

4 November 2022

September 2022 Quarter Operational Update

The GPT Group ('GPT' or 'Group') today releases its operational update for the quarter ended 30 September 2022.

GPT's Chief Executive Officer, Bob Johnston, said: "GPT is well placed to deliver on earnings and distribution guidance for 2022.

"We have seen ongoing momentum across GPT's Retail portfolio this year, with Specialty sales now exceeding \$11,500 per square metre and portfolio leasing metrics continuing to strengthen. While rising interest rates and inflationary pressures are expected to begin to impact consumer spending, GPT's high quality portfolio is well positioned with strong sales productivity and high occupancy.

"Office lease enquiry improved over the quarter, although leasing conditions remain subdued with elevated market vacancy and larger occupiers continuing to evaluate future space requirements. High quality, sustainable buildings with distinctive spaces continue to be sought out by customers and the rollout of GPT's turnkey Premium Suite offering has been well supported by smaller tenants.

"Our Logistics portfolio is delivering strong results with robust levels of tenant enquiry and market vacancy rates at historic lows. We are making excellent progress in developing out our pipeline, with five Logistics projects scheduled to complete over the next 12 months.

"We continue to grow our Funds Management platform with the transition of management of the \$2.8 billion UniSuper direct real estate mandate completed on 1 September. We are currently progressing the transition of management of the \$2.6 billion AMP Capital Retail Trust (ACRT) portfolio to GPT, including the property management of Pacific Fair Shopping Centre, which is expected to complete by the end of the calendar year. Collectively this will see GPT's total assets under management grow to \$33 billion."

Retail

Leasing activity remained strong with 95 lease deals completed during the quarter. Specialty leasing spreads have continued to improve at -2.9% for the quarter (6 months to June 2022: -4.9%). Fixed base rents with annual average increases of 4.5% and an average lease term of 4.6 years were achieved on Specialty leasing deals. Retail portfolio occupancy was 99.4% at 30 September 2022 (June 2022: 99.3%).

Total Centre quarterly sales across the portfolio were up 8.9% and Total Specialty sales were up 11.2%, when compared to the same period in 2019 (prior to COVID). The continued recovery in the retail trading environment has seen portfolio Specialty sales productivity grow to over \$11,500 per square metre and rent collections averaged 108% of net billings for the September quarter.

GPT's CBD asset at Melbourne Central has continued to see an improvement with Total Specialty sales per square metre up 2.4% for the quarter against the same period in 2019 and is now approximately \$12,500 per square metre. Highpoint Shopping Centre's moving annual turnover (MAT) has grown to its highest ever level of \$1.07 billion at 30 September

2022, with Total Specialty sales productivity up 9.3% on the same quarter in 2019, to more than \$12,800 per square metre (sqm).

The GPT Wholesale Shopping Centre Fund (GWSCF) revalued five assets during the September quarter (100% of the portfolio). The overall valuation was largely unchanged with the weighted average capitalisation rate stable at 4.94%, and the discount rate softening 17 basis points to 6.30%.

Office

Office leasing activity remained subdued in the September quarter with tenants continuing to evaluate their space requirements as the adoption of hybrid work arrangements becomes more normalised. Total leasing of 27,700sqm¹ has been achieved since June, bringing total leasing, including Heads of Agreement (HoA), to 79,600sqm¹ for the calendar year to 31 October 2022 (June 2022: 51,900sqm¹). Incentives remain elevated, averaging approximately 35% for the deals completed.

Enquiries and inspections have increased in the quarter, particularly from smaller tenants seeking to upgrade to high quality, modern and sustainable spaces in prime locations. GPT's differentiated Premium Suites, and in particular the new turnkey space offering, have been well supported, with 41 suites leased including HoA since the beginning of this year.

Office portfolio occupancy at 30 September 2022 was 91.6% (June 2022: 92.0%) and the portfolio weighted average lease expiry (WALE) remains steady at 4.7 years.

The GPT Wholesale Office Fund (GWOF) revalued nine assets during the September quarter (44% of the portfolio). The overall valuation was largely unchanged with the weighted average capitalisation rate stable at 4.71%, and the discount rate softening 1 basis point to 5.84%.

Logistics

The Logistics market continues to exhibit strong fundamentals with robust momentum in occupier demand leading to very low levels of market vacancy and strong rental growth.

Since June, 45,300sqm of total leasing has been achieved, taking total leasing volume for the calendar year to 31 October 2022 (including HoA) to 273,300sqm (June 2022: 228,000sqm). This includes terms agreed across 33,200sqm of upcoming expiry at Yennora in Sydney, and a 6,700sqm HoA in place for the balance of the Group's underway development at Berrinba in Brisbane. Average face leasing spreads of approximately 9% have been achieved for deals completed during the calendar year to 31 October 2022.

Logistics occupancy was 98.4% at 30 September 2022 (June 2022: 98.7%) with a WALE of 6.3 years for the portfolio.

During the quarter, the first stage of the GPT QuadReal Logistics Trust's fund-through acquisition in Keysborough, Melbourne reached practical completion, with the 38,100sqm facility fully leased. Stage 2, an additional 22,800sqm facility, will complete in the first half of 2023.

¹ Based on GPT and GWOF ownership, Net Lettable Area.

The Group is making good progress on the delivery of the development pipeline, with five projects scheduled to complete by the end of 2023. Practical completion of Stage 3 Wembley Business Park, Berrinba and Stages 4 & 5 Gateway Logistics Hub, Truganina developments are delayed due to the impact of wet weather, with delivery now expected by February 2023.

Sustainability

ESG leadership is central to the Group's strategy of delivering long term value and positive outcomes for its customers, investors, people, communities and the environment. GPT was ranked first among 482 listed real estate companies in the S&P Global Corporate Sustainability Assessment, released in October 2022. The assessment is an important measure of ESG performance internationally.

The launch of GPT's first Smart Energy Hub during the quarter, located at GWSCF's Chirnside Park Shopping Centre, is further evidence of the Group's commitment to drive innovation and leading outcomes in environmental sustainability. The two megawatt-hour battery and 650 kilowatt solar array incorporate predictive load shifting technology which will enable reductions of up to 70% of peak electricity demand, reducing energy costs for the asset and enhancing the stability of the electricity grid during times of energy supply constraints. Chirnside Park will become GPT's first Climate Active carbon neutral certified shopping centre in December 2022.

2022 Guidance

GPT continues to expect to deliver 2022 Funds From Operations of approximately 32.4 cents per security and a distribution of 25.0 cents per security for the full year.

-ENDS-

Authorised for release by The GPT Group Board.

For more information, please contact:

INVESTORS AND MEDIA

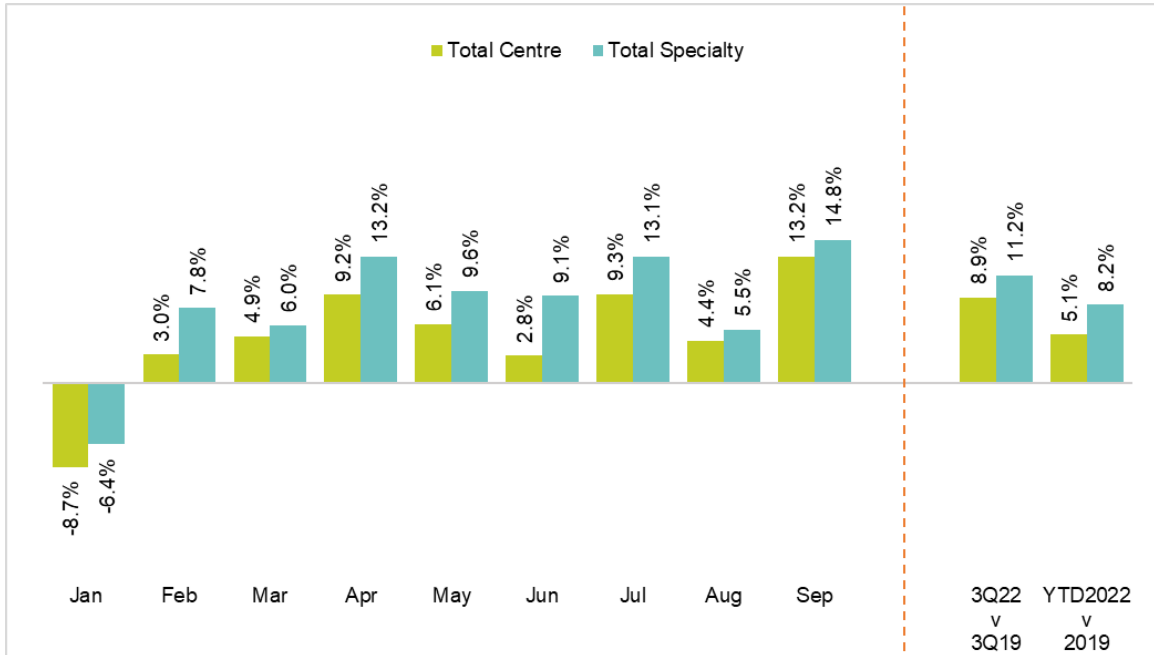
Penny Berger

Head of Investor Relations and Corporate Affairs

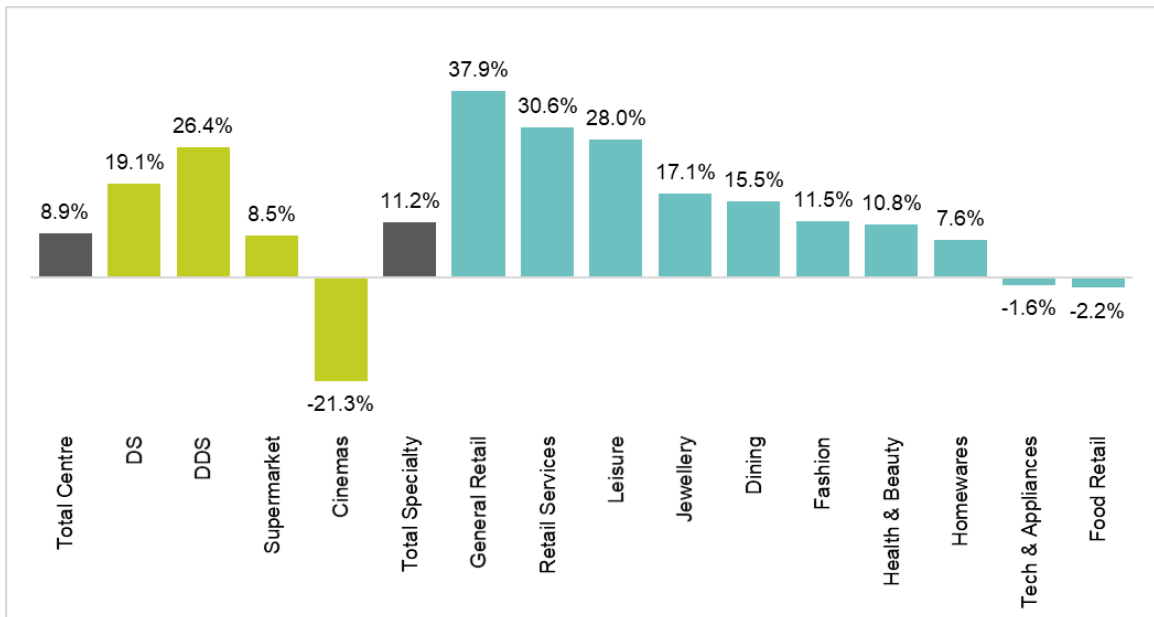
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APPENDIX 1 – RETAIL SALES

Total Centre Sales Growth – September 2022 vs September 2019 (YTD Monthly, Quarter, YTD)



Total Centre Sales Growth – September 2022 Quarter v September 2019 Quarter (By Category)



Note: Includes all categories, excludes divested assets Casuarina Square and Wollongong Central.

APPENDIX 1 – RETAIL SALES

Sales Performance By Centre for the 12 months to 30 September 2022

Asset	Ownership	Centre MAT	Comparable Centre MAT Growth	Comparable Specialty MAT Growth ¹	Specialty MAT ¹ (\$psm)	Specialty Occupancy Cost ¹
GPT PORTFOLIO						
Charlestown Square	100%	\$547.1m	6.1%	10.1%	\$11,934	14.3%
Highpoint Shopping Centre	16.7%	\$1,067.2m	36.6%	42.7%	\$12,052	16.8%
Melbourne Central Retail	100%	\$458.2m	65.4%	70.7%	\$11,117	20.3%
Rouse Hill Town Centre	100%	\$573.4m	26.0%	33.0%	\$12,039	12.7%
Sunshine Plaza ²	50%	\$736.4m	9.6%	11.4%	\$10,896	16.0%
Westfield Penrith ²	50%	\$633.1m	23.7%	29.0%	\$12,031	17.9%
GWSCF PORTFOLIO						
Chirside Park	100%	\$320.5m	11.8%	7.0%	\$12,856	14.8%
Highpoint Shopping Centre	83.3%	\$1,067.2m	36.6%	42.7%	\$12,052	16.8%
Macarthur Square	50%	\$670.6m	25.7%	30.5%	\$9,657	14.8%
Northland Shopping Centre ²	50%	\$574.0m	25.0%	33.1%	\$9,615	14.9%
Parkmore Shopping Centre	100%	\$262.4m	13.6%	24.4%	\$10,157	14.1%
GPT Weighted Total		\$3,038.0m	24.3%	30.6%	\$11,535	16.1%

1. Represents Specialty tenancies less than 400sqm.
2. Analysis provided by External Manager.