mental health. From the riots and recent floods in KwaZulu-Natal to the fires in Cape Town, we have been very proactive in terms of meeting the immediate needs of our staff. Through our enterprise development initiative Property Point, we provided food parcels and support to local small businesses that were negatively affected by these events.

In addition to our flagship projects Growsmart and GEMS, our educational initiatives included the continuation of our early childhood development (ECD) practitioners' training programmes, as well as the ongoing support of beneficiaries of the holistic education programme at Christel House and funding of the Protec maths and science programme in Limpopo.

We are pleased with the impact our partnership with the Genesis Trust has had through its SafePlace safety pods in Port Shepstone, because we see this as a critical action in the fight against gender-based violence.

In the coming year, we will be allocating more resources to the monitoring and reporting of all our programmes to better track the impact they are making and to inform our future targets.

Local community engagement continues to be a priority for Property Point as many of the businesses participating in the programme and alumni network are still faced with the negative economic impacts of the Covid-19 pandemic.

Property Point's initiatives have a strong link to our sustainability goals in terms of making a positive environmental impact and developing the small business economy.

With the view that our shopping centres are often at the heart of a community, we have also put measures in place to ensure that their outreach efforts are aligned with our overall CSR strategy.

Our five-year transformation strategy remains in place and we continue to work on improving our B-BBEE impact on all levels.

National education programmes

Eastern Cape	Growsmart
	iSchool Africa (Gqeberha)
KwaZulu-Natal	Midlands ECD Community College (Nottingham Road)
	Alladin ECD programme (Pietermaritzburg)
Limpopo	Protec Teacher Development programme
Mpumalanga	Ntataise Lowveld Trust ECD programme
Western Cape	Growsmart
	Christel House
	React24 Artisan Training programme
	NBI Installation Repair and Maintenance (IRM) General Repairer programme
National	GEMS, Growthpoint bursary programme

CSI projects

Genesis SafePlace

Gender-based violence is a systemic problem in South Africa that was made worse by the Covid-19 lockdown measures. The World Health Organization states that we rank fourth out of 183 countries for the worst levels of violence against women and girls. Genesis SafePlace aims to address this crisis in Port Shepstone, KwaZulu-Natal.

SafePlace offers immediate places of safety for vulnerable people, including victims of abuse, gender-based violence, rape and sexual assault. From the project's inception in 2019 to the end of 2021, more than 400 cases were reported in six of the SafePlace pods. For this reason, social workers are also available throughout the week to provide counselling, family support, or assist in navigating government systems for additional social, emotional and spiritual care.

Early childhood development (ECD)

ECD is a critical component of the education value chain, and because we understand how important it is, Growthpoint has committed to funding several training programmes for ECD practitioners. These programmes ensure formal training for practitioners in rural areas and provide career opportunities for unemployed volunteers who have a passion for working with young children. The pandemic continued to affect participants in 2021, and mental health support was still needed. Something to celebrate is the fact that the 14 ECD students from Alladin that Growthpoint sponsored in FY21 are due to graduate later this year.

Name	Total ECD practitioners
Ntataise Lowveld ECD	10
Midlands Community ECD	10
Alladin ECD	10

Christel House

Our partnership with Christel House continues to produce excellent results. Launched as an educational scholarship programme, Christel House aims to holistically improve the lives of children from some of Cape Town's most impoverished neighbourhoods. Growthpoint sponsored 20 learners for FY22.

In March 2022, the school hosted its fourth annual Speed Interview event, where HR professionals conducted mock job interviews with grade 12 students. The event helps to prepare the students for the world of work by creating real-world interview scenarios with experienced professionals. Growthpoint was privileged to participate in the school's innovative career development programme to help students find employment.

Protec

Protec is a mathematics and science programme in Limpopo's Vhembe district that caters for learners from four schools. The area has experienced several difficulties due to the pandemic, and the programme has identified a need for additional support for educators from each school. We have invested in the Vhembe district for the past six years through our work with Protec and achieved good results for the learners and teachers. We have come to the end of our funding support and wish the learners of the district well.

Growsmart

The Growsmart educational programme is a Growthpoint Properties initiative that is endorsed by the Department of Education in the Western Cape, Eastern Cape and Limpopo. The programme seeks to improve educational outcomes in a fun, competitive format. Since its launch in 2010, Growsmart has reached more than 500 000 learners in grades 4 to 6.

Growsmart's goal was always to work closely with teachers to help learners focus on their abilities to read with comprehension but has since evolved to include empowering learners through access to a quality and fun educational programme. Growsmart aims to impact young people and make tangible differences in their lives by bringing about educational change in a relevant and innovative way.

In keeping with its mission to remain relevant and engaging, Growsmart has also recently introduced three new resource booklets for creative writing (story writing), literacy and mathematics, and entrepreneurship. These have been carefully compiled and are endorsed by the Western Cape Education Department.

Growsmart is also currently exploring an online reading platform that will offer a fun way to measure learners' reading levels. The objectives are to assist them to increase their reading speed and stamina, comprehension and critical thinking to a level on par with what is prescribed. Furthermore, the results will be reported in a way that allows teachers to identify where intervention is needed.

Future projects include coding and robotics, and public speaking.

Since its inception, Growsmart has contributed to schools and learners through school upgrades and by providing educational material, school fees and school uniforms. It has also facilitated successful bursary applications for 25 learners from high schools in the Western Cape, eight of whom are currently attending university.

Growthpoint GEMS

Growthpoint GEMS assists qualifying employees with funding for their children’s tuition fees, stationery and uniforms. The programme is anchored on three pillars, the first of which is academic intervention, which provides access to an educational psychologist and year-long tutoring assistance. We also provide psychosocial support for both parents and learners. GEMS has a full bouquet of professionals on board, including psychologists and financial advisors. The third focus area is personal and leadership development through workshops, seminars and webinars.

The programme has enrolled 103 students for FY22, and we are pleased with their academic performance so far, particularly our primary school learners who have seen an 8% increase in their overall results. A recurring trend is a need for learners to attend schools that offer boarding facilities to ensure a conducive environment for learning, including access to digital devices, Wi-Fi and peer support.

Since the start of the pandemic, both GEMS parents and learners have experienced significant challenges that have affected their mental health, including, but not limited to, family bereavements, loss of income by a spouse and isolation due to home schooling. In some circumstances, these obstacles have resulted in poor academic performance, especially in mathematics, where educational psychologists state that a significant drop is often linked to emotional distress.

Our parent workshops allowed people facing similar life events to share their experiences in safe spaces. In 2021 we referred 61 individuals to our wellness partners, Maureen Kark & Associates, for therapy sessions, indicating the need for consistent psychosocial support.

Many beneficiaries are not first-language English speakers and we have started to engage with them in the language they are most comfortable with to ensure that they receive the most appropriate intervention for their situations.

Our psychosocial support has revealed the extent of language and cultural barriers and we have therefore had to conduct an educational campaign to de-stigmatise psychosocial support and position it with the right language to make it accessible to all levels of educational understanding.

A key takeaway from the 2021/2 GEMS application process was the low literacy levels among candidates who were either applying for the first time or reapplying to the programme. The consequence is that learners suffer academically in later years because they are unable to read and engage with the content at the required pace for their grades.

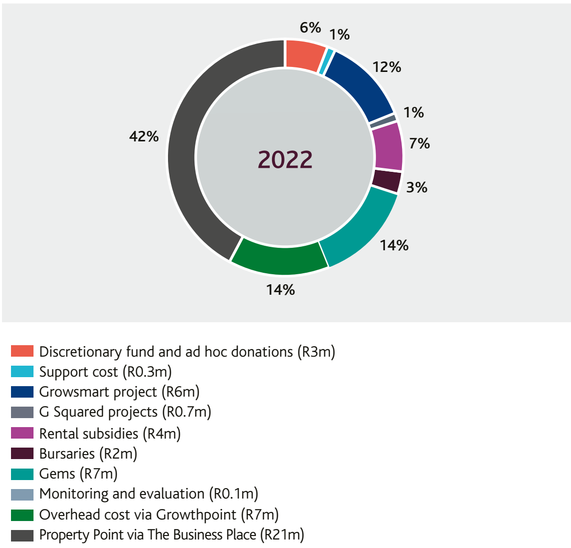
We are also in the process of launching a literacy programme with age-appropriate books for all grades to promote a culture of reading.

G-squared

G-squared (G^2) is another flagship initiative that actively encourages staff to participate in community development through volunteering. Growthpoint employees continue to live our values and we are pleased to report that we reached a total of 364 hours for the period under review.

Project	Hours volunteered
947 Ride JHB	9
Reach for a Dream (Exco Christmas)	6
Reach for a Dream (Slipper Day)	77
Christel House (Build our Boys programme)	16
Eye2Eye Foundation	34
2021 graduate CSI project (Siyaqhuba recycling project)	93
KZN disaster relief	21
Mandela Day Career Day	108
Total	**364**

CSI spend breakdown FY22 (R51m)



Enterprise and supplier development

With the aim of helping to build South Africa's economy, Property Point helps entrepreneurs grow their businesses and successfully take advantage of existing and new market opportunities. The two-year programme teaches necessary skills and offers business and personal development support.

Over the past few years, Growthpoint has made a concerted effort to advance women-owned businesses and promote gender equality. In 2021, we launched an all-women programme. The current representation of women-owned businesses across Growthpoint programmes is 69%. During FY22, we also partnered with the Black Management Forum to fund a cohort of businesses through the two-year incubation programme.

Property Point is also well positioned to act as a facilitator between Growthpoint and local communities, where we identify potential suppliers, assist with the procurement process, and provide stakeholder engagement.

As part of the National Business Initiative's (NBI) Installation Repair and Maintenance (IRM) General Repairer programme and the React24 Artisan programme, we are funding a group of students placed in Property Point businesses who will gain valuable work experience as part of their journey to become employable.

The Green Economy has been identified as an opportunity space for small businesses, and Property Point continues to create awareness around this and the benefits of developing businesses with green value propositions. We also see an opportunity to extend this project to NBI's General Repairer Programme.

Local economic development

In partnership with Growthpoint's Procurement and HR departments, Property Point continues to focus on stakeholder engagement and implementing our local economic development policy. This includes establishing a database of local SMMEs to work on our properties and to assist Growthpoint in achieving its local economic development strategy and targets. In the past year, Property Point and Growthpoint's Procurement department have engaged in widespread training within the company to ensure the policy is understood and applied in a manner that helps us meet the identified targets:

- Retail, office and industrial sectors:
  - Target is 20% of procurement spend
- Trading and development:
  - Year 1: 10% aggregated threshold will be applicable for all development procurement
  - Year 2: 12% aggregated threshold will be applicable for all development procurement
  - Year 3: 15% aggregated threshold will be applicable for all development procurement.

Property Point and Growthpoint Procurement have been working tirelessly to ensure that capable businesses are identified in communities adjacent to Growthpoint's operations. The progress made includes engaging with 22 local economic development businesses, 10 of which are Growthpoint suppliers. These businesses are based in the East Rand, Vaal, Johannesburg, and Rustenburg, partnering with eight retail properties.

National Business Initiative (NBI)

Property Point has collaborated with the NBI on its IRM General Repairer programme and embarked on the employability journey by piloting two groups with the NBI at the end of 2020. The first intake was completed in October 2021.

This skills programme teaches students to operate as commercial repairers who replace, repair and maintain minor failures related to carpentry, plumbing, painting, electricity, flooring, windows and gardening in commercial buildings. In addition, the programme enriches the Property Point enterprise and supplier development programme by placing the students in Property Point businesses for six to nine months to gain work experience and graduate with their certification.

Growthpoint started its own programme in June 2021 by funding 15 students in the IRM programme. This took place at the Northlink College in Cape Town and the students are currently placed with Property Point business beneficiaries in the city.

The programme's main objectives were:

- To ensure that students are getting a quality workplace experience
- To address workplace readiness
- To ensure the relevant skills are transferred to the students.

Through the funding provided by Growthpoint, the NBI has expanded the IRM footprint into the Western Cape for the first time, and this has provided a stepping stone for discussions with the provincial government and other stakeholders in the ecosystem. This mammoth step has also enabled NBI to strengthen its partnerships and deepen our shared vision of stimulating the entrepreneurial spirit among the IRM trainees.

The NBI has also been able to engage at various levels with other colleges in the Western Cape, with plans for a further roll-out of the IRM programme. Township economy work is also in the pipeline in collaboration with these colleges. These relationships have been cultivated by demonstrating the IRM model at Northlink College through the funding provided by Growthpoint.

Project performance

Student placements in the NBI programme	74
Students hosted at Property Point beneficiary companies	44
Students placed within companies identified by Property Point and NBI (with the workplace component managed by NBI)	30
Drop-offs (absconded or resigned to go to another programme)	7
Students who deferred the completion of the programme	6
Students absorbed by host companies	15
Companies participating in the NBI programme for all 74 placements	20

Property Point green programme

Property Point developed a green programme with business development support to allow SMEs to enter the Green Economy and have an impact on economic activity, social welfare and the environment. The programme focuses on both inclusive and green growth, where SMEs are viewed as significant stakeholders.

Green SMEs use their products, services and business practices to help protect the climate, environment and biodiversity; however, they do so in different ways. Some focus on reducing the environmental footprint of their production process – such as implementing resource-efficient processes, while others focus on green outputs and offer green products and services – such as renewable energy products.

Since 2018, Property Point has conducted three green programmes as part of the enterprise and supplier development programme.

The intent was to develop eco-innovators, entrepreneurs, and adopters.

- Eco-innovators
  - These SMEs participate in eco-innovation, which involves the implementation of new or improved products, goods or services, processes, marketing or organisational methods in business practices, workplace organisation or external relations. These can be achieved with or without the intention to reduce environmental impact. Eco-innovation can also involve modifications to institutional and social structures, such as value patterns, behavioural models, social structures and interactions. Eco-innovation thus has the ability to change social norms, cultural values and institutional structures in order to bring society-wide environmental advantages.
- Eco-entrepreneurs
  - Similar to typical entrepreneurs, eco-entrepreneurs look for new opportunities arising from changes in rules, challenges or values. They then create and market solutions for problems they have found. However, they have distinct strategic aims and driving forces, and frequently regard better sustainability as one of their entrepreneurship objectives.
- Eco-adopters
  - This group, which is likely to represent the vast majority of SMEs, is similar to green performers. Greening, according to them, involves the adoption of environmental technologies and sustainable business practices. Unlike eco-innovators and eco-entrepreneurs, sustainability is unlikely to be at the core of their own businesses. Many eco-adopters see greening as simply complying with environmental regulations. There is therefore a dire need to incentivise them to go beyond compliance in their sustainability practices, and to demonstrate the business case for being more efficient with inputs and energy. The benefits of greening are sector specific for eco-adopters, and the various sector and firm-level barriers explain the varying levels of green practice diffusion.

Outcomes

To date, we have enrolled 47 businesses in an intense green building programme, with 14 businesses achieving both Green Star and Edge green programme ratings. These businesses were direct programme beneficiaries that had intentions to transition into the green economy – particularly by greening existing buildings to achieve GBCSA Green Star ratings.

Property Point FY22 outcomes

	FY22	FY21
SMEs supported	**142**	108
SMEs graduated	**31**	46
SMEs linked to market	**51**	48
Full-time jobs created	**74**	24
Jobs sustained	**848**	1 066
Total revenue generated (Rm)	**243.0**	191.0
Women-owned SMEs (%)	**52**	49
Youth-owned SMEs (%)	**17**	20
Number of applications received	**101**	128
Growthpoint spend (Rm)	**132.0**	141.0
Value of contracts outside Growthpoint (Rm)	**30.5**	10.0
Total value of contracts (Rm)	**162.5**	151.0

04 GROWING INCOME STREAMS

Our co-investment and co-management model introduces four possible sources of income for Growthpoint, namely, equity investment returns, asset management fees, property management fees and development fees.

Contents

GROWTHPOINT INVESTMENT PARTNERS (GIP)

This year, the formal naming of our "funds management business" as GIP was a significant milestone reflecting our core strategy to co-invest in and co-manage specialist alternative real estate investment portfolios.

Growthpoint, which is both a capital and management partner in these portfolios, laid the groundwork for GIP in 2014 when we first identified capital-light co-investment as a core strategy. Before this, we had almost exclusively favoured sole-ownership investments in South Africa. In response to changing market conditions, however, we established a platform to introduce new business lines and further diversify Growthpoint's assets by harnessing new opportunities through capital-efficient co-investment. This creates sustainable value for Growthpoint's stakeholders and investment partners.

Leveraging the management skills that have enabled Growthpoint to become a leading international property company has proved to be a successful defensive growth strategy in the low-growth, capital-constrained South African market. Our co-investment approach has quickly gained traction and gathered momentum, and is successfully attracting equity capital.

From a zero base in 2018, Growthpoint Investment Partners has reached its initial target of R15bn of assets under management ahead of time and our new aim is to double this in the next five years.

This year's rebranding exercise marks this turning point in our growth trajectory. Having a stand-alone brand as an off-shoot of Growthpoint helps to shift perceptions from landlord to co-investor. We will continue building a distinctive market presence and identity.

The progression of GIP is adding meaningful depth to the real estate market by creating access to alternative opportunities in the unlisted and co-invested environment. This is producing opportunities for the broader investment community and our partners as well as Growthpoint.

Our model

Our robust partnership platform delivers on one of our core strategies but still offers an investment model that is distinct from that of Growthpoint Properties. Our co-investment and co-management model introduces four possible sources of income for Growthpoint, namely, equity investment returns, asset management fees, property management fees and development fees.

Equity investment returns

As a cornerstone investor, Growthpoint aims to hold between 15% and 20% of the equity in each of the investment opportunities we create in order to earn investment returns. The balance of the equity is raised from third-party investors, while gearing of approximately 30-40% is introduced to each fund.

Asset management fees

As a significant stakeholder in the management of each investment, Growthpoint also earns asset management fees on managed assets. These fees are based on either gross or net asset value.

RISKS AND OPPORTUNITIES

Growthpoint Investment Partners

Risks	Mitigation	Opportunities
• Maintaining REIT status	• Each investment transaction is discussed by the relevant team with Growthpoint's finance, legal and treasury specialists, amongst others	• Disposal of assets to GIP • Earn asset and property management fees • Identification and acquisition of asset classes that attract institutional investors • Grow GSAH and GHPH to an optimal size for a possible stock exchange listing.
• Long process in attracting investors • Lack of liquidity in investment markets	• In the process of appointing a specialist responsible for raising capital and developing relationships with institutional investors • Dedicated investment team for each alternative asset class	
• Loss of income on sale of management contracts • Termination of management contracts.	• Maintain a portfolio of alternative asset classes.	

Property management fees

Growthpoint earns property management fees in instances where Growthpoint Management Services is appointed as the property manager.

Development fees

When Growthpoint is appointed the developer of greenfield or brownfield projects, it earns development fees.

Key considerations before establishing a specific investment are:

- Potential to scale a portfolio
- Level of investor appetite to provide equity capital
- Assets in sectors that are underpinned by strong fundamentals and differentiated from our core South African portfolio investments in the office, retail and industrial property sectors.

A focus on alternative property investments

Although not exclusively, Growthpoint will seek to focus on creating investment opportunities in "alternative asset classes", primarily in real estate sectors other than offices, retail and industrial.

Although these portfolios will initially be unlisted, the intention is to grow each to a sizeable scale so they can be listed on a stock exchange.

Investments that further positive ESG impacts

All our co-investments are made to have positive, long-term socio-economic impacts. They also enjoy full access to Growthpoint's excellent governance oversight frameworks, and extensive, dedicated environmental, corporate social investment and sustainability resources.

Performance

The growth and size of GIP has established it as a leading investment partner in alternative real estate markets which is making a positive impact and has exciting prospects for considerable future growth.

This year, our co-investment platform gained increased momentum with the launch of the Growthpoint Student REIT – the third specialist, unlisted alternative real estate investment opportunity to be launched under the banner of GIP. The first two investments include Lango Real Estate, the Africa-focused (ex South Africa) income-producing commercial real estate investment, and Growthpoint Healthcare REIT.

The new purpose-built student accommodation fund leverages the entrepreneurial vision and skill of Growthpoint's management team, and the proven student accommodation property management capability of the Feenstra Group. In addition to conceptualising the opportunity, Growthpoint is the appointed asset manager.

Together with the closure of the IFC transaction for Growthpoint Healthcare REIT – another highlight of FY22 – the capital raised for this new investment helped us achieve our original target of R15bn of assets under management ahead of time.

To secure the capacity for growth, we are resourcing each area of the GIP business and every investment with a dedicated team. We have officially appointed a dedicated head of this business as well as fund managers for each portfolio and are in the process of appointing a specialist for raising capital and developing relationships with institutional investors. Additional resources have also been allocated in key areas to provide dedicated support to GIP.

New investment concepts take time to roll out and newly established investments take time to bed down. With this in mind, as we grow our first three portfolios, we believe there is potential to launch at least one more in the next three to five years. This will align investor capital with critical mass and scalability.

While it has been difficult to gain the attention of investors – who generally have a dim view of the traditional property asset classes of offices, retail and industrial based on the current underlying dynamics in each sector, we are finding that those willing to listen become increasingly interested in the opportunities presented by alternative sub-sectors.

Our chosen alternative property asset classes are achieving both capital and strong income growth and are outperforming the traditional ones. Our investments have all outperformed the broader sector and investors are pleased that NAVs have not only held firm but that each alternative asset class has proved to be as defensive as we expected. This reinforces our investment case.

Through Growthpoint, the GIP platform affords its investments REIT status, but these unlisted investments provide exposure to direct real estate that tends to be driven by long-term fundamentals rather than listed real estate volatility that is based on short-term sentiment.

Furthermore, it is particularly pleasing that some of our Growthpoint Healthcare REIT investors have also chosen to invest in Growthpoint Student REIT. Their willingness to commit capital to a second new investment is a huge endorsement of the GIP model. It is especially noteworthy as many of these equity providers consider their investments in light of factors beyond financial performance, such as investing to make positive social and environmental impacts.

GROWTHPOINT HEALTHCARE PROPERTY HOLDINGS (GHPH)

Growthpoint Healthcare

Holding company	Growthpoint Healthcare Property Holdings (RF) Limited
Manager	Growthpoint Healthcare Property Management Company (Pty) Limited
Fund manager	Dr Linda Sigaba
Assets under management	R3.4bn
Net asset value	R2.1bn
Growthpoint holding	55.9% economic interest including convertible loan
LTV	12%
Major co-investors	Family offices, pension funds, DFIs
Asset management fees	1.25% of GAV
Property management fees	1.5% of gross collections
Number of assets	7
Distribution policy	Twice yearly, minimum 90% of distributable income

It has been a year of highlights for the Growthpoint Healthcare REIT, with a robust performance, strong operations, growth in assets, capital attraction and positive ESG impacts, despite the prevailing weak South African context.

In August 2021, the IFC finalised its USD80m investment in the REIT consisting of a package of USD20m equity and USD60m in convertible debt. Proceeds from this investment were in place to settle a bridge facility that was in place for the acquisition of the Cintocare Hospital, a 51% stake in the Busamed Paardevlei Private Hospital property, as well as the expansion of the Busamed Hillcrest Private Hospital.

Including this investment, the company has raised approximately R1.3bn from third-party investors to date, to add to Growthpoint's R650m of equity and R850m shareholder loan.

Post year end, subject to Competition Commission approval and transfer, they secured our first healthcare warehousing and distribution asset in FY22 by agreeing to acquire a 50% undivided share in Growthpoint's 22 455m² temperature-controlled Adcock Ingram pharmaceutical facility in Midrand. The other 50% undivided share was acquired by Bidvest Properties.

While GHPH are pleased with these acquisitions, which grew their assets under management and diversified its tenant base, they would have liked to execute more transactions this year and increase their pace of growth. The pandemic and South Africa's slow economic recovery have, however, delayed their progress.

GHPH have a R5bn pipeline of opportunities and are actively working on various acquisitions and development opportunities. To fund these, there is R490m immediately available on their balance sheet and low gearing provides substantial debt headroom for further growth.

They also commenced an equity-raise in FY22 and appointed Rand Merchant Bank and IFC as financial advisors to raise equity capital both locally and from like-minded international DFIs.

Since the initial outbreak of Covid-19, their tenants have adapted to the pandemic environment. They shored up their balance sheets with appropriate liquidity and are operating with suitable levels of nursing staff. This has enabled continued operation throughout the different waves of infection. Healthcare operators are back to pre-Covid-19 levels.

The final 5% of rental deferrals granted to sustain tenants during the initial hard lockdowns was recovered in the first three months of this financial year. This means that all Covid-19 deferred rentals have now been collected.

The higher cost of living, driven by the global macro-economy and the increasing local interest rate environment, does add some risk to their tenants' businesses, given the impact on healthcare affordability. Nevertheless, healthcare property as an alternative asset class has proven to be defensive throughout the Covid-19 crisis and will remain so going forward.

ESG

Having the IFC as an investor has sharpened their focus on ESG matters and, as part of this investment, they will report to the IFC on the environmental and social impacts of their facilities and operations annually.

GHPH's Cintocare Hospital asset was strategically developed by Growthpoint to achieve a 5-Star Green Star rating from the GBCSA and they have set a benchmark for all future developments at a minimum 4-Star Green Star rating.

The due diligence procedures for future developments and acquisitions are being finalised and a new tenant integrity screening process is in place to evaluate their credit and ESG profiles.

Governance was further strengthened with the formation of an Advisory Committee made up of one representative from each of the five largest shareholders – Growthpoint, Kagiso, IFC, Sentinel and Vulindlela. This committee plays a key role in independently considering related-party transactions.

GHPH also revised the terms of reference for their Audit and Risk Committee. This committee, which is comprised entirely of Non-executive Directors, is responsible for oversight of the Growthpoint Healthcare REIT manager, appointing an external valuer, approving valuations, and setting NAV, GAV and the issue price of shares.

Although Growthpoint Healthcare REIT and its manager are level 1 B-BBEE certified, they seek to introduce further strategic B-BBEE shareholders at both company and manager levels.

Asset allocation

GHPH are the first unlisted healthcare REIT to invest exclusively in healthcare property assets in South Africa. Their investment mandate remains to acquire and develop acute, day and specialist hospitals, as well as laboratories and biotechnology manufacturing and warehousing facilities.

Portfolio

The portfolio of seven healthcare assets includes six hospitals and one medical chambers building:

- Netcare N1 City Hospital
- Netcare N1 City Medical Chambers
- Mediclinic Louis Leipoldt Hospital
- Busamed Gateway Private Hospital
- Busamed Hillcrest Private Hospital
- Busamed Paardevlei Private Hospital
- Cintocare Hospital

Four of the hospitals have consistently been on Discovery Health's annual list of top South African hospitals, as rated by patients.

The portfolio has a weighted average lease expiry (WALE) of 9.5 years, with an average lease escalation of 7.7%. GHPH are in negotiations with Netcare and Mediclinic as their leases expire in 2023 and 2025, respectively. However, they expect both to be extended for significant periods.

Deal flow

Enabling the growth of healthcare operators, particularly newer or smaller ones, is expected to provide deal flow for their specialised investment vehicle. In the medium to long term, the REIT will give established hospital operators a creditable place to sell and lease back some of their property assets in order to manage their balance sheets and fund expansion. This is consistent with models followed by hospital groups globally. GHPH continues to engage with the big three national hospital operators to unlock long-term opportunities.

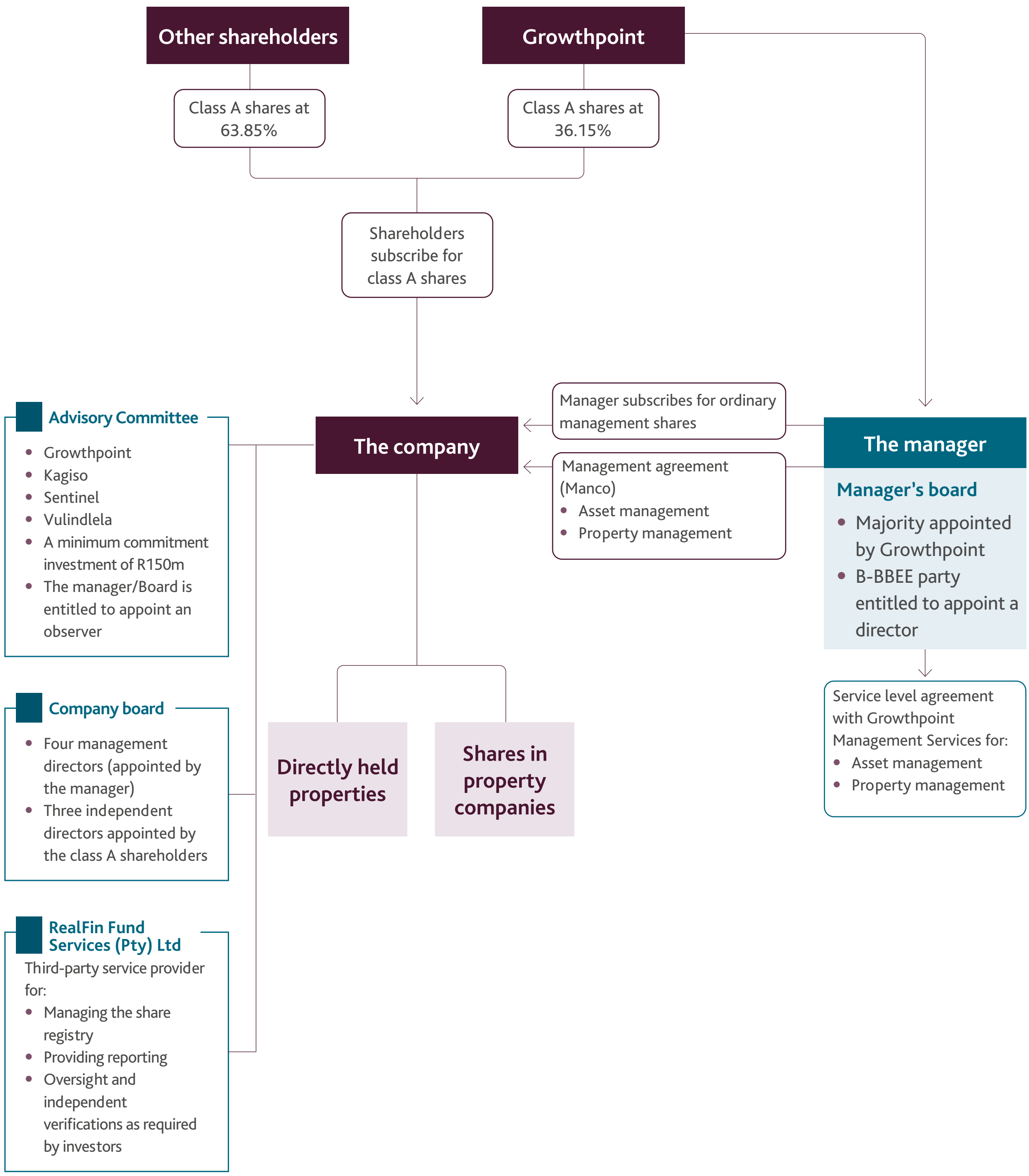
Target

Liquidity for investors will be through an initial public offering (IPO) and stock exchange listing, which is anticipated once the fund has R10bn in assets, or during the period between the seventh and 10th anniversaries of the company.

FY22 contribution to Growthpoint

Since pioneering healthcare property investment in South Africa in 2018, Growthpoint Healthcare REIT has delivered good growth to its investors. In FY22 it delivered DPS growth of 7.5% and DPS of 92.88 cents (FY21: 86.41 cents), thereby building on a track record of delivering excellent results, even in a difficult market.

The company and the manager are level 1 B-BBEE rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



GROWTHPOINT STUDENT ACCOMMODATION HOLDINGS (GSAH)

Growthpoint Student REIT

Holding company	Growthpoint Student Accommodation Holdings (RF) Limited
Manager	Growthpoint Investment Partners
Fund Manager	Amogelang Mocumi
Property Manager	Feenstra Group
Assets under management	R2.2bn
Net asset value	R1.5bn
Growthpoint shareholding	16.6%
LTV	26.9%
Major investors	Royal Bafokeng Holdings, Kagiso Capital, Growthpoint Properties
Asset management fee	1.25% of GAV, reducing to 1.0% GAV once assets reach R5bn
Number of properties	9
Distribution policy	Twice yearly, minimum 90% of distributable income

Income streams for Growthpoint

- Property investment returns
- Management fees
- Development fees.

Growthpoint Student REIT was launched in December 2021 and is South Africa's first unlisted, purpose-built student accommodation REIT. Its establishment opened up focused investor access to this defensive, alternative asset class with strong fundamentals and proven resilience. It launched with a portfolio of seven properties worth a total of around R2bn and offering approximately 5 000 modern beds.

The demand for specialised student accommodation in South Africa far outstrips supply, making these properties attractive investments. Thus, the introduction of the purpose-built student accommodation REIT received strong market interest. It has exceeded expectations, attracting third-party capital commitments of about R1.1bn and R1.5bn in total, including the capital commitments from both Growthpoint and the Feenstra Group.

The growing student accommodation market remains disaggregated and as South Africa's first unlisted REIT investing in this asset class, Growthpoint Student REIT is poised to become the institutional player of reference in a sector that is likely to re-rate in the next decade.

ESG

Growthpoint Student REIT invests in making positive social and economic impacts, particularly in education, a prominent social need in South Africa. Approximately 60% of students in the fund's initial portfolio are from low-income households and are supported by the National Students Financial Aid Scheme (NSFAS). The student accommodation portfolio provides environments conducive to both learning and living and should thus improve their educational outcomes.

The massive demand for quality student accommodation in South Africa is driven, in part, by the demographics of a young population. Further, education accounts for a significant share of public and family budgets, and Government's commitment to tertiary education supports purpose-built student accommodation. Given the constrained fiscal budget, Government and universities have shifted student accommodation provision from the institutions to partnerships with the private sector to address the shortfall.

With significant growth expected to come from new developments, the impacts of the Growthpoint Student REIT will expand beyond education, as investing in such developments will ultimately boost job opportunities, municipal revenues and communities.

Capital allocation

Growthpoint Student REIT has the mandate to invest throughout the country and will seek to identify opportunities at all educational institutions, be it universities, TVET colleges or specialised educational institutions such as teachers' or nurses' colleges. Further, to ensure that capital allocation is spread to outlying or less developed educational institutions, the Growthpoint Student REIT mandate obliges it to have at least 10% of its beds in such areas.

Portfolio

Growthpoint Student REIT's seven student accommodation properties are located in Gauteng and split between the universities of Pretoria (71%) and Johannesburg (29%). Each property is only a short walk from its respective campus and all have a history of high occupancy levels and rental growth.

The assets are:

- Studios@Burnett
- Hatfield Studios
- Festival Edge
- Varsity Studios

- Kingsway Place
- The Richmond
- Richmond Central.

Deal flow

With the extensive current deal flow requiring further equity funding, investors will have ongoing opportunities to be part of this high-impact social investment. Growthpoint Student REIT has several acquisition and development opportunities on the horizon, including an immediate growth portfolio of three development projects being undertaken by the Growthpoint development team. Peak Studios and Apex Studios are due to open for the 2023 academic year while Capital Gate will open in 2024. Brooklyn Studios is being developed and will be open in time for the 2023 academic year. In total, Growthpoint Student REIT will add some 2 100 new beds in the 2023 academic year, which will help to address an urgent need and have an immediate positive social impact.

Not only does Growthpoint Student REIT have about R1bn worth of development prospects for the 2024 and 2025 academic years, but also good merger and acquisition opportunities in the current market.

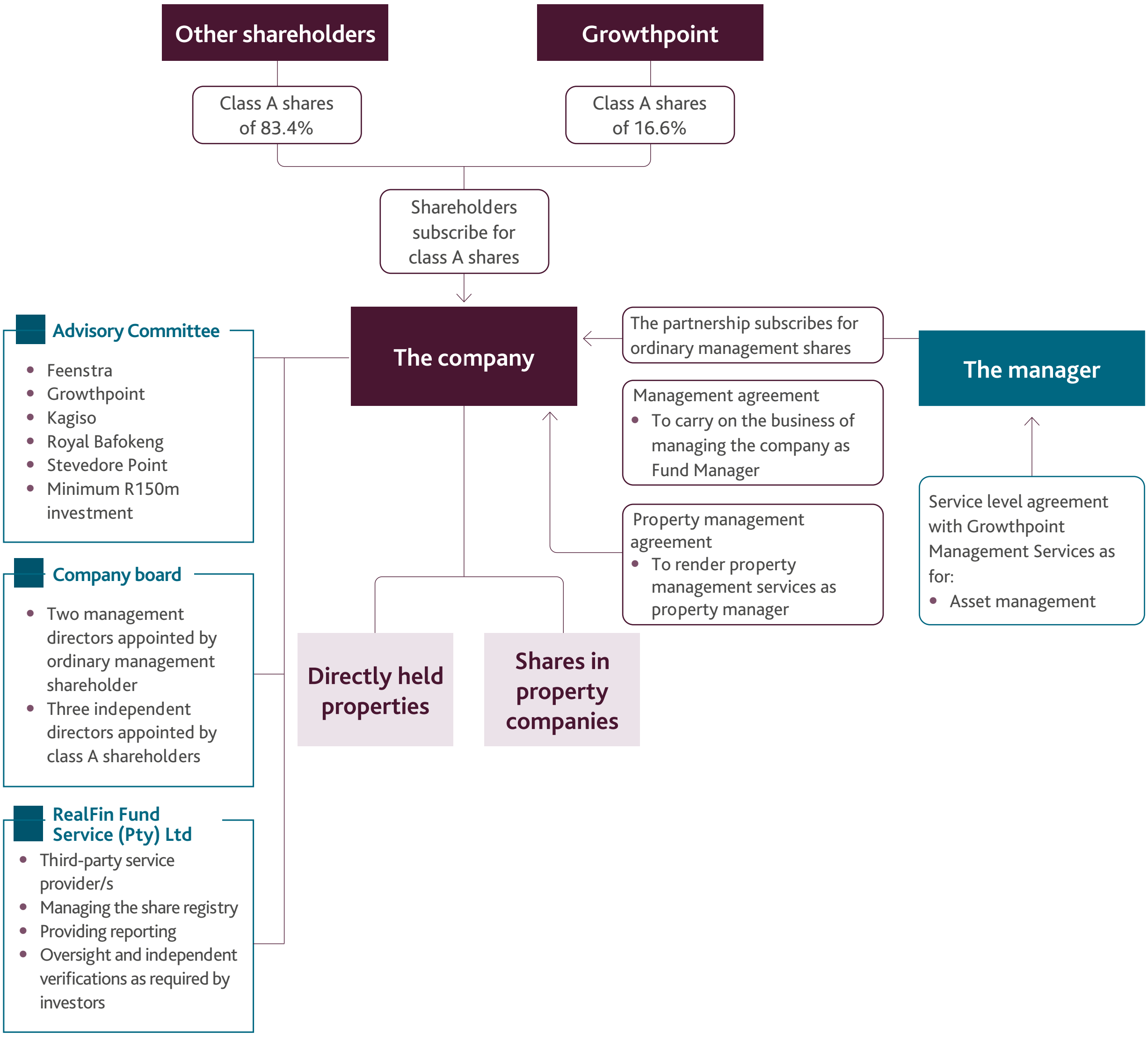
Target

Growthpoint Student REIT's target is to grow the portfolio to R12bn worth of assets and achieve a stock exchange listing within the next seven years.

FY22 contribution to Growthpoint

In February 2022, fund investors including Growthpoint received dividends of R16.7m for the period ended 31 December 2021, reinforcing the income-driven nature of this investment. Moreover, dividends for the period ended 30 June 2022 have amounted to R51.1m.

GSAH is level 6 B-BBEE-rated and the Manager is level 1 B-BBEE-rated and will seek to introduce further strategic B-BBEE shareholders at both company and manager levels.



05 INTERNATIONAL EXPANSION

Growthpoint ultimately aims to derive 50% of our book value and 40% of our EBIT from international investment.

Contents

OVERVIEW OF OFFSHORE PROPERTY PORTFOLIO

	GOZ		C&R		GWI	
	2022	2021	**2022**	2021	31 December 2021	31 December 2020
Asset value (Rm)	**58 820**	49 462	**8 455**	10 532	53 771	51 736
Number of properties	**58**	55	**6**	7	66	64
Gross lettable area (GLA) (m^2)	**1 061 454**	1 033 028	**239 690**	350 980	1 302 300	1 271 300
Value per m^2 (excluding bulk)	**AUD4 841**	AUD4 376	**GBP1 660**	GBP1 375	EUR2 457	EUR2 402
Capital expenditure (Rm)	**484**	126	**190**	80	957	1 369
Gross property revenue	**3 218**	3 229	**1 188**	1 234	3 835	4 005
Property expenses (Rm)	**(558)**	(565)	**(561)**	(629)	(1 313)	(1 276)
Property expense ratio (%)	**17.3**	17.5	**47.2**	51.0	34.2	31.9
Net property income (Rm)	**2 660**	2 664	**627**	605	2 522	2 729
Vacancies (%)	**3.2**	2.9	**6.4**	10.3	11.5	9.1
Arrears (Rm)	**17.5**	5.7	**196.8**	471.9	305.4	182.7
Bad debt (I/S) (Rm)	**(1.8)**	–	**(8.4)**	50.4	105.1	83
Average gross rental (per m^2/month)	**AUD316**	AUD270	**GBP131**	GBP123	–*	–*
Average annualised yield (%)	**5.2**	5.8	**7.3**	7.9	–*	–*
Average in-force escalations (%)	**3.6**	3.4	**n/a**	–*	–*	–*
Weighted average lease period (years)	**6.3**	6.2	**6.4**	6.2	4.6	4.5
Letting success rate (%)	**84.2**	72.0	**n/a**	–*	–*	–*
Weighted average renewal growth (%)	**(10.4)**	(7.3)	**n/a**	–*	–*	–*
Weighted average future escalations on renewals (%)	**3.0**	3.4	**n/a**	–*	–*	–*
Weighted average renewal lease period (years)	**4.4**	7.1	**3.7**	4.4	–*	–*
Number of employees	**39**	33	**94**	72	–*	–*

* *C&R and GWI do not report on this.*

GROWTHPOINT AUSTRALIA (GOZ)

Growthpoint Australia is a publicly traded, ASX-listed A-REIT (ASX: GOZ) that owns and manages a AUD5.1bn diversified portfolio of quality investment properties.

Reflecting a strong performance throughout the year, GOZ delivered FFO of AUD27.7cps, or 7.8% growth over FY21. An increasingly certain and positive performance over the year then allowed GOZ to upgrade FFO guidance for FY22 from AUD25.7cps to AUD27.0cps in December 2021, and again in June 2022 to at least AUD27.7cps. FY22 distribution was AUD20.8cps, representing a payout ratio of 75.1%, in line with GOZ's board's decision to maintain a more conservative payout ratio of 75% to 85% of FFO in FY21, which will assist in providing GOZ securityholders with growing distributions going forward.

Australia remains one of the most attractive destinations in the Asia-Pacific region for offshore real estate investment. The Australian economy is functioning well and there is liquidity available in the market. However, it is also feeling the impact of global influences and pressures reflected in other markets. Australia is also experiencing increased inflation, with CPI reaching 6.1% in the quarter to end-June 2022, as well as increases to the official cash rate by the Reserve Bank of Australia and rising long-bond yields.

There is a strong labour market, with unemployment at a 48-year low of 3.5% at the end of FY22 and little net migration, which will take time to recover to pre-pandemic levels.

The pandemic continued to have no direct material impact on GOZ's financial results to date, reflecting financial strength and property portfolio resilience over the period.

Operational performance

GOZ made a number of strategic, accretive acquisitions during FY22, investing AUD320m in high-quality, modern A-grade office assets and acquiring additional Dexus Industria REIT securities to further increase exposure to the growing industrial sector.

GOZ also successfully settled on the AUD165m acquisition of GSO Dandenong, 165–169 Thomas Street, Dandenong, Victoria in July 2022 and entered into a share sale agreement to acquire Fortius Funds Management in August 2022, a key strategic priority and growth opportunity for the business. The AUD45m initial purchase price (with a net asset adjustment) will be paid in cash from GOZ's existing liquidity and debt facilities on completion, plus up to an additional AUD10m earn-out component based on agreed milestones being met over the period to June 2024. Completion is anticipated in the first quarter of FY23 subject to conditions precedent being satisfied. GOZ intends to grow its new funds management business, which provides a scalable platform to drive incremental growth to earnings for securityholders, from 10% to 20% of EBIT in the medium term. The agreement adds AUD1.9bn high-quality third-party funds under management in a single transaction, taking GOZ's assets under management to AUD7.2bn.

RISKS AND OPPORTUNITIES

Growthpoint Australia (GOZ)

Risks	Mitigation	Opportunities
• Global recession.	• Diversified portfolio of quality investment properties with exposure to favoured industrial and metropolitan office property markets and secure income from large corporate and government tenants.	• Positive yield spreads • Stable property fundamentals • "Capital-light" investments via the funds management business • Potential mergers and acquisitions.
• Availability of excess capital driving yields lower • Competitive market with global capital seeking investment opportunities.	• Acquired funds management business with the intention to grow from 10% to 20% of EBIT in the medium term.	
• Rising interest rates and inflation.	• Early in FY22 enhanced capital position by refinancing debt and extending its weighted average debt maturity. At year end 60.2% of debt was fixed and gearing was at 31.6%.	

The GOZ portfolio continues to be leased to predominantly government, listed or large organisations and has maintained its high occupancy rate of 97% and WALE of 6.3 years.

During FY22, GOZ's portfolio value increased by 7.9% or AUD356m on a like-for-like basis, with the uplift over 12 months reflecting the strength of the industrial market and our leasing success across both the office and industrial portfolios in the year.

Significant leasing activity during the year totalled approximately 234 000m² or 17% of portfolio income, with key leases being signed or renewed with Samsung, Fox Sports and Bunnings in the office portfolio and Woolworths, Linfox and Eagers Automotive in the industrial portfolio. Woolworths exercised their five-year lease option for their major Queensland distribution centre at Larapinta in the second half of the year. Post balance date, GOZ has negotiated an additional two-and-a-half-year extension to the Woolworths lease, resulting in a seven-and-a-half-year lease term from February 2022.

The desirable nature of the GOZ properties and its leasing success and proactive asset management over the years all contribute to the strength of its portfolio. GOZ was pleased to maintain its high tenant retention rate of 86% at end-June 2022 and that it was ranked industry leader on landlord satisfaction in a tenant survey conducted by property research specialists Brickfields Consultancy during the year.

Net tangible assets (NTAs) have increased during FY22 to AUD4.56 per share, demonstrating the resilience of GOZ's growing property portfolio.

Environmental and social

GOZ is committed to operating in a sustainable way and has continued to make progress on sustainability in FY22. We moved forward on our pathway to net zero by 2025 by improving energy and resource efficiency across the portfolio and completing three solar installations in the office portfolio.

GOZ's average National Australian Built Environment Rating System (NABERS) Energy rating has improved to 5.2 stars, with 100% of the office portfolio now rated. Performance in line with external benchmarks remains strong, with its overall Global Real Estate Sustainability Benchmark (GRESB) score increasing by 8.1% to 80/100 and an above-average CDP score of "B" being maintained. GOZ was also recognised by GRESB as an "Overall Regional Sector Leader – Diversified – Office/Industrial" in FY22 and was ranked in the top five for energy ratings in the NABERS Sustainable Portfolios Index 2022.

Prospects

The changing external environment going into FY23 has created a challenging period for the Australian real estate sector, with markets responding to and anticipating further rate hikes coupled with the impact of raising inflation.

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

Industry data demonstrates that metropolitan office markets outperformed their CBD counterparts in FY22, with Jones Lang LaSalle data signalling higher positive net absorption of around 245 000m² (or 2.4% of the market) versus some 143 500m² (or 0.8% of the market) in CBD markets.

Early in FY22, GOZ enhanced its capital position, taking advantage of low pricing at the time to refinance AUD715m worth of debt. This reduced GOZ's refinancing risk and extended its weighted average debt maturity (WADM).

Going into FY23, GOZ is positioned to manage the business through a period of higher inflation and higher interest costs with 60.2% of its debt fixed at 30 June 2022 and ample headroom to debt covenants. Its gearing of 31.6% at 30 June 2022 remains below the target range of 35% to 45% and provides flexibility to invest in property or funds where we see value for securityholders.

GOZ has provided FY23 FFO guidance of AUD25.0 – 26.0cps and FY23 distribution guidance of AUD21.4cps and is committed to providing securityholders with sustainable income returns and capital appreciation over the long term.

CAPITAL & REGIONAL (C&R)

An operational recovery, stabilisation of income flows and asset values, and the refocus, restructure and recapitalisation of the C&R business achieved much-needed balance sheet stability.

C&R is a UK-focused pure retail property REIT that owns and/or manages community shopping centres that dominate their catchment areas.

> *The UK retail market was at a low point at the start of FY22, but saw significant improvement and a strong footfall recovery as the year progressed, with the exception of November and December 2021 when the Omicron variant of Covid-19 emerged.*

The pandemic undoubtedly accelerated structural changes in the retail sector, but it also revealed just how important physical retail still is for people and the value that retailers place on it. Online shopping naturally increased during the lockdowns, but in many areas it reduced and then plateaued as the severity of the pandemic decreased and the number of infections dropped.

The UK retail environment stabilised significantly after a turbulent time, with some return to operational normalcy in FY22 resulting in improvements to occupancy, rental collections, footfall, income and valuations. This, in turn, allowed them to return to paying a dividend for the first time in 2.5 years – for the six months to June 2022 in line with their previous dividend policy to distribute at least 90% of EPRA earnings.

Operational performance

C&R achieved encouraging operating metrics in an environment that has transformed dramatically. All their centres were open throughout the period, allowing their customers to shop locally, and footfall in the portfolio outperformed the national index by 4% in June 2022. This was a result of their community strategy. They closed the financial year at around 83% of 2019 footfall levels, with Wood Green surpassing that figure. This translated into good leasing progress with an occupancy rate returning to above 90%. Retailer demand continues to recover in their key tenant categories, and leasing transaction values and volumes are above pre-pandemic levels. Rental collections were at 98% for the same six months to June 2022.

C&R's community shopping centre strategy has served them well. While they are realistic about market shifts and know that they are not immune to them, the benefits of being part of community infrastructure were proven by the pandemic and needs-based retail has given them more protection from structural shifts. C&R continues to create vibrant, relevant and tailored community centres. As part of their strategic position and merchandise mix, C&R have reduced exposure to fashion by a substantial 13% in the past five years and increased food, grocery, and health and beauty offerings. Pharmacies are now their major occupiers.

C&R saw a recovery in their Snozone leisure business in 2022 and Snozone Madrid, Spain, turned profitable in February 2022 for the first time since Growthpoint acquired this business.

In a welcome turnaround after 18 months of dramatically dropping valuations, their property values have started to stabilise. Partly reflecting leasing success and partly acknowledging a sense in the investment markets that well-let centres may be overdiscounted, they saw a stabilisation in values

RISKS AND OPPORTUNITIES

Capital & Regional (C&R)

Risks	Mitigation	Opportunities
• Global recession	• Own community shopping centres that dominate their catchment areas	• Low asset values • Positive yield spreads • Funds management.
• Implications of Brexit	• Cautious and conservative commitment to capital expenditure • Innovative and creative thinking on how to unlock value expenditure	
• Prolonged effects of Covid-19	• Centres form part of the community infrastructure and are focused on needs-based retail. Reduced exposure to fashion and increased food, grocery, and health and beauty offerings	
• Breaching of loan covenants at a facility level • Rising interest rates and inflation.	• Restructured and recapitalised business resulting in a strengthened balance sheet.	

during the second half of 2021. In the first six months of 2022, they not only demonstrated greater stability but they saw the first green shoots of growth, indicating reason for cautious optimism about values going forward from a recalibrated rental base, as capital begins to focus on the sector.

Portfolio highlights

C&R have been conservative and cautious about committing to capital expenditure, and thinking innovatively and creatively about how they unlock value in their assets. They have made strong progress on several key initiatives to achieve this. At Walthamstow C&R have partnered with Long Harbour which has commenced its development of 500 apartments in two roof towers. C&R finalised the sale of their Blackburn shopping centre in August 2022 at a premium to book value and this, combined with the Maidstone House office sale that was completed in December 2021 has further de-risked the portfolio and enabled proceeds to be deployed to pay down debt. They continue to explore collaborative approaches to the residential potential identified across several assets and are partnering strategically with a specialist residential developer, Far East Consortium, to unlock alternative use development and help navigate the lengthy planning processes.

C&R signed a new NHS community healthcare centre at The Exchange Centre, Ilford, on a 25-year lease, which is both a first within the UK shopping centre market and a great example of their community shopping centre strategy. This new 1 858m^2 purpose-built, flagship facility is expected to open to the public in 2024. Also at Ilford, they have signed an agreement to relocate and upsize TK Maxx into a new 3 252m^2 anchor store, from the former Debenhams unit, which will allow for the creation of an entrance next to Ilford station, which will benefit from the opening of the new Elizabeth Line.

Balance sheet

The increased stability in income allowed them to undertake their recapitalisation, which also coincided with values stabilising after several years of declines.

In the six months to December 2021, C&R undertook a GBP30m equity raise, which was fully underwritten by Growthpoint, resulting in an additional investment by Growthpoint of GBP23.7m (R480m). Their successful recapitalisation and debt restructure, together with two properties – the Marlowes Centre in Hemel Hempstead and The Mall, Luton – being classified as managed and not owned, reduced LTV from 72% to 49%. This brought critical stability to their balance sheet.

Then in the six months to 30 June 2022, C&R went on to acquire their debt in respect of the Marlowes Centre at a significant discount, paying GBP11.8m to settle the loan and associated debt liabilities of about GBP24m. This represents a discount of approximately 51%. To partially fund the transaction, they agreed terms on a new loan facility of GBP4m for three years at a margin of 5.95%, secured by the centre. The loan was provided by BC Invest, a subsidiary of their strategic residential partner, Far East Consortium. The rest was funded from cash reserves.

The transaction returns this asset's long-term ownership to C&R with an immediate NAV uplift of approximately GBP12m and it is no longer classified as a managed asset. The asset was valued at GBP10.5m at 31 December 2021, representing a net initial yield of 12.5%.

C&R is also working closely with the lender of the secured debt on The Mall, Luton, to explore a disposal of part, or all, of the investment or asset and this is expected to reach conclusion in the next few months.

They signed a package of amendments, at favourable terms, to their GBP39m secured loan facility in respect of the Exchange Centre, Ilford, to facilitate the investment of approximately GBP10m for the two strategic projects.

C&R has high cash reserves of over GBP40m and their property valuations for owned assets of GBP358.5m stabilised during the period. The cumulative bearing of this focus reduced LTV to 40% on a pro forma basis adjusting for the Blackburn and Walthamstow receipts received post 30 June 2022.

Environmental and social

C&R have been on a journey to reduce greenhouse gas emissions for several years and have made good progress. The further they go on this journey, the more challenging it becomes, but there is still a lot they can do and they remain committed to continued improvement. New legislative frameworks expected in the short term will restrict the registration of leases on buildings with insufficient energy performance ratings, making the leases non-binding. C&R are therefore planning to ensure all the necessary EPC ratings are achieved before the legislated deadline. Ultimately, they aim to have all their buildings A rated.

Work-life balance and mental health issues have been highlighted by the pandemic and C&R are providing support in these areas, to their employees and communities.

Through staff volunteering, community support from their shopping centres and the care given to their staff, C&R has been able to make a positive contribution to many of the UN SDGs.

Prospects

Global and local inflationary pressures pose challenges, but headwinds in the broader market have shifted from structural to cyclical. Physical retail has reaffirmed its importance and positive sentiment is increasingly emerging about the sector, which benefits their business. This is evident in the increasing demand for their retail space, higher leasing and occupancy performance, a marked increase in investment market activity and the progress made on C&R's strategic initiatives. They made a huge leap forward with the stabilisation of their balance sheet and will continue to do more to reinforce its strength.

Centres where C&R have the right customer proposition are performing the best and they will continue getting suitable retailers in the appropriate merchandise categories to advance this proven community model. C&R community links are part of this, and they will keep acting in the interest of good governance and striving to have positive impacts on society and the environment. People want good corporate citizens at the heart of their communities.

All these factors combined give them good reason to be optimistic and also support the continued payment of dividends.

GLOBALWORTH REAL ESTATE INVESTMENTS (GWI)

GWI is a real estate company in Central and Eastern Europe (CEE) and is listed on the AIM segment of the London Stock Exchange. Through its market-leading positions in Poland and Romania, it has become the pre-eminent office investor in the CEE real estate market. GWI acquires, develops and directly manages high-quality office and industrial real estate assets in prime locations that attract global blue-chip tenants, thus generating rental income.

GWI paid shareholders a total dividend of EUR0.27 per share for the period 1 July 2021 to 30 June 2022, which Growthpoint received in the form of two dividends in October 2021 and April 2022.

Overall, GWI continued to deliver a resilient performance despite the global challenges affecting its markets of operation. As the CEE began moving on from the Covid-19 pandemic, the war in Ukraine impacted the international business environment, which brought about supply chain disruptions, higher inflation and interest rates, and increased volatility, impacting the economic and business environment negatively, resulting in a more uncertain outlook.

The businesses in GWI's tenant base do not have material exposure to either Ukraine or Russia, and thus GWI's business has not been directly affected. That said, no business is immune to the war's impact and the overall weakening macro-economic prospects.

In both Poland and Romania, increased construction costs and reduced development activity due to the Covid-19 pandemic have limited new supply in these markets. This could lead to a lower-than-average supply of high-quality offices in central locations in the coming years, potentially driving higher tenant demand for such properties.

In addition, the gap between A-grade properties with strong sustainability credentials and B-grade properties has been widening both from an investment and a leasing perspective, which should benefit GWI's portfolio of high-quality properties.

Headline rental levels have remained stable. The combination of lower supply and higher inflation should be a strong mitigant against the adverse effects of a potential slowdown in tenant demand due to the weakening economic conditions.

The performance of the industrial and logistics sector has received much focus in recent years because its success during the pandemic has been robust. The combination of a low stock level in Romania, where GWI has a strong presence and high tenant demand, relative to other European markets, has been very positive for the local logistics market. The vacancy rate in the Romanian market is a low 4% and GWI is taking advantage of these market dynamics with targeted, high-quality industrial logistics developments.

Poland is the CEE's most mature and largest real estate market. Its capital, Warsaw, has been performing well with a positive outlook. Demand for high-quality centrally located offices remains strong. Occupancy in high-quality offices and the level of pre-leases in attractive development projects are robust and have positive outlooks given the low office construction activity.

RISKS AND OPPORTUNITIES

Globalworth Real Estate Investments (GWI)

Risks	Mitigation	Opportunities
• Global recession • Political uncertainty • Regulatory environment	• Defensive high-quality office and industrial portfolio with large multinational tenants of which 51% are in Poland and 49% in Romania	• Better growth than Western Europe • High and positive yield spreads • Attractive to global corporates due to lower costs.
• Controlling shareholder and only minority stake and protection	• GWI only accounts for 11.9% of Growthpoint's book value of property assets and 7.0% of EBIT	
• Rising interest rates and inflation	• Maintain a prudent financial position with moderate leverage that is largely unsecured and high levels of liquidity	
• Impact of Russia-Ukraine war.	• The tenant base does not have material exposure to either Ukraine or Russia and GWI's business is not directly affected.	

However, dynamics are different in Poland's regional cities, where new developments delivered in recent years are experiencing leasing pressure.

Corporates are increasingly aiming to bring employees back to the office, mainly with a hybrid working model. Expectations of significant vacancies due to work-from-home have not materialised and, instead, a trend of office reconfigurations has emerged.

Performance

GWI's portfolio is 51% in Poland and 49% in Romania. During the 12 months, its value increased to EUR1.74bn. The portfolio proved defensive, with like-for-like values of our combined standing commercial portfolio marginally growing by 1%. The portfolio value benefitted from a further uplift mainly from the net positive impact of developments delivered or in progress and new acquisitions.

The company delivered four high-quality industrial logistics facilities with a combined 62 000m^2 space in Romania. It acquired its first small business units industrial property in Bucharest, which added another 7 000m^2 to the portfolio.

GWI focused on actively improving its existing assets. Two of the three mixed-use developments it owns in Poland are currently under refurbishment to improve their Class-A office space and their retail and commercial offerings in line with current market trends.

Investing in logistics properties and developing high-quality industrial properties in Romania has also proved successful, helping grow the overall standing portfolio to around 1.4 million square metres of gross lettable area across 71 properties – from 66 at June 2021.

From an overall operational perspective, the portfolio performed well, with leasing continuing to focus on large blue-chip multinational and national tenants in their respective countries of operations. Like-for-like occupancy marginally increased by 0.9% despite the challenging market conditions and the WARTA Tower now being effectively vacant.

Overall average standing occupancy of the combined commercial portfolio was 88.1% (88.4% including tenant options) at 30 June 2022, marginally lower than year-end 2021 (88.5% or 88.7% including tenant options). This number was impacted by the addition of the four newly completed industrial property assets, two of which are in the lease-up phase, with an average occupancy of 61.8%. This offset the higher occupancy in the small business unit property acquired with an occupancy of 98.0%. All four projects are subsequent phases of existing and highly successful projects either fully owned by GWI or in joint ventures and have positive leasing outlooks.

GWI achieved good leasing results, signing over 106 100m^2 in the six months from January to June 2022 and this was taken up or extended at an average of five years. Although lower than the levels of leasing concluded in the January to June 2021 period during Covid-19, this is a good performance as it maintained and improved like-for-like occupancy in a challenging market environment and a WALE of 4.6 years.

Balance sheet

GWI's EUR550m inaugural bond was due to mature in June 2022 and it repaid the remaining EUR323m, resulting in the company having no material debt maturing until March 2025. GWI also entered into a six-year term loan agreement for EUR85m with the IFC, which is a member of the World Bank.

In addition in this period, GWI had several projects either recently completed or still underway, including the refurbishment of the two mixed-use properties in Poland, where the full value uplift is yet to be seen. As such, GWI's LTV increased slightly from 40.1% to 41.0%. GWI closed June 2022 with not only EUR185m of cash on hand but the majority of its RCF facility in place undrawn. This still gives it substantial liquidity.

Total debt is EUR1.5bn at a 2.55% average cost of debt. Over EUR1.0bn of that is in two bonds in addition to the unsecured EUR85m IFC facility announced in June 2022. Most of GWI's debt is unsecured. It has no significant imminent maturities for repaying, with the next one being in March 2025, and this is considered beneficial in challenging market conditions.

The mandatory takeover bid by Zakiono Enterprises on behalf of CPI Property Group and Aroundtown for the shares of GWI introduced costs for the business in the six months from July to December 2021. No further costs in this regard were incurred in 2022. Shareholding remains essentially as it was before the bid.

GWI has three credit ratings. S&P and Fitch both confirmed its investment-grade status and Moody's also maintained its rating, which is a testament to the quality of its properties, business and cash flows.

Environmental and social

GWI has an A rating by MSCI and a low-risk rating by Sustainalytics. During the period, it issued its third Sustainable Development Report and inaugural Green Bond Report. Its green building portfolio of 57 green-certified properties is valued at EUR2.8bn.

During the first six months of 2022, it certified or recertified 23 properties. When recertifying, GWI strives to improve a property's rating. The bulk of these are certified BREEAM excellent or higher, or LEED gold or higher, and the portfolio also has several properties certified under EDGE.

Prospects

The current challenging global macro-economic conditions are expected to continue in the near to mid-term, resulting in an uncertain outlook. As a result, GWI's primary focus continues to be maintaining a solid and resilient operating performance and a prudent financial position with moderate leverage and high levels of liquidity.

LANGO REAL ESTATE (LANGO)

Lango

Holding company	Lango Real Estate Limited
Manager	Lango Real Estate Management Limited (37.5% Growthpoint share)
Managing director	Thomas Reilly
Assets under management	USD615.6m
Income streams for Growthpoint	• Property investment returns • Manager distributions
INREV* net asset value	USD307.8m
Growthpoint shareholding	16.3%
LTV	47.4%
Major investors	A diversified grouping of international institutional shareholders, predominantly pension funds
Asset management fee	2.0% of NAV
Number of properties	11
Distribution policy	Twice yearly, minimum 90% of distributable income

GLOBAL AND MULTINATIONAL TENANTS
89%

AVERAGE LEASE EXPIRY
3.7 years

USD DENOMINATED LEASES
98%

** European Association for Investors in non-listed Real Estate Vehicle.*

Lango delivered a robust financial and operational performance in FY22, notwithstanding challenging macro-economic conditions with the effects of the Covid-19 pandemic and geopolitical uncertainty. This created a difficult and volatile market specifically in the retail sector.

This positive performance reflects the quality of Lango's assets, the strength of its tenant base, the success of its investment strategy, the advantages of its hands-on management approach and the benefits of its diversification across key gateway cities in various African countries.

Operational focus across the portfolio remains on detailed expense and arrears management. Collections totalled 118% of billings and while limited Covid-19 financial support for tenants remained in place, their ability to pay their rentals improved meaningfully, as evidenced by the collection rate.

A substantial number of leases were concluded in the period including noteworthy leasing success of the Standard Chartered building in Accra. Lango's tenant profile is dominated by global and multinational businesses and brands.

RISKS AND OPPORTUNITIES

Lango Real Estate (Lango)

Risks	Mitigation	Opportunities
• Economies that are highly reliant on commodities	• Rapid urbanisation rates and economic growth	• Grow Lango to an optimal size for a possible major stock exchange listing • Joint investment with third-party institutional investors • Expansion into East Africa • Prices of assets attractive • Increased appetite for investment from third parties.
• Lack of Dollar liquidity • Political uncertainty • Regulatory environment uncertain	• Diversification across key gateway cities in various African countries	
• Country concentration	• Specifically targeting Nairobi in Kenya to further diversify and enhance the portfolio of assets	
• Rising interest rates and inflation.	• Majority of debt fixed at low interest rates of long duration.	

Following widespread social unrest in Lagos in October 2020 and damage inflicted on Circle Mall, Lango has made significant progress on the reinstatement of the asset. The related insurance proceeds have been received and the reinstatement process is on track.

Lango has commenced an equity-raising period, with proceeds to be allocated to reducing Lango's debt and funding its acquisitions. Lango is currently specifically targeting Nairobi in Kenya to further diversify and enhance the company's overall portfolio of assets. As an emerging leader in African real estate investment, Lango is attracting the interest of the global investment community and establishing itself as a credible entry point for capital-seeking investment opportunities in the African markets.

Lango completed an acquisition of the remaining minority in the Stanbic Heights office building in Accra, Ghana.

The debt restructuring that Lango finalised in FY21, with the majority of debt fixed at historically low interest rates, has continued to deliver financial benefits. The company has been protected from the rise in the interest rates during FY22 and will continue to benefit for the duration of the debt term. This year, a USD25m revolving credit facility due to expire in September 2022 was extended to September 2024. As part of Lango's financial year-end process, an independent asset valuation was undertaken, which resulted in a minor reversion despite the uncertainty of the previous 12 months.

Lango will maintain a strong focus on efficiency and control of its operations, managing risk while providing a robust platform for future growth.

ESG

Lango is committed to pursuing its ESG objectives proactively and in a responsible manner. It has continued to embrace ESG in its business by implementing an ESG roadmap, assessing its assets from an ESG perspective and developing initiatives for making a positive impact on society and global climate change challenges. This year it measured its use of energy and water resources and began developing an action plan to reduce usage. It assessed its community support and identified education excellence and business development as its key focus areas. Lango is currently also reviewing its governance structure to optimise its board and sub-committee structures in line with best practice.

Asset allocation

Lango invests in prime, income-producing commercial real estate assets in key nodes and cities across Africa, with the aim of generating sustainable investor returns. Exposure across the retail, office and industrial sectors is underpinned by rental growth from quality tenants.

Country	Asset type
Ghana	Office and Retail
Nigeria	Office, Retail and Land
Zambia	Retail
Angola	Land

This diversified exposure creates a more balanced and derisked portfolio and allows for the extraction of long-term diversification benefits. This is further underpinned by the continued rapid urbanisation rates and economic growth across the continent.

Deal flow

An extensive network of relationships and proprietary deal access from property developers across Africa contribute to Lango's deal flow, giving the company access to a significant asset pipeline that is diversified across countries and sectors. Furthermore, the restructuring of the company's debt finance, supported by its funding partners, and the second fundraising initiative currently underway will enhance Lango's ability to continue its growth trajectory and further entrench itself as a leading player in the African real estate market.

Target

Lango has committed to listing on a recognised exchange by no later than March 2026 and is developing a detailed roadmap and action plan in this regard. Working towards the listing, this year it successfully internalised its finance function and resolved to change Lango's financial year end from March to December.

FY22 contribution to Growthpoint

Lango's FY22 dividend grew significantly. The strong performance of the Ghanian portfolio and the successful resolution of the USD7.5m previously unable to be repatriated from Nigeria, through a reduction of trade debtors, enabled Lango to declare a USD8.6m dividend for FY22. This resulted in a total dividend of USD1.4m/R22.3m for Growthpoint.

06 GOVERNANCE

The skills and expertise of each director enable them to individually and collectively evaluate strategy, assess the company's performance and act in Growthpoint's and stakeholders best interests.

Contents

CORPORATE GOVERNANCE

The Growthpoint Properties Limited Board of Directors (the Board) is responsible for leading the company with integrity.

The Board is the custodian of Growthpoint's governance framework. Our Board-approved strategies, policies, standards, practices and procedures are designed to support our achievement of the highest standard of corporate governance.

Our Board recognises that good corporate governance is about effective and responsible leadership that is based on a foundation of ethical values and governs ethics to uphold an ethical culture at Growthpoint.

Good governance allows us to exemplify our values through enhanced accountability, a transparent and ethical culture, sound risk management and a focus on effective control.

Creating value with good corporate governance

Our approach to corporate governance is an essential part of our value creation process, which benefits society at large and our stakeholders in particular, in addition to ensuring the sustainability of the business and enhancing long-term performance.

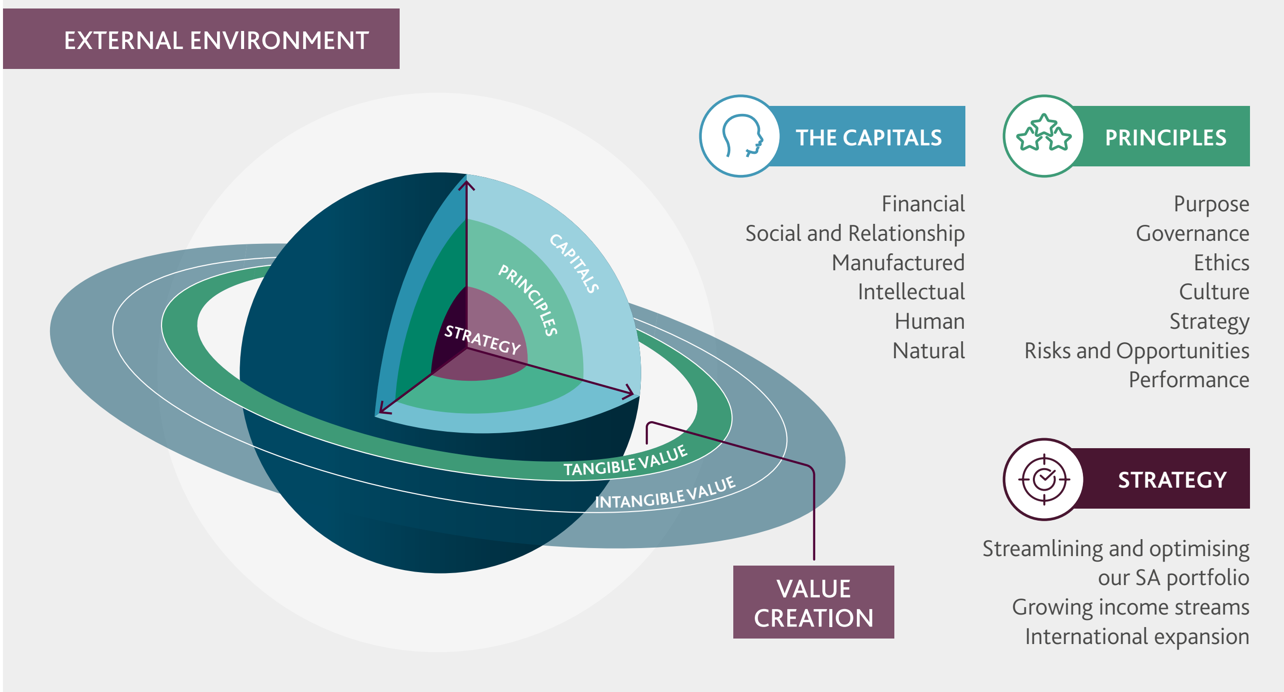
By maintaining the highest corporate governance standards, we assure Growthpoint's stakeholders of a well-conducted and well-managed business based on our reliability, accountability, transparency and sustainability.

Growthpoint's good governance standards are reflected in our track record of consistent performance over the years. We optimise the use of our capitals and address our key risks while taking advantage of existing opportunities.

Sound corporate governance practices are implicit in our values, culture and processes, and our internal controls promote an awareness of risk, compliance and good governance in every area of the business. By ensuring that our structured operational frameworks are in place and that the various governance processes are incorporated in all our activities the Board can focus on the business and make well-informed decisions in the company's best interests.

We have the advantage of a stable management team. As a result of the Board rejuvenation process, the Board composition has changed significantly and we are confident that the appropriate balance of knowledge, skills and experience, and the independence required for objective and effective governance, have been achieved. These criteria are assessed separately and addressed in more detail in this report.

Value creation at the heart of integrated thinking



Philosophy

Our Board and management philosophy is that good corporate governance provides the ethical, values-based platform upon which we achieve our strategic objectives. Protecting and creating value are at the core of Growthpoint's governance and integrated thinking. This extends beyond legislative and regulatory compliance. Management strives to foster an enterprise-wide culture of good management that is linked to the company's business philosophy. This philosophy incorporates our vision, values and ethics.

Legislative and regulatory compliance

The company has remained compliant with the Companies Act, No 71 of 2008, as amended (the Act), JSE Listings Requirements (debt and equity), company statutes, its Memorandum of Incorporation (MOI) and the Board Charter, while the terms of reference of Board committees are aligned with relevant provisions of the Act and King IV.

COMPLIANCE FRAMEWORK

Statutory and regulatory ⟷ **Accounting standards and financial reporting requirements** ⟷ **Companies Act and JSE Listings Requirements**

Statutory and regulatory → A standing item on every agenda for the **Risk Management Committee**

The Board receives feedback quarterly from the chairs of all Board committees, in addition to the minutes of all the committee meetings.

Accounting standards and financial reporting requirements → Overseen by the **Audit Committee**

Compliance with accounting standards and financial reporting requirements.

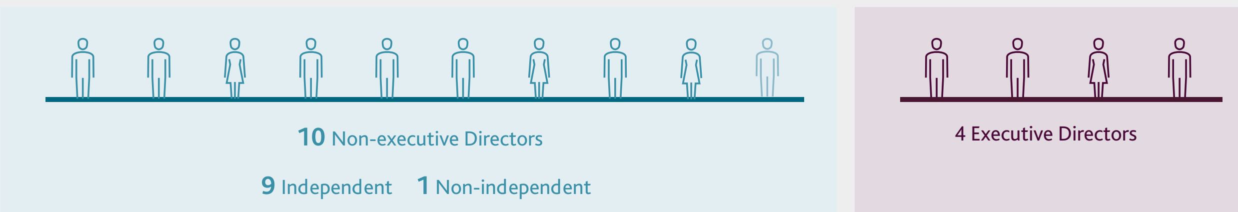
Companies Act and JSE Listings Requirements → Responsibility of the **Company Secretary**

During FY22, Growthpoint had no incidents of non-compliance, or fines or prosecutions linked, for example, to anti-competitive practices or other governance and economic issues.

The Board

As at the date of issue of this report, Growthpoint had a unitary Board comprising 14 directors, including four Executive Directors and 10 Non-executive Directors, nine of whom are regarded by the Board as independent.

Board composition



The skills and expertise of each director enable them to individually and collectively evaluate strategy, assess the company's performance and act in Growthpoint's and shareholders' best interests.

Independence of the Board

In terms of the King IV definition of independence, the Board conducted its annual independence assessment of the Non-executive Directors and is satisfied that all but one director meets the independence criteria. Mr Patrick Mngconkola will be stepping down at the AGM on 29 November 2022.

INDEPENDENT SKILLS PROFILING AND ASSESSMENT PROCESS

1	Director Tenure	Maximum tenure of **12 years.**
2	Non-executive Directorship and chairman positions	**Non-executive Directors are:** • Allowed up to four directorships, including Growthpoint • Allowed one chairman position outside Growthpoint and two non-executive director positions including Growthpoint • Not allowed to sit on boards of competitor companies. **Chairman is:** • Limited to one additional chairman position or two non-executive director positions outside Growthpoint.
3	External boards	Executives are not to serve on external boards outside Growthpoint's investments.
4	Independence assessment of non-executive directors	Independence assessment was conducted.
5	Skills and experience	**Longer-serving Directors:** • Make a robust contribution to Growthpoint with their experience and insight • Offer depth of skill and knowledge.
6	Succession	Ensures continuity.

Governance structures

Effective governance structures and processes ensure that proper supervisory oversight is exercised at all levels of the organisation.

Skills and experience

The process of rejuvenating the Board started in 2019 with an independent skills profiling and assessment process to enable proper succession planning. This assisted Growthpoint to ensure that the skill sets of newly appointed Directors were complementary to those of the current Directors. Skills gaps identified during the assessment have now, to a large extent, been addressed.

As a result of the rejuvenation process, Mr M Hamman was appointed on 14 September 2021, Mrs Eileen Wilton on 9 February 2022 and Mr Clifford Raphiri on 1 March 2022. These appointments are all in the capacity of Independent Non-executive Directors.

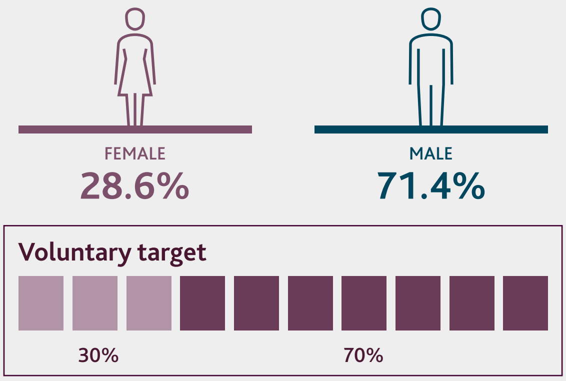
Succession

Succession planning to ensure continuity is an ongoing exercise. We believe in fostering diversity throughout the organisation and Growthpoint therefore considers candidates with diverse skills, age, race, gender and culture. There are targets in place for gender and racial diversification, and we are committed to women holding Board positions.

Diversity and inclusion

The Board has adopted a Board-level gender diversification policy with an internal 30% target for female representation, including black women. The four female Directors represent 28.6% of the total number of Directors.

Gender diversification



The Board Charter includes a policy statement on racial diversification, in terms of which the Board will strive to meet legislated and/or regulated employment equity targets applicable to the Board.

Tenure

The Board implemented a tenure policy to enhance independence, as such Non-executive Directors have a fixed 12-year term. A Non-executive Director's tenure may be extended, but he/she would be required to resign at each subsequent AGM and be re-appointed.

Directors with tenures of 12 or more years as at 30 June 2022

Name of director:	NBP Nkabinde
Year of appointment:	2009
Status:	Independent
Number of years in service:	13 years
Retiring at the AGM on 29 November 2022	

Directors not independent

Name of director:	SP Mngconkola
Year of appointment:	2012
Status:	Non-independent
Number of years in service:	11 years
Retiring at the AGM on 29 November 2022	

Limits to additional directorships for Non-executive Directors

The Board has further resolved that the Non-executive Directors may not hold more than four directorships, including Growthpoint or alternatively one chairman position outside Growthpoint or two non-executive director positions, including Growthpoint. They may not be directors of competitor companies.

The Chairman of the Board is limited to one additional chairman position or two non-executive director positions outside Growthpoint.

These limitations are in place to ensure that directors have the necessary capacity to attend all Board and committee meetings and prepare adequately.

Additional non-executive directorships are subject to approval by the Chairman of the Board. Additional directorships for the Chairman are subject to approval by the Board.

The Chairman of the Board is required to approve directorships outside of the set criteria or decline to approve additional directorships within the set criteria, if he considers this to be in the best interests of the company. The Chairman should inform the Board and not do so without its approval.

Limits to external Board positions for Executive Directors

Growthpoint Executive Directors may only hold other directorships in Growthpoint subsidiaries and associated companies, or in companies set up for personal and/or family purposes that are not in competition with Growthpoint. Any exceptions are subject to the discretion of the Board.

Directorships in Growthpoint subsidiaries

- **GOZ**

GOZ reports to Growthpoint's Risk Management Committee annually on the application of the King IV principles to its governance policies, as well as additional provisions required by Australian law. GOZ's governance policies conform to, or exceed, the principles of King IV.

Growthpoint Executives hold positions on GOZ's Board and committees as follows:

- Board: LN Sasse and EK de Klerk
- Audit, Risk and Compliance Committee: EK de Klerk
- Nomination, Remuneration and HR Committee Chairman: LN Sasse.

- **C&R**

C&R is listed in the United Kingdom and complies with related legal prescripts. Growthpoint Executives hold positions on the C&R board and committees as follows:

- Board: LN Sasse and G Muchanya
- Audit Committee: G Muchanya. Attendance by LN Sasse as an observer.

Re-election of Directors and new appointments

Through the Governance and Nomination Committee, the Board chooses whether to recommend retiring Non-executive Directors for re-election at the AGM. Directors who retire by rotation, or otherwise, at AGMs are those who have either been in office the longest since their last re-election, or appointed by the Board since the previous AGM. Retiring Directors are named in the directors' report and AGM notice, including the notice and proxy of AGM and summarised annual financial statements (AFS).

The Board considers the appointment of new Directors on the recommendation of the Governance and Nomination Committee. New Directors are adequately informed about Growthpoint's business, policies and meeting dates during their induction sessions. All Directors receive the Board Charter as part of this induction and once a year the Charter is reviewed at the relevant Board meeting.

In terms of Growthpoint's MOI, Executive Directors are not subject to retirement by rotation at the AGM. This aligns with the recommended best practice for South African-listed companies and is supported by the JSE.

Directors' interests

The Directors declare their financial interests at each Board meeting as well as annually, as required by the Act. Directors' interests in the company's shares as at 30 June 2022 are disclosed in the AFS, refer related-party transactions.

Dealings in the company's shares

In terms of both company policy and the Listings Requirements of the JSE Limited, Directors of Growthpoint and its major subsidiaries and their associates, Exco members and the Company Secretary, must obtain prior written clearance from the Group CEO, SA CEO and/or Chairman of the Board if they intend to deal in Growthpoint shares, whether directly or indirectly. All the Directors have signed a letter of undertaking in this regard. This policy also applies to certain members of senior management who are, from time-to-time, privy to price-sensitive information.

Closed periods are imposed on Directors and staff prior to publishing interim and annual financial results, and as and when required in respect of specific corporate actions.

Voting rights

Each share entitles the shareholder to one vote. There are no non-voting shares.

Attendance at meetings

The Board meets quarterly and on an *ad hoc* basis if required. The quorum requirements of Growthpoint's MOI are always considered when scheduled or special meetings are convened and due regard is given to recusal of Directors where conflicts of interest or related-party situations exist or could arise.

Details of attendance at Board and committee meetings in FY22 are set out below.

Two special and four scheduled Board meetings were held during FY22 and an in-person strategy session was held off site from 29 to 31 March 2022.

	Board	Governance and Nomination Committee	Audit Committee	Risk Management Committee	Property and Investment Committee	Social, Ethics and Transformation Committee	Human Resources and Remuneration Committee	Total meetings	Average meeting attendance per Director
JF Marais[(1)]	4/4	4/4	–	2/2*	3/3*	–	3/3	16/16	100%
FM Berkeley	7/7	8/8	7/7	–	9/9	–	7/7	38/38	100%
NO Chauke	6/7	–	–	3/4^	–	4/5^	5/7^	18/23	78%
R Gasant	7/7	8/8	5/5	4/4	3/3*	1/1*	4/4	32/32	100%
EK de Klerk	7/7	7/7^	4/7^	4/4^	7/8^	–	7/7^	36/40	90%
JC Hayward[(1)]	4/4	4/4	–	2/2	–	–	3/3	13/13	100%
KP Lebina	7/7	–	7/7	4/4	1/1*	–	–	19/19	100%
SP Mngconkola	7/7	–	–	–	9/9	4/5	–	20/21	95%
NBP Nkabinde	7/7	–	–	–	–	5/5	7/7	19/19	100%
LN Sasse	7/7	7/7^	–	4/4^	8/8^	–	7/7^	33/33	100%
AH Sangqu	7/7	8/8	7/7	–	1/1*	5/5	–	28/28	100%
JA van Wyk	7/7	8/8	4/5	4/4	9/9	–	–	32/33	97%
G Völkel	7/7	–	7/7^	4/4^	8/8^	4/5^	7/7^	37/38	97%
M Hamman[(2)]	4/4	4/4	3/3	–	5/5	–	–	16/16	100%
CD Raphiri[(3)]	3/3	–	1/2	–	1/1	0/1	–	5/7	71%
EA Wilton[(4)]	3/3	2/2	–	2/2	–	–	4/4	11/11	100%
Total meetings	**94/95**	**60/60**	**45/50**	**29/30**	**64/65**	**23/27**	**54/56**	**369/382**	**97%**
Average meeting attendance including meetings by invitation	**99%**	**100%**	**90%**	**97%**	**98%**	**85%**	**96%**	**97%**	**97%**

(1) Retired at the AGM held on 16 November 2021.
(2) Appointed 14 September 2021.
(3) Appointed 1 March 2022. When Mr Raphiri was appointed, he indicated diary clashes with certain Growthpoint meetings. It was accepted at the time that he would tender his apology for the two meetings.
(4) Appointed 9 February 2022.
** By invitation.*
^ Executive permanent invitee.
During FY22 the Board held four meetings, two special meetings and an offsite strategy session.
During FY22 the Property and Investment Committee held four meetings and five special meetings.
During FY22 the Social, Ethics and Transformation Committee held four meetings and one special meeting.
During FY22 the Audit Committee held four meetings and three special meetings.
During FY22 the Human Resources and Remuneration Committee held four meetings and three special meetings.
During FY22 the Governance and Nominations Committee held four meetings and four special meetings.

Directors' remuneration

Directors' remuneration is subject to annual review by the Board and submitted for approval at the AGM. The fees for FY22 were approved at the AGM held on 16 November 2021.

At its meeting on 14 June 2022, the Board recommended a 5.5% increase (FY21: 4%) in Non-executive Directors' remuneration for FY23 for submission and approval at the AGM.

Shareholders will be asked to approve, by way of non-binding votes, Growthpoint's overall remuneration policy and implementation for FY23. The remuneration report containing this information is included in this report.

Directors' remuneration is disclosed in the AFS in line with the Listings Requirements of the JSE Limited. The key performance aspects linked to the remuneration of Executive Directors are described in the remuneration report.

The Chairman

Mr Rhidwaan Gasant

Independent Non-executive Director

The roles of the Chairman of the Board and the Growthpoint Group CEO are separate, and they operate independently of one another. The Chairman, Mr R Gasant, is an independent Non-executive Director. His responsibilities are contained in, but not limited to, the Chairman's Charter. They include:

- Providing overall leadership to the Board and its committees
- Leading and managing the business of the Board, without limiting the Board's collective responsibility
- Serving as the link between the Board and the management of Growthpoint
- Together with Remco, assessing the performance of the Group CEO
- Together with the Group CEO, evaluating the performance of the other Executive Directors at least annually.

The Lead Independent Director

Mr Andile Sangqu

Independent Non-executive Director

The role of the Lead Independent Director is to:

- Strengthen the independence of the governing body if the chairman is not independent
- Lead in the absence of the chairman or in any instance where the chairman is conflicted
- Act as an intermediary between the chairman and other members of the governing body
- Deal with shareholder concerns if normal channels have failed
- Lead the performance appraisal of the chairman.

Board responsibilities and accountability

The Board provides strategic direction and leadership, thereby providing shareholder value and enhancing the company's sustainability in order to benefit the company and all its stakeholders. Directors are required to abide by Growthpoint's Code of Ethics and policies that promote ethical behaviour to ensure that they act with integrity.

The Board is guided by the Board Charter, which sets out its responsibilities. These include:

- Governing, directing and monitoring the performance of the business as a going concern and presiding over material business decisions
- Approving the company's strategic plans and objectives
- Managing risks through the Risk Management and Audit committees
- Providing direction to and evaluating the performance of management.

The Board either itself or through the Governance and Nomination Committee periodically reviews its composition relative to the skills, knowledge and experience needed to provide strategic direction, leadership and equitable representation in terms of gender and race and in terms of its composition.

The Non-executive Directors are independent of management and not compromised in such a way that could affect their judgement as Directors. The Board has a fiduciary duty to the company considering all stakeholders in its approach to governance in its decision making.

Access to information

Non-executive Directors have unrestricted access to company information as well as members of management and Executive Directors. To assist them to execute their responsibilities effectively, Non-executive Directors may also seek independent professional advice, at the company's expense. As a standing item on the agenda, the Audit Committee provides for combined or separate closed sessions with management, the external auditor and the internal auditor.

Formal Board and committee self-assessment

During July 2022, the Board and its committees conducted a formal self-assessment process. There were no significant concerns raised. Feedback was provided to the Board and the respective committees at their meetings held in August/ September 2022.

Code of Ethics and business conduct

The Code of Ethics aims to ensure that Growthpoint conducts its business in line with the highest ethical standards.

The code seeks to ensure compliance with legislation and regulations in a manner that is beyond reproach.

GOVERNANCE STRUCTURES

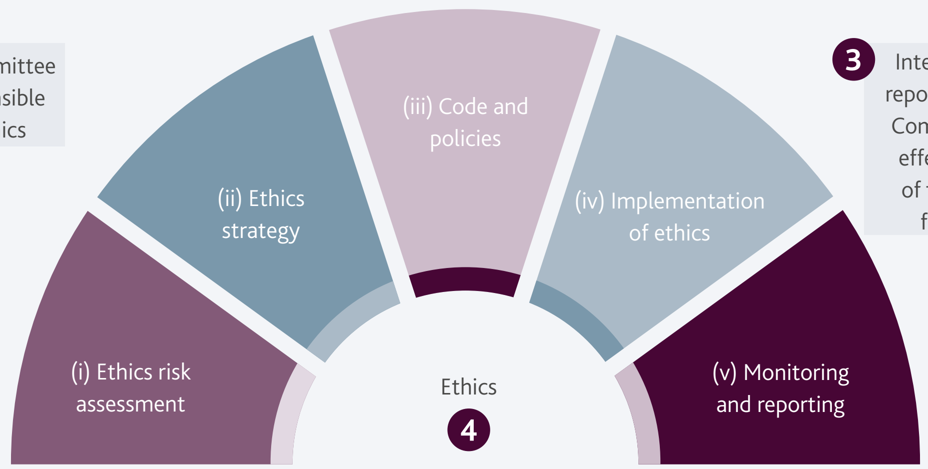
Policies promoting ethical conduct	Compliance framework	Internal audit	Executive management committees	Board committees
Refer to page 108 for more information	Refer to page 102 for more information	Refer to page 109 for more information	Refer to pages 24 and 51 for more information	Refer to pages 112 to 118 for more information

GOVERNANCE OF ORGANISATIONAL ETHICS*

1 Leadership commitment

2 Governance structures

SET Committee is responsible for ethics



3 Internal Audit reports to Audit Committee on effectiveness of the ethics function

5 Independent assessment and external reporting

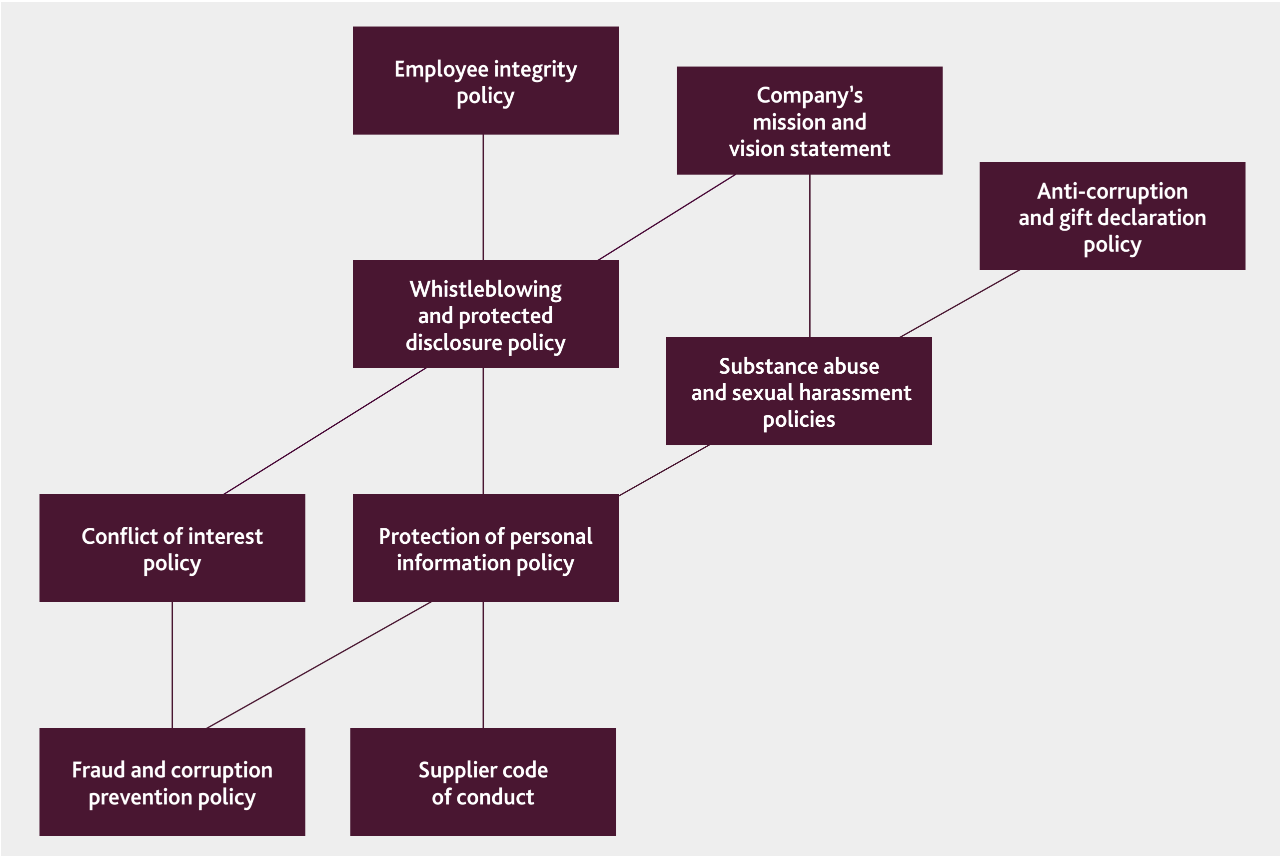
* *Framework adopted and developed in association with the Ethics Institute.*

Growthpoint was one of the first organisations to participate in the Gordon Institute of Business Science (GIBS) Ethics Barometer, a national initiative launched in partnership with Business Leadership South Africa in 2019. The aim is to raise the ethics of South African businesses. We participated in this barometer in 2019 and 2021, and after conducting a comprehensive and detailed analysis of the results, an ethics strategy was formulated and proposed to the Board. It was approved on 14 June 2022. An Ethics Committee made up of representatives of various business units was established, and its priorities determined.

Several policies must be read in conjunction with the Code of Ethics, for example, policies dealing with conflicts of interest, fraud and corruption prevention; the anti-corruption and gift declaration policy and the Protection of Personal Information policy, as well as the supplier code of conduct. An essential feature of our ethics strategy is creating awareness of these codes and policies among employees via various platforms. Monitoring and reporting to the Board is via the Social, Ethics and Transformation Committee, with Internal Audit providing assurance to the Audit Committee on the effectiveness of the ethics function.

Policies promoting ethical conduct

Growthpoint has various policies in place to create a culture of ethical behaviour.



Growthpoint has a **whistleblowing policy** that allows one to raise concerns about malpractice without fear of victimisation or reprisal. (If you suspect underhanded deals, theft, sexism, racism or ageism, report it!). This is managed by an independent third party. Any whistleblower will remain anonymous!

0800 167 463
GrowthpointGTIP-offs.com

Internal audit

The internal audit function is provided in-house by the Head of Internal Audit. The scope and functions of Internal Audit are covered in the related section of this report.

External audit

EY is the external auditor for Growthpoint SA and its subsidiaries. The independence of the external auditor is reviewed annually by the Audit Committee. The external auditor attends all Audit Committee and Risk Management Committee meetings and has unrestricted access to the Chairmen of both committees. The external auditor is also in attendance at the Property Committee meeting when the valuation of the portfolio is discussed.

Board committees

The committees established by the Board assist it in the discharge of its duties and the organisation's overall governance.

Internal Audit

Executive and operational management are responsible for establishing and maintaining internal control systems that provide the Directors of Growthpoint with reasonable assurances. The Internal Audit function enables the Board and management to assess whether systems of internal control are both adequate and effective.

Board

↓

Audit Committee

↓

Head of Internal Audit

↓

Scope of internal audit function

- Submit an annual internal audit plan to the Audit Committee
- Conduct reviews of key business processes
- Report results of reviews and recommendations to management
- Quarterly reporting to the Audit Committee
- Coordinate audit efforts with external audit
- Address external independently managed matters from whistleblowing hotline

Ethics survey results

62.8%
Growthpoint employees participated

76/100
Overall score

We scored better than the corporate benchmark and 2019's survey across all seven categories

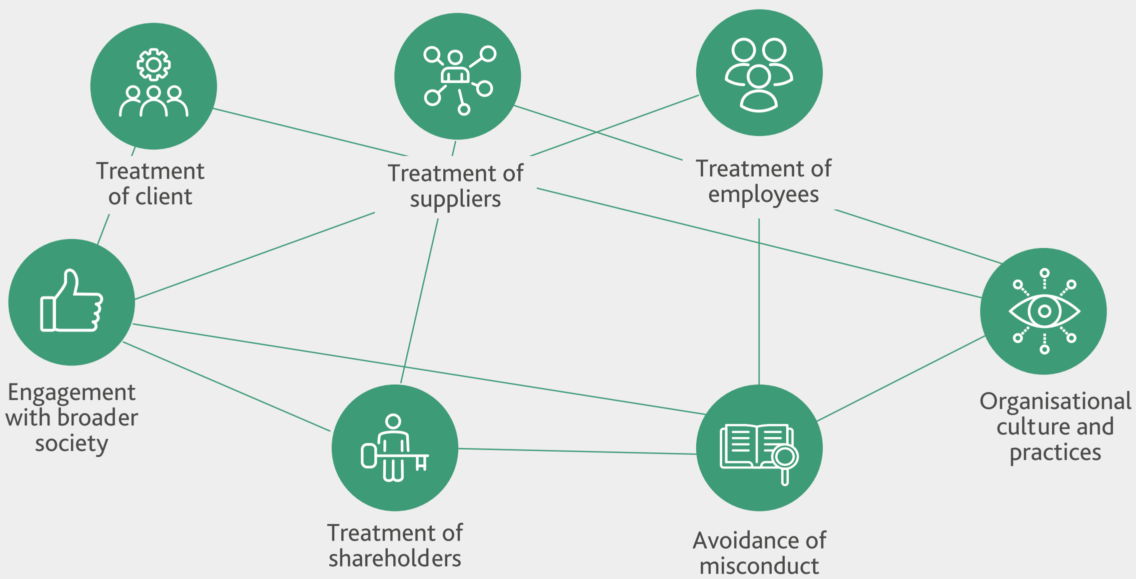
Our score puts us in the top **22%** of all South African companies who have participated in the survey

25%
of our suppliers participated in the supplier survey and the majority of them share our view.

80%
of our staff believe we are on the right path when it comes to correcting historical wrongs.

Men and women
have similar beliefs when it comes to how Growthpoint embraces diversity and inclusion.

What we measured



We've seen an improvement

inside our own organisation too!

Top 27%
Organisational culture and practices

Top 23%
Treatment of employees

Top 31%
Avoidance of misconduct

While we have improved

since the 2019 survey, there are some areas we need to work on:

Fairness

Double standards

Fair pay/promotions

Gender gap

Correcting historical wrongs

Paying suppliers on time

Truth-telling

Reluctance to report misconduct

Truth telling between managers and employees

Corruption (gifts/entertainment)

Respect

Bullying and intimidation

Sexual harassment

Racial and gender discrimination

Xenophobia

Ethics strategy

A comprehensive ethics strategy is vital in ensuring we achieve our ethical goals.

The feedback we received from the Ethics Barometer highlighted several areas of focus, which have played a crucial role in developing our strategy.

In addition to reviewing all policies and codes in place, the ethics committee will look into concerns raised by specific business units and in regions.

Growthpoint has an Ethics Committee, which includes senior and middle management as well as representatives from all three regions.

We will also be forming a platform for meaningful discussions relating to ethics to create awareness and help staff share their stories.

Board committees

The committees established by the Board assist in the discharge of its duties and the overall governance of the organisation.

Board committees

A
Audit Committee

RM
Risk Management Committee

PI
Property and Investment Committee

Human Resources and Remuneration Committee
HR

Governance and Nomination Committee
GN

Social, Ethics and Transformation Committee
SET

To promote sound corporate governance and optimise the sharing of information, the Executive Directors and other senior management are present at Board committee meetings whether ad hoc or by standing invitation.

The Board committees have unrestricted access to company information and any resources required to assist them to fulfil their responsibilities, including professional advice paid for by the company.

Every Board committee has Board-approved terms of reference which are reviewed annually and aligned, as far as applicable and possible, with King IV, the Listings Requirements of the JSE Limited and the Companies Act.

The Board determines and amends, as necessary, the scope and responsibilities of the committees, as well as the appointment of new committee members.

All the committees are satisfied that they have fulfilled their responsibilities as per their terms of reference during FY22.

Audit Committee

A

This committee maintains an effective working relationship with management and other Board committees, notably the Risk Management Committee.

① ② ③ ④ ⑤

Five independent Non-executive Directors:

- M Hamman
- FM Berkeley
- KP Lebina
- AH Sangqu
- CD Raphiri.

Meetings

The Audit Committee has five scheduled meetings a year with one session dedicated to reviewing the company's integrated annual report.

Present at meetings by standing invitation are:

- CEO: SA
- Group FD
- COO: SA
- CFO: SA
- Head of internal audit
- External auditor.

The expertise of the various Audit Committee members is reflected on pages 22 and 23 of this report.

Melt Hamman
Chairman

To assist the Board in its supervisory and governance responsibilities, this committee ensures that:

- Adequate processes are in place to safeguard the company's assets
- Appropriate accounting records are maintained
- The design effectiveness of internal controls are reviewed and effective systems of internal control are maintained
- An open channel of communication is maintained between Directors, management and accounting staff, as well as both internal and external auditors
- The financial position and performance of the business are reviewed quarterly
- The company is compliant with accepted corporate governance practices and codes as well as with international reporting standards
- The AFS are reviewed prior to recommendation to the Board for approval
- An external auditor is nominated for appointment by the Board and subsequent approval at the next AGM
- Approval of the external auditor's fees as well as the scope of the external audit.

The Audit Committee is satisfied that the external auditor is independent and that the FY22 audit has been carried out without restricting the audit's scope.

Key focus areas for the committee during FY22 have been:

- The consideration of information detailed in paragraph 22.15(h) of the Listings Requirements of the JSE Limited with regard to the audit firm in its assessment of the suitability of appointment
- The treatment of maintenance expenditure and review of the capital expenditure accounting policy
- Controls in relation to the valuation of investment property
- Review of tax risk and compliance reports for local and foreign companies in which Growthpoint has invested
- Obtaining further detail on financial reporting by subsidiaries
- The consideration of the committee's composition and skills sets, the independence of its members or their ability to act independently and the succession of those facing retirement
- JSE Listing Regulation 3.84(k), which requires an attestation statement to be made by the Group Chief Executive Officer and Group Financial Director in the integrated report of all equity issuers listed on the JSE.

This committee report includes the committee's assessment of the financial knowledge, expertise and experience of the Group Financial Director as well as the appropriateness, expertise and adequacy of the resources of the finance function

The committee's report to shareholders on how it carried out its obligations is presented in the AFS.

Risk Management Committee

RM

The Internal Audit and Risk Management function assists the Risk Management Committee with its review of risk management controls and procedures.

Four independent Non-executive Directors:

- JA van Wyk
- R Gasant
- KP Lebina
- EA Wilton.

Meetings

This committee, which meets at a minimum quarterly, oversees the management of compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework relative to whatever risks and opportunities that have been identified.

Present at meetings by standing invitation are:

- Group CEO
- CEO: SA
- Group FD
- COO: SA
- CFO: SA
- Group Treasurer
- Head of Internal Audit
- Head of Risk Management and Compliance
- Human Resources Director
- Group Legal Counsel
- Chief Information Officer
- External auditor
- Independent IT consultant.

The expertise of the Risk Management Committee members is reflected on pages 22 and 23 of this report.

John van Wyk
Chairman

The main focus of this committee is to protect the quality, integrity and reliability of Growthpoint's risk management function by:

- Assisting the Board in matters of corporate accountability and associated risks
- Ensuring that risk policies and strategies are effectively managed
- Monitoring external variables that could affect corporate accountability
- Reviewing and assessing the integrity of risk control systems
- Defining risk management policies and the risk management function, as well as the scope of enterprise risk management (ERM)
- Ensuring the independent and objective oversight and review of information provided by management on corporate accountability and associated risks.

Key focus areas for the committee during FY22 have been:

- Monitoring finalisation of the IT operating system that was implemented as reported by the independent Chairman of the IT Steering Committee. The IT Steering Committee forms part of a formal governance framework to ensure that there is equitable oversight in place for ITC-related matters
- Monitoring and reporting on Growthpoint's implementation of the Protection of Personal Information Act (POPIA) requirements
- Ongoing monitoring of liquidity and sustainability of the business
- Monitoring actions taken to ensure compliance with environmental legislation
- Monitoring structures, funding and obligations associated with the GIP business
- The responsibility for the Risk Management function was separated from Internal Audit and a Head of Risk Management and Compliance was appointed
- The monitoring and review of claims lodged with SASRIA regarding the KZN riots.

Risk management is further covered in the risk management section of this report.

Property and Investment Committee

PI

The committee assists the Board with recommendations regarding Growthpoint's property and investment portfolio, as well as the review and approval of property budgets and valuations.

Four Non-executive Directors, three of whom are independent:

- FM Berkeley
- M Hamman
- SP Mngconkola
- JA van Wyk.

Meetings

The committee meets at a minimum quarterly.

Present at meetings by standing invitation are:

- Group CEO
- CEO: SA
- Group FD
- COO: SA
- CFO: SA
- Heads of Asset Management
- Management Accountant
- Valuations Manager.

The expertise of the Property and Investment Committee members is reflected on pages 22 and 23 of this report.

Frank Berkeley
Chairman

The main focus of this committee is to:

- Consider and recommend proposed acquisitions and disposals in terms of the levels of authority
- Discuss and recommend proposed capital expenditure
- Periodically review the due diligence processes for acquisitions
- Review and recommend Growthpoint's annual budgets, including capital expenditure budgets to the Board
- Review of bi-annual property valuations before their submission to the Board and the Audit Committee
- Review and assess investment in physical property assets.

Key focus areas for the committee during FY22 have been:

- Review of investment strategy
- The company's investment and development guidelines for the property trading and development
- International expansion opportunities
- Challenges facing the property industry in the current economic climate
- Independence of the property valuation process.

Human Resources and Remuneration Committee

HR

This committee assists the Board by ensuring that:

- Formal and transparent policies and procedures for executive and senior management remuneration are established and maintained
- Remuneration for Executive Directors, senior management and staff (including incentives, grants and other benefits) is set at the correct level to attract and retain people of the required calibre.

The committee assists in determining the key components of remuneration and performance review criteria for Executive Directors and senior management.

Four independent Non-executive Directors:

- EA Wilton
- FM Berkeley
- NBP Nkabinde
- R Gasant.

Meetings

This committee meets at a minimum quarterly.

Present at meets by standing invitation are:

- Group CEO
- Group FD
- CEO: SA
- Human Resources Director
- Head Investor Relations and Client Acquisition.

The expertise of the Human Resources and Remuneration Committee members is reflected on pages 22 and 23 of this report.

Eileen Wilton
Chairman

The focus of this committee is to:

- Determine specific remuneration packages for Executive Directors, which is benchmarked appropriately
- Review the terms and conditions of the Executive Directors' service agreements
- Determine the criteria for measuring the performance of Executive Directors and linking this to remuneration
- Approve proposed allocations to eligible participants in the company's staff incentive scheme
- Establish and preserve the remuneration policy and its implementation with shareholders
- Recommend Non-executive Directors' remuneration to the Board, which is benchmarked
- Consult with the Chairman of the Board and the Group CEO on the formulating of the remuneration policy and the determination of specific remuneration packages
- Review and approve the succession plan for Executive Directors and executive management.

Key focus areas for the committee during FY22 have been:

- The structure of executive remuneration
- Group structure and succession planning in line with Group strategy
- Workforce transformation
- Reporting on remuneration policy and implementation
- Engagement with major shareholders on executive remuneration
- Fair and reasonable pay.

Social, Ethics and Transformation Committee

SET

This committee's scope includes the statutory duties of a social and ethics committee in accordance with the Act. In addition, it evaluates, monitors and makes recommendations to the Board.

Four Non-executive Directors, three of whom are independent:

- AH Sangqu
- SP Mngconkola
- NBP Nkabinde
- CD Raphiri.

Meetings

The Social, Ethics and Transformation Committee has five scheduled meetings a year with one session dedicated to reviewing the company's ESG report.

Present at meetings by standing invitation are:

- Chairman of the Board
- Group FD
- COO: SA
- Human Resources Director
- Head of Corporate Social Responsibility
- Chairman of the Diversity and Inclusion Forum
- Chairman of the Ethics Committee
- National Procurement Manager
- Office Development Head
- ESG Manager
- Head of Sustainability and Utilities.

The expertise of the Social, Ethics and Transformation Committee members is reflected on pages 22 and 23 of this report.

Andile Sangqu
Chairman

The focus of this committee is to:

- Review broad-based black economic empowerment (B-BBEE) initiatives under the Property Sector Transformation Charter
- Review enterprise development and related training initiatives
- Monitor the company's B-BBEE equity ownership, funding structures and potential new B-BBEE equity ownership participants
- Monitor corporate social responsibility initiatives and investments and their respective annual budgets
- Review the company's preferential procurement spend
- Ensure employment equity
- Review Growthpoint's transformation philosophy and strategy
- Review ESG matters, including carbon emissions impact and climate change
- Provide oversight of ethics function.

Key focus areas for the committee during FY22 have been:

- Growthpoint GEMS, a bursary scheme for children of employees in the lower-earning categories
- Corporate social investment initiatives and transformation, which are more fully reported on in the relevant sections of this report
- ESG strategy, implementation and monitoring
- Ethics barometer and formulation of the ethics strategy.

Governance and Nomination Committee

GN

This committee was established to review and monitor the adequacy, efficiency and appropriateness of the corporate governance structures and practices, and to ensure compliance with relevant legislation. The committee also independently reviews and monitors the integrity of the company's Non-executive Director nomination and appointment processes.

① ② ③ ④ ⑤ ⑥

All the committee chairmen and the Chairman of the Board:

- R Gasant
- FM Berkeley
- M Hamman
- AH Sangqu
- JA van Wyk
- EA Wilton.

Meetings

Meets when required.

Present at meetings by standing invitation are:

- Group CEO
- CEO: SA.

The expertise of the Governance and Nomination Committee members is reflected on pages 22 and 23 of this report.

Rhidwaan Gasant
Chairman

The main focus of this committee is to:

- Review and make recommendations on the Board's composition, structure and size, as well as the balance between Executive and Non-executive Directors
- Make recommendations to the Board on Non-executive and Executive Director appointments after identifying and screening candidates for Board approval and appointment
- Succession planning for the Chairman
- Alert the Board to governance matters which the committee chairmen or their committees require to be raised with the Board
- Advise Directors on any important governance matters.

Key focus areas for the committee during FY22 have been:

- The composition of the Board and Board committees, as well as the appointment of new Non-executive Directors.

Executive management committees

Group Executive Committee (Group Exco)

Group Exco comprises the:
- Four Executive Directors
- COO: SA
- Group Treasurer
- Head of Growthpoint Investment Partners
- Head of Investor Relations and Client Acquisition
- Group Legal Counsel.

The Group CEO chairs the committee. This committee meets as required, but at least quarterly, to consider Group results, operations, strategic issues and initiatives, and monitor capital requirements and market trends.

SA Executive Committee (SA Exco)

The SA Exco comprises the:
- CEO: SA
- HR Director
- COO: SA
- CFO: SA
- Heads of Asset Management
- Head of Marketing
- Treasury Manager (representing the Group Treasurer)
- Head of Corporate Social Responsibility
- Fund managers.

The Heads of the company's regional offices also attend all meetings. The CEO: SA chairs the committee. The Group Exco members have a standing invitation to all meetings of the SA Exco. This committee meets monthly and reviews operations, quarterly results (actual versus budget and projections) and company policy.

Since the Covid-19 pandemic, the Excos held combined meetings as and when required. This enabled them to make more agile decisions and regular engagement.

The structures of the Excos are under review.

Deal Forum

The Deal Forum comprises the:
- Group CEO
- Group FD
- CEO: SA
- CFO: SA
- COO: SA
- Heads of Asset Management.

It is chaired by the CEO: SA. Its primary purpose is to discuss, consider and, if appropriate, approve:
- Potential acquisitions or disposals in terms of the Growthpoint levels of authority
- All developments or substantial redevelopments
- Due diligence reports for proposed transactions.

The Deal Forum makes recommendations to the Property and Investment Committee and/or the Board regarding proposed acquisitions and disposals of physical property assets and letting enterprises that exceed its level of authority.

The Deal Forum also deals with strategic, non-property-related transactions.

Stakeholder relations and access to information

The Board is committed to transparency and disclosure and communication to all stakeholders on:
- Company strategy and performance
- Board practices
- Growthpoint's ESG impacts
- Risk management.

RISK MANAGEMENT

The Board has overall responsibility for the adoption, oversight and reporting of Growthpoint's risk management framework. The Risk Management Committee assists the Board in fulfilling its duties.

The framework encompasses four distinct categories of risk:

Strategic opportunities and risks	Responsibilities		Reporting risk
• Identified annually by the Group CEO with reference to the business model and value creation as well as the Group's objectives • Documented in terms of the recommended practices of the King IV Report on Corporate Governance for South Africa 2016 – Risk Governance section • Presented to and reviewed by the Risk Management Committee and reassessed quarterly by the committee • Quarterly reporting of key performance indicators (KPIs) to the Risk Management Committee (Refer business model and value creation).	• *Ad hoc* management • Board of Directors • Risk Management Committee • Audit Committee • Executive management	Assurance by internal audit and risk management and group finance	• Responsibility of the Audit Committee • Systems of internal control provide reasonable assurance of the validity, accuracy, completeness and timely accumulation of financial data • Systems of internal control assessed by internal audit up to general ledger and management reporting level • Group Finance ensures internal financial controls are adequate and effective to compile the annual financial statements • The Group CEO and Group FD responsibility statement • External auditor ensures the fair presentation of financial information at a statutory reporting level.

Operational risk	Responsibilities		Compliance risk
• Identified annually by the Group CEO with reference to the business model and value creation as well as the Group's objectives • Compared to the "REIT Risk Instrument" universe of risks, which is an internet-based technology risk solution explicitly developed for SA REITs, after having assessed the probability and likelihood of the risk • Key risks documented and presented to and reviewed by the Risk Management Committee • Monthly and/or quarterly reporting of KPIs by strategic business units (SBUs), sector or group • Quarterly reporting of KPIs to the Risk Management Committee.	• Risk Management Committee • Executive management • Property sectors • SBUs • Day-to-day management	Assurance by Compliance Officers, Risk Officer and support functions	• Primary legislation affecting organisation identified by Company Secretarial function in conjunction with in-house and external legal advisers • Where necessary, or if prescribed by legislation, compliance officers appointed to oversee adherence to the relevant Acts • Employees are expected to keep abreast of legislation and compliance requirements relevant to their area of responsibility • Risk Information Management System (RIMS) technology solution utilised by facilities management personnel every quarter to report on compliance to building regulations, OHS Act and fire regulations • Risk Officer dedicated to ensuring compliance to building regulations, OHS Act and fire regulations • Inspection of buildings by independent insurers.

REMUNERATION REPORT

The past two years have been unprecedented and challenging for our stakeholders, especially for our shareholders and employees. This has made the matter of remuneration more complex. We have continued to apply our remuneration policies and practices to balance shareholder and executive outcomes, and link it to strategic and stretching goals to drive sustained returns. The Human Resources and Remuneration Committee (the committee) has reviewed the remuneration policy and its implementation extensively with appropriate input from our advisers and other key experts. We believe that the company's remuneration policy is fair, responsible and aligned with best practice. It considers that its consistent application will ensure the attraction and retention of requisite talent and skills, sustain the performance culture in the company and lead to sustained value creation for all stakeholders.

The Growthpoint remuneration report comprises four sections:
Part 1: Background statement
Part 2: Remuneration policy
Part 3: Implementation of remuneration policy
Part 4: Non-executive remuneration

In line with the King IV Report on Corporate Governance for South Africa 2016 (King IV) and the JSE Listings Requirements, shareholders will have the opportunity to exercise a non-binding advisory vote on Part 2 and Part 3 of this report at the AGM on 29 November 2022.

In terms of the Companies Act, shareholders will also have the opportunity to approve the FY23 Non-executive Directors' fees, detailed in Part 4, by way of a special resolution at this AGM.

We invite shareholders to engage with us prior to the 29 November 2022 AGM on any concerns or issues they may have regarding our remuneration policy or the implementation thereof. The company's Chairman, and the Chairman of the committee will be conducting a remuneration roadshow to major shareholders before the AGM. Shareholders can also engage with the company's Head of Investor Relations and Client Acquisition: Lauren Turner, directly: lturner@growthpoint.co.za or +27 11 944 6346.

PART 1: BACKGROUND STATEMENT

The Board of Growthpoint Properties Limited (the company) and the Chairman of the committee have pleasure in presenting the company's remuneration report for the financial year ended 30 June 2022. Being the largest South African, JSE primary listed REIT, Growthpoint is regarded as the domestic industry leader which sets the local benchmark. This report sets out the company's current remuneration policy and the detailed implementation and disclosure of remuneration for Executive and Non-executive Directors.

The committee was guided by King IV when compiling this report. We also worked with our independent adviser, PwC, as well as additional specialist advisers, namely Investec Corporate and Institutional Bank Equity Structuring division and ShareForce 360 Pty Ltd (Shareforce) to obtain guidance on the benchmarking of current remuneration practices, recommendations for improvement and the adoption and implementation of appropriate remuneration-related decisions.

The committee endeavoured to ensure consistent application of the company's remuneration policy, which was approved by our shareholders at the 2021 AGM. We have and will continue to incorporate the principles of driving for performance, fairness, transparency, consistency and alignment with shareholder returns, when it comes to the company's remuneration practices. In recognition of the current significant challenges in relation to talent retention, we have placed increased attention on ensuring that the company's employee value proposition enables the organisation to attract and retain top talent.

Shareholder engagement and feedback

During November 2021, Growthpoint's then Chairman and the Chairman of the committee at the time, conducted the annual remuneration roadshow to major shareholders. We delivered the remuneration structure that was promised the year before and the 2021 remuneration report was well received.

The total votes for the remuneration policy, and the implementation thereof, by our shareholders at our November 2021 AGM were pleasing, given the positive engagement during the roadshow, as well as our consistent approach to remuneration which supports our ongoing commitment to the highest levels of corporate governance, transparency and disclosure.

Last three years' AGM voting outcomes

AGM	Remuneration policy	Implementation of the remuneration policy
16 November 2021	83.10% for (16.90% against)	84.19% for (15.81% against)
8 December 2020	85.17% for (14.83% against)	75.98% for (24.02% against)
12 November 2019	97.41% for (2.59% against)	97.02% for (2.98% against)

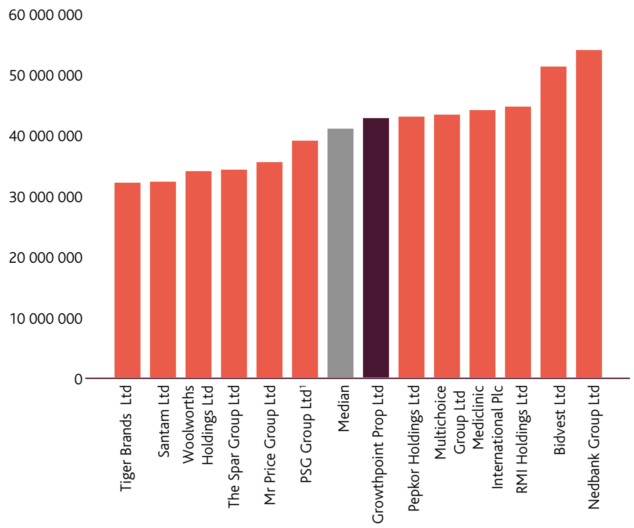
The committee considered shareholder suggestions on our remuneration policy and implementation and, where possible and appropriate, these have been implemented. Considering the complexity of the current environment, the committee has and will continue to ensure that where changes have been made, these are soundly implemented. The ongoing impacts of Covid-19 on business and employees have also required us to stay abreast of leading governance practices, which filter into the identified market benchmarking trends. Feedback received from shareholders during the remuneration roadshow and our response thereto, is set out below:

Key themes from the November 2021 remuneration roadshow

Feedback received	Response/action undertaken
STI	
Inclusion in the JSE Responsible Investment Index is not regarded as an optimal ESG measure, shareholders have requested the introduction of company-specific measurable targets	The effects of Covid-19 on our business have introduced complexity in determining baseline measures for, in particular, water and electricity consumption and this year we have opted to follow a pragmatic approach. For FY23, we have added a solar installation KPI with a target to have a total of 27.1MW of solar generation capacity installed and commissioned by 30 June 2023. As of FY22 Growthpoint had 13.5MW of solar generation capacity. We have increased the weighting for non-financial measures to 20% with a total of four measures for FY23, each having an equal weighting of 5%. Financial measures have concurrently been reduced from 55% in total, to 50% with the two financial measures for absolute and relative DIPS growth, having an equal weighting of 25% each. We will introduce targets for electricity and water intensity in FY24 which may replace the JSE Responsible Investment Index.
The weightings of the five risk measures should be adjusted with the LTV measure increased, as it is the most important of all of them	The committee has resolved to review KPIs, target setting and measurements in FY23 so that in this newly post-Covid-19 world targets set contain sufficient stretch and are appropriate with current realities.
LTI	
The weighting of non-financial measures to be increased	The committee considered increasing the weighting of non-financial measures for the LTI scorecard but chose to first increase the weighting of the sustainability measure in the STI scorecard, which ultimately impacts the LTI scorecard.
General	
International property companies to be included in the property comparator group	The committee considered introducing international companies to the property comparator group and will assess this, and the timing thereof, as the company increases its international footprint in the medium to long term.

Market capitalisation benchmark

This measure is used for benchmarking Executive Directors' total remuneration, as well as Non-executive Directors' fees. The committee's policy is to change the market capitalisation comparator group every three years. This comparator group was updated in FY21 and will remain in place for FY22 and is expected to also remain in place for FY23 (subject to outside factors eg, mergers). The comparator group inclusion was based on a 30-day volume weighted average price (VWAP) as of 30 June 2020. Our methodology is to include the next six companies with a market capitalisation larger than Growthpoint and the next six companies with a market capitalisation smaller than Growthpoint, excluding mining and significantly non-comparable companies. The FY22 comparator group is consistent with the FY21 comparator group and consists of the following companies:



* *As at 30 June 2020*

[1] *PSG will be removed from the 2023 benchmarking given the delisting of the company.*

Short-term incentive (STI) outcomes

Company performance/group measures account for 85.0% of the scorecard. A total score of 117.7% was achieved.

Personal measures account for 15.0% of the scorecard. Due to commercial sensitivities and confidentiality, the committee does not provide detail on these measures in this report. We can, however, assure stakeholders that targets are challenging, and that Executive Directors have done well in adjusting and implementing the company's strategy and managing the business in these unprecedented and challenging times.

STI relative performance measures are benchmarked against all companies in the FTSE/JSE SA REIT Index.

To ensure the independence of the peer group calculations, the committee once again utilised the services of Investec Corporate Finance to perform the calculations for the relative performance measures.

Financial measures

Financial measures account for 55.0% of the scorecard. A total score of 82.5% was achieved.

Absolute DIPS growth measures: Growthpoint's actual DIPS growth relative to the FY22 budgeted DIPS growth. The initial budgeted FY22 DIPS was 142.7 cents per share. Actual FY22 DIPS is 155.6 cents per share, resulting in a 9.0% outperformance versus budget. However, the 142.7 cents per share budget included R197m of Covid-19 bad debt provisions for further tenant discounts and deferrals which were not utilised. To ensure proper comparability, the budgeted numbers were updated to exclude these provisions, resulting in an updated budgeted DIPS number of 148.4 cents per share. On this basis actual DIPS achieved was 4.9% over budget, resulting in the achievement of stretch performance at 150.0%.

Relative DIPS growth measures: Growthpoint's actual DIPS growth relative to the actual DIPS growth of peers in the FTSE/JSE SA REIT Index. All constituents' DIPS growth, including Growthpoint's, is weighted by market capitalisation, with each constituent's weighting capped at 15.0% and ranked according to percentiles. Accordingly, Growthpoint's actual DIPS growth of 5.1% reduces to 0.8% when weighted, with Growthpoint ranked in the fourth quartile with a percentile rank of 75.0%, resulting in the achievement of stretch performance at 150.0%.

Risk measures

Risk measures account for 15.0% of the scorecard. As a result of our continued focus on balance sheet strength and liquidity a total score of 18.3% was achieved. The ratio of secured to unsecured debt measure achieved a stretch score of 150%. The Group LTV, interest rate hedging and domestic credit rating measures scored between target and stretch, and the debt expiry profile measure was between threshold and target.

Non-financial measures

Non-financial measures account for 15.0% of the scorecard. A total score of 16.9% was achieved.

Non-financial measures, including environmental, social and governance (ESG) related measures have gained significant prominence among investors. ESG is a golden thread that is integrated in Growthpoint's operations and strategy. To link ESG measures to the total remuneration outcome for Executive Directors, their KPIs in both the STI and the LTI schemes incorporate customer satisfaction, transformation and sustainability. Stretch was achieved on the transformation measure, target on sustainability and between threshold and target for client satisfaction.

The committee is proud of the level 1 B-BBEE score that the company achieved for the period, which is an endorsement of the company's commitment to transformation in line with its published transformation strategy. Growthpoint's target is a minimum level 4 B-BBEE score.

ESG at Growthpoint is important and increasingly embedded into the operations of the business. We are pleased to be included, for the 13th year, in the FTSE/JSE Responsible Investment Index. We scored 2.9 out of 5, which was above the industry average of 2.5. Inclusion in the index is necessary to achieve on-target performance. In order to achieve stretch, Growthpoint would need to be a top 30 constituent, which it was not in this assessment period.

We conducted our annual client satisfaction survey in September 2021 with the survey resulting in a score of 6.8 out of 10, versus 6.5 for the previous survey. In terms of the client expectations model, the target increased from 7.5 in the prior survey to 7.9. These results indicate that the current score of 6.8 is closer to the previous target of 7.5, showing an improvement. Overall, the committee is satisfied that the company is moving in the right direction in this regard.

Long-term incentive (LTI) outcomes

The LTI awards issued on 1 October 2019, which were based on a three-year forward measurement period including FY20, FY21 and FY22, vest in October 2022. These awards were based on 75% of FY20's TFR and issued at a 90-day VWAP of R23.12 at the date of issue. The share price as of 30 June 2022 was R12.35, which represents a decline of 46.6% in the value of the awards since issue date. Given the high weighting of financial measures for LTI performance, and with the share price and NAV per share having declined 49.1% and 15.0% respectively, over the three-year measurement period, impacting both the total return and total shareholder return measures, only 52.6% of the awards vested, based on the LTI scorecard on page 136. The financial outcome of the LTI scheme for management has therefore been negatively impacted by both the share price decline over the three-year period and the reduced vesting percentage.

Financial measures

Financial measures account for 90.0% of the scorecard. A total score of 41.4% was achieved.

Absolute total return (TR) measures Growthpoint's actual TR, NAV growth plus dividends over three years, relative to Growthpoint's weighted average cost of capital (WACC), calculated as the risk-free rate over three years plus 3%. Growthpoint's three-year TR is 0.5% relative to the WACC of 12.6%. As such Growthpoint was below threshold and achieved 0% for this measure.

Relative TR measures Growthpoint's actual TR relative to the TR of peers in the SA REIT index. All constituents' TR, including Growthpoint's, is weighted by market capitalisation, with each constituent's weighting capped at 15.0% and ranked according to percentiles. Growthpoint's actual TR of 2.2% (calculated on TNAV by Investec) reduces to 0.3% weighted TR, with Growthpoint ranked in the third quartile with a percentile rank of 69.0%, resulting in performance between target and stretch for this measure.

Relative TSR measures Growthpoint's actual TSR, ie, share price movement plus dividends, over three years, relative to the TSR of peers in the SA REIT index. All constituents' TSR, including Growthpoint's, is weighted by market capitalisation, with each constituent's weighting capped at 15.0% and ranked according to percentiles. Growthpoint's actual TSR of -27.6% (calculated by Investec using a 90-day VWAP) reduces to -4.1% weighted TSR, with Growthpoint ranked in the first quartile with a percentile rank of 13.0%, resulting in below threshold performance at 0% for this measure.

Non-financial measures account for 10.0% of the scorecard with a score of 11.2% for FY22, based on the average of non-financial measures per the STI scorecards for FY20, FY21 and FY22.

Implementation adjustment

The committee considered the quantum of the FY22 reward for Executives, based on the outcome of the STI and LTI scorecards. It noted that discretion had been applied to the implementation of the remuneration policy for FY21 and the policy for the FY22 awards, to ensure that executives of the company did not suffer disproportional hardship during the business downturn occasioned by the Covid-19 lockdown. Accordingly,

a. While the remuneration percentages for STI, deferred STI (DSTI) and LTI were supposed to be: 75%, 50% and 75% of TFR for the Group and SA CEO, for example – these had been adjusted to 100% each, temporarily, for FY22.
b. In FY21, the committee had seen fit to "moderate" the reward applied to the STI and DSTI for executives in their favour – eg, Norbert Sasse, Group CEO, had received an upliftment of reward to the value of circa R2.8 million.
c. Since the FY22 scorecard outperformance was, to a large degree, occasioned by a faster recovery from the Covid-19 induced downturn, and since we had set a precedent for moderation during the downturn, the Remco believed that a downward moderation was appropriate in FY22.

The committee therefore approved the downward moderation of the STI scorecard outcome from 100% of TFR for on-target performance to 87.5%. For Norbert Sasse, Group CEO, the reduction was circa R2.6m (approximating the amount that was moderated upwards in FY21).

This has resulted in STI awards for on-target performance for Executive Directors being made as follows:

	Group CEO	RSA CEO	Group FD	HR Director
FY20 Cash STI and DSTI	100%	100%	65%	35%
FY21 DSTI	75%	75%	56% (75% x 75%)	30% (75% x 40%)
FY21 Cash STI	100%	100%	75%	40%
FY22 Cash STI and DSTI	**87.5%**	**87.5%**	**66% (87.5% x 75%)**	**39% (87.5% x 45%)**

During the course of deliberating on the above changes, the committee recognised that the value of the DSTI awards were circa 17% to 19% lower in the event that they are priced at the face value of the Growthpoint share. Therefore, the committee resolved that for the FY22 DSTI award, issued at 87.5% of TFR for on-target performance, the issue share price should be determined taking future dividends into account using ShareForce's option pricing model, resulting in a larger number of nil cost options being awarded than if face value were used.

Use of the executive retention scheme (ERS)

In an environment where key skills are scarce and where there is an exit of key talent from the industry, our remuneration policy is a vital tool to ensure that key talent is attracted, motivated, engaged and retained. The ERS was designed to retain senior management over the long term. Shareholders have expressed concern at the absence of performance conditions in relation to this scheme and awards have not been granted on a regular basis. This scheme was designed to achieve retention but is being phased out in favour of the LTI scheme which was introduced in its place. The last significant initial award was made in 2014, with the last 10% vesting on 1 April 2022. No ERS awards were granted in FY22 and the scheme will reach its end of life in 2027 when the last of the 2019 awards vest.

Annual fixed remuneration increases

In July 2022, increases were awarded to all performing employees. (Refer page 134)

Succession

Succession planning was a major focus area for the committee in the financial year. All Executive Directors' and Executive Committee members' (jointly referred to as Executives) positions have been realigned and roles have been specified to ensure the execution of the company's strategy in line with the corporate structure which was approved by the committee and the Board in FY21. Employees have been placed in relevant positions for all Executive positions, and succession criteria have been identified for each position. A skills gap analysis has been conducted and development plans are being implemented where necessary. For those positions where the skills are not available internally, the position has been earmarked for external recruitment in due course. Cognisant of our transformation goals, future appointments will be assessed based on both merit and transformation criteria.

Retention

The 50.9% decline in the share price since 30 June 2019 has affected the value of vestings for the LTI scheme, executive retention scheme and DSTI bonus scheme, as well as shares owned directly in terms of the minimum shareholding requirements applicable to Executive Directors.

We are acutely aware of our commitment to consistency and alignment with shareholder interests, as well as our responsibility to ensure that the remuneration of Executive Directors and key talent to deliver on the Growthpoint business strategy contributes to retention and motivation.

Review of reward schemes

Given the effect of the environment described above on the outcomes in relation to fair and reasonable remuneration and retention, and as signalled to shareholders last year, an extensive review of the reward schemes has been conducted and the committee took advice from independent advisers to assess the relevance and appropriateness of the current schemes and based on the benchmarking performed, incorporated their advice into the following amendments with effect from FY23:

- For on-target performance, STI awards will be issued at 75% (FY22: 87.5%) of TFR for the cash element and 75% (FY22: 87.5%) of TFR for DSTI that vests in equal tranches over three years. In line with market practice, the issue price for future awards will be adjusted to account for expected future dividends given that there are no dividend rights attached to unvested shares in the DSTI scheme.
- LTI awards will also be issued at 75% (FY22: 100%) of TFR for on-target performance. In line with market practice, the issue price for future awards will be adjusted to account for expected future dividends given that there are no dividend rights attached to unvested shares in the LTI scheme, as well as an expected vesting outcome. A cap of 300% of TFR has been introduced on future LTI vesting outcomes to protect against windfall gains. Vesting has been extended from three years to four years with 100% of the awards assessed for performance at the end of year three, based on a three-year measurement period, with 70% of the awards vesting at the end of three years and the remaining 30% deferred to the end of the fourth year, with no further performance criteria.

These amendments to the implementation of the STI and LTI scheme policies bring them in line with market practice in the comparator group and importantly, improves the retention element while transitioning the reward structure to its original design parameters.

The committee recognises that in the post Covid-19 environment, an enhanced focus on setting KPIs and targets that are achievable but contain enough stretch, is required to achieve a strong pay-for-performance outcome and this remains an ongoing aspect for the committee in the discharge of its duties.

Conclusion

We believe that the remuneration of Executive Directors for FY22 reflects the successful delivery of the company's strategy in a very challenging and unprecedented environment. The company's conservative financial risk management and business practices have proved their worth.

The amendments to the execution of the company's STI and LTI scheme policies will contribute significantly to achieving the committee's objectives to achieve fair and reasonable pay for Executives, while enhancing the attraction, retention and motivation of top talent. Its consistent application will sustain the performance culture in the company and lead to sustained value creation for all our stakeholders.

There were no deviations from the policy that was approved by shareholders at the last AGM, save for the committee having exercised its discretion in relation to the STI outcome reduction from 100% for on-target performance to 87.5% and the change to the issue price per share for the STI awards from a 90-day VWAP to a price per ShareForces' option pricing model. The committee is satisfied that the remuneration policy fulfilled its objectives for FY22. The policy amendments with effect from FY23 shall further refine and improve this alignment. As such, the committee trusts that shareholders will support the remuneration-related resolutions at the AGM on 29 November 2022.

Signed on behalf of the Board of Directors

Eileen Wilton

Eileen Wilton
Human Resources and Remuneration Committee Chairman

PART 2: FY23 REMUNERATION POLICY

Fair and reasonable pay

Growthpoint is committed to ensuring that its remuneration policy and philosophy is fair, responsible and aligned with all South African legislation as well as the "Equal Pay for Work of Equal Value" code of good practice. Central to this philosophy is the principle that overall compensation at Growthpoint is linked to performance at both employee, business unit and company levels. At the beginning of each financial year, managers identify key performance objectives they want employees to achieve, which are revised at half year to ensure alignment. Delivery against these objectives is assessed twice a year and the employee's annual fixed remuneration is reviewed annually. Based on the company's and the employee's individual performance outcome, the result may lead to an increase in the employee's fixed remuneration and the award of a cash performance bonus.

Our pay for performance objectives are as follows:

- To attract, recruit, develop and retain the talent required to realise business goals
- To communicate and reinforce the values, goals and objectives of the company
- To engage employees in Growthpoint's success
- To reward employees for the employee's achievement and their contribution to the company's performance
- To ensure that Growthpoint's remuneration is competitive as measured through various remuneration surveys
- To promote our employee value proposition, which includes the creation of a performance-orientated corporate culture, underpinned by our values.

To realise our objective of being an employer of choice and to ensure that all our employees are continuously engaged and motivated and share in the company's success, we continue to make awards of zero-cost share options to all staff, excluding the Executive Directors and other Executive Committee members, under the Growthpoint Staff Incentive Scheme (GSIS).

Growthpoint continues to make strides in ensuring that our total rewards contribute to making a significant improvement to the quality of life of our employees, especially those at lower-earning levels. Our goal is to ensure that all our employees are paid a living wage, defined as the minimum income necessary for a staff member to meet their basic needs. Growthpoint's philosophy on the living wage is to provide a level of income that enables our lowest paid employees to afford a modest but decent standard of living. This generally means that our employees should be able to afford food, shelter, clothing, utilities, transport, healthcare and childcare. In addition to fixed and variable pay, and awards made under the GSIS, there are benefits enjoyed by employees, which are solely paid for by the employer.

These include:
- Admed Insurance gap cover, which covers employees' medical cost shortfalls
- Personal accident cover
- Dread disease cover
- Educational assistance for qualifying employees' dependants through our GEMS programme (see page 78 for more information).

Growthpoint values all employees and strives to ensure that remuneration is structured fairly. Superior performance is encouraged and rewarded. We recognise that remuneration forms an integral part of the employment offering which enables us to attract, reward and retain the talent we need to meet the company's objectives. We are particularly proud of our GSIS and believe that the participation of all employees (excluding Executives) in the scheme, through the granting of zero-cost share options, helps us to create a culture of ownership in which employees are satisfied, engaged and motivated to perform to the best of their ability.

The company participates in annual market remuneration surveys to ensure that our remuneration remains competitive.

As a designated employer (an employer with 150 or more employees), Growthpoint is also required by law, as regulated in the Employment Equity Act, to analyse the actual remuneration paid to all employees. This analysis is conducted annually to ensure that there are no disparities based on race, gender or arbitrary grounds and that differences are based on justifiable grounds as allowed for in law, for example scarce skills experience and tenure. Growthpoint also provides a process to advise if gaps exist and how these are being or will be addressed.

In terms of section 27(1) of the Employment Equity Act 55 of 1998 as amended, Growthpoint submits to the Department of Labour the income differential statement by 15 January annually.

Elements of remuneration

The organisation-wide remuneration structure provides for fixed and variable elements for Executives and all other employees.

Executive remuneration is made up as follows:
1. Total fixed remuneration comprising fixed remuneration and benefits.
2. Variable remuneration comprising short-term and long-term incentives:
    - Short-term incentive: cash bonus which is awarded annually
    - Short-term incentive-deferred bonus: zero-cost share options, awarded annually which vest equally over three years with no further performance measures
    - Long-term incentive: executive retention scheme (ERS) with initial awards granted on 1 April 2014 with an eight-year vesting profile. This scheme was used for retention purposes with awards made on an ad hoc basis, but has now been phased out and the scheme will reach its end of life in 2027 when the last of the 2019 awards vest
    - Long-term incentive: conditional share plan, awarded annually, which has a three-year forward measurement period with 100% of the awards assessed for performance at the end of year three, with 70% of the shares vesting after year three and the remaining 30% of the shares vesting in year four with no further performance criteria.

Total fixed remuneration (TFR)

Fixed remuneration

Fixed remuneration is paid in cash.

Executive Directors' fixed remuneration is targeted at the market median of the comparator group (see page 123), while remuneration for key employees may be set at the upper quartile to ensure attraction and retention of high-performing talent.

Benefits

Competitive benefits for executives and all other employees include a defined contribution provident or pension fund, medical aid schemes and life cover.

Company-paid benefits include personal accident, dread disease, approved medical gap cover, disability and death benefit cover.

Variable remuneration

Short-term incentive (STI) – cash bonus

For Executive Directors, performance measures for the STI include threshold, target and stretch targets, measured over a 12-month period. The performance measures apply to all Executive Committee members. However, the weightings between group and personal measures will vary from member to member, as well as the participation ratio.

The cash bonus under the STI scheme for Executive Directors is awarded at a maximum of 75% of TFR for on target performance, based on the scorecard on page 135.

For all other employees, excluding executives, the annual cash bonus is determined by comparing individual performance to agreed performance objectives.

Group measure – 85% of STI[1]:

50% Financial:

- **25% Absolute DIPS** growth relative to the budget which is set at the beginning of the financial year and is derived from a rigorous bottom-up budgeting process. A 1% delta both up and down determines the modifier as follows:

Achievement against budget	Vesting level	Applicable modifier
More than 1% below budget	Below threshold	0%
1% below budget	Threshold	50%
Equal to budget DPS	Target	100%
More than 1% above budget	Stretch	Capped at 150%

These targets are under review for FY23 to ensure sufficient stretch and alignment.

Linear interpolation will occur on the modifier between the threshold and target performance and between target and stretch performance.

- **25% Relative DIPS** growth, benchmarked to peers in the FTSE/JSE SA REIT Index. Constituents' DIPS growth is weighted by market capitalisation, including Growthpoint, with all constituents capped at 15%, over a 12-month rolling period and is ranked according to percentiles as follows:

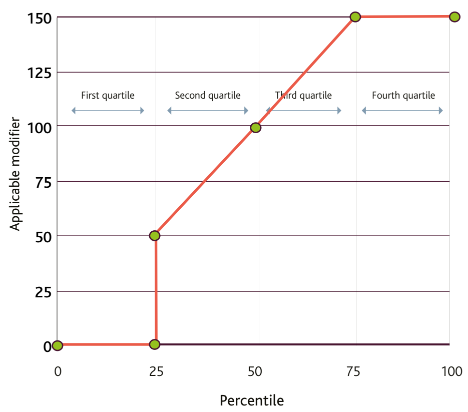
Percentile (X)	Vesting level	Applicable modifier
< 25%	Below threshold	0%
25%	Threshold	50%
50%	Target	100%
≥ 75%	Stretch	Capped at 150%

Linear interpolation will occur on the modifier between the threshold and target performance and between target and stretch performance.

Variable remuneration continued

Short-term incentive (STI) – cash bonus continued

Short-term incentive (STI) – cash bonus (%)



15% Risk measures
- 3% Group LTV ratio
- 3% debt expiry profile
- 3% interest rate hedging
- 3% secured versus unsecured debt
- 3% Moody's rating.

20% Non-financial
- 5% customer satisfaction survey
- 5% transformation achievements against the Board-approved transformation strategy which links to the internal target on B-BBEE scorecard
- 5% company specific sustainability achievements relative to inclusion in the FTSE/JSE Responsible Investment index to achieve on-target performance, and inclusion as a top-30 constituent to achieve stretch
- 5% solar generation capacity. On-target performance will constitute 27.1MW of solar generation capacity installed and commissioned, with a delta of 3.7MW for threshold and stretch performance.

Personal measure – 15% of STI[1]:
Delivery on strategy and specific personal targets and objectives.

Short-term incentive (DSTI) – deferred bonus under the GSIS

All Executives receive a deferred bonus in the form of zero-cost share options, vesting over a three-year period of one third each, following the award date, with no further performance conditions.

The deferred bonus under the STI for Executive Directors is awarded at a maximum of 75% of TFR for on-target performance based on the scorecard, see page 135 and expressed as a number of Growthpoint shares with the issue price adjusted to account for expected future dividends using ShareForce's option pricing model.

The only zero-cost share options awarded to executives are for the deferred bonus as part of their STI.

The committee, in appropriate circumstances and to ensure fairness, applies its discretion to determine an appropriate cash and DSTI for executives, ensuring that both the quantum and the change in total STI from the previous year are not grossly misaligned with the overall performance of the company, at all times considering alignment with what shareholders have experienced over the same period.

Zero-cost options – under the GSIS

All Growthpoint employees, excluding Executives, are annually awarded zero-cost options under the GSIS that vest over a five-year period. The quantum is based on a target percentage of their fixed remuneration.

Target percentages are linked to market benchmarks and can be increased by approval of the committee for critical skills and individual retention.

The vesting profile allows for 0% of the awards to vest after year one, and 25% to vest in each successive year from year two, with the last vesting of each award taking place after five years.

Variable remuneration continued

Long-term incentive executive retention scheme (ERS) awards under the GSIS	Executives and a limited number of key senior managers participated in the ERS as part of the GSIS. The ERS is a notional share purchase scheme which simulates a share purchase scheme that is half funded with debt. The initial options granted on 1 April 2014 had an initial strike price of R11.43 based on a 50% discount to the Growthpoint 30-day clean VWAP as traded on the JSE on the day of granting of the initial options. Each option's strike price is adjusted on a notional basis by: • Increasing the strike price by 8.25% per annum, compounding on the distribution payment date and representing interest on the notional debt • Decreasing the strike price by the actual distribution per share declared and paid by the company. The characteristics of the ERS provide for perfect alignment between Executive Directors and shareholders, in that the eventual value that an executive will receive under the ERS is driven by the actual DPS, growth in the DPS, and the share price. These options vest on 1 April each year over eight years and give the option holder the right to acquire one Growthpoint share at the variable strike price at the vesting date. The vesting schedule in respect of the initial awards was as follows: 1 April 2015 — 0% 1 April 2016 and 1 April 2017 — 10% pa 1 April 2018, 1 April 2019 and 1 April 2020 — 20% pa 1 April 2021 and 1 April 2022 — 10% pa It is anticipated that no new awards will be made utilising this scheme, as retention has been catered for via the DSTI and LTI elements of the scheme. Benchmarking and alignment is done with this in mind, i.e. excluding the ERS.
LTI scheme under the GSIS	The LTI scheme gives Executives conditional rights to shares. It includes threshold, target and stretch targets and has a forward measurement period of three years with awards settled in shares. All awards prior to FY23 were subject to cliff vesting at the end of year three. From FY23 the LTI will become a four-year scheme and awards will vest as follows: 100% of the awards will be assessed for performance at the end of year three, 70% of the awards will vest at the end of year three and the remaining 30% will be deferred until the end of year four with no further performance conditions. Awards are made based on a LTI award percentage of 75% of TFR and expressed as a number of Growthpoint shares with the issue price adjusted to account for expected future dividends given that there are no dividend rights attached to unvested shares in the LTI scheme, as well as an expected vesting outcome. The FY22 LTI awards, issued on 1 October 2021, will vest in FY25 based on FY22, FY23 and FY24's performance, and the vesting percentage will be subject to the following three-year performance measures: **90% Financial** • **30% absolute total return** (TR) where TR is measured against Growthpoint's weighted average cost of capital (WACC) calculated as the average risk-free rate over three years, plus 3%. A 1% delta, both up and down, will determine the modifier for absolute TR as follows:

Achievement against WACC	Vesting level	Applicable modifier
More than 1% below WACC	Below threshold	0%
1% below WACC	Threshold	50%
Equal to WACC	Target	100%
More than 1% above WACC	Stretch	Capped at 150%

Variable remuneration continued

LTI scheme under the GSIS continued

These targets are under review for FY23 to ensure sufficient stretch and alignment.

Linear interpolation will occur on the modifier between the threshold and target performance and between target and stretch performance.

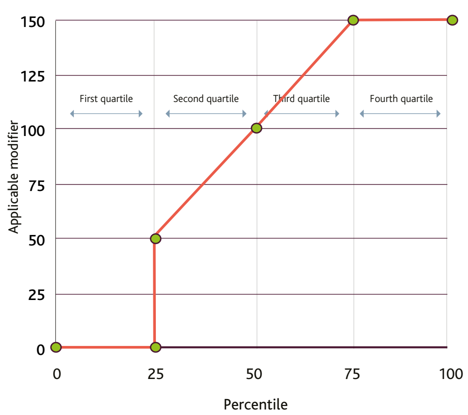
- **30% relative TR**[2] measured against peers in the FTSE/JSE SA REIT Index
- **30% relative total shareholder return** (TSR)[3] measured relative to peers in the FTSE/JSE SA REIT Index.

TR and TSR relative to peers in the FTSE/JSE SA REIT Index will be market capitalisation weighted, including Growthpoint, capped at 15%, over a 36-month rolling period and will be ranked according to percentiles as follows:

Percentile (X)	Vesting level	Applicable modifier
< 25%	Below threshold	0%
25%	Threshold	50%
50%	Target	100%
≥ 75%	Stretch	Capped at 150%

These targets are also under review.

LTI scheme under the GSIS (%)



Linear interpolation will occur on the modifier between the threshold and target performance and between target and stretch performance.

The vesting percentage will be multiplied by the number of shares which constituted the award which can then be exercised.

10% Non-financial

Average of non-financial measures over three years per the STI scorecard.

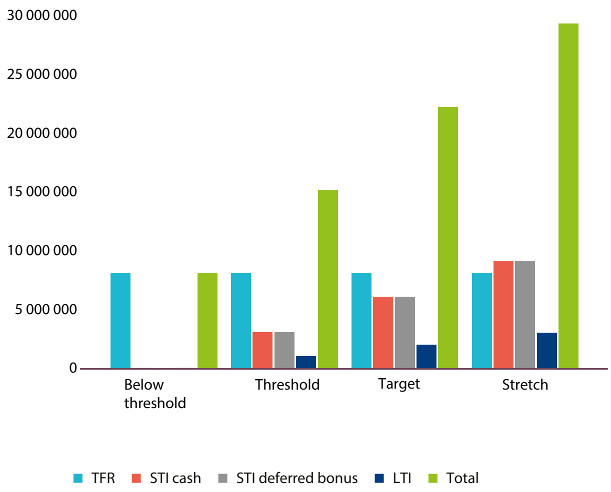
(1) Group measures and personal measures are 50% each for the Human Resources Director.
(2) TR = (closing tangible net asset value per share (TNAVPS) – opening TNAVPS) + DPS for the period/opening TNAVPS. The TNAV is calculated by subtracting intangible assets and adding deferred tax liabilities to ordinary shareholders' equity.
(3) TSR = (closing 90-day VWAP – opening 90-day VWAP) + DPS for the period/opening 90-day VWAP. The VWAP is calculated with reference to the relevant company's last reporting date (whether interims or finals) and is calculated ex dividend.

FY23 remuneration scenarios

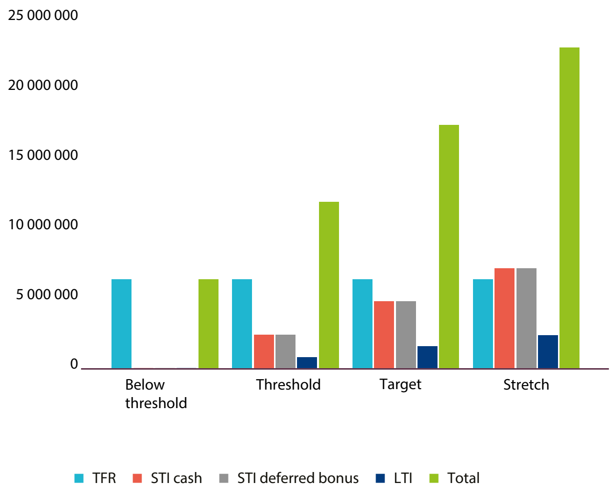
The FY23 remuneration scenarios are depicted below using FY23 TFR and assuming the following:

- LTI vestings per the table of unvested awards on pages 138 to 140
- STI participation ratio for the cash and DSTI bonus portion of 75% each for the Group CEO and SA CEO, 56% for the Group FD and 34% for the Human Resources Director.

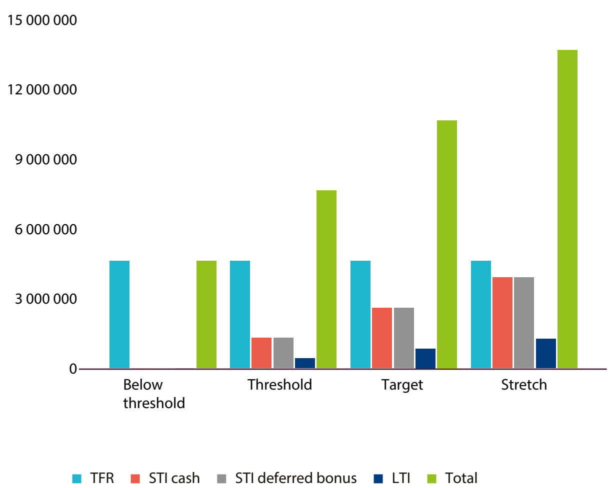
Group CEO FY23 remuneration scenarios (R)



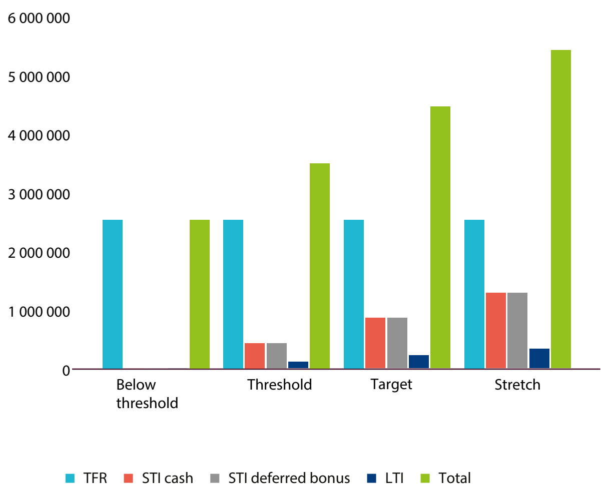
RSA CEO FY23 remuneration scenarios (R)



Group Financial Director FY23 remuneration scenarios (R)



Human Resources Director FY23 remuneration scenarios (R)



GSIS

The first awards under the GSIS were made in 2008. The aggregate number of options/shares that may be awarded to participants over the duration of the GSIS is currently 75m, representing around 2.2% of the issued shares of the company. As of 30 June 2022, 73.2m shares had been awarded and 10.6m forfeited by participants, leaving 12.4m shares available for issue.

In the case of termination of employment, the GSIS provides for forfeiture of all unvested options. In certain instances, at the discretion of the committee, *pro rata* future vesting may be allowed (for instance in the case of retirement and death in service).

Service contracts

The Group CEO and RSA CEO have service contracts with Growthpoint which provide for the following:

- An indefinite period of service, subject to the normal retirement age of 65 as per the company policy, with a reciprocal six months' notice of termination provision
- Paid "garden leave" for Executives at the company's discretion
- Unpaid restraints in relation to the company's clients, staff and corporate opportunities
- The KPAs and KPIs against which the Executives are measured.

The Group Financial Director and the Human Resources Director have employment contracts which provide for paid "garden leave", restraint and reciprocal six months' notice of termination provisions.

Malus and clawback

Deferred bonus shares awarded to Executives under the STI scheme, as well as shares awarded to Executives under the new LTI scheme, are subject to malus and clawback provisions which are at the discretion of the committee. Malus will be applied to unvested or unpaid incentives and clawback will be applied to vested and settled incentives. Reasons for malus and clawback include:

- Gross misconduct of an Executive
- Material misstatement of the company's audited financial results.

Earnings from independent subsidiary and associated company appointments

Executive and Non-executive Directors of Growthpoint may be, and are from time to time, appointed to serve on boards of independent companies in which Growthpoint has acquired controlling or strategic shareholdings. Such appointments are made with the approval of Growthpoint's Board. Non-executive Directors of Growthpoint who hold such Board positions are permitted to receive and retain Directors' fees paid to them by such subsidiaries or associated companies. Executives of Growthpoint so appointed shall fulfil their roles on the boards of such subsidiaries or associated companies as part of their executive responsibilities towards Growthpoint and any Directors' fees earned by them from such companies shall be payable to Growthpoint, except to the extent that the committee may from time to time decide otherwise (as is the case in respect of such fees earned from GOZ Board appointments). Fees earned from GOZ Board appointments are not included in this report. Details of the remuneration earned and/or received by Executive Directors, Non-executive Directors and other Executives for services rendered to independent subsidiaries and associated companies are reflected in note 22 of the FY22 annual financial statements (AFS) pages 50 and 51.

Executives are not permitted to hold external directorships in other publicly traded entities without the approval of Growthpoint's Board.

Minimum shareholding requirements

In line with shareholder feedback and in order to align our Executive Directors' interests with those of our shareholders and demonstrate their commitment to long-term growth, minimum shareholding requirements are in place. Executive Directors have been given five years from the adoption of the policy, 1 July 2018, or from their appointment to accumulate their holdings:

Executive Director	Shareholding as at 30 June 2022	Value of shareholding*	% of FY22 TFR	Minimum shareholding requirement Target 2024
Norbert Sasse	2 880 644	R35 575 953	465%	200% of TFR
Estienne de Klerk	3 344 187	R41 300 709	695%	150% of TFR
Gerald Völkel	271 232	R3 349 715	78%	100% of TFR
Olive Chauke	–	–	–	50% of TFR

* *Share price as at 30 June 2022 – R12.35.*

An extension to the required period has been agreed for Olive Chauke, to allow for the build-up of shares in an adjusted, extended time period, based on individual circumstances. Extension for a further four years has been granted.

PART 3: IMPLEMENTATION OF FY22 REMUNERATION POLICY

Fixed remuneration adjustments

Salary increases were awarded with effect from 1 July 2022 and are applicable for the period 1 July 2022 to 30 June 2023. The average rate of increases for Executive Directors was 5.50%, which is in line with the rest of staff. There were no market adjustments for Executive Directors. The average rate of increases for Executive Committee members was 6.32% or 5.58% exclusive of market adjustments. The salary increases for all other staff resulted in an overall increase in their salary costs of 6.53% or 5.41% exclusive of market adjustments.

Given there are no real comparator companies in the property sector with the size and complexity of Growthpoint, benchmarking is challenging. Accordingly, in addition to the annual market capitalisation comparator group benchmarking, PwC prepares an annual regression analysis on both TFR and TRem (total remuneration) earned by Executive Directors of property companies included in the FTSE/JSE SA REIT Index.

Based on the assessment of various regression factors which take into account the size, performance and complexity of the organisation and include aspects such as market capitalisation, distributable income, total assets, total shareholder return, total debt and total square metres under management, a comparative ratio of a maximum of 150% was considered reasonable for TFR.

In the context of TRem, once size and relative complexity are considered in conjunction with performance (with variable pay typically comprising two-thirds of TRem), a reasonable maximum compa-ratio would range between 167% to 200%, where Growthpoint delivers stretch performance relative to industry peers who delivered a threshold to target performance. The regression analysis is performed in May of each year on an actual remuneration basis for the Group CEO, RSA CEO and Group FD positions only as there is no comparable position for the HR Director for the other companies in the FTSE/JSE SA REIT Index. This process takes into account STIs paid (versus those accrued) in each financial year and the fair value of the LTI awarded for each relevant year. The details of the regression analysis are set out in the table below:

	GROUP CEO		RSA CEO		GROUP FD	
Compa-ratio	**TFR**	**TRem**	**TFR**	**TRem**	**TFR**	**TRem**
FY22	**117%**	**134%**	**105%**	**117%**	**106%**	**119%**
FY21	107%	140%	93%	121%	96%	136%
FY20	106%	161%	91%	138%	89%	110%

A regression analysis was also performed for on-target performance, applying the 2022 policy disclosed in the 2021 remuneration report, the results of which are outlined below. Based on the regression analysis performed, the committee considered the below compa-ratios to be acceptable.

	GROUP CEO		RSA CEO		GROUP FD	
Compa-ratio (on-target remuneration)	**TFR**	**TRem**	**TFR**	**TRem**	**TFR**	**TRem**
FY22	**117%**	**146%**	**105%**	**129%**	**106%**	**115%**

FY22 STI outcomes (cash and DSTI into zero-cost share options)

Issued at 87.5% for on-target performance and in line with market practice, the issue price for the FY22 DSTI awards was adjusted to account for expected future dividends using ShareForce's option pricing model, resulting in a larger number of nil cost options being awarded than if face value were used.

FY22 STI outcomes (cash and DSTI into zero-cost share options)

Issued at 87.5% for on-target performance and in line with market practice, the issue price for the FY22 DSTI awards was adjusted to account for expected future dividends using ShareForce's option pricing model, resulting in a larger number of nil cost options being awarded than if face value were used

STI scorecards:

Norbert Sasse/Estienne de Klerk/Gerald Völkel

KPI	Weight	Threshold 50%	Target 100%	Stretch 150%	Score	Quartile ranking	Modifier	Weighted modifier
Group measure	**85.00%**						138.42%	**117.67%**
Financial	**55.00%**							**82.50%**
Absolute DIPS growth	**27.50%**	(0.80%)	0.20%	1.20%	4.85%	n/a	150.00%	**41.25%**
Relative DIPS growth	**27.50%**	25.00%	50.00%	75.00%	75.00%	4th	150.00%	**41.25%**
Risk measures	**15.00%**							**18.32%**
(1) Group LTV	**3.00%**	45.00%	40.00%	35.00%	37.90%	n/a	121.00%	**3.63%**
(2) Debt expiry profile	**3.00%**	2.5 years	3.5 years	4.5 years	2.9 years	n/a	70.00%	**2.10%**
(3) Interest rate hedging	**3.00%**	65.00%	75.00%	85.00%	83.90%	n/a	144.50%	**4.34%**
(4) Secured versus unsecured debt	**3.00%**	80:20	70:30	60:40	45:55	n/a	150.00%	**4.50%**
(5) Domestic credit rating	**3.00%**	AA	AA+	AAA	Moody's Aa1 & Fitch AAA	n/a	125.00%	**3.75%**
Non-financial	**15.00%**							**16.85%**
Customer satisfaction survey	**5.00%**	3.70	7.90	9.30	6.80	n/a	86.90%	**4.35%**
Transformation	**5.00%**	Level 5	Level 4	Level 3	Level 1	n/a	150.00%	**7.50%**
Sustainability	**5.00%**	Excluded from FTSE/JSE RI Index	Included in FTSE JSE RI Index	Top 30 constituent of FTSE/JSE RI Index	Included but not a top 30 constituent	n/a	100.00%	**5.00%**
Personal measure*	**15.00%**						85.00%	**12.75%**
Delivery on strategy and specific personal targets	**15.00%**						85.00%	**12.75%**
Total measure	**100.00%**							**130.42%**

Based on an 87.5% participation ratio for Norbert Sasse and Estienne de Klerk and 66% for Gerald Völkel.

* *Personal measures scores of 85% for Norbert Sasse, 87.5% for Estienne de Klerk, 90% for Gerald Völkel.*

Olive Chauke

KPI	Weight	Modifier	Weighted modifier
Group measure	**50.00%**	138.42%	**69.21%**
Personal measure*	**50.00%**	70.00%	**35.00%**
Total measure	**100.00%**		**104.21%**

** Based on a 39% participation ratio.*

FY22 LTI outcomes for the 1 October 2019 awards that vested based on FY20, FY21 and FY22's performance

LTI scorecard:

KPI	Weight	Threshold 50%	Target 100%	Stretch 150%	Score	Quartile ranking	Modifier	Weighted modifier
Total measure	**100.00%**							**52.62%**
Financial	**90.00%**							**41.40%**
Absolute total return	**30.00%**	11.60%	12.60%	13.60%	0.47%	n/a	0.00%	**0.00%**
Relative total return	**30.00%**	25.00%	50.00%	75.00%	69.00%	3rd	138.00%	**41.40%**
Relative total shareholder return	**30.00%**	25.00%	50.00%	75.00%	13.00%	1st	0.00%	**0.00%**
Non-financial	**10.00%**							**11.22%**
Customer satisfaction survey	**3.33%**	Average of non-financial measures per STI scorecard for FY20, FY21 and FY22				n/a	86.63%	**2.89%**
Transformation	**3.33%**					n/a	150.00%	**5.00%**
Sustainability	**3.33%**					n/a	100.00%	**3.33%**

Vesting outcome

	Number of LTI awards issued on 1 October 2019	Number of awards vested
Norbert Sasse	**236 965**	**124 691**
Estienne de Klerk	**184 055**	**96 850**
Gerald Völkel	**86 422**	**45 475**
Olive Chauke	**25 930**	**13 644**

FY22 LTI awards

These awards were granted for FY22, on 1 October 2021, based on the FY22 TFR, which was the TFR at the time of the award. These awards have a forward measurement period of three years, with all FY22 awards vesting in FY25 subject to three-year performance measures to FY24.

Name	TFR FY22 R	LTI award R	Number of LTI shares allocated	LTI as a % of FY22 TFR
Norbert Sasse	**7 648 178**	**7 648 178**	**526 734**	**100%**
Estienne de Klerk	**5 940 463**	**5 940 463**	**409 123**	**100%**
Gerald Völkel	**4 307 629**	**3 230 722**	**222 502**	**75%**
Olive Chauke	**2 391 171**	**956 468**	**65 872**	**40%**

* *Based on a 90-day ex dividend VWAP at 30 September 2021 of R14.52.*

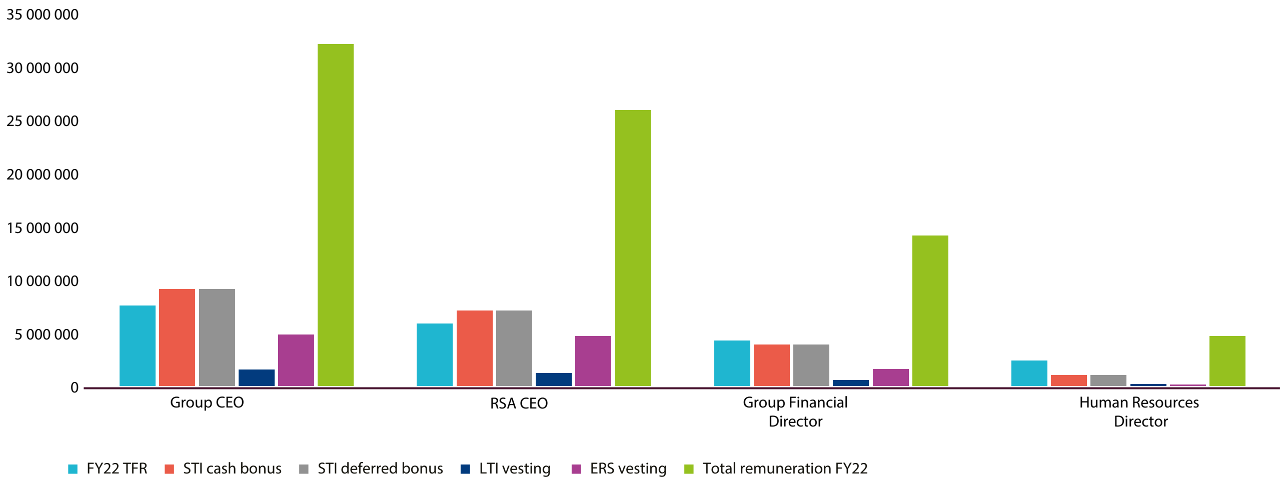
Executive Directors' FY22 remuneration

In the table below, the cash STI and DSTI awards for FY22 are disclosed. The FY22 DSTI awards will vest equally in three tranches in FY24, FY25 and FY26 with no further performance measures. ERS awards which vested in FY22 are also disclosed as well as the vesting of the LTI awards, awarded on 1 October 2019, based on FY20, FY21 and FY22's performance.

Name	TFR FY22[1] R	TFR FY23[1] R	STI cash bonus[2] R	DSTI deferred bonus[3] R	LTI vesting[4] R	ERS vesting FY22[5]	Cash STI and DSTI as % of TFR	Total remuneration FY22 R	Total remuneration FY21 R	% change
Norbert Sasse	7 648 178	8 076 476	9 215 754	9 215 754	1 539 960	4 893 399	241%	32 513 045	22 337 461	45.55%
Estienne de Klerk	5 940 463	6 267 188	7 171 810	7 171 810	1 196 115	4 736 685	241%	26 216 883	16 657 725	57.39%
Gerald Völkel	4 307 629	4 557 471	3 922 696	3 922 696	561 629	1 593 217	182%	14 307 867	9 064 593	57.84%
Olive Chauke	2 391 171	2 520 295	1 034 145	1 034 145	168 511	105 076	86%	4 733 048	3 689 501	28.28%

(1) *Excludes fringe benefits for dread disease, Admed gap cover and personal accident.*
(2) *Participation ratio of 87.5% of TFR at the time of the award for Norbert Sasse and Estienne de Klerk, 66% for Gerald Völkel and 39% for Olive Chauke with the ratio of Group to personal measures at 85%:15% for all Executive Directors except the Group Human Resources Director whose ratio is 50%:50%. Based on FY22 performance and the TFR at the time of the award and paid in cash in FY23.*
(3) *Participation ratio of 87.5% of TFR at the time of the award for Norbert Sasse and Estienne de Klerk, 66% for Gerald Völkel and 39% for Olive Chauke with the ratio of Group to personal measures at 85%:15% for all Executive Directors except the Group Human Resources Director whose ratio is 50%:50%. Based on FY22 performance and the TFR at the time of the award, awarded in FY23 vesting equally over three years in FY24, FY25 and FY26.*
(4) *1 October 2019 LTI awards that vest at 52.62% on 1 October 2022 based on FY20, FY21 and FY22's performance valued at the closing price of R12.35 on 30 June 2022.*
(5) *The last 10% of the initial ERS awards granted in April 2014 vested in FY22.*

FY22 remuneration (R)



Executive Directors' single figure remuneration

The single figure remuneration is intended to enhance the transparency of Executive Director remuneration disclosure by consolidating all relevant information relating to current performance into a single table. This table provides a summary of all remuneration that was received or receivable for the FY22 reporting period, and all the remuneration elements that it comprises, where applicable, disclosed at fair value.

Name	TFR[(1)] R	STI annual cash bonus R	DSTI deferred bonus – one-third[(2)] R	DSTI deferred bonus – two-thirds[(3)] R	Total remuneration R
2022					
Norbert Sasse	**7 648 178**	**9 215 754**	**3 071 918**	**6 143 836**	**26 079 686**
Estienne de Klerk	**5 940 463**	**7 171 810**	**2 390 603**	**4 781 207**	**20 284 083**
Gerald Völkel	**4 307 629**	**3 922 696**	**1 307 565**	**2 615 131**	**12 153 021**
Olive Chauke	**2 391 171**	**1 034 145**	**344 715**	**689 430**	**4 459 461**
2021					
Norbert Sasse	7 304 850	5 696 000	1 424 033	2 848 067	17 272 950
Estienne de Klerk	5 673 794	4 424 000	1 106 070	2 212 140	13 416 004
Gerald Völkel	4 098 600	2 406 000	601 536	1 203 074	8 309 210
Olive Chauke	2 283 831	694 000	231 333	462 667	3 671 831

(1) *TFR is made up of basic salary plus provident and medical aid.*
(2) *The DSTI deferred bonus comprises one-third of DSTI awarded in respect of FY22 that will vest a year after the award date with no further performance conditions.*
(3) *The DSTI deferred bonus comprises the remaining two-thirds of the DSTI awarded in respect of FY22 that will vest more than one year after the award date with no further performance conditions.*

Executive Directors' table of unvested awards and cash settlement

This table details all unvested and outstanding awards under the DSTI, LTI and ERS at FY22. It also details the cash value of all awards made under variable remuneration, DSTI and ERS awards that vested in FY22.

	Award date	Share price on grant R	Opening number on 1 July 2021	Granted during FY22	Vested during FY22	Closing number at 30 June 2022	Cash value of settlements during FY22 R	Estimated closing value at 30 June 2022 R
Norbert Sasse								
ERS								
2014 ERS	1 April 2014	22.86	400 000	–	(400 000)	–	4 893 399	–
LTI								
FY19 LTI[(1)]	1 October 2018	24.93	209 296	–	(209 296)	–	1 110 192	–
FY20 LTI[(2)]	1 October 2019	23.12	236 965	–	–	236 965	–	3 447 133
FY21 LTI	1 October 2020	13.32	411 309	–	–	411 309	–	1 979 501
FY22 LTI	1 October 2021	14.52	–	526 734	–	526 734	–	1 255 690
STI								
Deferred bonus zero-cost share options								
FY18 DSTI	1 September 2018	24.74	91 856	–	(91 854)	–	1 270 382	–
FY19 DSTI	1 October 2019	22.53	242 493	–	(121 244)	121 249	1 676 804	1 497 425
FY20 DSTI	1 October 2020	12.26	505 755	–	(168 583)	337 172	2 331 531	4 164 074
FY21 DSTI	1 October 2021	13.98	–	305 587		305 587	–	3 773 999
Total						**1 939 016**	**11 282 308**	**16 117 823**

(1) *These awards vested on 1 October 2021 based on the FY21 LTI scorecard.*
(2) *These awards vested post FY22 based on FY20, FY21 and FY22's performance, and as such are included in the Executive Directors FY22 total remuneration table on page 137 and valued at the closing share price as of 30 June 2022 at R12.35.*

	Award date	Share price on grant R	Opening number on 1 July 2021	Granted during FY22	Vested during FY22	Closing number at 30 June 2022	Cash value of settlements during FY22 R	Estimated closing value at 30 June 2022 R
Estienne de Klerk								
ERS								
2014 ERS	1 April 2014	22.86	240 000	–	(240 000)	–	2 936 051	–
2015 ERS	1 September 2015	27.12	360 000	–	(240 000)	120 000	1 800 634	1 287 755
LTI								
FY19 LTI[1]	1 October 2018	24.93	161 793	–	(161 793)	–	858 255	–
FY20 LTI[2]	1 October 2019	23.12	184 055	–	–	184 055	–	2 677 450
FY21 LTI	1 October 2020	13.32	319 470	–	–	319 470	–	1 537 509
FY22 LTI	1 October 2021	14.52	–	409 123	–	409 123	–	975 315
STI								
Deferred bonus zero-cost share options								
FY18 DSTI	1 September 2018	24.74	70 999	–	(70 999)	–	1 025 993	–
FY19 DSTI	1 October 2019	22.53	186 242	–	(93 119)	93 123	1 282 249	1 150 069
FY20 DSTI	1 October 2020	12.26	389 324	–	(129 773)	259 551	1 786 974	3 205 455
FY21 DSTI	1 October 2021	13.98	–	237 354	–	237 354	–	2 931 322
Total						**1 622 676**	**9 690 126**	**13 764 876**

(1) *These awards vested on 1 October 2021 based on the FY21 LTI scorecard.*
(2) *These awards vested post FY22 based on FY20, FY21 and FY22's performance, and as such are included in the Executive Directors FY22 total remuneration table on page 137 and valued at the closing share price as of 30 June 2022 at R12.35.*

	Award date	Share price on grant R	Opening number on 1 July 2021	Granted during FY22	Vested during FY22	Closing number at 30 June 2022	Cash value of settlements during FY22 R	Estimated closing value at 30 June 2022 R
Gerald Völkel								
ERS								
2016 ERS	1 September 2016	25.88	490 000	–	(210 000)	280 000	1 593 217	3 625 193
LTI								
FY19 LTI[1]	1 October 2018	24.93	72 861	–	(72 861)	–	386 481	–
FY20 LTI[2]	1 October 2019	23.12	86 422	–	–	86 422	–	1 257 182
FY21 LTI	1 October 2020	13.32	173 083	–	–	173 083	–	832 944
FY22 LTI	1 October 2021	14.52	–	222 502	–	222 502	–	530 426
STI								
Deferred bonus zero-cost share options								
FY18 DSTI	1 September 2018	24.74	32 010	–	(32 010)	–	445 593	–
FY19 DSTI	1 October 2019	22.53	84 422	–	(42 209)	42 213	589 238	521 331
FY20 DSTI	1 October 2020	12.26	187 823	–	(62 607)	125 216	873 994	1 546 418
FY21 DSTI	1 October 2021	13.98	–	129 805	–	129 085	–	1 594 200
Total						**1 058 521**	**3 888 523**	**9 907 744**

(1) *These awards vested on 1 October 2021 based on the FY21 LTI scorecard.*
(2) *These awards vested post FY22 based on FY20, FY21 and FY22's performance, and as such are included in the Executive Directors FY22 total remuneration table on page 137 and valued at the closing share price as of 30 June 2022 at R12.35.*

	Award date	Share price on grant R	Opening number on 1 July 2021	Granted during FY22	Vested during FY22	Closing number at 30 June 2022	Cash value of settlements during FY22 R	Estimated closing value at 30 June 2022 R
Olive Chauke								
ERS								
2019 ERS	1 October 2019	22.42	305 600	–	(30 560)	275 040	105 076	1 934 517
LTI								
FY19 LTI[(1)]	1 October 2018	24.93	22 881	–	(22 881)	–	121 373	–
FY20 LTI[(2)]	1 October 2019	23.12	25 930			25 930	–	377 204
FY21 LTI	1 October 2020	13.32	45 008	–	–	45 008	–	216 609
FY22 LTI	1 October 2021	14.52	–	65 872	–	65 872	–	157 033
STI								
Deferred bonus zero-cost share options								
FY18 DSTI	1 September 2018	24.74	10 039	–	(10 039)	–	144 461	–
FY19 DSTI	1 October 2019	22.53	24 709	–	(12 353)	12 356	170 966	152 597
FY20 DSTI	1 October 2020	12.26	57 882	–	(19 293)	38 589	267 015	476 574
FY21 DSTI	1 October 2021	13.98	–	39 157	–	39 157	–	483 589
Total						**501 952**	**808 891**	**3 798 123**

(1) *These awards vested on 1 October 2021 based on the FY21 LTI scorecard.*
(2) *These awards vested post FY22 based on FY20, FY21 and FY22's performance, and as such are included in the Executive Directors FY22 total remuneration table on page 137 and valued at the closing share price as of 30 June 2022 at R12.35.*

PART 4: NON-EXECUTIVE REMUNERATION

The following principles apply to the remuneration of Non-executive Directors:

- The fee structure is recommended to the committee by executives and independent advice is sought if required
- Fees are structured as an annual retainer component plus an attendance fee for scheduled meetings
- Fees are reviewed annually and proposed at AGMs for approval
- Fees are benchmarked annually to the same comparator group used for Executive Directors.

The FY22 comparator group is disclosed on page 123:

- The remuneration of Non-executive Directors is targeted between the median and the upper quartile of the comparator group given the level of responsibility, time and competence required, complexity of the business, Growthpoint's growing international footprint and size
- Non-executive Directors do not participate in the company's annual bonus plan or in any of its long-term incentive plans
- None of the Non-executive Directors has a contract of employment with the company. Their appointments are made in terms of the company's Memorandum of Incorporation and are confirmed at the first AGM of shareholders following their appointment, and thereafter at three-yearly intervals when they retire by rotation in terms of the Memorandum of Incorporation
- Annual assessments of independence and performance are conducted in respect of the Non-executive Directors, details of which can be found on page 103.

Policy statements on Non-executive Director fees

1. The attendance fees for scheduled meetings shall be as agreed by shareholders on the Board's recommendation, at the AGM (held in November each year)
2. Each Non-executive Director will be obliged to attend, without compensation, the first two unscheduled meetings in any financial year, whether these are Board meetings or committee meetings
3. The Board's annual off-site strategy conference, whether spanning one or more days, will be regarded as one Board meeting and will be remunerated on that basis
4. The Audit Committee meeting each year to review and approve the company's annual integrated report, shall be regarded as a scheduled meeting and committee members in attendance shall be remunerated accordingly
5. Subject to point 2 hereof, for an unscheduled meeting involving the Board or any meeting that lasts for more than one consecutive day, the respective attendance fees shall be paid for each day

6. Subject to points 2 and 5 above, attendance at meetings of any special-purpose committee appointed by the Board *ad hoc* shall be remunerated on the basis applicable to an existing committee whose purpose most closely relates to that of the special-purpose committee
7. Fees for special assignments, including any shareholder engagement required or property due diligence inspections, by one or more tasked members of the Board or of any committee, which may also include travel on business locally or abroad, are to be agreed upfront with the Chairman of the Board. Travel and fares and reasonable subsistence shall be in line with Growthpoint's relevant policies as they apply to Executive Directors.

The following fees are proposed for FY23 for Non-executive Directors at an average increase of 5.5%:

Schedule of retainer fees and fees payable per meeting

	FY22 R	FY23 R
Basic fee (pa)		
Chairman	**850 000**	896 700
Deputy Chairman/Lead Independent Director	**185 600**	195 800
Director	**69 000**	72 700
Attendance fee (x5)		
Board		
Chairman	**241 100**	254 300
Director	**77 300**	81 500
Audit Committee (x5)		
Chairman	**72 400**	76 300
Members	**51 400**	54 200
Risk Management Committee (x4)		
Chairman	**64 500**	68 000
Members	**43 300**	45 600
Property and Investment Committee (x4)		
Chairman	**72 400**	76 300
Members	**51 400**	54 200
Social, Ethics and Transformation Committee (x4)		
Chairman	**56 100**	59 100
Members	**35 600**	37 500
Human Resources and Remuneration Committee (x4)		
Chairman	**64 200**	67 700
Members	**43 100**	45 400
Governance and Nomination Committee (x4)		
Chairman	**56 100**	59 100
Members	**35 600**	37 500

Actual fees paid to Non-executive Directors for FY22

The fees paid to Non-executive Directors for FY22 were paid on the basis presented in the tables on page 52 of the AFS, as approved by the committee and by the Board, on authority granted by shareholders at the AGM held on 16 November 2021.

	Directors' fees FY22 R	Directors' fees FY21 R
FM Berkeley (Property and Investment Committee Chairman, Audit Committee, Human Resources and Remuneration Committee, Governance and Nomination Committee)	**1 670 500**	1 627 700
MG Diliza[(1)] (Social, Ethics and Transformation Committee Chairman and Property and Investment Committee)	**–**	497 700
R Gasant[(2)] (Board Chairman, Risk Management Committee, Governance and Nomination Committee Chairman and Human Resources and Remuneration Committee)**	**2 768 550**	1 359 700
M Hamman[(3)] (Chairman Audit Committee, Governance and Nomination Committee and Property and Investment Committee)	**869 550**	–
JC Hayward[(4)] (Lead Independent Director, Human Resources and Remuneration Committee Chairman, Governance and Nomination Committee and Risk Management Committee)**	**697 600**	1 148 900
KP Lebina (Risk Management Committee and Audit Committee)	**937 100**	777 600
JF Marais[(4)] (Board Chairman, Governance and Nomination Committee Chairman and Resources and Remuneration Committee)**	**2 014 946**	3 746 000
PS Mngconkola (Social, Ethics and Transformation Committee and Property and Investment Committee)	**941 900**	1 005 800
R Moonsamy	**–**	498 400
NBP Nkabinde (Social, Ethics and Transformation Committee and Human Resources and Remuneration Committee)	**892 100**	890 800
CD Raphiri[(5)] (Social, Ethics and Transformation Committee and Audit Committee)	**317 800**	–
AH Sangqu (Lead Independent Director, Social, Ethics and Transformation Committee Chairman, Audit Committee and Governance and Nomination Committee)	**1 258 000**	771 500
JA van Wyk (Risk Management Committee Chairman, Property and Investment Committee, and Governance and Nomination Committee)	**1 389 700**	1 472 300
FJ Visser**	**–**	757 500
EA Wilton[(6)] (Human Resources and Remuneration Committee Chairman, Governance and Nomination Committee and Risk Management Committee)	**616 800**	–
Total	**14 374 546**	14 553 900

(1) *Retired from the Board at the AGM on 8 December 2020.*
(2) *Appointed Chairman 16 November 2021.*
(3) *Appointed to the Board on 14 September 2021.*
(4) *Retired from the Board at the AGM on 16 November 2021.*
(5) *Appointed to the Board on 1 March 2022.*
(6) *Appointed to the Board on 9 February 2022.*
** *R Gasant, JC Hayward, JF Marais and FJ Visser received additional fees of R324 800 (FY21: Rnil), R64 200 (FY21: Rnil), R624 821 (FY21: R372 000) and Rnil (FY21: R123 600) respectively for their participation in Growthpoint roadshows which are included in the above table.*

In addition to the above meetings, Non-executive Directors attended an additional two Board meetings, one special Human Resources and Remuneration Committee meeting, one special Audit Committee meeting and one special Property and Investment Committee meeting for which they were not remunerated.


Discovery

07 NOTICE OF AGM

The Board is of the view that these new Directors have the necessary skills and expertise to serve on the Board. The Board remains committed to its intention to meet the empowerment and representation targets it has set.

Contents

LETTER TO SHAREHOLDERS FOR THE ANNUAL GENERAL MEETING

Dear shareholder

I invite and encourage you to attend and vote, either in person or via electronic participation, at the 34th annual general meeting (AGM) of Growthpoint Properties Limited (Growthpoint), which will be held online and/or at The Place, 1 Sandton Drive, Sandown, Sandton 2196, on Tuesday, 29 November 2022 at 09:00.

The AGM is an ideal opportunity for shareholders to engage with Directors and executive management on the company's performance and results for the financial year ended 30 June 2022, as well as on strategic and financial matters, including the future direction, goals, objectives and policies (as well as remuneration and social responsibility) of the company.

All the information that you would require to make an informed decision on how to vote at the AGM is included in this report containing the notice of the AGM, the summarised audited financial statements and other supporting documentation.

The notice is accompanied by explanatory notes describing the reasons for and the effects of special resolutions to be proposed at the meeting.

In addition, I would like to highlight the following in respect of certain of the resolutions to be proposed at the AGM:

Changes to the Board

The appointment of Mrs Eileen Wilton and Mr Clifford Raphiri during the year is in line with the commitment to shareholders to rejuvenate the Board.

The Board is of the view that these new Directors have the necessary skills and expertise to serve on the Board. The Board remains committed to its intention to meet the empowerment and representation targets it has set.

Mrs Mpume Nkabinde and Mr Patrick Mngkonkola will retire at the AGM.

Changes to committees

Subject to shareholder approval, it is proposed that Mrs Wilton chair the Human Resources and Remuneration Committee and be a member of the Risk Management Committee, and that Mr Raphiri be appointed as a member of the Audit Committee and the Social, Ethics and Transformation Committee.

Given the formal skills profiling and assessment of the Directors that commenced in 2019, we are confident that the Board remains suitably composed to ensure the future growth and development of Growthpoint and to oversee the implementation of the company's strategy.

Remuneration policy and implementation

The Chairman of the Human Resources and Remuneration Committee and I have actively engaged with our major shareholders on our remuneration structure. Where possible, we have incorporated all feedback into the design of our long-term incentive scheme and the key performance indicators for the short-term incentive scheme. Growthpoint is focused on creating value for our stakeholders and the community at large, and, therefore, non-financial measures for client satisfaction, transformation and sustainability are continually monitored.

We trust that the structure as detailed on page 127 will meet shareholders' approval. Based on the consultations with our major shareholders and the advice received from our remuneration advisers, PwC. We believe that our remuneration policy is aligned with best practice and that its application will enhance the performance culture in the Group and lead to sustained value creation for shareholders and other stakeholders.

The remuneration policy contains the FY23 Non-executive Directors' fees, which are recommended for shareholders' approval. The Board, at its meeting held on 14 June 2022, recommended a 5.5% increase in Directors' remuneration for FY23 (following a 4% increase for FY22), which is in line with senior management increases.

The Board, having considered the contents of each resolution, recommends that shareholders vote in favour of all resolutions proposed at the AGM.

Lastly, I would like to thank Mrs Mpume Nkabinde and Mr Patrick Mngconkola, who retire from the Board at the AGM after 13 and 10 years respectively, for their significant contributions to the Board.

If you are unable to attend the AGM, you may vote by proxy in accordance with the instructions in the AGM notice and proxy form.

I look forward to welcoming you to the AGM.

Yours sincerely

Rhidwaan Gasant
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice to members

Notice is hereby given that the 34th annual general meeting (AGM) of Growthpoint Properties Limited will be held by either electronic or in-person participation at The Place, 1 Sandton Drive, Sandown, Sandton, 2196, on Tuesday, 29 November 2022 at 09:00 to consider and, if deemed fit, to pass with or without modification, the ordinary and special resolutions set out in this notice, subject at all times to the Companies Act 2008, as amended (Companies Act) and the Listings Requirements of the JSE Limited (Listings Requirements).

If any shareholder (or representative or proxy for a shareholder) wish to participate in the AGM electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the Registrar, via email at proxy@tmsmeetings.co.za, to be received by the Registrar at least seven business days prior to the AGM (thus 18 November 2022) for the Registrar to arrange for the shareholder (or representative or proxy) to provide reasonable satisfactory identification to the transfer secretaries for the purposes of section (63)(1) of the Companies Act and for the Registrar to provide the shareholder (or representative or proxy) with details on how to access the AGM by means of electronic participation. The written notification should contain the following:

1. A certified copy of the shareholder's identification document or passport if the shareholder is an individual
2. A certified copy of a resolution or letter of representation given by the holder if the shareholder is a company or juristic person, and certified copies of the identity documents or passports of the persons who passed the resolution
3. A valid email address and/or a telephone number
4. An indication that you or your proxy not only wish to attend the meeting by means of electronic communication, but also to participate and vote by means of electronic communication.

Such participant, who has complied with the notice requirements above, will be contacted between 21 November 2022 and 25 November 2022, but by no later than 24 hours before the AGM, and informed of the relevant connection details as well as the passcode through which they or their proxy/ies can participate via electronic communication and of the process for participation via a unique link to the email/cellphone number provided in the notification.

Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by the company by no later than 15 minutes prior to the commencement of the AGM during which time registration will take place.

If you choose to participate online you will be able to view a live webcast of the meeting, pose questions online in written format and submit your vote in real time. Although the electronic platform provides for voting during the meeting, shareholders are strongly encouraged to lodge any votes by proxy prior to the meeting.

Presentation of annual financial statements

To receive the annual financial statements of the company and the Group for the year ended 30 June 2022, together with the reports of the Directors and auditors thereon, and the report of the Audit Committee. The financial statements were approved by the Board on 13 September 2022 and are presented to shareholders as required in terms of section 30(3)(d) of the Companies Act. The full annual financial statements have been published on the company's website under "Investor Relations" at http://www.growthpoint.co.za. They are also available upon request from the Company Secretary or the company's Share Transfer Secretary.

1. Ordinary resolutions

Each of the following ordinary resolutions requires the support of at least 50% plus one vote of the votes exercised in order to be adopted. Ordinary resolutions 1.5.1, 1.5.2 and 1.8 require the support of at least 75% of the votes held by shareholders present or represented by proxy at the meeting.

1.1 Election of Directors appointed by the Board

In accordance with the company's Memorandum of Incorporation (MOI), to elect the following Directors appointed during the period by the Board, who are to retire at this AGM but hold themselves available for election as a director, as designated:

1.1.1 Mrs EA Wilton as Independent Non-executive Director (appointed 7 February 2022)

1.1.2 Mr CD Raphiri as Independent Non-executive Director (appointed 1 March 2022).

Brief CVs of both Mrs Wilton and Mr Raphiri appear on page 23 of the IAR containing this notice.

1.2 Re-election of Non-executive Directors who are to retire at the meeting and hold themselves available for re-election

To re-elect, by individual resolutions, the following Non-executive Directors who are to retire at the meeting but, being eligible, offer themselves for re-election:

1.2.1 Mr FM Berkeley

1.2.2 Mr JA van Wyk.

The MOI of the company requires one-third of the Non-executive Directors to retire by rotation at an AGM. Directors retiring in that manner and any standing for election pursuant to appointment by the Board to fill a casual vacancy remain eligible and may hold themselves for election or re-election as directors.

Through its Governance and Nomination Committee, the Board, with due regard to its composition and that of its respective committees, also having reviewed the independence, performance, contribution skill and experience of the Non-executive Directors, during the course of the financial year ended 30 June 2022, recommends the re-election of the directors mentioned in 1.2.1 and 1.2.2 above who hold themselves available for re-election, on the basis of their ongoing ability to act independently on the Board and the committee on which they serve. A brief CV of the directors standing for re-election appears on pages 22 and 23 of the IAR containing this notice.

As mentioned, Mrs NBP Nkabinde (Mpume) and Mr SP Mngconkola (Patrick) will retire at the AGM.

1.3 Election of Audit Committee members

To elect, on the Board's recommendation, by individual resolutions, the following Independent Non-executive Directors as members of the Audit Committee, as provided for in section 94(4) of the Companies Act and appointed in terms of section 94(2) of the said Act, to hold office until the next AGM, to perform the duties and responsibilities stipulated in section 94(7) of the said Act and the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™*), and to perform such duties and responsibilities as may be delegated by the Board for the company and all its South African subsidiaries:

1.3.1 Mr M Hamman, as committee Chairman
1.3.2 Mr FM Berkeley, subject to the passing of resolution 1.2.1
1.3.3 Mrs KP Lebina
1.3.4 Mr AH Sangqu
1.3.5 Mr CD Raphiri, subject to the passing of resolution 1.1.2.

Additional information relative to item 1.3

The Audit Committee, collectively, should be adequately skilled to perform its role having regard to the size and circumstances of the company. Individual committee members therefore ought to possess appropriate qualifications, skills and experience in order to discharge their responsibilities. However, it is not expected that each committee member possesses all the required qualifications, skills and experience. The committee's collective skills set includes an understanding of financial and sustainable reporting practices, internal controls, external audit processes, corporate law, risk management, IT governance as it relates to financial and integrated reporting, and the overall governance processes of the company.

The Board, having considered the above, recommends the Non-executive Directors named above for appointment to the Audit Committee. Brief CVs of the Audit Committee members proposed for election appear in the Board of Directors and governance section on pages 22 and 23 of the IAR containing this notice.

1.4 Appointment of external auditor

To re-appoint EY as external auditor of the company and Ms J Fitton as the engaging partner, on the recommendation of the Audit Committee, for the period until the company's next AGM.

1.5 Advisory, non-binding approval of remuneration policy and implementation report

1.5.1 To approve, on the Board's recommendation and on an advisory, non-binding basis, the company's remuneration policy on base salary, benefits, short-term incentives and long-term incentives for Executive Directors and on fees for Non-executive Directors, as set out in on page 134 and 141 of the IAR containing this notice
1.5.2 To approve, on an advisory, non-binding basis, the implementation of remuneration in accordance with the remuneration policy, as set out in the implementation section, on page 134 of the IAR containing this notice.

Although resolutions 1.5.1 and 1.5.2 above are ordinary resolutions, they need at least 75% of the votes held by shareholders present or represented by proxy at the meeting to be cast in favour thereof in order to avoid non-binding application and further engagement with shareholders. These ordinary resolutions are of an advisory nature and although the Board will consider the outcome of the vote when determining the remuneration policy, failure to pass these resolutions will not legally preclude the company from implementing the remuneration policy as contained in the integrated annual report.

Additional information relating to item 1.5

King IV™ recommends that the remuneration policy of a company and its implementation should be submitted for separate non-binding advisory votes by shareholders at each AGM, each requiring a minimum 75% majority vote in order to be carried without further subsequent consultation with shareholders. The objective of a remuneration policy is to guide the Board in its decision-making process, particularly in determining remuneration for Executive and Non-executive Directors.

1.6 To place the unissued authorised ordinary shares of the company under the control of the Directors

It is resolved that, subject to the provisions of the Companies Act, the company's MOI and the Listings Requirements, up to 340 766 302 authorised but unissued ordinary shares of no par value (which number represents 10% of the number of ordinary shares of no par value shares in issue (excluding treasury shares) as at the date of the notice of this AGM, being 3 407 663 028 ordinary shares) should be and are hereby placed under the control of the Directors of the company until the next AGM of the company provided that it shall not take place more than 15 months after the date of passing of this

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ordinary resolution. The Directors are authorised to allot, issue or otherwise deal with all or any part of the shares hereby placed under their control (including but not limited to the issue of instruments which are or may be compulsorily convertible into shares of any class) at their discretion and pursuant to any mechanism to give effect to such allotment and issue that the Directors deem appropriate, provided that if the allotment or issue is for purposes of funding the acquisition of property assets and property investments, or for purposes of a vendor consideration placing, or for settling any debt arising pursuant to the acquisition of property assets and property investments, then the price at which any such shares will be issued will not exceed a discount of 5% of the weighted average traded price of a Growthpoint share measured over the 30 business days prior to the date on which the price of such issue is agreed between the company and the subscribers for the shares to be issued or, in the case of instruments which are or may be compulsorily convertible into shares of any class, the date that such instruments are issued, adjusted for any *cum* dividend portion.

This authority shall be restricted to:

- The issue of shares or instruments which are or may be compulsorily convertible into shares of any class to finance the acquisition of property assets and property investments and/or vendor consideration placings as detailed in the Listings Requirements; and/or
- The issue of shares or instruments which are or may be compulsorily convertible into shares of any class for purposes of settling debt arising pursuant to the acquisition of property assets and property investments.

Note: No issue will be made that could effectively transfer control of the company without the prior approval of shareholders in a general meeting.

Additional information relating to item 1.6

In terms of the company's MOI, shareholders:

- Have a common pre-emptive right to be offered and to subscribe for additional shares other than in certain instances
- May authorise the Directors to allot and issue unissued shares as the Directors deem fit.

In accordance with the company's MOI, this resolution seeks to place a specified number of shares or instruments which are or may be compulsorily convertible into shares of any class under the Directors' control for purposes of issuing shares in specific instances in which the shareholders' pre-emptive rights shall not apply (other than an issue of shares for cash, which is addressed separately in item 1.8). Other than the matters set out in items 1.6, 1.7 and 1.8 in respect of which the shareholders' approval is being sought, the Directors may issue unissued share capital of the company, subject to the provisions of the company's MOI, the Companies Act and the Listings Requirements.

The existing authority granted at the AGM held on 16 November 2021 expires at this AGM.

In line with best practice and to ensure that the company has maximum flexibility in managing capital resources, the Directors of the company have elected to seek renewal of this authority to issue ordinary unissued shares. This authority will be subject at all times to the Companies Act and the Listings Requirements.

1.7 Specific and exclusive authority to issue shares to afford shareholders distribution reinvestment alternatives

It is resolved that, subject to the provisions of the Companies Act, the company's MOI and the Listings Requirements, the Directors are hereby authorised by way of a specific standing authority (which is separate from and in addition to the authority referred to in item 1.6 of the notice of this AGM) to issue ordinary shares of no par value as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest distributions received by them in new ordinary shares of the company, for which purpose such ordinary shares are hereby placed under the control of the Directors.

1.8 General but restricted authority to issue shares for cash

It is resolved that, subject to the provisions of the Companies Act, the company's MOI and the Listings Requirements, the Directors are hereby authorised by way of a general authority (which is separate from and in addition to the authorities referred to in item 1.6 and item 1.7 of the notice of this AGM) to issue ordinary shares of no par value for cash as and when suitable situations arise, for which purpose such ordinary shares are hereby placed under the control of the Directors on the following bases:

- This authority will be valid until the next AGM, provided that it shall not extend beyond 15 months from the date of passing of this resolution
- The shares that are subject to the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue
- A SENS announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one financial year, 5% or more of the number of ordinary shares in issue prior to such issue
- Issues in aggregate in any one financial year, including instruments that are or may be compulsorily convertible into shares of any class, will not exceed 170 383 151 ordinary shares which number represents 5% of the number of shares in issue (excluding treasury shares) as at the date of this AGM, being 3 407 663 028 ordinary shares

- In the event of a subdivision or consolidation of shares while this authority remains in place, this authority shall be adjusted accordingly to represent the same allocation ratio
- In determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 5% of the weighted average traded price attributable to the ordinary shares in question, measured over the 30 business days prior to the date on which the price of such issue is agreed between the company and the subscribers for the shares to be issued or, in the case of instruments that are or may be compulsorily convertible into shares of any class, the date on which any such instruments are issued, adjusted for any *cum* distribution portion, if applicable
- That issues of shares in the company shall be made to public shareholders as defined in the Listings Requirements only and not to related parties
- Related parties, as defined by the JSE Listings Requirements, may participate in a general issue of shares for cash through a bookbuild process. Related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant party will be "out of the book" and not allocated shares
- Equity securities must be allocated equitably "in the book" through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild
- Notwithstanding the company's MOI, in terms of the Listings Requirements, at least 75% of the votes held by shareholders present or represented by proxy at the meeting need to be cast in favour of this resolution in order to give effect thereto.

Note: For the sake of clarity, the aggregate number of shares that may be issued in ordinary resolutions numbered 1.6 and 1.8 will combined not exceed 10% or 340 766 302 of ordinary shares in the issued share capital of the company (excluding treasury shares) as at the date of the notice of this AGM.

1.9 To receive and accept the report of the Social, Ethics and Transformation Committee

To receive and accept the report of the Social, Ethics and Transformation Committee in respect of the financial year ended 30 June 2022 in annexure 7 on page 18 of the report containing this notice.

2. Special resolutions

Each of the special resolutions in 2.1 to 2.3 of this notice requires a minimum 75% majority of the votes exercised in its favour in order for the resolution to be adopted.

2.1 Non-executive Directors' fees for the financial year ending 30 June 2023

To pass with or without modification the following resolution as a special resolution:

- It is resolved that the payment of Non-executive Directors' fees in respect of the financial year ending 30 June 2023 is hereby approved on the following basis:

	2022	2023
Basic fees per annum:		
Chairman	**R850 000**	R896 700
Lead Independent Director	**R185 600**	R195 800
Non-executive Director	**R69 000**	R72 700
Attendance fees per meeting:		
Board Chairman	**R241 100**	R254 300
Board Non-executive Director	**R77 300**	R81 500
Audit Committee Chairman	**R72 400**	R76 300
Audit Committee member	**R51 400**	R54 200
Risk Management Committee Chairman	**R64 500**	R68 000
Risk Management Committee member	**R43 300**	R45 600
Property and Investment Committee Chairman	**R72 400**	R76 300
Property and Investment Committee member	**R51 400**	R54 200
Social, Ethics and Transformation Committee Chairman	**R56 100**	R59 100
Social, Ethics and Transformation Committee member	**R35 600**	R37 500
Human Resources and Remuneration Committee Chairman	**R64 200**	R67 700
Human Resources and Remuneration Committee member	**R43 100**	R45 400
Governance and Nomination Committee Chairman	**R56 100**	R59 100
Governance and Nomination Committee member	**R35 600**	R37 500

Reason for and effect of this special resolution

To approve the basis and authorise the payment of Non-executive Directors' fees for the financial year ending 30 June 2023 in terms of the requirement of section 66(9) of the Companies Act. The Board, at its meeting held on 14 June 2022, recommended a 5.5% increase in Directors' remuneration for FY23.

2.2 Financial assistance in terms of section 45 of the Companies Act

To pass the following resolution as a special resolution

It is resolved that the company's provision of financial assistance to related or inter-related companies as defined in the Companies Act as set out in annexure 5 on page 183 of the report containing this notice, should be and is hereby noted; and further that, subject to the provisions of the Companies Act and the company's MOI, any direct or indirect provision of financial assistance by the company in any form to any person contemplated in section 45 of the Companies Act for any purpose or in connection with any matter during the two-year period ending 29 November 2024, is hereby approved and that the Board of the company is hereby authorised and empowered to give effect to any such financial assistance for such amounts and on such terms as the Board may determine.

Reason for and effect of this special resolution

To the extent necessary under section 45 of the Companies Act to confirm financial assistance to, among others, related or inter-related companies granted during the financial year ended 30 June 2022, to approve and authorise the Board to give effect to any financial assistance that it deems appropriate to provide during the two-year period ending 29 November 2024.

The Board will not authorise any financial assistance in terms of the above unless it has satisfied itself that:

- Considering all reasonably foreseeable financial circumstances of the company at that time, the company will, immediately after providing the financial assistance, satisfy the solvency and liquidity test as required in terms of the Companies Act
- The terms under which any financial assistance is proposed to be given are fair and reasonable to the company
- Any conditions or restrictions in respect of the granting of any financial assistance as set out in the company's MOI have been met.

2.3 Authority to repurchase ordinary shares

To pass the following resolution as a special resolution

It is resolved that the company or any of its subsidiaries are hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company upon such terms and conditions and in such amounts as the Board may from time to time determine, but subject to the provisions of the Companies Act, the company's MOI and the Listings Requirements, on the following bases:

- Any such acquisition of ordinary shares shall be implemented on the open order book of the JSE and without any prior understanding or arrangement between the company and the counterparty
- This general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from the date of passing of this special resolution
- An announcement will be published as soon as the company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions
- Acquisitions of ordinary shares in aggregate in any one financial year may not exceed 10% of the company's issued ordinary shares as at the date of passing of this special resolution
- In determining the price at which ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares
- The company, or any subsidiary, is duly authorised by its MOI to acquire shares it has issued
- At any point in time, the company may only appoint one agent to effect any repurchase of shares on the company's behalf
- The Board authorises the acquisition, confirms that the company and/or its subsidiaries has/have passed the solvency and liquidity test and that, from the time that test is done, there are no material changes to the financial position of the Group
- The company shall remain in compliance with the minimum shareholder spread requirements of the JSE
- The company and/or its subsidiaries do not repurchase any shares during a prohibited period in accordance with the Listings Requirements, unless they have in place a repurchase programme in terms of which the dates and quantities of securities to be traded during the relevant period are fixed and full details of the programme have been disclosed to the JSE in writing, prior to the commencement of the prohibited period.

Reason for and effect of this special resolution

To permit the company or any of its subsidiaries, by way of a general approval, to acquire ordinary shares of the company as and when suitable opportunities to do so arise.

Note: Although no repurchase of ordinary shares is contemplated at the time of this notice, the Board, having considered the effects of a repurchase of the maximum number of ordinary shares in terms of the aforegoing general authority, is of the opinion that, for a period of 12 months after the date of the notice of this AGM:

- The company and the Group will be able, in the ordinary course of business, to pay its debts
- The assets of the company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the liabilities of the company and the Group
- The company and the Group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

General notes

1. The company has elected not to set a Notice Record Date (STRATE special Gazette S12-2012) but this notice shall have been posted to shareholders by no later than 31 October 2022.
2. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.
3. A proxy form is provided in the report containing this notice. Additional proxy forms are obtainable from the company's Share Transfer Secretaries or may be reproduced by photocopying the proxy form provided.
4. The "record date" for the meeting in terms of section 62(3)(a) of the Companies Act and STRATE special Gazette S12-2012 shall be Friday, 18 November 2022.
5. All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, JSE Investor Services (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, PO Box 4844, Johannesburg, 2000, telephone: 011 713 0800, email: info@jseinvestorservices.co.za so as to be received before the appointed time for the holding of the meeting but for the sake of administrative good order, shareholders are kindly requested to consider submitting their proxy forms by 12:00 on Friday, 25 November 2022.
6. If you are a certificated Growthpoint shareholder or an own-name dematerialised Growthpoint shareholder and are unable to attend the AGM of Growthpoint shareholders to be held at 09:00 on Tuesday, 29 November 2022 (the Growthpoint AGM), but wish to be represented thereat, you are required to complete the proxy form attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, JSE Investor Services (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, PO Box 4844, Johannesburg, 2000, telephone: 011 713 0800, email: info@jseinvestorservices.co.za by the time of the meeting but preferably beforehand as proposed in item 5 above.
7. If you are a beneficial owner of dematerialised Growthpoint ordinary shares and are not an own-name dematerialised Growthpoint shareholder, then you may instruct your central securities depository participant (CSDP) or broker as to how you wish to cast your vote at the Growthpoint AGM in order for them to vote in accordance with your instructions. If you wish to attend the Growthpoint AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Growthpoint shareholder (who is not an own-name dematerialised Growthpoint shareholder) and the CSDP or broker.
8. The complete annual financial statements of the company and Group for the financial years ended 30 June 2021 and 2022 may be obtained from:
   - The Transfer Secretaries, JSE Investor Services (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, PO Box 4844, Johannesburg, 2000, telephone: 011 713 0800, email: info@jseinvestorservices.co.za
   - The company on request, or
   - The company's website at: http://www.growthpoint.co.za
9. It is a requirement in terms of section 62(3)(e)(iii) of the Companies Act, that attendees and/or participants at shareholders meetings must provide satisfactory identification. Production of a valid South African ID document or current passport or driver's licence upon arrival at the meeting and before signing of the attendance register shall be acceptable.
10. Electronic participation form – refer to page 195.

By order of the Board

WJH de Koker
Company Secretary

28 October 2022

Summary of audited results

Growthpoint is an international property company that provides space to thrive with innovative and sustainable property solutions.

Introduction

Growthpoint is the largest South African primary JSE-listed REIT with a quality portfolio of 408 (FY21: 432) directly owned properties in South Africa (SA) valued at R68.8bn (FY21: R68.8bn). Growthpoint has a 55.9% (FY21: 62.2%) shareholding in Growthpoint Healthcare Property Holdings (RF) Limited (GHPH), which owns six hospitals (FY21: five) and one medical chambers (FY21: one) valued at R3.4bn (FY21: R2.8bn). In December 2021, Growthpoint acquired a 16.8% shareholding in the newly launched Growthpoint Student Accommodation Holdings (RF) Limited (GSAH). It diluted to 16.6% at FY22 due to new shares issued. GSAH owns seven student accommodation properties with 4 979 beds and two properties under construction valued at R2.2bn.

Growthpoint has a 62.2% (FY21: 62.2%) interest in ASX-listed Growthpoint Properties Australia Limited (GOZ), which owns 58 (FY21: 55) properties in Australia valued at R58.8bn (FY21: R49.5bn) and a 60.8% (FY21: 52.1%) interest in LSE and JSE-listed Capital & Regional Plc (C&R), which owns six (FY21: seven) needs-based community shopping centres in the United Kingdom valued at R8.5bn (FY21: R10.5bn).

GOZ owns a 15.0% (FY21: 15.0%) stake in ASX-listed Dexus Industria REIT (DXI), valued at R1.5bn (FY21: R1.1bn).

We have four (FY21: three) equity-accounted investments valued at R14.6bn (FY21: R15.0bn). Our 29.4% (FY21: 29.3%) stake in London Stock Exchange AIM-listed Globalworth Real Estate Investments Limited (GWI) valued at R8.8bn (FY21: R8.6bn) and 50.0% (FY21: 50.0%) stake of the V&A Waterfront (V&A) valued at R5.8bn (FY21: R6.3bn) are the largest of these investments.

Growthpoint has four (FY21: five) unlisted investments valued at R921.2m (FY21: R808.1m). The largest is a 16.3% (FY21: 16.1%) stake in Lango Real Estate Limited (Lango) valued at R858.2m (FY21: R758.2m).

We have a trading and development division which develops commercial property internally and for third parties and has five properties (FY21: six) valued at R453.2m (FY21: R548.0m).

GHPH, GSAH and Lango are part of Growthpoint Investment Partners, its alternative real estate co-investment business. Growthpoint Investment Partners has assets under management of R15.6bn (FY21: R11.7bn). Growthpoint reached its initial goal of R15.0bn a year ahead of time during HY22.

Growthpoint is included in the FTSE/JSE Top 40 Index (J200) with a market capitalisation of R42.4bn at 30 June 2022 (FY22) (FY21: R51.1bn). On average, 219.8m shares (FY21: 244.8m) with a value of R3.1bn (FY21: R3.2bn) were traded per month during the year. This makes Growthpoint a liquid and tradable way to own commercial property in SA. Growthpoint's property portfolio comprises South African assets (inclusive of the V&A) (56.5%) and international (43.5%) assets. It is well diversified in the three major commercial property sectors: retail, office and industrial. Most of the portfolio is in economic nodes within major metropolitan areas.

For FY22, the SA REIT net asset value (SA REIT NAV) of the Group increased by 6.7% to 2 158 (FY21: 2 023) cents per share.

Strategy

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

- The streamlining and optimisation of the SA portfolio
- Growing new income streams
- International expansion.

While our strategic pillars remain intact, our priority is still to maintain a strong balance sheet and liquidity position.

The Board is satisfied with the progress made in further bolstering the balance sheet in FY22 through various initiatives, including R2.1bn of asset sales in SA (FY21: R559.0m) and R935.0m (before income tax) (FY21: R1.0bn) cash retained as a result of the Company's conservative dividend pay out ratio of 82.5% (FY21: 80.0%).

SA REIT FFO and distributable income per share (DIPS)

Group SA REIT FFO increased by R645m (13.9%) from R4 653m for FY21 to R5 298m for FY22. On a per share basis it increased 13.7% from 136.8c to 155.5c. Group distributable income increased by R255m (5.0%) from R5 052m to R5 307m. DIPS increased by 5.1% from 148.1c to 155.6c.

Basis of preparation

The summarised consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements, except for the amendment to IFRS 3 *Business Combinations – Definition of a Business* which became effective for the first time for the financial year starting 1 July 2021.

The summarised consolidated financial statements are extracted from the audited information but are not themselves audited. The annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor's report does not report on all the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that, to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report, together with the accompanying audited consolidated financial statements, both of which are available for inspection at the company's registered office or on the company's website.

The directors of Growthpoint Properties Limited take full responsibility for the preparation of this report and confirm that the selected financial information has been correctly extracted from the underlying consolidated financial statements.

Mr G Völkel (CA(SA)), Growthpoint's Group Financial Director, was responsible for supervising the preparation of these summarised consolidated financial statements.

GOZ

The investment in GOZ was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of GOZ, converted at the closing exchange rate at FY22 of R11.24:AUD1 (FY21: R10.70:AUD1).

A deferred tax liability of R5.1bn (FY21: R4.2bn) is included in the statement of financial position. This relates to capital gains tax payable at a rate of 30% in Australia if Growthpoint were to sell its investment in GOZ.

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of GOZ, which were translated at an average exchange rate of R11.04:AUD1 for FY22 (FY21: R11.49:AUD1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 37.8% (FY21: 37.8%) not owned by Growthpoint.

Included in the FY22 distributable income is a R1.1bn (AUD20.8c per share) distribution accrued from GOZ, compared to R987.0m (AUD20.0c per share) for FY21.

Included in normal tax in the statement of profit or loss and other comprehensive income is R113.9m (FY21: R110.3m) which relates to 9.9% (FY21: 10.2%) withholding tax paid on the distributions from GOZ.

C&R

The investment in C&R was accounted for in terms of IAS 21 *The Effects of Changes in Foreign Exchange Rates*. The statement of financial position includes 100% of the assets and liabilities of C&R, converted at the closing exchange rate at FY22 of R19.83:GBP1 (FY21: R19.75:GBP1).

The statement of profit or loss and other comprehensive income includes 100% of the revenue and expenses of C&R, which were translated at an average exchange rate of R20.24:GBP1 for FY22 (FY21: R20.71:GBP1). The resulting foreign currency translation difference is recognised in other comprehensive income. A non-controlling interest was raised for the 39.2% (FY21: 47.9%) not owned by Growthpoint. Included in the FY22 distributable income is a R49.8m (GBP2.5p per share) dividend declared by C&R, compared to Rnil declared for FY21.

C&R undertook a GBP30.0m equity raise during the year which was fully underwritten by Growthpoint. This transaction resulted in an additional investment by Growthpoint of R480.0m (GBP23.7m) and increased its shareholding from 52.1% to 60.8%.

C&R has been working closely with the lender for the Luton property to explore the disposal of most or all of the investment or asset. This process is ongoing and expected to reach a conclusion by the end of September 2022. As part of the agreement to run a consensual sale process, changes to the constitution of the Luton entities were made including the appointment of an independent director with specific rights regarding the sale process. These changes took effect in

Summary of audited results continued

May 2022 and the effective loss of control that they triggered has resulted in the Group deconsolidating its interest in Luton from that date. This increased C&R's net asset value by GBP6.8m being the net liabilities at the point of deconsolidation.

V&A, GWI and other equity-accounted investments

The investments in the V&A, GWI, Ferguson Place (RF) Limited and Lango Real Estate Management Limited were accounted for in terms of IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates*. The equity-accounting method was used in terms of which the Group's share of the profit or loss and other comprehensive income of these investments were accounted for. Included in the FY22 distributable income is R566.7m from the V&A (FY21: R364.9m) and R317.9m from GWI (FY21: R370.3m).

Revenue and cost-to-income

Revenue decreased by 0.6% for FY22 compared to FY21 as a result of property sales, partly offset by decreased vacancies and decreased rental discounts provided to tenants. SA revenue decreased by 0.4% and GOZ revenue increased by 0.7% compared to FY21. C&R revenue decreased by 5.8% compared to FY21. The SA REIT cost-to-income ratio for the Group increased to 41.4% for FY22 from 38.8% for FY21. For SA the ratio increased to 44.5% from 41.8% for FY21 and GOZ increased to 25.0% from 23.5% for FY21. For C&R the ratio increased to 59.1% from 55.6% for FY21.

Fair value adjustments

The revaluation of properties in SA, GOZ and C&R resulted in an overall increase of R2.0bn (1.5%) (FY21: decrease of R4.4bn or 3.3%) to R135.6bn (FY21: R128.2bn) for investment property (including investment properties classified as held for sale). The revaluation of properties resulted in a decrease in values in SA of R1.2bn (1.7%) (FY21: decrease of R5.4bn or 7.4%), an increase of R3.4bn (6.1%) (FY21: increase of R3.9bn or 8.7%) for GOZ and a decrease of R175.1m (2.0%) (FY21: decrease of R2.9bn or 21.7%) for C&R.

The SA valuations were negatively impacted by vacancies in the office sector, partly offset by decreased vacancies in the retail and industrial portfolios. Property assets held for trading and development are reflected at the lower of cost or net realisable value. For FY22, no impairment loss was recognised on property assets held for trading and development (FY21: R30.0m or 5.2%).

Interest-bearing borrowings and derivatives were fair valued using the SA or foreign-denominated swap curves at FY22, decreasing the overall liability by R4.2bn (FY21: decrease of R615.1m). These fair value adjustments and other non-distributable items, such as capital items, non-cash charges, deferred taxation and the net effect of the non-controlling interests' portion of the non-distributable items were transferred to the non-distributable reserve.

Finance costs

Finance costs, including finance costs and income received on interest rate swaps, decreased by 4.1% to R3.2bn (FY21: R3.3bn). The interest cover ratio increased to 3.1 times for FY22 (FY21: 2.9 times). The weighted average interest rate for SA borrowings was 8.1% (FY21: 7.8%) (6.1% including foreign-denominated loans and cross-currency interest rate swaps (CCIRS) (FY21: 6.0%)). The weighted average debt maturity for SA borrowings decreased to 2.9 years (FY21: 3.1 years). Finance costs for GOZ decreased by 3.4% from R564.4m in FY21 to R546.0m in FY22 due to a lower weighted average cost of debt. Finance costs for C&R decreased by 10.5% from R352.5m in FY21 to R315.0m in FY22 due to the repayment and deconsolidation of loans.

Finance income

Finance and other investment income increased to R167.0m (FY21: R138.5m). This is mainly due to an increase in dividends received on investments, offset by the decreased interest received from banks.

Acquisitions and commitments

Through GSAH, Growthpoint acquired seven purpose-built student accommodation properties for R2.1bn in December 2021. It also acquired four telecommunications assets in SA for R5.2m (included in Industrial) during the year. The development and capital expenditure for SA of R1.2bn (FY21: R1.0bn) was for various projects in the year, including the development at Samrand, Midrand and NTT Johannesburg 1 Data Centre which were the largest. Growthpoint has commitments outstanding for SA developments totalling R654.0m at FY22 (FY21: R310.8m) of which Apex Studios, Braamfontein, Johannesburg and Peak Studios, Observatory, Cape Town, two student accommodation developments, are the largest.

GOZ acquired three office properties for R3.0bn (AUD274.2m) during the year and incurred development and capital expenditure totalling R484.0m (AUD43.2m), its biggest projects being the refurbishment of 75 Dorcas Street, South Melbourne (VIC), for R234.4m (AUD21.0m) and 120-132 Atlantic Drive, Keysborough (VIC), for R37.6m (AUD3.4m). GOZ has commitments outstanding totalling R2.2bn (AUD195.8m) at FY22 (FY21: R1.0bn (AUD97.1m)).

These commitments relate to the acquisition of 165 – 169 Thomas Street, Dandenong, Victoria (VIC) for R1.7bn (AUD165.0m) (net sale price), net of a deposit paid of R185.5m (AUD16.5m), and tenant installation costs at 1 Charles Street, Parramatta (NSW) for R531.6m (AUD47.3m).

C&R incurred capital expenditure of R190.0m (GBP9.8m) in FY22 (FY21: R83.1m (GBP4.0m)) and has outstanding commitments of R236.8m (GBP12.0m) at FY22 (FY21: R53.5m (GBP2.7m)) relating to various capital projects at the retail centres.

Growthpoint Investment Partners

Part of Growthpoint's strategy is to build a co-investment, co-management business with diversified alternative real estate assets. To this end we have achieved our initial goal by establishing three separately identifiable investments with total assets under management of R15.6bn (FY21: R11.7bn).

- **Lango Real Estate Limited (Lango). Growthpoint's stake is 16.3%**
  Lango, a joint venture with Ninety One Limited, invests in prime commercial real estate assets in key gateway cities across the African continent. It owns eight quality office and retail assets and three plots of land valued at USD613.0m (FY21: USD600.9m) and has a NAV of USD323.7m at FY22 (FY21: USD330.2m). Growthpoint invested a further R11.3m (USD0.7m) into Lango and received a R22.3m (USD1.4m) dividend during the year (FY21: R6.6m (USD0.5m)).

  – **Lango Real Estate Management Limited (Lango Manco). Growthpoint's stake is 37.5%**
    Growthpoint received management fees of R11.5m (USD0.7m) (FY21: R14.0m (USD1.0m)) from the Lango Manco during the year.

- **Growthpoint Healthcare Property Holdings (RF) Limited (GHPH). Growthpoint's stake is 55.9%**
  GHPH invests exclusively in healthcare property assets in SA with a mandate to acquire and develop acute, day and specialist hospitals, as well as laboratories and biotechnology manufacturing and warehousing facilities. During the year, the International Finance Corporation invested equity of USD20.0m into GHPH and provided USD60.0m of debt which is intended to convert into equity over a four-year period. GHPH has to date attracted approximately R1.3bn in investments from third-party investors. There is a significant pipeline of both acquisitions and greenfield developments. At FY22, Growthpoint's interest in GHPH consists of R358.4m equity (FY21: R358.4m) and a convertible loan of R848.3m (FY21: R887.0m). Growthpoint received a R142.5m (FY21: R130.2m) dividend from GHPH during the year.

  – **Growthpoint Healthcare Property Management Company (Pty) Limited (GHPH Manco). Growthpoint's stake is 100%**
    Growthpoint received management fees of R41.2m (FY21: R32.2m) from GHPH Manco during the year.

- **Growthpoint Student Accommodation Holdings (RF) Limited (GSAH). Growthpoint's stake is 16.6%**
  GSAH was launched during the year and invests in purpose-built student accommodation. It attracted R1.2bn in investments from third-party investors. In addition, Growthpoint invested R240.0m into the fund. There is a significant pipeline of both acquisitions and greenfield developments. Growthpoint received a R16.7m (FY21: Rnil) dividend from GSAH during the year.

  – **Growthpoint Student Residential Accommodation Management Partnership (GSAH Manco). Growthpoint's stake is 100%**
    Growthpoint received asset management fees of R14.5m (FY21: Rnil) from GSAH Manco during the year.

Trading and development

Adhering to the previously communicated limits, the value of projects pre-identified as opportunities for trading and development for third parties in SA will not exceed 3.0% of the value of the SA portfolio and assets developed for our own balance sheet will not exceed 5.0%. In the current environment, we have scaled back all non-essential capital and development spending and will only proceed with opportunities which are client-driven or substantially pre-let.

Disposals and held-for-sale assets

Growthpoint disposed of 37 properties in the year (FY21: eight) for R2.1bn (FY21: R559.0m), including 14th Avenue Hyper in Roodepoort for R320.0m and the Helderberg Centre in Somerset West, Cape Town, for R200.0m and two trading and development properties for R339.4m. GOZ did not dispose of any properties during the year. C&R disposed of an office building at Maidstone for R153.2m (GBP7.1m). At FY22, five SA properties (FY21: eight) valued at R72.5m (FY21: R181.2m) were held for sale. One C&R property (FY21: nil), the Mall in Blackburn valued at R793.0m (GBP40.0m) was held for sale at FY22. No Australian properties were classified as held for sale.

Arrears

Total SA arrears at FY22 were R195.3m (FY21: R308.2m) with a loss allowance of R114.1m (FY21: R174.5m). Total net SA bad debt write-offs, recoveries and provisions were R24.4m (FY21: R29.9m).

Total GOZ arrears at FY22 were R17.5m (FY21: R5.7m) with a loss allowance of R2.6m (FY21: R1.1m). Total C&R arrears at FY22 were R196.8m (FY21: R471.9m) with a loss allowance of R81.8m (FY21: R164.0m).

Summary of audited results continued

Vacancy levels

	GLA		Vacancy rate	
	FY22 m²	FY2021 m²	**FY22 %**	FY2021 %
Retail	**1 283 698**	1 356 981	**5.5**	6.2
Office	**1 672 345**	1 708 285	**20.7**	19.9
Industrial	**2 093 262**	2 262 728	**5.7**	9.4
Healthcare	**107 562**	89 637	**0.1**	–
Trading and development	**37 512**	55 403	**–**	–
SA total	**5 194 379**	5 473 034	**10.3**	11.6
V&A	**232 041**	232 531	**1.6**	3.0
GOZ	**1 061 454**	1 033 028	**1.6**	2.3
C&R	**239 690**	350 980	**7.4**	18.2
Total as reported	**6 727 564**	7 089 573	**8.5**	10.3
GWI	**1 366 500**	1 303 000	**11.9**	11.3
	8 094 064	8 392 573	**9.1**	10.5

Vacancies decreased in the SA retail and industrial sectors but increased in the office sector. Vacancies at the V&A, GOZ and C&R also decreased. Tenant retention remains a priority and we are addressing it through various initiatives including UNdeposit, SmartMove, SmartStay, SmartFlex, SmartRefer, #Bringusaname and Growthpoint's resource-efficient, sustainable Thrive portfolio.

Borrowings and net working capital

The SA REIT loan-to-value ratio for the Group (SA REIT LTV) was 37.9% for FY22 (FY21: 40.0%). The South African SA REIT LTV decreased to 32.0% (FY21: 35.1%), the GOZ SA REIT LTV increased to 30.6% (FY21: 27.6%) and the C&R SA REIT LTV decreased to 45.3% (FY21: 65.5%).

Growthpoint has consistently applied its policy for measuring the fair value of interest-bearing borrowings and derivatives. The Group has unsecured interest-bearing borrowings of R21.4bn at FY22 (FY21: R21.6bn). All other interest-bearing borrowings across the Group are secured. Growthpoint has unused committed bank facilities of R10.3bn (FY21: R6.5bn) in SA and separately R79.0m (GBP4.0m) (FY21: nil) in C&R and R4.0bn (AUD353.5m) (FY21: R4.1bn or AUD387.5m) in GOZ.

Growthpoint also has cash of R1.5bn (FY21: R709.8m) in SA, R553.1m (AUD49.2m) (FY21: R358.1m or AUD33.5m) in GOZ and R791.0m (GBP39.9m) (FY21: R1.6bn or GBP78.7m) in C&R at FY22. The bank facilities and cash balances assure Growthpoint's ability to meet its short-term commitments.

Change in directorate

Melt Hamman was appointed as an Independent Non-executive Director on 14 September 2021. Melt is Chairman of the Audit Committee and serves as a member of the Property and Investment Committee.

Eileen Wilton was appointed as an Independent Non-executive Director on 9 February 2022. Eileen is Chairman of the HR and Remuneration Committee and serves as a member of the Risk Management Committee.

Clifford Raphiri was appointed as an Independent Non-executive Director on 1 March 2022 and serves as a member of the Audit and the Social, Ethics and Transformation Committees.

Andile Sangqu was appointed as the Lead Independent Director on 1 July 2022.

Francois Marais and John Hayward retired at the AGM on 16 November 2021. Rhidwaan Gasant assumed the Chairmanship of the Board on the retirement of Francois Marais.

Francois Marais was the previous Chairman of the Board and served as Director of Growthpoint for 18 years. Francois has been instrumental in the rapid growth of Growthpoint since joining the Board.

John Hayward served on various committees over the past 20 years. His knowledge, insight and measured approach to matters were much appreciated during his tenure.

We thank Francois and John for their leadership and dedicated service to Growthpoint.

Going concern

The directors have assessed the Group's ability to continue as a going concern. At FY22, the Group had a substantial positive net asset value and a robust liquidity position with access to R10.3bn (FY21: R6.5bn) in SA and separately R4.0bn (AUD353.5m) (FY21: R4.1bn or AUD387.5m) in GOZ and R79.0m (GBP4.0m) (FY21: nil) in C&R of committed undrawn credit facilities. The following uncertainties were considered as part of the going-concern assessment:

Access to liquidity

Stressed market conditions may impact debt funders' risk appetite and limit access to liquidity. The company continuously reviews its funding and maturity profile and monitors the debt capital markets to ensure that it is well positioned for any refinancing opportunities, including the USD-denominated Eurobond maturing in May 2023.

Breach of covenants

The current Group SA REIT LTV of 37.9% (FY21: 40.0%) is well below the maximum loan-to-value covenants the Group is exposed to, of 55.0%. Loan-to-value and interest cover ratio covenants may come under pressure due to decreasing property valuations and rental income because of the expected economic downturn related to the increase in interest rates and inflation.

Maturity of USD-denominated Eurobond

The USD425.0m Eurobond and USD425.0/EUR326.0m cross-currency interest rate swaps linked to the bond are maturing in May 2023. In preparation for the maturity, the Group has secured EUR200.0m in standby facilities and EUR60.0m revolving credit facility should the Group decide not to refinance the bond before the maturity date. These standby and revolving credit facilities are included in the total facilities available as disclosed.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources and debt facilities to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the financial statements.

Events after the reporting period

Declaration of dividend after reporting period

In line with IAS10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements.

C&R

New facilities

On 7 July 2022, C&R drew down a new GBP4.0m facility with BC Invest, a subsidiary of the C&R's strategic residential partner, Far East Consortium. The new debt provided for an initial period of three years at a rate of SONIA+5.95%. It is secured on the Marlowes Centre on a non-recourse basis.

Disposals

On 11 July 2022, C&R completed the GBP21.7m sale of land to Long Harbour for residential development at its 17&Central community shopping centre in Walthamstow.

In May 2022, C&R exchanged contracts for the sale of The Mall, Blackburn to the retail arm of the Adhan Group of Companies for GBP40.0m, representing a premium to the December 2021 valuation of GBP38.2m. The sale was completed on 9 August 2022 delivering net cash proceeds of GBP39.0m.

GOZ

Acquisitions

On 27 July 2022, the acquisition of 165 – 169 Thomas Street, Dandenong, Victoria (VIC) was settled for AUD165.0m (net sale price excluding acquisition costs).

Acquisition of funds management business

On 3 August 2022, GOZ entered into a share sale agreement to acquire 100% of the shares in Fortius Funds Management (Pty) Limited. Under the terms of the agreement, Fortius shareholders will be entitled to receive from GOZ an initial purchase price of AUD45.0m (with a net asset adjustment) upon completion plus up to an additional AUD10.0m 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. The remaining disclosures required under accounting standards concerning this business combination will be included in the interim financial report for the period ending 31 December 2022.

Prospects

While we expect FY23 to be another challenging year, we have a resilient business with the great strengths of skilled people, diversification and astute financial management that benefits from a track record of delivering value to our stakeholders through the cycle. This gives us cause for optimism about our prospects.

Summary of audited results continued

Our performance in South Africa in FY23 will be linked to the country's economic health. Our business approach will reflect our priorities of protecting balance sheet strength and furthering our ESG targets. We shall continue to optimise our South African portfolio, specifically focusing on capital rotation, tenant retention, strategic repositioning, green building, solar energy and cost management.

The SA retail sector is largely back to pre-Covid levels and although consumers remain under financial pressure, we anticipate modest growth from it. The industrial sector, which has enjoyed the most balanced supply and demand dynamics, is expected to perform well and continues to outperform other sectors. The office sector remains oversupplied, but until the South African economy enters a growth phase, conditions will remain challenging for businesses and consequently the office sector. In-force and renewal escalations are under pressure in all sectors.

The V&A rebounded strongly with the recovery in tourism and we anticipate continued improvement from this investment.

The growth of assets under the capital light funds management strategy will continue to receive our attention locally and internationally. In South Africa and continental Africa, this focus will be executed by Growthpoint Investment Partners, which has good growth potential.

International expansion continues to be a strategic priority with a focus on portfolio optimisation in the short term.

GOZ has been relatively unaffected by the pandemic and has a robust balance sheet and liquidity position and strong tenancies. It is a strong performer and has continued to invest further in high-quality assets and a funds management platform, Fortius Fund Management. While there may be negative impacts from the prevailing global challenges, given the guidance from GOZ for a decrease in FFO for FY23, this will be cushioned to some extent by our foreign income hedging strategies.

C&R has recapitalised, refocused and restructured. After declaring no dividend for 18 months, C&R reinstated the payment of a modest dividend and we expect to see an improved contribution next year.

Having utilised most of the cash on the balance sheet to repay its bond, GWI has reduced the negative cash drag on its income statement.

We are committed to retaining our REIT status and intend to continue to pay dividends twice a year, of at least 75% of distributable income.

Our diversified portfolio, strong balance sheet and stable hard currency dividend income streams position us defensively for FY23. However, given the high level of uncertainty in the local and global macro-economic environment, coupled with rising interest rates and inflation, we expect muted DIPS growth for FY23.

Final dividend

Notice is hereby given of the declaration of the final dividend number 73 of 66.9 cents per share for the period ended 30 June 2022.

Other information

- Issued shares at 30 June 2022: 3 430 787 066 ordinary shares of no par value
- Income tax reference number of Growthpoint: 9375/077/71/7.

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

Tax implications for South African resident shareholders

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

Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption section 10(1)(k) of the Income Tax Act. Any dividend received by a non-resident from a REIT is subject to dividend tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (DTA) between SA and the country of residence of the non-resident shareholder. Assuming dividend tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders is 53.52c per share. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

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

Salient dates and times

	2022
Last day to trade (LDT) cum dividend	**Tuesday, 25 October**
Shares to trade ex dividend	**Wednesday, 26 October**
Record date	**Friday, 28 October**
Payment date	**Monday, 31 October**

Notes:
1. Shares may not be dematerialised or rematerialised between the commencement of trade on Wednesday, 26 October 2022 and the close of trade on Friday, 28 October 2022, both days inclusive.
2. The above dates and times are subject to change. Any changes will be released on SENS.

By order of the Board

Growthpoint Properties Limited
13 September 2022

Directors

R Gasant (Chairman), FM Berkeley, NO Chauke* (Human Resource Director), EK de Klerk* (Chief Executive Officer South Africa), M Hamman, KP Lebina, SP Mngconkola, NBP Nkabinde, CD Raphiri, AH Sangqu (Lead Independent Director), LN Sasse* (Group Chief Executive Officer), JA van Wyk#, G Völkel* (Group Financial Director), EA Wilton

**Executive #British*

Growthpoint Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1987/004988/06)
A Real Estate Investment Trust, listed on the JSE
Share code: GRT ISIN: ZAE000179420

Registered office

The Place, 1 Sandton Drive
Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Company Secretary

WJH de Koker

Transfer Secretary

JSE Investor Services (Pty) Limited
13th Floor, 19 Ameshoff Street
Braamfontein, Johannesburg, 2000
PO Box 4844, Braamfontein, 2000

Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive, Sandown
Sandton, 2196
PO Box 785700, Sandown, Sandton, 2146

Summary of audited results continued

REIT ratios

For the year ended 30 June 2022

The second edition of the SA REIT Association's best practice recommendations was issued in November 2019, outlining the need to provide consistent presentation and disclosure of relevant ratios in the SA REIT sector. This ensures information and definitions are clearly presented, enhancing comparability and consistency across the sector.

SA REIT funds from operations (SA REIT FFO)	2022 Rm	2021 Rm
Profit/(loss) attributable to the owners of the company	**7 937**	(497)
Adjusted for accounting/specific adjustments:		
Adjustments to:	**(2 637)**	5 824
Fair value on investment property	**(1 857)**	4 745
Fair value on debt and equity instruments held at fair value through profit or loss	**(1 109)**	584
Depreciation and amortisation of intangible assets	**103**	108
Impairment of goodwill or the recognition of a bargain purchase gain	**–**	30
(Gains)/losses on the modification of financial instruments	**(728)**	295
Deferred tax movement recognised in profit or loss	**1 030**	400
Straight-lining operating lease adjustment	**(164)**	(322)
Transaction costs expensed in accounting for a business combination	**76**	28
Adjustments to dividends from equity interests held	**12**	(44)
Adjustments arising from investing activities:	**(58)**	(98)
(Gains)/losses on disposal of equipment	**(12)**	24
Development fees and profit earned	**(46)**	(122)
Foreign exchange and hedging items:	**(2 806)**	(2 014)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**(2 787)**	(1 681)
Foreign exchange gains or losses relating to capital items – realised and unrealised	**(19)**	(333)
Other adjustments:	**2 862**	1 438
Adjustments made for equity-accounted entities	**479**	1 206
Non-controlling interests in respect of the above adjustments	**(810)**	(748)
Non-controlling interests in respect of the above adjustments – plus not distributable	**3 193**	963
Antecedent earnings adjustment	**–**	17
SA REIT FFO (Rm)	**5 298**	4 653
Number of shares outstanding at end of period (net of treasury shares)	**3 407 663 028**	3 402 889 319
SA REIT FFO per share (cents)	**155.5**	136.8
Interim SA REIT FFO per share (cents)	**77.4**	65.9
Final SA REIT FFO per share (cents)	**78.1**	70.9

	Rm	Rm
Company-specific adjustments to SA REIT FFO	**9**	399
(Decrease)/increase in staff incentive scheme cost	**(23)**	28
Trading profit and development fees earned	**90**	122
Profit on the sale of OneCart (Pty) Limited	**46**	–
Amortisation of tenant incentive add back (GOZ FFO)	**364**	288
Distributable income from GOZ retained (including NCI portion)	**(446)**	(157)
Distributable income from C&R retained (including NCI portion)	**(150)**	(139)
Over distribution/(distributable income from GHPH retained) (including NCI portion)	**2**	(8)
Distributable income from GSAH retained (including NCI portion)	**(48)**	–
Pre-acquisition profit GSAH	**3**	–
Tax on distributable income retained	**171**	265
Distributable income (Rm)	**5 307**	5 052
Distributable income per share (DIPS) (cents)	**155.6**	148.1
Interim DIPS (cents)	**76.9**	73.1
Final DIPS (cents)	**78.7**	75.0

SA REIT net asset value (SA REIT NAV) (Group)	2022 Rm	2021 Rm
Reported NAV attributable to the parent	**71 212**	66 410
Adjustments:	**2 597**	2 700
Dividend to be declared	**(2 280)**	(2 042)
Fair value of certain derivative financial instruments	**(25)**	1 068
Goodwill and intangible assets	**(496)**	(597)
Net deferred tax	**5 398**	4 271
SA REIT NAV	**73 809**	69 110

Shares outstanding	Number of shares	Number of shares
Number of shares in issue at period end (net of treasury shares)	**3 407 663 028**	3 402 889 319
Diluted effect of share options granted to employees	**13 216 959**	12 699 001
Dilutive number of shares in issue	**3 420 879 987**	3 415 588 320
SA REIT NAV per share (R)	**21.58**	20.23

SA REIT cost-to-income ratio	2022 Rm	2021 Rm
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	**5 197**	4 946
Administrative expenses per IFRS income statement	**832**	613
Excluding: Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets		
Operating costs	**6 029**	5 559
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**12 884**	12 804
Utility and operating recoveries per IFRS income statement	**1 681**	1 510
Gross rental income	**14 565**	14 314
SA REIT cost-to-income ratio	**41.4%**	38.8%

SA REIT administrative cost-to-income ratio	Rm	Rm
Expenses		
Administrative expenses as per IFRS income statement	**832**	613
Administrative costs	**832**	613
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**12 884**	12 804
Utility and operating recoveries per IFRS income statement	**1 681**	1 510
Gross rental income	**14 565**	14 314
SA REIT administrative cost-to-income ratio	**5.7%**	4.3%

SA REIT GLA vacancy rate	GLA m^2	GLA m^2
Gross lettable area of vacant space	**573 804**	731 045
Gross lettable area of total property portfolio	**6 727 564**	7 089 573
SA REIT GLA vacancy rate	**8.5%**	10.3%

Summary of audited results continued

REIT ratios continued

For the year ended 30 June 2022

Cost of debt	ZAR %	AUD %	EUR %	USD %
2022				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	**6.3**	**–**	**–**	**3.3**
Fixed interest-rate borrowings				
Weighted average fixed rate	**9.9**	**–**	**–**	**5.9**
Pre-adjusted weighted average cost of debt	**6.4**	**–**	**–**	**5.5**
Adjustments:				
Impact of interest rate derivatives	**1.4**	**–**	**0.7**	**–**
Impact of cross-currency interest rate swaps	**0.3**	**3.5**	**3.1**	**(0.5)**
Amortised transaction costs imputed in the effective interest rate	**–**	**–**	**–**	**0.2**
All-in weighted average cost of debt	**8.1**	**3.5**	**3.8**	**5.2**

Cost of debt	ZAR %	AUD %	EUR %	USD %
2021				
Variable interest-rate borrowings				
Floating reference rate plus weighted average margin	5.4	–	–	–
Fixed interest-rate borrowings				
Weighted average fixed rate	9.9	–	–	5.9
Pre-adjusted weighted average cost of debt	5.5	–	–	5.9
Adjustments:				
Impact of interest rate derivatives	2.0	–	1.4	–
Impact of cross-currency interest rate swaps	0.3	3.6	2.4	(0.9)
Amortised transaction costs imputed in the effective interest rate	–	–	–	0.2
All-in weighted average cost of debt	7.8	3.6	3.8	5.2

SA REIT loan-to-value (Group)

	2022 Rm	2021 Rm
Gross debt	**63 802**	60 793
Less:		
Cash and cash equivalents	**(2 841)**	(2 622)
(Less)/add:		
Derivative financial instruments	**(1 675)**	1 181
Net debt	**59 286**	59 352
Total assets per statement of financial position	**164 729**	154 455
Less:		
Cash and cash equivalents	**(2 841)**	(2 622)
Derivative financial assets	**(2 492)**	(814)
Goodwill and intangible assets	**(496)**	(597)
Trade and other receivables	**(2 321)**	(2 087)
Carrying amount of property-related assets	**156 579**	148 335
SA REIT loan-to-value (SA REIT LTV)	**37.9%**	40.0%

Net initial yield

	Rm	Rm
Investment property	**135 578**	128 242
Less:		
Properties under development	**(820)**	(697)
Grossed up property value	**134 758**	127 545
Property income		
Contractual cash rentals	**11 630**	10 808
Less:		
Notional rental for rent-free periods, discounted rentals, stepped rentals and lease incentives	**(1 391)**	(1 562)
Less:		
Non-recoverable property expenses	**(172)**	(262)
Annualised net rental	**10 067**	8 984
Net initial yield	**7.5%**	7.0%

Summary of audited results continued

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

		2022 Rm	2021 Rm
Revenue, excluding straight-line lease income adjustment		**12 884**	12 804
Straight-line lease income adjustment		**164**	322
Total revenue		**13 048**	13 126
Property-related expenses		**(3 603)**	(3 513)
Expected credit losses on trade receivables		**87**	77
Net property income		**9 532**	9 690
Other administrative and operating overheads		**(832)**	(613)
Operating profit		**8 700**	9 077
Equity-accounted investment profit/(loss) – net of tax		**409**	(411)
Non-distributable income		**(479)**	(1 206)
Dividends/interest received from equity-accounted investments		**888**	795
Fair value adjustments, capital items and other charges		**6 262**	(4 381)
Finance and other investment income		**167**	138
Finance expense		**(3 115)**	(3 107)
Profit before taxation		**12 423**	1 316
Taxation		**(1 293)**	(850)
Profit for the year		**11 130**	466
Other comprehensive income – net of tax			
Items that may subsequently be reclassified to profit or loss			
Translation of foreign operations		**1 724**	(3 780)
Total comprehensive profit/(loss) for the year		**12 854**	(3 314)
Profit attributable to:		**11 130**	466
Owners of the company		**7 937**	(497)
Non-controlling interests		**3 193**	963
Total comprehensive profit/(loss) attributable to:		**12 854**	(3 314)
Owners of the company		**8 997**	(3 009)
Non-controlling interests		**3 857**	(305)
	Notes	**Cents**	Cents
Basic earnings/(loss) per share	1.1	**233.04**	(15.31)
Diluted earnings/(loss) per share	1.1	**232.14**	(15.25)

Statement of financial position

As at 30 June 2022

	2022 Rm	2021 Rm
Assets		
Cash and cash equivalents	**2 841**	2 622
Trade and other receivables	**2 321**	2 087
Taxation receivable	**153**	9
Investment property classified as held for sale	**866**	181
Property held for trading and development	**453**	548
Derivative assets	**2 492**	814
Listed investments	**1 489**	1 122
Fair value of property assets	**134 712**	128 061
Fair value of investment property for accounting purposes	**128 126**	121 691
Straight-line lease income adjustment	**3 565**	3 359
Tenant incentives	**1 470**	1 402
Right-of-use assets	**1 551**	1 609
Long-term loans granted	**3 313**	2 534
Equity-accounted investments	**14 585**	15 003
Unlisted investments	**921**	808
Equipment	**49**	57
Intangible assets	**496**	597
Deferred tax	**38**	12
Total assets	**164 729**	154 455
Liabilities and equity		
Liabilities		
Trade and other payables	**3 541**	3 204
Derivative liabilities	**817**	1 995
Taxation payable	**67**	189
Liabilities associated with assets classified as held for sale	**39**	–
Interest-bearing borrowings	**62 857**	61 947
Lease liability	**1 826**	2 235
Deferred tax liability	**5 436**	4 283
Total liabilities	**74 583**	73 853
Equity		
Shareholders' interests	**71 212**	66 410
Share capital	**53 195**	53 117
Retained income	**4 712**	3 739
Other reserves	**13 305**	9 554
Non-controlling interest	**18 934**	14 192
Total liabilities and equity	**164 729**	154 455

Summary of audited results continued

Statement of changes in equity

For the year ended 30 June 2022

	Attributable to owners of the company					
		Non-distributable reserve (NDR)				
	Share capital Rm	Foreign currency translation reserve (FCTR) Rm	Amortisation of intangible assets Rm	Bargain purchase Rm	Fair value adjustment on investment property Rm	Other fair value adjustments and non-distributable items Rm
Balance at 30 June 2020	48 218	6 639	552	892	17 278	(8 254)
Total comprehensive income						
(Loss)/profit after taxation	–	–	–	–	–	–
Other comprehensive income	–	(2 512)	–	–	–	–
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Shares issued	4 813	–	–	–	–	–
Transfer non-distributable items to NDR	–	–	(78)	–	(6 162)	600
Share-based payment transactions	86	–	–	–	–	–
Dividends declared	–	–	–	–	–	–
Changes in ownership interest						
Acquisition of subsidiary with NCI	–	–	–	–	–	–
Change of ownership – Healthcare	–	–	–	–	–	3
Rights issue and acquisitions – GOZ	–	–	–	–	–	–
Balance at 30 June 2021	53 117	4 127	474	892	11 116	(7 651)
Total comprehensive income						
Profit after taxation	**–**	**–**	**–**	**–**	**–**	**–**
Other comprehensive income	**–**	**1 060**	**–**	**–**	**–**	**–**
Transactions with owners recognised directly in equity						
Contributions by and distributions to owners						
Transfer non-distributable items to NDR	**–**	**–**	**(74)**	**–**	**1 170**	**2 090**
Share-based payment transactions	**78**	**–**	**–**	**–**	**–**	**–**
Dividends declared	**–**	**–**	**–**	**–**	**–**	**–**
Changes in ownership interest						
Shares issued to NCI – GOZ	**–**	**–**	**–**	**–**	**–**	**–**
Shares issued to NCI – C&R	**–**	**–**	**–**	**–**	**–**	**(117)**
Shares issued to NCI – GHPH	**–**	**–**	**–**	**–**	**–**	**6**
Acquisition of subsidiary with NCI – GSAH	**–**	**–**	**–**	**–**	**–**	**–**
Share buyback – GOZ	**–**	**–**	**–**	**–**	**–**	**–**
Change of ownership – GHPH	**–**	**–**	**–**	**–**	**–**	**2**
Change of ownership – GSAH	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2022	**53 195**	**5 187**	**400**	**892**	**12 286**	**(5 670)**

	2022 Cents	2021 Cents
Dividend per share	**128.4**	118.5

Attributable to owners of the company							
Non-distributable reserve (NDR)							
Share-based payments reserve Rm	Reserves with NCI Rm	Fair value adjustment on listed investments Rm	Total other reserves Rm	Retained earnings (RE) Rm	Share-holders' interest Rm	Non-controlling interest (NCI) Rm	Total equity Rm
133	(12)	136	17 364	2 295	67 877	15 168	83 045
–	–	–	–	(497)	(497)	963	466
–	–	–	(2 512)	–	(2 512)	(1 268)	(3 780)
–	–	–	–	–	4 813	–	4 813
36	–	320	(5 284)	5 284	–	–	–
(17)	–	–	(17)	–	69	–	69
–	–	–	–	(3 343)	(3 343)	(748)	(4 091)
–	–	–	–	–	–	95	95
–	–	–	3	–	3	(12)	(9)
–	–	–	–	–	–	(6)	(6)
152	(12)	456	9 554	3 739	66 410	14 192	80 602
–	**–**	**–**	**–**	**7 937**	**7 937**	**3 193**	**11 130**
–	**–**	**–**	**1 060**	**–**	**1 060**	**664**	**1 724**
(24)	**–**	**(361)**	**2 801**	**(2 801)**	**–**	**–**	**–**
(1)	**–**	**–**	**(1)**	**–**	**77**	**–**	**77**
–	**–**	**–**	**–**	**(4 163)**	**(4 163)**	**(810)**	**(4 973)**
–	**–**	**–**	**–**	**–**	**–**	**12**	**12**
–	**–**	**–**	**(117)**	**–**	**(117)**	**203**	**86**
–	**–**	**–**	**6**	**–**	**6**	**284**	**290**
–	**–**	**–**	**–**	**–**	**–**	**1 190**	**1 190**
–	**–**	**–**	**–**	**–**	**–**	**(12)**	**(12)**
–	**–**	**–**	**2**	**–**	**2**	**(2)**	**–**
–	**–**	**–**	**–**	**–**	**–**	**20**	**20**
127	**(12)**	**95**	**13 305**	**4 712**	**71 212**	**18 934**	**90 146**

Summary of audited results continued

Statement of cash flows

For the year ended 30 June 2022

	2022 Rm	2021 Rm
Cash flows from operating activities		
Cash received from tenants	**13 341**	12 057
Cash paid to suppliers and employees	**(4 472)**	(4 023)
Cash generated from operating activities	**8 869**	8 034
Interest paid	**(3 181)**	(3 327)
Interest received	**47**	61
Dividends received	**441**	507
Taxation paid	**(529)**	(369)
Capital costs incurred on acquisitions	**–**	(28)
Investment in property held for trading and development	**(188)**	(245)
Disposal of property held for trading and development	**339**	243
Distribution paid to shareholders	**(4 973)**	(4 091)
Net cash generated from operating activities	**825**	785
Cash flows from investing activities		
Investments in:	**(5 622)**	(1 331)
Investment property	**(4 908)**	(1 188)
Intangible assets	**(2)**	(5)
Equipment	**(34)**	(41)
Listed investment	**(664)**	(60)
Unlisted investment	**(11)**	(13)
Long-term loans granted	**(3)**	(15)
Change of ownership – GHPH	**–**	(9)
Proceeds from:	**2 025**	1 710
Disposal of investment property	**1 773**	1 623
Disposal of investment property held for sale	**182**	84
Disposal of unlisted investment	**63**	–
Repayment of long-term loans granted	**7**	3
Net cash (used by)/generated from investing activities	**(3 597)**	379
Cash flows from financing activities		
Proceeds from:	**8 841**	8 529
Shares issued	**–**	4 236
Distribution re-investment	**–**	577
Borrowings raised	**8 453**	3 722
Shares issued to NCI – GOZ	**12**	(6)
Shares issued to NCI – C&R	**86**	–
Shares issued to NCI – GHPH	**290**	–
Repayments of borrowings	**(5 807)**	(8 983)
Share buyback – GOZ	**(12)**	–
Settlement of derivatives	**(43)**	(295)
Repayment of lease liability	**(34)**	(37)
Net cash generated from/(used by) financing activities	**2 945**	(786)
Effect of exchange rate changes on cash and cash equivalents	**46**	(176)
Increase in cash and cash equivalents	**219**	202
Cash and cash equivalents at beginning of year	**2 622**	2 420
Cash and cash equivalents at end of year	**2 841**	2 622

Segmental analysis

For the year ended 30 June 2022

Segments

The Group determines and presents operating segments based on the information that is provided internally to the Executive Management Committee (Exco), the Group's operating decision-making forum. The Group comprises 10 segments, namely Retail, Office, Industrial, Healthcare (GHPH), Student Accommodation (GSAH), Trading and Development, GOZ, V&A Waterfront, GWI and C&R. GSAH is a new segment as it was launched during the period. In accordance with the new definition of a business contained in IFRS 3, the transaction was accounted for as an asset acquisition rather than a business combination as substantially all the fair value of the gross assets acquired was concentrated in the seven student accommodation properties. All operating segments' operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Segment	Brief description of segment
Retail	The Growthpoint retail portfolio consists of 42 properties in South Africa, comprising shopping centres with the balance being standalone single-tenanted properties. It includes regional, community, neighbourhood, retail warehouses and speciality centres.
Office	The Growthpoint office portfolio consists of 158 properties in South Africa which includes high rise and low rise offices, office parks, office warehouses, vacant land as well as mixed-use properties comprising both office and retail.
Industrial	The Growthpoint industrial portfolio consists of 187 properties in South Africa which includes warehousing, industrial parks, motor-related outlets, low and high-grade industrial, high-tech industrial, telecommunication assets, land zoned for developments, vacant land as well as mini, midi and maxi units.
GHPH	The Growthpoint healthcare portfolio consists of six hospitals and one medical chambers building.
GSAH	The Growthpoint student accommodation portfolio consists of nine purpose-built student accommodation properties situated in Johannesburg, Pretoria and Cape Town.
Trading and development	The Growthpoint trading and development portfolio consists of five properties.
GOZ	The GOZ portfolio consists of 58 properties which includes both industrial and office properties, all situated in Australia.
V&A Waterfront	The V&A Waterfront is a 123 hectare mixed-use property development situated in and around the historic Victoria and Alfred Basin, which formed Cape Town's original harbour. Its properties include retail, office, fishing and industrial, hotel and residential as well as undeveloped bulk.
GWI	The GWI portfolio consists of 71 standing properties in Poland and Romania, mostly modern A-grade office properties, industrial properties as well as a residential property complex.
C&R	The C&R portfolio consists of six properties that are community-based shopping centres, all situated in the United Kingdom.

Geographic segments

In addition to the main reportable segments, the Group also includes a geographical analysis of net property income, excluding straight-line lease income adjustment and investment property.

The following geographic segments have been identified:

- South Africa
- Australia
- United Kingdom
- V&A Waterfront
- Central and Eastern Europe.

Summary of audited results continued

Segmental analysis continued

For the year ended 30 June 2022

	2022													
	Retail Rm	Office Rm	Industrial Rm	GHPH Rm	GSAH Rm	Trading and develop-ment Rm	Total South Africa Rm	Australia 100% Rm	United Kingdom 100% Rm	Total as reported Rm	V&A Water-front 50% Rm	Central and Eastern Europe 29.4% Rm	Consoli-dation* Rm	Total Rm
Profit or loss disclosures														
Revenue excluding straight-line lease adjustment	3 165	3 063	1 591	378	174	107	8 478	3 218	1 188	12 884	933	1 146	–	14 963
Property-related expenses (including impairment losses)	(926)	(986)	(378)	(56)	(48)	(3)	(2 397)	(558)	(561)	(3 516)	(293)	(433)	–	(4 242)
Net property income	2 239	2 077	1 213	322	126	104	6 081	2 660	627	9 368	640	713	–	10 721
Other administrative and operating overheads							(443)	(248)	(141)	(832)	(93)	(127)	–	(1 052)
Equity-accounted investment profit, net of tax							409	–	–	409	9	42	(403)	57
Fair value adjustment on investment property	28	(1 470)	208	86	(31)	–	(1 179)	3 375	(175)	2 021	5	81	–	2 107
Fair value adjustments (other than investment property)							1 859	1 402	1 150	4 411	(546)	2	–	3 867
Capital items and other charges							(111)	1	104	(6)	(12)	–	–	(18)
Finance and investment income							81	86	–	167	16	15	–	198
Finance expense							(2 254)	(546)	(315)	(3 115)	(9)	(280)	–	(3 404)
Consolidated profit/(loss) before taxation							4 443	6 730	1 250	12 423	10	446	(403)	12 476
Assets														
Cash and cash equivalents							1 497	553	791	2 841	383	928	–	4 152
Trade and other receivables							1 610	346	365	2 321	110	165	–	2 596
Taxation receivable							153	–	–	153	–	–	–	153
Investment property classified as held for sale	–	35	38	–	–	–	73	–	793	866	–	638	–	1 504
Property held for trading and development	–	–	–	–	–	453	453	–	–	453	–	–	–	453
Derivative assets							1 805	665	22	2 492	–	37	–	2 529
Listed investments							–	1 489	–	1 489	–	–	–	1 489
Fair value of property assets	24 573	25 964	12 054	3 406	2 233	–	68 230	58 820	7 662	134 712	9 001	15 117	–	158 830
Fair value of investment property	24 450	25 653	12 033	3 385	2 233	–	67 754	56 780	7 157	131 691	8 979	15 117	–	155 787
Tenant incentives	86	311	21	21	–	–	439	974	57	1 470	–	–	–	1 470
Right-of-use assets	37	–	–	–	–	–	37	1 066	448	1 551	22	–	–	1 573
Long-term loans granted							3 313	–	–	3 313	55	–	–	3 368
Equity-accounted investments							14 585	–	–	14 585	2	332	(14 538)	381
Unlisted investments							920	–	1	921	–	63	–	984
Equipment							4	7	38	49	230	–	–	279
Intangible assets							496	–	–	496	–	62	–	558
Deferred tax							–	18	20	38	–	1	–	39
Total assets							93 139	61 898	9 692	164 729	9 781	17 343	(14 538)	177 315
Liabilities														
Trade and other payables							2 176	808	557	3 541	467	307	–	4 315
Derivative liabilities							813	4	–	817	–	–	–	817
Taxation payable							–	61	6	67	–	4	–	71
Liabilities associated with assets classified as held for sale							–	–	39	39	–	70	–	109
Interest-bearing borrowings							39 615	19 344	3 898	62 857	154	7 285	–	70 296
Lease liability							39	1 176	611	1 826	58	97	–	1 981
Deferred tax liability							5 436	–	–	5 436	–	823	–	6 259
Total liabilities							48 079	21 393	5 111	74 583	679	8 586	–	83 848
Other disclosures														
Transfers between segments	–	–	(17)	–	–	17	–	–	–	–				
Acquisitions	–	–	6	–	2 060	–	2 066	3 025	–	5 091				
Development and capital expenditure	232	303	220	4	204	188	1 151	484	190	1 825				

* *Having included our proportionate share of the V&A and GWI profit and assets to the left, we exclude their inclusion in the reported numbers.*

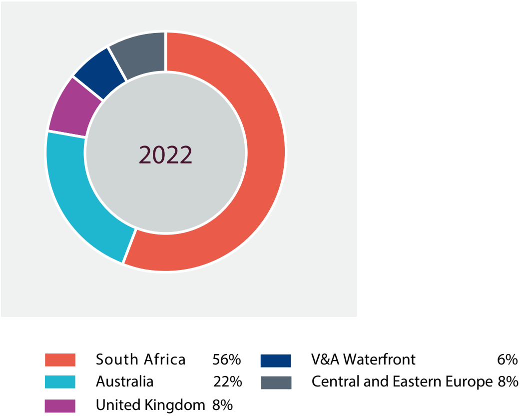
2021												
Retail Rm	Office Rm	Industrial Rm	GHPH Rm	Trading and develop-ment Rm	Total South Africa Rm	Australia 100% Rm	United Kingdom 100% Rm	Total as reported Rm	V&A Water-front 50% Rm	Central and Eastern Europe 29.4% Rm	Consoli-dation* Rm	Total Rm
3 116	3 193	1 550	289	193	8 341	3 229	1 234	12 804	728	1 175	–	14 707
(923)	(892)	(389)	(33)	(5)	(2 242)	(565)	(629)	(3 436)	(298)	(374)	–	(4 108)
2 193	2 301	1 161	256	188	6 099	2 664	605	9 368	430	801		10 599
					(361)	(195)	(57)	(613)	(78)	(109)	–	(800)
					(411)	–	–	(411)	–	3	402	(6)
(2 005)	(2 670)	(782)	(37)	54	(5 440)	3 944	(2 923)	(4 419)	(886)	(210)	–	(5 515)
					565	(124)	137	578	–	(10)	–	568
					(178)	(16)	(24)	(218)	(18)	(2)	–	(238)
					62	62	14	138	19	11	–	168
					(2 190)	(565)	(352)	(3 107)	(17)	(297)	–	(3 421)
					(1 854)	5 770	(2 600)	1 316	(550)	187	402	1 355
					709	358	1 555	2 622	257	2 285	–	5 164
					1 350	164	573	2 087	118	144	–	2 349
					9	–	–	9	–	–	–	9
–	94	87	–	–	181	–	–	181	–	–	–	181
–	–	–	–	548	548	–	–	548	–	–	–	548
					736	78	–	814	–	37	–	851
					–	1 122	–	1 122	–	–	–	1 122
24 915	27 548	12 286	2 802	516	68 067	49 462	10 532	128 061	8 801	15 174	–	152 036
24 811	27 241	12 264	2 778	516	67 610	47 492	9 948	125 050	8 764	15 174	–	148 988
64	307	22	24	–	417	902	83	1 402	–	–	–	1 402
40	–	–	–	–	40	1 068	501	1 609	37	–	–	1 646
					2 534	–	–	2 534	55	–	–	2 589
					15 003	–	–	15 003	–	165	(15 126)	42
					797	–	11	808	–	53	–	861
					1	6	50	57	243	–	–	300
					597	–	–	597	–	61	–	658
					–	5	7	12	–	1	–	13
					90 532	51 195	12 728	154 455	9 474	17 920	(15 126)	166 723
					1 858	686	660	3 204	358	333	–	3 895
					1 797	102	96	1 995	–	–	–	1 995
					–	115	74	189	–	1	–	190
					38 491	15 357	8 099	61 947	177	8 075	–	70 199
					39	1 144	1 052	2 235	54	144	–	2 433
					4 283	–	–	4 283	–	744	–	5 027
					46 468	17 404	9 981	73 853	589	9 297	–	83 739
–	–	(22)	–	22	–	–	–	–				
–	22	23	194	70	309	–	–	309				
180	512	144	2	175	1 013	126	80	1 219				

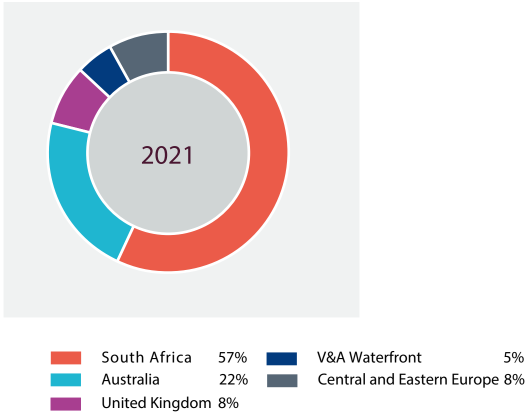
Summary of audited results continued

Segmental analysis continued

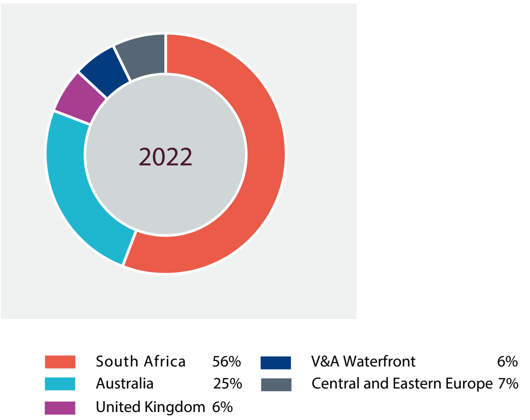
For the year ended 30 June 2022

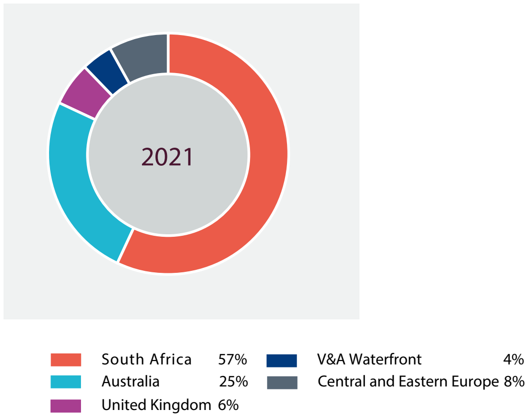
Revenue



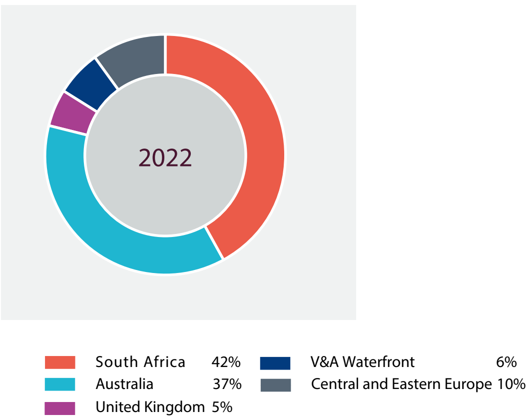


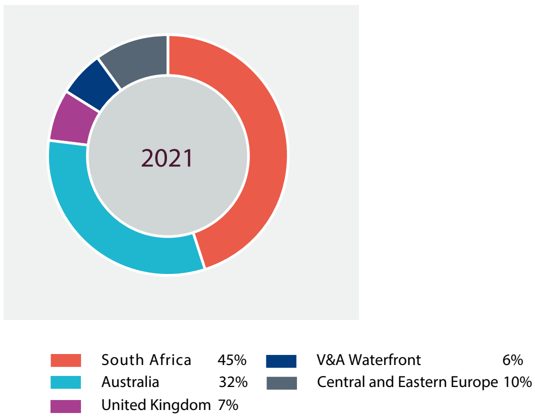
Net property income





Fair value of property assets





Notes
For the year ended 30 June 2022

1. Basic and headline earnings per share

1.1 Summary of earnings per share (EPS), headline earnings per share (HEPS) and distributable income per share (DIPS)

		Earnings attributable		Weighted average number of shares		Cents per share	
		2022 Rm	2021 Rm	**2022**	2021	**2022**	2021
Total operations							
EPS	Basic	**7 937**	(497)	**3 405 871 086**	3 246 192 089	**233.04**	(15.31)
EPS	Diluted	**7 937**	(497)	**3 419 088 046**	3 258 891 090	**232.14**	(15.25)
HEPS	Basic	**7 191**	5 518	**3 405 871 086**	3 246 192 089	**211.14**	169.98
HEPS	Diluted	**7 191**	5 518	**3 419 088 046**	3 258 891 090	**210.32**	169.32

	Earnings attributable		Actual number of shares		Cents per share (DIPS)	
	2022 Rm	2021 Rm	**2022**	2021	**2022**	2021
DIPS reconciliation	**5 307**	5 052	**3 407 663 028**	3 402 889 319	**155.60**	148.10

1.2 Reconciliation between basic earnings, diluted earnings and headline earnings

	SOCI#		Total gross and net	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
Profit/(loss) for the year			**7 937**	(497)
Adjustments:				
Fair value adjustments on investment property			**(746)**	6 015
Net investment property revaluation	**6 262***	(4 381)*	**(1 857)**	4 745
Fair value adjustments: equity-accounted investments	**(479)***	(1 206)*	**(13)**	1 239
NCI portion of fair value adjustments	**6 262***	(4 381)*	**1 124**	31
Headline basic and diluted earnings			**7 191**	5 518

* *The fair value adjustment on investment property and NCI portions is included in the "Fair value adjustment, capital items and other charges" line item on the face of the statement of profit or loss and other comprehensive income, which total R6 262m (FY21: (R4 381m)). The fair value adjustments for equity-accounted investments are included in the "Non-distributable income" line item on the face of the statement of profit or loss and other comprehensive income, which totals (R479m) (FY21: (R1 206m)).*

\# *Statement of profit or loss and other comprehensive income.*

1.3 Reconciliation of weighted average number of shares

	Weighted number of shares	
	2022	2021
Weighted average number of shares	**3 405 871 086**	3 246 192 089
Number of shares as at 1 July	**3 430 787 066**	3 022 496 382
Shares issued during the year	**–**	254 975 929
Effect of treasury shares held	**(24 915 980)**	(31 280 222)
Diluted effect of share options granted to employees	**13 216 960**	12 699 001
Diluted average number of shares	**3 419 088 046**	3 258 891 090

Summary of audited results continued

Notes continued
For the year ended 30 June 2022

2. Classification of financial assets and liabilities

2.1 Assets

	Designated at fair value through profit or loss* Rm	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
2022					
Cash and cash equivalents	**–**	**–**	**2 841**	**–**	**2 841**
Trade and other receivables	**–**	**–**	**2 114**	**207**	**2 321**
Derivative assets	**–**	**2 492**	**–**	**–**	**2 492**
Listed investments	**–**	**1 489**	**–**	**–**	**1 489**
Unlisted investments	**–**	**921**	**–**	**–**	**921**
Long-term loans granted	**3 313**	**–**	**–**	**–**	**3 313**
2021					
Cash and cash equivalents	–	–	2 622	–	2 622
Trade and other receivables	–	–	1 841	246	2 087
Derivative assets	–	814	–	–	814
Listed investments	–	1 122	–	–	1 122
Unlisted investments	–	808	–	–	808
Long-term loans granted	2 534	–	–	–	2 534

2.2 Liabilities

	Designated at fair value through profit or loss* Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Outside scope of IFRS 9 Rm	Total Rm
2022					
Trade payables	**–**	**–**	**3 277**	**264**	**3 541**
Derivative liabilities	**–**	**817**	**–**	**–**	**817**
Liabilities associated with assets classified as held for sale	**–**	**–**	**39**	**–**	**39**
Interest-bearing borrowings	**62 857**	**–**	**–**	**–**	**62 857**
Lease liability	**–**	**–**	**1 826**	**–**	**1 826**
2021					
Trade payables	–	–	2 974	230	3 204
Derivative liabilities	–	1 995	–	–	1 995
Interest-bearing borrowings	61 947	–	–	–	61 947
Lease liability	–	–	2 235	–	2 235

* *An additional column has been added to distinguish between financial assets and liabilities designated at fair value through profit or loss and those mandatory through profit or loss.*

3. Fair value estimation

3.1 Fair value measurement of assets and liabilities

The below table includes only those assets and liabilities that are measured at fair value including non-recurring items measured at fair value:

	2022				2021			
	Fair value Rm	**Level 1 Rm**	**Level 2 Rm**	**Level 3 Rm**	Fair value Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm
Assets								
Recurring fair value measurement								
Fair value of property assets	**134 712**	**–**	**–**	**134 712**	128 061	–	–	128 061
Listed investments	**1 489**	**1 489**	**–**	**–**	1 122	1 122	–	–
Unlisted investments	**921**	**–**	**–**	**921**	808	–	–	808
Long-term loans granted	**3 313**	**–**	**–**	**3 313**	2 534	–	–	2 534
Derivative assets	**2 492**	**–**	**2 492**	**–**	814	–	814	–
Non-recurring fair value measurement								
Non-current assets held for sale	**866**	**–**	**–**	**866**	181	–	–	181
Total assets measured at fair value	**143 793**	**1 489**	**2 492**	**139 812**	133 520	1 122	814	131 584
Liabilities								
Recurring fair value measurement								
Interest-bearing borrowings	**62 857**	**7 038**	**55 819**	**–**	61 947	6 621	55 326	–
Derivative liabilities	**817**	**–**	**817**	**–**	1 995	–	1 995	–
Total liabilities measured at fair value	**63 674**	**7 038**	**56 636**	**–**	63 942	6 621	57 321	–

The carrying amount of assets and liabilities that are not measured at fair value reasonably approximate their fair value due to their short-term nature. These include trade and other receivables, cash and cash equivalents and trade and other payables.

Summary of audited results continued

Notes continued
For the year ended 30 June 2022

3. Fair value estimation continued
3.2 Movement in level 3 instruments

	2022			2021		
	Property assets Rm	**Unlisted invest-ments Rm**	**Long-term loans granted Rm**	Property assets Rm	Unlisted investments Rm	Long-term loans granted Rm
Opening balance	**128 242**	**808**	**2 534**	139 113	922	2 338
Gain/(loss) from fair value adjustments and translation of foreign operations	**4 650**	**77**	**587**	(10 672)	(127)	(11)
Depreciation and amortisation	**(387)**	**–**	**–**	(96)	–	–
Accrued interest	**–**	**–**	**238**	–	–	185
Acquisitions	**4 993**	**11**	**–**	1 348	13	–
GSAH acquisitions	**2 060**	**–**	**–**	–	–	–
Reclassified from long-term loans granted to unlisted investments	**–**	**42**	**(42)**			
Tenant incentives	**–**	**–**	**–**	357	–	–
Right-of-use assets	**(26)**	**–**	**–**	(539)	–	–
Disposals	**(1 955)**	**(17)**	**–**	(1 707)	–	–
Deconsolidation of C&R Luton	**(1 981)**	**–**	**–**	–	–	–
Transferred to investment property held for trading and development	**(18)**	**–**	**–**	(22)	–	–
Transferred from investment property held for trading and development	**–**	**–**	**–**	460	–	–
Advances	**–**	**–**	**3**	–	–	25
Settlements	**–**	**–**	**(7)**	–	–	(3)
Closing balance	**135 578**	**921**	**3 313**	128 242	808	2 534

3.3 Valuation process
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to the Group Financial Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There were no transfers between levels during the year.

3. Fair value estimation continued

3.4 Valuation techniques and significant unobservable inputs

Level 2 instruments

Interest-bearing borrowings

Description	Valuation technique and inputs used	Significant unobservable inputs
Interest-bearing borrowings	Valued by discounting future cash flows using the applicable swap curve plus an appropriate credit margin of between 1.0% and 2.0% at the dates when the cash flow will take place (FY21: 1.0% to 3.6%).	Not applicable

The estimated fair value would increase/(decrease) if the credit margin were lower/(higher).

Derivative instruments

Description	Valuation technique and inputs used	Significant unobservable inputs
Forward exchange contracts	Valued by discounting the forward rates applied at year end to the open hedged positions using the swap curve of the respective currencies.	Not applicable
Interest rate swaps	Valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.	Not applicable
Cross-currency interest rate swaps	Valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.	Not applicable

Level 3 instruments

In terms of the Group's policy, at least 75% of the fair value of investment properties should be determined by an external, independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

94.3% (FY21: 92.8%) of the South African portfolio based on fair value was externally valued at FY22. The balance of the South African portfolio was valued by Growthpoint's qualified internal valuers.

The majority of the South African properties were valued at FY22 using the discounted cash flow of future income streams method by the following valuers who are all registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000:

Valuer company	Valuer	Qualification of the valuer
Mills Fitchet KZN (Pty) Limited	T Bate	MSc, BSc Land Econ (UK), MRICS, MIV (SA), professional valuer
Eris Property Group (Pty) Limited	C Everatt	BSc (Hons) Estate Management, MRICS, MIV (SA), professional valuer
Real Insights (Pty) Limited	TLJ Behrens	NDip (Real Estate in Prop Val), professional associate valuer
Jones Lang LaSalle (Pty) Limited	R Williams	CA(SA), ACMA, CGMA, MRICS
Broll Valuation and Advisory Services (Pty) Limited	R Long	BSc, MBA, MRICS, professional valuer
Knight Frank (Gauteng) (Pty) Limited	A Arbee	NDip (Real Estate in Prop Val), professional valuer
Rode & Associates (Pty) Limited	M Tighy	BSc Pr Sci Nat, MBL, MRICS, MIV (SA), professional valuer
Spectrum Valuations & Asset Solutions (Pty) Limited	PL O'Connell	NDip (Prop Val), MRICS, professional valuer
Premium Valuation and Advisory Services (Pty) Limited	Y Vahed	NDip (Real Estate in Prop Val), MIV (SA), professional valuer
Sterling Valuation Specialists CC	AS Greybe-Smith	BSc (Hons), MIV (SA), professional associate valuer
Mills Fitchet Cape (Pty) Limited	S Wolffs	NDip (Prop Val), professional associate valuer

The Australian properties were valued at FY22 using the discounted cash flow of future income streams method by Acumentis, CBRE, Colliers, JLL, Knight Frank, m3property, Savills and Urbis that are all members of the Australian Property Institute and certified practising valuers.

The United Kingdom properties were valued at FY22 using the income capitalisation approach method by CBRE and Knight Frank that are both members of the Royal Institution of Chartered Surveyors (RICS).

Summary of audited results continued

Notes continued

For the year ended 30 June 2022

3. Fair value estimation continued

3.4 Valuation techniques and significant unobservable inputs continued

Investment property

At the reporting date, the key assumptions and unobservable inputs used by the Group in determining fair value were in the following ranges for the Group's portfolio of properties:

Description	Valuation technique	Fair value Rm	Significant unobservable inputs and range of estimates used: Discount rate %	Exit capitalisation rate %	Capitalisation rate %	Rental growth rate %
Retail	Discounted cash flow model	**24 090**	**12.88**	**8.38**	**8.09**	**4.41**
		9 287	12.25 – 12.50	7.50 – 8.25	7.50 – 8.25	3.99 – 5.00
		7 931	12.75 – 13.00	8.00 – 9.00	7.75 – 9.00	3.50 – 5.00
		5 637	13.25 – 13.50	8.25 – 9.75	8.00 – 9.50	3.49 – 5.00
		1 235	13.75 – 14.00	8.75 – 10.00	8.75 – 9.75	4.00 – 4.70
Office		**24 489**	**13.16**	**9.20**	**8.76**	**3.79**
		2 767	11.00 – 12.00	8.50 – 9.25	8.00 – 9.25	2.50 – 3.50
		5 646	12.25 – 12.75	8.50 – 9.75	8.00 – 9.25	2.50 – 5.00
		8 155	13.00 – 13.50	8.25 – 11.00	8.00 – 10.50	2.50 – 5.00
		7 921	13.75 – 14.50	9.00 – 10.50	8.50 – 10.00	2.99 – 5.00
Industrial		**10 977**	**13.60**	**9.84**	**9.42**	**4.10**
		869	11.50 – 12.75	9.00 – 10.00	8.75 – 10.00	3.55 – 4.00
		5 785	13.00 – 13.75	8.75 – 10.75	8.50 – 10.25	3.55 – 5.00
		4 085	14.00 – 14.75	9.50 – 11.25	9.00 – 10.75	3.49 – 5.00
		238	15.00 – 16.00	10.75 – 13.00	10.00 – 12.00	3.50 – 4.70
GHPH		**3 385**	**14.38**	**9.38**	**9.42**	**5.00**
		2 664	13.50 – 14.50	8.50 – 9.50	8.50 – 9.50	5.00 – 5.00
		721	15.25 – 15.50	10.25 – 10.50	10.25 – 10.75	5.00 – 5.00
GSAH		**2 031**	**15.39**	**10.19**	**9.94**	**5.11**
GOZ office		**38 402**	**5.78**	**5.27**	**5.00**	**2.90**
		13 873	5.50 – 5.75	4.13 – 6.27	3.75 – 6.02	2.20 – 3.70
		16 874	5.88 – 6.13	5.00 – 6.13	4.75 – 5.88	2.20 – 3.70
		7 655	6.25 – 6.50	5.50 – 6.50	5.37 – 6.75	2.20 – 3.70
GOZ industrial		**19 352**	**5.65**	**5.25**	**4.72**	**3.00**
		12 657	5.25 – 5.50	4.00 – 9.75	4.00 – 7.00	2.50 – 3.50
		3 282	5.75 – 6.00	4.62 – 9.75	4.50 – 6.16	2.50 – 3.50
		3 413	6.25 – 6.50	5.46 – 5.92	5.14 – 5.61	2.50 – 3.50
Total		**122 726**				

Description	Valuation technique	Fair value Rm	Value/m²
Retail	Market comparable approach	**360**	**5 496.14**
		153	1 047.49 – 6 807.85
		207	14 572.67 – 14 572.67
Office		**1 199**	**4 633.30**
		624	1 532.30 – 9 279.76
		160	11 438.87 – 15 656.39
		415	25 954.63 – 25 954.63
Industrial		**1 094**	**1 766.46**
		822	520.54 – 7 175.56
		272	6 540.22 – 12 807.84
GSAH		**202**	**10 628.28**
Total		**2 855**	

3. Fair value estimation continued

3.4 Valuation techniques and significant unobservable inputs continued

Investment property continued

Description	Valuation technique	Fair value Rm	Significant unobservable inputs and range of estimates used: Income capitalisation rate %	Exit capitalisation rate %
C&R retail	Income capitalisation approach	**8 007**	7.29	8.12
		6 278	4.64 – 7.41	6.51 – 7.29
		1 511	9.98 – 11.23	11.35 – 12.86
		218	13.23 – 13.23	17.43 – 17.43
Total		**8 007**		

Further assumptions are used in the valuation of investment property. The estimated fair value would increase/(decrease) if the expected market rental growth was higher/(lower), expected expense growth was lower/(higher), the vacant periods were shorter/(longer), the occupancy rate was higher/(lower), the rent-free periods were shorter/(longer), the discount rate was lower/(higher) and/or the reversionary capitalisation rate was lower/(higher).

The property portfolio on pages 82 to 104 of the Group annual financial statements provides further detail on each of the Group's investment properties.

Long-term loans granted

Description	Valuation technique	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
V&A Waterfront	Valued by discounting future cash flows using the South African swap curve plus an appropriate credit margin at the dates when the cash flows will take place.	Counterparty credit risk impacting the discount rate	Discount rate at prime + 2%	A change in the discount rate by 50 bps would increase/(decrease) the fair value by R68.7m/(R70.1m).
Acucap Unit Purchase scheme	Valued by discounting future cash flows using the South African swap curve at the dates when the cash flows will take place, capped at the Growthpoint share price at FY22.	Counterparty credit risk impacting the interest rate	6.55% – 8.36%	A change in the interest rate would not have an impact on the valuation as the loans were fair valued to the Growthpoint share price at FY22. Growthpoint shares are held as security for the loans.

Unlisted investments

Description	Valuation technique	Significant unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Lango	Valued by calculating the company's percentage of investment in the Fund by the net asset value.	Discount rate (%)	13.25% – 16.75% (14.16% average)	A change in the discount rate by 50 bps would increase/(decrease) the fair value by R160.9m/(R155.5m).
		Exit capitalisation rate (%)	8.75% – 12.0% (8.86% average)	A change in the exit capitalisation rate by 50 bps would increase/(decrease) the fair value by R148.4m/(R137.8m).

Directors' report

The directors are pleased to present their 34th annual report that forms part of the Group annual financial statements for the year ended 30 June 2022.

Main business and operations

Growthpoint is a Real Estate Investment Trust (REIT) and is the largest South African listed property company which owns a property portfolio of 408 directly owned properties in South Africa valued at R68.8bn (FY21: R68.8bn), 58 (FY21: 55) properties valued at R58.8bn (FY21: R49.5bn) through its 62.2% (FY21: 62.2%) investment in Growthpoint Properties Australia Limited (GOZ), six (FY21: seven) properties valued at R8.5bn (FY21: R10.5bn) through a 60.8% (FY21: 52.1%) investment in Capital & Regional Plc (C&R), a 50% interest in the properties of the V&A Waterfront, valued at R9.0bn (FY21: R8.8bn), a 29.4% (FY21: 29.3%) interest in the properties of Globalworth Real Estate Investment Limited (GWI), valued at R15.1bn (FY21: R15.2bn), a 55.9% (FY21: 62.2%) interest in the seven (FY21: six) properties of Growthpoint Healthcare Property Holdings (RF) Limited (GHPH) valued at R3.4bn (FY21: R2.8bn), a 16.6% interest in the nine properties of Growthpoint Student Accommodation Holdings (RF) Limited (GSAH) valued at R2.2bn and a 16.3% (FY21: 16.1%) interest in the properties of Lango Real Estate Limited (Lango) valued at R1.6bn (FY21: R1.4bn).

Board composition

As at the date of issue of this report, Growthpoint had a unitary Board comprising 14 directors in total, four Executive Directors and 10 Non-executive Directors, nine of whom are regarded by the Board as independent. Notwithstanding the finding that one Non-executive Director is considered to be non-independent, the Board's conclusion is that he nonetheless acts and exercises his mind independently in his roles on the Board and respective committees.

Melt Hamman was appointed as an Independent Non-executive Director on 14 September 2021. Melt is Chairman of the Audit Committee and serves as a member of the Property and Investment and the Nomination and Governance Committees.

Eileen Wilton was appointed as an Independent Non-executive Director on 9 February 2022. Eileen is Chairman of the HR and Remuneration Committee and serves as a member of the Risk Management and the Nomination and Governance Committees.

Clifford Raphiri was appointed as an Independent Non-executive Director on 1 March 2022 and serves as a member of the Audit and Social, Ethics and Transformation Committees.

Andile Sangqu was appointed as the Lead Independent Director on 1 July 2022.

Francois Marais and John Hayward retired at the AGM on 16 November 2021 after 18 and 20 years of service, respectively. Rhidwaan Gasant assumed the Chairmanship of the Board on the retirement of Francois Marais.

We thank Francois and John for their leadership and dedicated service to Growthpoint.

Mpume Nkabinde and Patrick Mngconkola will be retiring at the upcoming AGM scheduled for 29 November 2022 after serving 13 and 10 years on the Board, respectively.

The Board has carried out a formal skills profiling and assessment of the Non-executive and Executive Directors on the Board and considers its current composition to be suited to the business.

The Board has a Board-level gender diversification policy with a voluntary 30% target for female representation. Currently, the four female directors represent 28.6% of the total number of directors.

The Board Charter includes a policy statement on racial diversification, in terms of which the Board strives to meet legislated and/or regulated employment equity targets applicable from time to time at Board level.

Financial results

	2022	2021	Year-on-year movement	% change year on year
Net property income (excluding straight-line lease income adjustment) (Rm)	**9 368**	9 368	–	–
Dividend per share (cents)	**128.4**	118.5	9.9	8.4
Interim dividend per share (six months ended 31 December) (cents)	**61.5**	58.5	3.0	5.1
Final dividend per share (six months ended 30 June) (cents)	**66.9**	60.0	6.9	11.5
The interim dividend has been declared from distributable earnings. In line with IAS 10 Events after the Reporting Period, *the declaration of the final dividend will occur after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the annual financial statements. The dividends meet the requirements of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act, No 58 of 1962, as amended.*				
Investment property at fair value (Rm)	**135 578**	128 242	7 336	5.7
Investment property held for trading and development (Rm)	**453**	548	(95)	(17.3)

Directors and secretary

Brief *curricula vitae* of the newly appointed directors have been included in the FY22 integrated annual report.

Growthpoint's Group Financial Director was assessed by the Audit Committee (as is done annually) to be appropriately qualified and experienced for the position.

The Board recommends Messrs M Hamman, FM Berkeley, CD Raphiri, AH Sangqu and Mrs KP Lebina as members of the Audit Committee on the basis that they are the Board members who possess the requisite qualifications and appropriate expertise for this committee.

The directors appointed by the Board, who are to retire at the AGM to be held on 29 November 2022, but hold themselves available for election as directors, as designated, are:

- Mrs EA Wilton – Independent Non-executive Director (appointed 9 February 2022)
- Mr CD Raphiri – Independent Non-executive Director (appointed 1 March 2022).

Going concern

The annual financial statements of the Group were prepared on a going concern basis. The board is satisfied that the Group has adequate resources and facilities to continue trading for the foreseeable future based on a formal review of the results, forecasts and assessing available resources.

Refer to note 26 of AFS for further information.

Approval of group annual financial statements

The Group annual financial statements of Growthpoint Properties Limited, as described in the first paragraph of this statement, were approved by the Board of Directors on 13 September 2022 and are signed by:

LN Sasse
Group Chief Executive Officer
Authorised Director

13 September 2022
Sandton

R Gasant
Chairman
Authorised Director

13 September 2022
Sandton

Annexure 3

Ordinary share capital

	Number of shares		Amount	
	2022	2021	**2022 Rm**	2021 Rm
Authorised				
Ordinary shares with no par value	**5 000 000 000**	5 000 000 000		
Issued and fully paid up				
Ordinary shares				
Issued at the beginning of the year	**3 430 787 066**	3 022 496 382	**53 550**	48 737
Issued during the year	**–**	408 290 684	**–**	4 813
In issue at the end of the year	**3 430 787 066**	3 430 787 066	**53 550**	53 550
Treasury shares				
Opening balance	**27 897 747**	33 255 776	**433**	519
Acquired during the year	**–**	1 103 864	**–**	13
Vested/exercised during the year	**(4 773 709)**	(6 461 893)	**(78)**	(99)
Closing balance	**23 124 038**	27 897 747	**355**	433
Net share capital	**3 407 663 028**	3 402 889 319	**53 195**	53 117

Annexure 4

Material change statement

For the year ended 30 June 2022

The directors report that there have been no material changes in the affairs, financial or trading position of the Group between 30 June 2022 and 13 September 2022, the date on which the financial results were approved by the Board.

Annexure 5

Financial assistance to related parties

Loans

Entity	Amount R
Kilkishen Investments (Pty) Ltd	17 979
Stand 1135 Houghton (Pty) Ltd	103 680
1 Roger Dyason (Pty) Ltd	451 441
Growthpoint Telecommunications Infrastructure (Pty) Ltd	35 866 283
Growthpoint Student Accommodation Holdings (RF) Ltd	45 115 527
Basfour 2721 (Pty) Ltd	166 445 864
Acucap Properties Ltd	226 316 004
Oxford 144 (Pty) Ltd	378 668 843
Growthpoint Properties Australia Ltd	506 823 447
Growthpoint ABQ (Pty) Ltd	789 463 006
Growthpoint Healthcare Property Holdings (RF) Ltd	889 865 244
Metboard Properties Ltd	979 643 793
Growthpoint TPG (Pty) Ltd	1 487 471 436
Growthpoint Management Services (Pty) Ltd (GMS)	2 126 092 413
Paramount Properties Ltd	2 168 820 566
Growthpoint Properties International (Pty) Ltd (GPI)	3 218 202 345
Growthpoint Securitisation Warehouse Trust	3 868 141 509
V&A Waterfront Holdings (Pty) Ltd	8 076 873 876
	24 964 383 256

Shareholders' analysis

As at 30 June 2022

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000 shares	13 810	43.87	2 862 349	0.08
1 001 – 5 000 shares	9 128	29.00	23 796 567	0.69
5 001 – 10 000 shares	3 102	9.85	22 829 508	0.67
10 001 – 20 000 shares	1 874	5.95	26 951 955	0.79
20 001 – 50 000 shares	1 331	4.23	42 469 938	1.24
50 001 – 100 000 shares	598	1.90	42 959 193	1.25
100 001 – 200 000 shares	444	1.41	64 091 197	1.87
200 001 – 500 000 shares	484	1.54	157 465 666	4.59
500 001 – 1 000 000 shares	269	0.85	190 795 457	5.56
1 000 001 – 10 000 000 shares	385	1.22	1 180 065 053	34.40
10 000 001 shares and over	54	0.17	1 676 500 183	48.86
Total	31 479	100.00	3 430 787 066	100.00
Distribution of shareholders				
Collective investment schemes	1 182	3.75	1 589 633 453	46.33
Retirement benefit funds	662	2.10	1 066 725 011	31.09
Sovereign wealth funds	41	0.13	127 652 380	3.72
Retail shareholders	25 251	80.22	117 102 342	3.41
Stockbrokers and nominees	47	0.15	103 807 424	3.03
Trusts	2 582	8.20	75 273 293	2.19
Assurance companies	16	0.05	60 066 124	1.75
Organs of State	5	0.02	59 430 171	1.73
Custodians	66	0.21	43 167 156	1.26
Private companies	754	2.40	38 369 044	1.12
Insurance companies	265	0.84	37 623 150	1.10
Treasury	2	0.01	23 113 012	0.67
Foundations and charitable funds	160	0.51	21 221 605	0.62
Scrip lending	25	0.08	20 266 085	0.59
Investment companies	67	0.21	14 467 569	0.42
Hedge funds	11	0.03	12 739 317	0.37
Medical aid funds	32	0.10	12 422 025	0.36
Close corporations	196	0.62	5 390 191	0.16
Other companies	113	0.36	2 022 911	0.06
Empowerment companies	2	0.01	294 803	0.02
Total	31 479	100.00	3 430 787 066	100.00
Public/non-public shareholders				
Non-public shareholders	19	0.06	507 673 689	14.79
Directors and associates	13	0.04	6 575 563	0.19
Government Employees Pension Fund	3	0.01	477 974 088	13.93
Treasury shares	2	0.01	23 121 921	0.67
Growthpoint Staff Incentive Scheme	1	0.00	2 117	0.00
Public shareholders	31 460	99.94	2 923 113 377	85.21
Total	31 479	100.00	3 430 787 066	100.00

	Number of shares	% of issued capital
Beneficial shareholders holding greater than 1% of the issued shares		
Government Employees Pension Fund	477 974 088	13.93
Eskom Pension and Provident Fund	127 667 903	3.72
Alexforbes Investments Solution Limited	80 595 485	2.35
SIM Property Fund	66 115 846	1.93
Ninety One Property Equity Fund	58 374 368	1.70
Vanguard Emerging Markets Stock Index Fund (US)	53 425 454	1.56
Old Mutual Life Assurance Company SA	50 452 063	1.47
GIC Private Limited	49 294 431	1.44
Stanlib Property Income Fund	44 176 182	1.29
Vanguard Total International Stock Index Fund	43 968 910	1.28
Unemployment Insurance Fund	40 875 500	1.19
DFA International Real Estate Securities Portfolio	40 058 128	1.17
Total	1 132 978 358	33.03
Fund managers holding greater than 1% of the issued shares		
Public Investment Corporation (SOC) Limited	489 025 467	14.25
Ninety One SA Pty Ltd	189 219 968	5.52
Sesfikile Capital (Pty) Ltd	169 534 676	4.94
Sanlam Investment Management (Pty) Ltd	166 830 321	4.86
The Vanguard Group, Inc.	144 545 915	4.21
Meago Asset Managers (Pty) Ltd	122 369 217	3.57
Old Mutual Investment Group (South Africa) (Pty) Ltd	110 531 440	3.22
BlackRock Institutional Trust Company, N.A.	100 634 047	2.93
STANLIB Asset Management Ltd	86 832 754	2.53
Catalyst Fund Managers (Pty) Ltd	80 305 790	2.34
MandG Investment Managers (Pty) Ltd	79 160 356	2.31
Coronation Fund Managers Limited	62 193 574	1.81
Eskom Pension and Provident Fund	61 993 885	1.81
State Street Global Advisors (US)	59 081 994	1.72
Momentum Asset Management (Pty) Ltd	52 159 590	1.52
Truffle Asset Management (Pty) Ltd	52 093 663	1.52
GIC Private Limited	49 294 431	1.44
Dimensional Fund Advisors, L.P.	42 929 964	1.25
BlackRock Advisors (UK) Ltd	42 736 560	1.25
Absa Asset Management (Pty) Ltd	41 147 654	1.20
Total	2 202 621 266	64.20

Shareholders' analysis continued

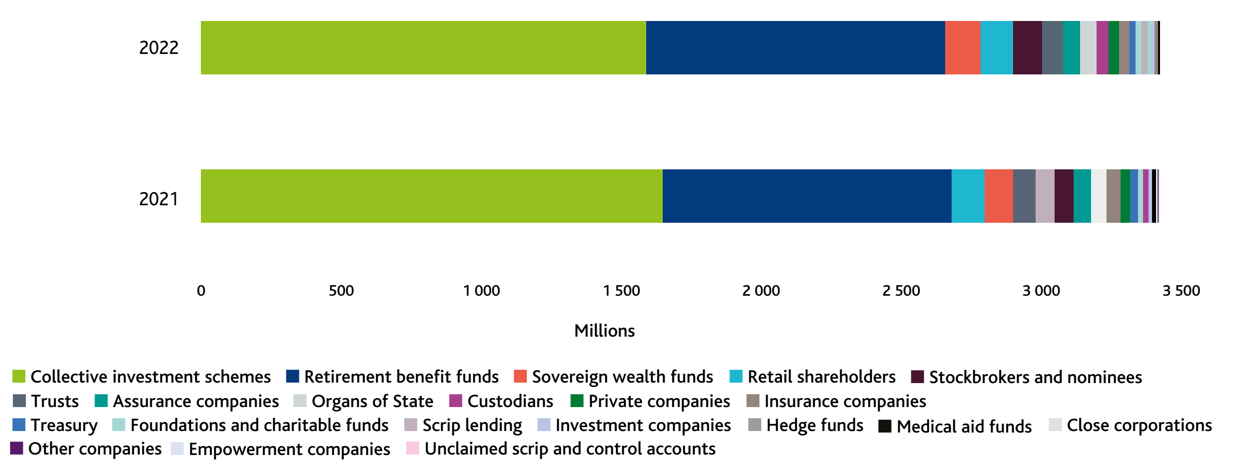
As at 30 June 2022

	24 June 2022	25 June 2021
Share performance – 12 months ended		
Shares traded	**2 637 863 190**	2 937 007 254
Shares traded monthly average	**219 821 933**	244 750 605
Shares in Issue	**3 430 787 066**	3 430 787 066
Shares traded as % of number of shares in issue	**76.89%**	85.61%
Value traded	**R37 225 464 854**	R38 317 915 352
Value traded monthly average	**R3 102 122 071**	R3 193 159 613

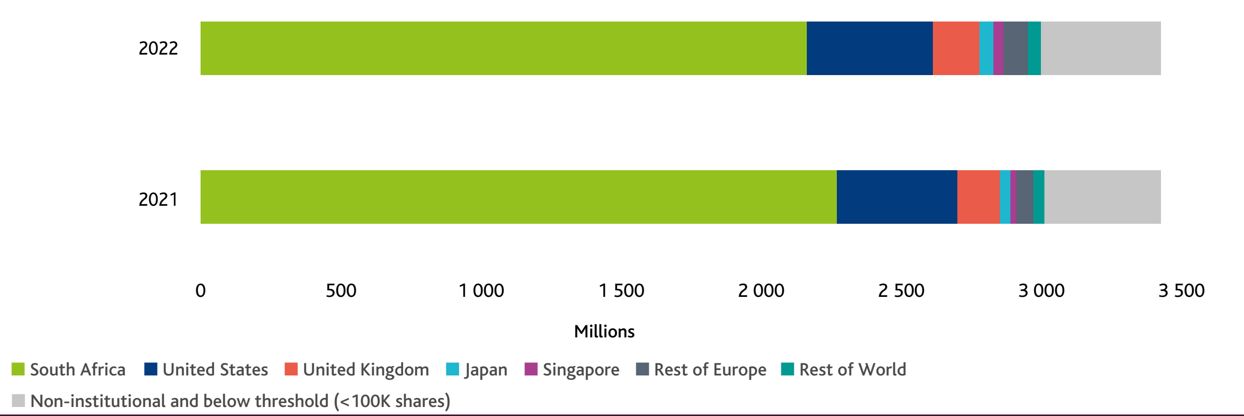
	Number of shares	**%**
Regional beneficial holdings		
South Africa	**2 565 927 900**	**74.79**
United States	**441 894 194**	**12.88**
Europe	**248 997 351**	**7.26**
Asia	**146 392 963**	**4.27**
Middle East	**27 574 658**	**0.80**
Total	**3 430 787 066**	**100.00**

	Number of shares	**%**
Fund manager holdings by country		
South Africa	**2 163 630 677**	**63.07**
United States	**448 781 193**	**13.08**
United Kingdom	**167 265 370**	**4.88**
Japan	**50 020 224**	**1.46**
Singapore	**36 535 477**	**1.06**
Rest of Europe	**86 697 628**	**2.53**
Rest of World	**47 864 674**	**1.40**
Non-institutional and below threshold (<100K shares)	**429 991 823**	**12.52**
Total	**3 430 787 066**	**100.00**

Distribution of shareholders (number of shares)



Fund manager holding by country (number of shares)



Social, Ethics and Transformation Committee report

The Social, Ethics and Transformation (SET) Committee continues to provide oversight which ensures that Growthpoint carries out its statutory obligations relating to social and economic development, good corporate citizenship, commitment to transformation, the environment including climate change, health and safety, labour and employment. This is in line with the responsibilities set out in section 72 of the Companies Act, No 71 of 2008, as amended and regulation 43 of the Companies Regulations, 2011, issued in terms of the Act and international benchmarks.

1. Committee initiatives

1.1 Environmental, social and governance (ESG)

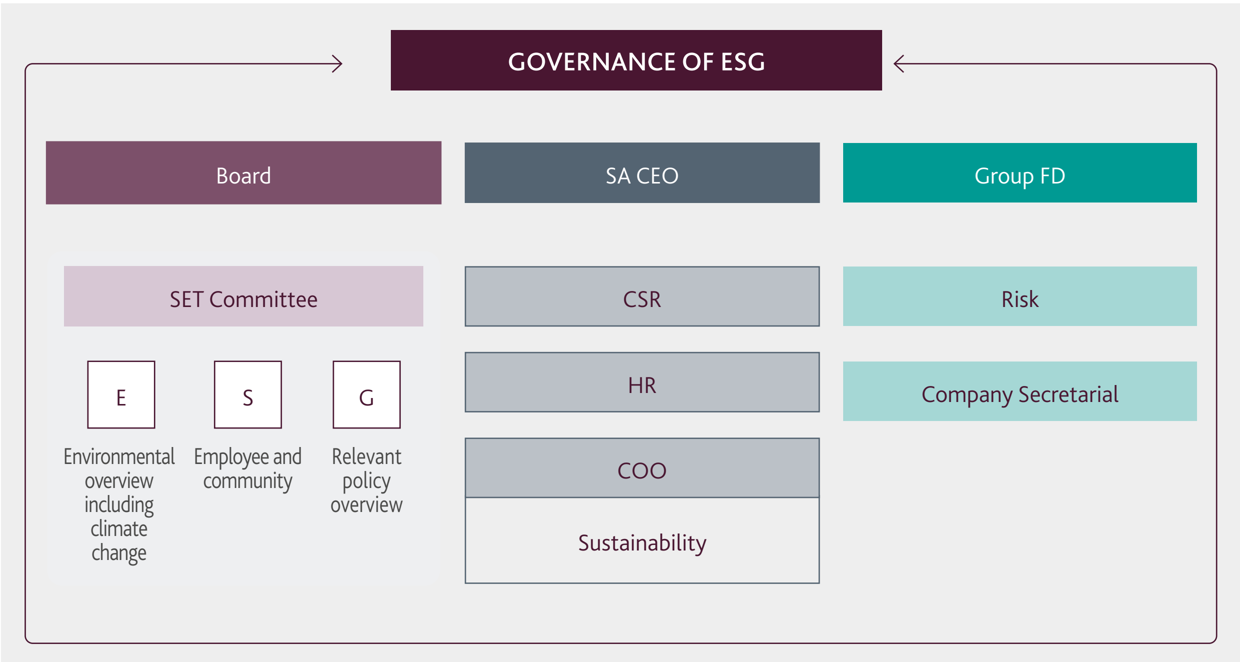
We worked to further embed our ESG strategy within the business and improved several policies by including environmental and social elements.

ESG position statement

With integrity, ethics and our values guiding our governance, we have provided space to thrive in environmentally sustainable buildings while improving the social and material wellbeing of individuals and communities.

Governance of ESG

Growthpoint prides itself on applying a high level of governance. This is also demonstrated in the way ESG is governed. The infographic illustrates the primary workflow and responsibilities of ESG matters within the business.

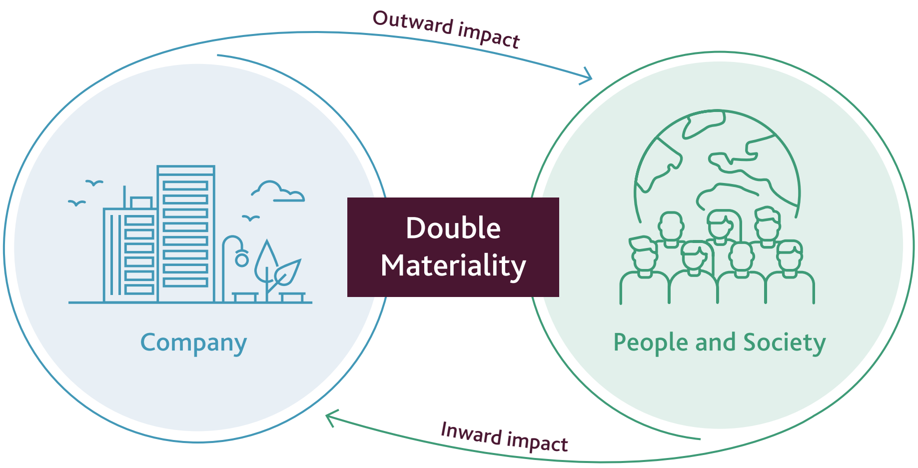


Value proposition

- Corporate responsibility
- Futureproof assets and tenant benefit
- Value beyond compliance
- Investor requirements
- Legal compliance
- Risk management.

Environmental	All buildings within direct control of the organisation to operate at net zero carbon by 2030 and all buildings by 2050.
Social	**Labour** Endeavour to create a positive work experience for each of our employees while protecting the interests of the organisation and ensuring that it meets its objectives. **Community** Driving sustainable impact for the communities in which we operate. Our core focus areas have been supporting education initiatives, entrepreneurship development and staff engagement.
Governance	To give all stakeholders confidence that Growthpoint is a well-governed and well-conducted business.

The committee embraces the JSE disclosure recommendations of double materiality. Growthpoint is acutely aware of its role and impact on both the environment and the communities that it interacts with.



1.2 Environment

We have an environmental policy that guides our activities in several key areas, namely climate change, carbon emissions, biodiversity, energy sourcing, renewable energy generation, water and waste. We continue to pursue our policy of "value creation through sustainability" and apply this with our six-step sustainable change governance framework.

In line with our strategy, we have set relevant targets for our business which are impactful for Growthpoint and our tenants. Our goal is to benefit the natural environment and the societies where we operate. As part of developing our environmental approach, we are working towards a target of being carbon neutral by 2050. The climate risk assessment undertaken informed our areas of focus that contribute to safeguarding our assets as well as improving the tenant experience through risk mitigation efforts.

Social, Ethics and Transformation Committee report continued

Priorities and targets:
- Energy efficiency
- Green building certification
- Renewable energy investment
- Net zero carbon buildings carbon neutral pathway
- Waste: aero organic waste to landfill
- Waste: audit waste service providers
- Refrigerant management
- Water efficiency
- Water: borehole registration
- Biodiversity
- Green building guidelines for Growthpoint and the property sector
- Energy Performance Certificate compliance.

Growthpoint has long been committed to ensuring responsible operations when it comes to our impact on the environment.

1.3 Social and economic development

During the period under review, Growthpoint invested R51m (FY21: R47.9m) in corporate social responsibility (CSR) initiatives. Growthpoint's societal purpose is to make a sustainable impact in creating an inclusive society where we as a business have taken up the responsibility to play an active role in making a difference for both communities at large as well as our staff. Our humanitarian initiatives include support of communities post the July 2021 riots and aiding victims of flooding in KwaZulu-Natal.

We use our resources to work with historically disadvantaged communities to encourage more social inclusiveness. Growthpoint's approach towards corporate social responsibility has always focused on driving sustainable impact for the communities in which we operate. Our core focus areas consistently support education initiatives, entrepreneurship development and staff engagement.

Pillar	Targeted level/area of impact	Our investment and focus	Beneficiary organisations	Outcomes
Education	Early childhood development	R4.5m Rental subsidies, teacher training and development	Scatterlings Education Africa Fieldband Ntataise Lowveld Midlands Community College Alladin	Qualified and competent ECD practitioners trained for under-resourced communities
	Primary school	R7.8m Literacy and numeracy performance scholarships	Growsmart Growthpoint GEMS	Wider reach of literacy and numeracy programmes Better quality education for our staff's children
	Secondary school	R3.5m Maths and science performance and career exposure	PROTEC Christel House Growthpoint GEMS	Ensure that supported students produce quality matric results
	Tertiary	R4.5m Formal qualifications	Bursary programme Growthpoint GEMS SAPOA bursary fund	Provision of formal qualifications to make a meaningful contribution to the world of work
	Skills development	R1.4m Property-related training	React training National Business Initiative	25 youth have been trained in artisan skills
Staff engagement	Staff volunteerism through our G-Squared initiative	R0.7m	Engaged staff volunteering in their communities	Various community projects Covid-19 relief
Enterprise and supplier development	Entrepreneurship development Economic inclusion Job creation	R21.3m	Property Point SME development in Gauteng, Western Cape, KwaZulu-Natal and North West	R9.7bn cumulative access to markets 848 jobs sustained 74 full-time jobs created

Note: The cost quoted in the table above excludes operational costs.

Our societal purpose is intrinsically linked to our long-term sustainable impact within the business and community engagement. Our purpose is to ensure that our corporate responsibility is based on:

1.4 Transformation

Growthpoint is committed to transformation and, as is the case in a time of uncertainty, commitments are often challenged. The Covid-19 pandemic has placed pressure on Growthpoint's commitment and response to socio-economic and transformation challenges. Transformation at Growthpoint extends beyond a tick-box or scorecard exercise but is a strategic imperative reinforced by interventions to bring about real change and impact. We have proved this by attaining a level 1 B-BBEE rating on the property sector charter scorecard. As per our transformation strategy, we continue to identify the gaps within the scorecard and implement necessary mitigating actions to maintain an optimal score. The intention is for us to disclose an updated transformation strategy when the new Property Sector Charter Codes have been gazetted. We are awaiting feedback from the Property Sector Council about when this will happen. Growthpoint has submitted its annual B-BBEE compliance report to the B-BBEE Commission and the JSE in terms of the B-BBEE Act and the report is available on the company's website.

1.5 Human resources (HR)

Our HR team strives to manage the organisation's talent and ensure Growthpoint's sustainability through employee development, succession management and transformation. Our objective is to create a positive work experience for each employee while protecting the organisation's interests and meeting its objectives. We continually work to make Growthpoint an employer of choice. We achieved this objective while complying with various legislation which impacts our people and our business, including the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, the Skills Development Act and others.

Employee statistics

	FY22
Number of employees	**640**
– full-time employees	**606**
– contractors	**34**
Net property income per employee (Rm)	**10.03**
Average tenure of employees (years)	**8**
Annualised attrition rate for full-time and contracted employees (%)	**8.3**
Average age of employees (years)	**45**
Minimum CTC – lowest level of employee (R)	**135 000**
Total cost of employee training (Rm)	**8.4**

Social, Ethics and Transformation Committee report continued

1.6 Health and safety and insurable risk

We have a dedicated Health and Safety Forum that proactively monitors and reports concerns to ensure that our work environment remains incident free as far as possible. There is an ongoing focus to protect the lives of our employees and ensure their working environment is safe and comfortable. The Occupational Health and Safety Act (OHSA), No 85 of 1993 is top of mind and our compliance with all elements of the national health and safety regulations and requirements remains non-negotiable.

Growthpoint undertakes all its activities in accordance with our Health and Safety Policy, which is aligned with the OHSA. This policy is for the health and safety of our employees at work. Proactive risk management incorporates, among other things, the following:

Day-to-day operations

Risk Information Management System (RIMS)

An online software programme focused on property operations, which facilities management personnel complete for each building, on a quarterly basis. The results are analysed to identify issues that need management's attention.

Risk Officer

A dedicated Risk Officer ensures compliance with building and fire compliance regulations as well as the OHSA by:
- Regularly performing independent visits to buildings
- Liaising with tenants when conducting building inspections
- Liaising with facilities and property management personnel
- Liaising with insurers.

Independent insurer reviews

Growthpoint's insurers undertake inspections of buildings each year to ensure that the insurable cover is commensurate with the insurable risk that they have underwritten.

1.7 Governance

Growthpoint remains committed to operate in a manner consistent with the following national and international guidelines and best practices:
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- The 10 principles set out in the United Nations Global Compact
- The Organisation for Economic Co-operation and Development's (OECD) anti-corruption guidelines
- International Labour Organization (ILO) protocol on decent work and working conditions
- The Employment Equity Act, No 55 of 1998
- The Broad-Based Black Economic Empowerment Act, No 53 of 2003
- AA1000 Accountability Principles of Inclusivity
- International Standard ISO 14064-3 – specification with guidance for the validation and verification of greenhouse gas assertions.

All business practices are conducted in an ethical manner and in adherence with the South African legislation. These guidelines and best practices are set out above. In fulfilling its functions, the SET Committee has received and reviewed reports detailing Growthpoint's compliance with international guidelines and best practices as well as South African legislation.

1.8 Human rights practices

Growthpoint believes human rights are sacrosanct and is committed to upholding them, including the right to freedom from discrimination of any kind. Our human rights policy statement is in line with South Africa's constitution, we do not tolerate any form of hate speech and we believe every individual has the right to live the way they choose. Furthermore, our commitment to human rights includes respect for indigenous rights. We do not prohibit employees from freedom of association. We stand against child labour and forced labour and all our employees are aged 18 years or above.

1.9 Anti-corruption, ethics and compliance

The Code of Ethics aims to ensure that Growthpoint conducts its business in line with the highest ethical standards. The statement seeks to ensure compliance with relevant legislation and regulations in a manner that is beyond reproach.

Growthpoint has formulated an ethics strategy and formalised an Ethics Committee to oversee the implementation of the strategy. In the year under review, the terms of reference for the SET Committee were reviewed to make the committee's responsibilities for ESG more specific. Several policies must be read in conjunction with the Code. An essential feature of the strategy is creating awareness of these codes and policies among employees and new entrants via various platforms. Monitoring and reporting to the Board will be via the committee with Internal Audit providing assurance to the Audit Committee on the effectiveness of the ethics function.

Additional information on our approach to ethics can be found in the infographics on the governance structure and the governance of organisational ethics on page 107 of the IAR.

PROXY FORM

To be completed by only certificated and own-name shareholders of Growthpoint Properties Limited (Growthpoint)

I/We (Name in block capitals):

of (Address in block capitals):

being the registered holder of ordinary shares in Growthpoint, hereby appoint

of or failing him/her

of or failing him/her

of or failing him/her

the chairman of the meeting, as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the annual general meeting of the company to be held by either electronic participation or in-person attendance at The Place, 1 Sandton Drive, Sandown, Sandton, 2196 on Tuesday, 29 November 2022 at 09:00 or at any adjournment thereof, as follows:

Resolutions		In favour of	Against	Abstain
1.1	Election of Directors appointed by the Board			
1.1.1	Mrs EA Wilton (Independent Non-executive Director)			
1.1.2	Mr CD Raphiri (Independent Non-executive Director)			
1.2	Re-election of Non-executive Directors who are to retire at the meeting and hold themselves available for re-election			
1.2.1	Mr FM Berkeley			
1.2.2	Mr JA van Wyk			
1.3	Election of Audit Committee members			
1.3.1	Mr M Hamman			
1.3.2	Mr FM Berkeley (subject to the adoption of resolution 1.2.1)			
1.3.3	Mrs KP Lebina			
1.3.4	Mr AH Sangqu			
1.3.5	Mr CD Raphiri (subject to the adoption of resolution 1.1.2)			
1.4	Re-appointment of EY as external auditor and Ms J Fitton as engagement partner			
1.5.1	Advisory, non-binding approval of remuneration policy			
1.5.2	Advisory, non-binding approval of remuneration policy's implementation			
1.6	To place the unissued authorised ordinary shares of the company under the control of the Directors			
1.7	Specific and exclusive authority to issue ordinary shares to afford shareholders distribution reinvestment alternatives			
1.8	General but restricted authority to issue shares for cash			
1.9	To receive and accept the report of the Social, Ethics and Transformation Committee			
2.1	Special resolution: Approval of Non-executive Directors' fees for financial year ending 30 June 2023			
2.2	Special resolution: Financial assistance in terms of section 45 of the Companies Act			
2.3	Special resolution: Authority to repurchase ordinary shares			

My/our proxy has been instructed to vote in accordance with my/our wishes as indicated by the placing of a cross in the appropriate space above. Unless so instructed, my/our proxy may vote as he/she thinks fit.

Signed at this day of 2022

Signature/s of member/s

Telephone No Cell number Fax number

(State area code)

NOTES TO THE PROXY FORM
(WHICH INCLUDES A SUMMARY OF RIGHTS ESTABLISHED BY SECTION 58 OF THE COMPANIES ACT 2008, AS AMENDED)

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the company. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such shareholder may attend the AGM in person and vote thereat, to any exclusion of the appointed proxy.
2. A proxy form is provided with the report containing this notice. Additional proxy forms are obtainable from the company's Transfer Secretaries or may be reproduced by photocopying the proxy form provided in the report.
3. The "record date" for the meeting in terms of section 62(3)(a) of the Companies Act shall be Friday, 18 November 2022.
4. All proxy forms or other instruments of authority must be deposited with the Transfer Secretaries, JSE Investor Services (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, PO Box 4844, Johannesburg, 2000, telephone: 011 713 0800, email: info@jseinvestorservices.co.za so as to be received before the appointed time for the holding of the meeting (excluding Saturdays, Sundays and public holidays) but for the sake of administrative good order shareholders are kindly requested to consider submitting their proxy forms by 12:00 on Friday, 25 November 2022.
5. If you are a certificated Growthpoint shareholder or an own-name dematerialised Growthpoint shareholder and are unable to attend the AGM of Growthpoint shareholders to be held at 09:00 on Tuesday, 29 November 2022 (the Growthpoint AGM), but wish to be represented thereat, you must complete the proxy form attached hereto in accordance with the instructions therein and return it to the Transfer Secretaries, JSE Investor Services (Pty) Ltd, 13th Floor, 19 Ameshoff Street, Braamfontein, PO Box 4844, Johannesburg, 2000, telephone: 011 713 0800, email: info@jseinvestorservices.co.za so as to be received by the time of the meeting but preferably beforehand as proposed in item 4 above.
6. If you are a beneficial owner of dematerialised Growthpoint ordinary shares and are not an own-name dematerialised Growthpoint shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the Growthpoint AGM in order for them to vote in accordance with your instructions. If you wish to attend the Growthpoint AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Growthpoint shareholder (who is not an own-name dematerialised Growthpoint shareholder) and the CSDP or broker.
7. It is a requirement in terms of section 62(3)(e)(iii) of the Companies Act, that attendees and/or participants at shareholders' meetings must provide satisfactory identification. A valid ID document, valid passport or driver's licence produced upon arrival for the meeting and before signing of the attendance register at the meeting will be acceptable.

ELECTRONIC PARTICIPATION FORM

To be completed by shareholders who wish to participate electronically:

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication (participants) must deliver the form (the application) to TMS (Pty) Ltd via email to proxy@tmsmeetings.co.za.
2. Participants will be able to vote during the AGM through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the general meeting, must provide TMS (Pty) Ltd with the information requested below.
3. Each shareholder who has complied with the requirements below will be contacted between 21 November 2022 and 25 November 2022 via email/mobile with a unique link to allow them to participate in the virtual meeting.
4. The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her service provider.
5. The cut-off time, for administrative purposes, to participate in the meeting will be 11:00 on 18 November 2022.
6. The participant's unique link will be forwarded to the email/cell number provided below.

Application form
Name and surname of shareholder
Name and surname of shareholder representative (if applicable)
ID number
Email address
Telephone number
Name of CSDP or broker
Number of shares
IF SHARES ARE HELD IN DEMATERIALISED FORMAT
SCA number or broker account number
Signature
Date

Terms and conditions for participation in the Growthpoint AGM via electronic communication

1. The participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Growthpoint Properties Limited and TMS (Pty) Ltd against any loss, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against Growthpoint, the JSE Limited and TMS (Pty) Ltd, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunications lines/webcast/web-streaming to the general meeting.
2. Participants will be able to vote during the general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the general meeting, must act in accordance with the requirements set out above.
3. Once the participant has received the link, the onus to safeguard this information resides with the participant.
4. The application will only be deemed successful if the application form has been completed and fully signed by the participant and emailed to TMS (Pty) Ltd at proxy@tmsmeetings.co.za. TMS (Pty) Ltd can also be contacted on +27 11 520 7951/0/2.

ABBREVIATIONS

AFFO	Adjusted funds from operations
ABET	Adult basic education and training
ACTSA	Association of Corporate Treasurers of Southern Africa
Acucap	Acucap Properties Limited
AdmedGap	Hospitalisation gap cover
AFS	Annual financial statements
AGM	Annual general meeting
AI	Artificial intelligence
AIM	Alternative investment market of the London Stock Exchange
Alsi 40	JSE/Actuaries All Share Top 40 Companies Index
ADI	APN Industria Reit
A-REIT	Australian Real Estate Investment Trust
ASIB	Automatic Sprinkler Insurance Bureau
ASISA	Association for Savings and Investment South Africa
ASX	Australian Stock Exchange
AUD	Australian Dollar
B-BBEE	Broad-based black economic empowerment
BCi	RMB/BER Business Confidence Index
BER	Bureau for Economic Research
BOE	Bank of England
BPO	Business process outsourcing
BPR	Best practice recommendations
bps	Basis points
c.	circa
CAGR	Compound annual growth rate
CCI	Consumer Confidence Index
CCIRS	Cross-currency interest rate swap
CDIO	Chief Development and Investment Officer
CDP	Carbon Disclosure Project
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CGU	Cash-generating unit
CIPC	Companies and Intellectual Property Commission
COBIT	Framework for the governance and management of IT

CO_2	Carbon dioxide
COO	Chief Operating Officer
CPI	Consumer price index
CPLI	JSE 100 Carbon Performance Leadership Index
CRAR	Commercial rent arrears recovery
CRISA	Code for Responsible Investment in South Africa
CRM	Customer relations management
CSI	Corporate social investment
CSOS	Community Schemes Ombud Service Act
CSR	Corporate social responsibility
CSSA	Chartered Secretaries South Africa
C&R	Capital & Regional Plc
CVA	Company voluntary agreements
DFI	Development finance institutions
DIA	Debts Issuers Association
DIPS	Distributable income per share
DJSI	Dow Jones Sustainability World Index
DPS	Distribution per share
DRIP	Distribution reinvestment plan
DTIC	Department of Trade, Industry and Competition
EAAB	Estate Agency Affairs Board
EAP	Employee assistance programme
EBIT	Earnings before interest and tax
EBP	Existing building performance
ECD	Early childhood development
EE	Eastern Europe
EMTN	Euro Medium-Term Note
EPC	Energy Performance Certificate
EPRA	European Public Real Estate Association
ERM	Enterprise risk management
ERS	Executive retention scheme
ESG	Environmental, social and governance
EUR	Euro
EVP	Employer value proposition

EWP	Energy and water performance
FCTR	Foreign currency translation reserve
FECs	Forward exchange contracts
FTSE/JSE RI	FTSE/JSE Responsible Investment Index
FFO	Funds from operations
FY	Financial year
FX	Forex
G2	Growthpoint gives
GAI	Governance assessment instrument
GAV	Gross asset value
GBCSA	Green Building Council of South Africa
GBP Sterling	Pounds sterling
GCTC	Guaranteed cost to company
GDP	Gross domestic product
GEPF	Government Employees Pension Fund
GHPH	Growthpoint Healthcare Property Holdings (RF) Limited
GIAP	Growthpoint Investec African Properties
GLA	Gross lettable area
GMF	GPT Metropolitan Office Fund
GOZ	Growthpoint Properties Australia Limited
GRI	Global Reporting Initiative
GWI	Globalworth Real Estate Investments Limited
Group Exco	Group Executive Management Committee
Growthpoint	Growthpoint Properties Limited
GRESB	Global Real Estate Sustainability Benchmark
GSAH	Growthpoint Student Accommodation Holdings (RF) Limited
GSIS	Growthpoint Staff Incentive Scheme
HHTS	Healthy Heads in Truck & Sheds
IAR	Integrated annual report
IAS	Investment Analysts Society
IASB	International Accounting Standards Board
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
Income Tax Act	Income Tax Act, No 58 of 1962

IoD	Institute of Directors
IoT	Internet of things
IDR	Industria REIT
INREV	European Association for Investors in non-listed Real Estate Vehicle
ISO	International Organisation of Standards
ITO	IT outsourcing
IT	Information technology
IT&C	Information technology and communications
ITS	Integrated transformation strategy
JCCI	Johannesburg Chamber of Commerce and Industry
JIBAR	Johannesburg Interbank average rate
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	Listings Requirements of the JSE Limited
JV	Joint venture
King IV™	King IV Report on corporate Governance for South Africa 2016
KPA	Key performance area
KPI	Key performance indicator
kWh	Kilowatt hours
LEED	Leadership in Energy and Environmental Design
Lango	Lango Real Estate Limited
Loadshedding	Electrical power outages
LTI	Long-term incentive
LTV	Loan to value ratio
Manco	Management Committee
MER	Managed expense ratio
MOCAA	Zeitz Museum of Contemporary Art Africa
MOI	Memorandum of Incorporation
Moody's	Moody's Investor Services
MSCI	Morgan Stanley Capital International
MWp	Megawatt peak
NABERS	National Australian Built Environment Rating System
NAV	Net asset value
NBI	National Business Initiative
NDR	Non-distributable reserve

ABBREVIATIONS *continued*

NGO	Non-government organisation
NPAT	Net profit after tax
NPI	Net property income
NRV	Net reinstatement value
NSFAS	National Student Financial Aid Scheme
NTA	Net tangible assets
OCI	Other comprehensive income
OHSA	Occupational Health and Safety Act No 85 of 1993
pa	Per annum
PI	Property Investment Group
PIC	Public Investment Corporation (SOC) Limited
PMS	Performance Management System
PoPIA	Protection of Personal Information Act
PV	Photovoltaic
QLFS	Quarterly labour force survey
RBA	Reserve Bank Australia
REIT	Real Estate Investment Trust
Remco	Human Resources and Remuneration Committee
RFP	Request for proposal
RIMS	Risk information management system
SA	Republic of South Africa
SA Exco	SA Executive Management Committee
SABS	South African Bureau of Standards
SARB	South African Reserve Bank
SA REIT	South African Real Estate Investment Trust
SAFMA	South African Facilities Management Association
SAIBPP	South African Institute of Black Property Practitioners
SANS	South African National Standards
SAPOA	South African Property Owners Association
SAPY	South African listed property index
SASRIA	South African Special Risk Insurance Association
SBTs	Science-based targets
SBPR	EPRA Sustainability Best Practices Recommendations
SENS	Securities Exchange News Service

SLA	Service level agreement
SME	Small medium enterprises
SOP	Standard operating procedure
STI	Short-term incentive
Sycom	Sycom Property Fund
tCO_2e	Tonnes of carbon dioxide emissions
The Act	Companies Act, No 71 of 2008
TCFD	Task Force Climate-related Financial Disclosure
TFR	Total fixed remuneration
TR	Total return
TRem	Total remuneration
The Board	The Board of Directors of Growthpoint Properties Limited
The company	Growthpoint Properties Limited
The Group	Growthpoint Properties Limited Group
TSR	Total shareholder return
UN SDG	United Nations Sustainable Development Goals
USD	United States Dollar
US	United States
V&A	V&A Waterfront
VAT	Value added tax
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WALE	Weighted average lease expiry
WAN	Wide area network
WCDE	Western Cape Department of Education
WHO	World Health Organisation
WSE	Warsaw Stock Exchange
WTTC	World Travel and Tourism Council
WULA	Water user licence application

DIRECTORATE AND ADMINISTRATION

Directors
R Gasant (Chairman)^
FM Berkeley^
NO Chauke (Human Resources Director)*
EK de Klerk (Chief Executive Officer South Africa)*
M Hamman^
KP Lebina^
SP Mngconkola
NBP Nkabinde^
CD Raphiri^
AH Sangqu (Lead Independent Director)^
LN Sasse (Group Chief Executive Officer)*
JA van Wyk^#
G Völkel (Group Financial Director)*
EA Wilton^

^ *Independent.*
* *Executive Directors.*
# *British.*

Sponsor
Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive, Sandown, Sandton, 2196
PO Box 785700, Sandton, 2146

Registered office
Growthpoint Properties Limited
(Registration number: 1987/004988/06)
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Company Secretary
WJH de Koker
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Management company
Growthpoint Management Services (Pty) Ltd
(Registration number: 2004/015933/07)
The Place, 1 Sandton Drive, Sandown, Sandton, 2196
PO Box 78949, Sandton, 2146

Audit Committee
M Hamman (Chairman)
FM Berkeley
KP Lebina
CD Raphiri
AH Sangqu

Standing attendees
The following parties attend or are represented at Audit Committee meetings:
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)
C de Wet (Group Financial Manager)*
Z Dziba (Head of Risk and Compliance)
N Moolman (Financial Manager)
SA Nizetich (Head of Internal Audit)
FJ Schindehütte (Chief Financial Officer South Africa)
C Shezi (Senior Assistant Company Secretary)
D Swarts (Group Financial Manager)
G Völkel (Group Financial Director)

Risk Management Committee
JA van Wyk (Chairman)
R Gasant
EA Wilton
KP Lebina

Standing attendees
The following parties attend or are represented at the Risk Management Committee meetings:
E Binedell (Chief Operating Officer South Africa)
D Bouma (Corporate Treasurer)
NO Chauke (Human Resources Director)
AL Davis (Chief Information Officer)
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)
Z Dziba (Head of Risk and Compliance)
N Moolman (Financial Manager)
SA Nizetich (Head of Internal Audit)
LN Sasse (Group Chief Executive Officer)
FJ Schindehütte (Chief Financial Officer South Africa)
C Shezi (Senior Assistant Company Secretary)
D Swarts (Group Financial Manager)
G Völkel (Group Financial Director)

By invitation
The external auditor, Ernst & Young Inc., attends or is represented at all regular meetings and *ad hoc* meetings as required of the Audit Committee, as well as Risk Management Committee.

Property and Investment Committee
FM Berkeley (Chairman)
M Hamman
SP Mngconkola
JA van Wyk

Standing attendees
The following parties attend or are represented at Property and Investment Committee meetings:
E Binedell (Chief Operating Officer South Africa)
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)
P Kollenberg (Head of Asset Management: Office)
S Mills (Management Accountant)
L Phetlho (Valuations Manager)
LN Sasse (Group Chief Executive Officer)
FJ Schindehütte (Chief Financial Officer South Africa)
N Schloss (Head of Asset Management: Retail)
C Shezi (Senior Assistant Company Secretary)
E Taylor (Head of Asset Management: Industrial)
G Völkel (Group Financial Director)

Social, Ethics and Transformation Committee

AH Sangqu (Chairman)
SP Mngconkola
NBP Nkabinde
CD Raphiri

Standing attendees

The following parties attend or are represented at Social, Ethics and Transformation Committee meetings:
NO Chauke (Human Resources Director)
G Cruickshanks (Head of Sustainability and Utilities)
WJH de Koker (Company Secretary)
P Engelbrecht (National Development Head)
C Rennison (Head of Procurement)
C Shezi (Senior Assistant Company Secretary)
SD Theunissen (Head of Corporate Social Responsibility)
N van der Bijl (ESG Manager)
G Völkel (Group Financial Director)

Governance and Nomination Committee

R Gasant (Chairman)
FM Berkeley
M Hamman
AH Sangqu
JA van Wyk
EA Wilton

Standing attendees

The following parties attend or are represented at Governance and Nomination Committee meetings:
LN Sasse (Group Chief Executive Officer)
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)

Human Resources and Remuneration Committee

EA Wilton (Chairman)
FM Berkeley
R Gasant
NBP Nkabinde

Standing attendees

The following parties attend or are represented at Human Resources and Remuneration Committee meetings:
NO Chauke (Human Resources Director)
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)
L Turner (Head of Investor Relations and Client Acquisition)
LN Sasse (Group Chief Executive Officer)
C Shezi (Senior Assistant Company Secretary)
G Völkel (Group Financial Director)
PwC (independent adviser to the committee)

Group Executive Committee of Management (Group Exco)

LN Sasse (Group Chief Executive Officer) (Committee Chairman)
E Binedell (Chief Operating Officer South Africa)
D Bouma (Group Treasurer)
NO Chauke (Human Resources Director)
EK de Klerk (Chief Executive Officer South Africa)
WJH de Koker (Company Secretary)
X Hlatshwayo (Group Legal Counsel)
G Muchanya (Head of Growthpoint Investment Partners)
L Turner (Head of Investor Relations and Client Acquisition)
G Völkel (Group Financial Director)

SA Executive Committee of Management (SA Exco)

EK de Klerk (Chief Executive Officer South Africa) (Committee Chairman)
E Binedell (Chief Operating Officer South Africa)
N Briers (Head of Marketing)
NO Chauke (Human Resources Director)
P Kollenberg (Head of Asset Management: Office)
FJ Schindehütte (Chief Financial Officer South Africa)
N Schloss (Head of Asset Management: Retail)
L Sigaba (Healthcare Fund Manager)
E Taylor (Head of Asset Management: Industrial)
SD Theunissen (Head of Corporate Social Responsibility)

Standing attendees

AL Davis (Chief Information Officer)
WJH de Koker (Company Secretary)
DS Stoll (Regional Head – Cape Town)
G Worst (Regional Head – Durban)

Standing invitees

All Group Exco members have a standing invitation to attend meetings of the SA Exco.

CONTACT DETAILS

Johannesburg office

Physical address:	The Place, 1 Sandton Drive, Sandown, Sandton, 2196
Postal address:	PO Box 78949, Sandton, 2146
Switchboard tel:	+27 (0) 11 944 6000
General fax:	+27 (0) 11 944 6005

Durban office

Physical address:	4th Floor, Lincoln On The Lake, 2 The High Street, Parkside Umhlanga Ridge, 4319
Postal address:	PO Box 1330, Umhlanga Rocks, 4320
Switchboard tel:	+27 (0) 31 584 5100
General fax:	+27 (0) 31 584 5110

Cape Town office

Physical address:	4th Floor, MontClare Place, Main Road, Claremont, 7700
Postal address:	PO Box 44392, Claremont, 7735
Switchboard tel:	+27 (0) 21 673 8400
General fax:	+27 (0) 21 679 8405/06

https://www.linkedin.com/company/growthpoint-properties-ltd

@growthpoint

https://www.youtube.com/c/GrowthPointBroadcast

GROWTHPOINT PROPERTIES

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