

10 May 2023

## The GPT Group 2023 Annual General Meeting

The GPT Group ('GPT') provides the following documents in respect of the 2023 Annual General Meeting ('AGM') being held today at the Swissotel at 10.00am (Sydney time):

1. Chairman's Address
2. CEO and Managing Director's Speech
3. Presentation slides

The AGM will be webcast, and can be viewed by using the following link:

<https://meetings.linkgroup.com/agm/GPT2023/register>

-ENDS-

Authorised for release by The GPT Group's Company Secretary, Emma Lawler.

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**Chairman's  
and  
CEO and Managing Director's  
Addresses  
for  
The GPT Group 2023 Annual General Meeting  
(including presentation)  
10 May 2023**

## Chairman's Address

Good morning ladies and gentlemen.

My name is Vickki McFadden and I am the Chairman of The GPT Group and on behalf of my fellow directors, I welcome you to our 2023 Annual General Meeting.

Before we commence I acknowledge the traditional custodians of this land on which we are meeting today, the Gadigal People of the Eora Nation, and pay our respects to Elders past, present and emerging.

I am advised by the Company Secretary that we have a quorum present and I declare the meeting open.

Joining me for the meeting today is your Board of Directors, seated on my far left Mark Menhinnitt, Tracey Horton AO, Robert Whitfield AM and Michelle Somerville. From my far right, Anne Brennan, Shane Gannon, Marissa Bendyk our General Counsel and Company Secretary, and GPT's CEO and Managing Director, Bob Johnston.

Also present is the GPT Leadership Team who will be available after the meeting if you would like to speak with them in person.

Debbie Smith the Lead Partner of the Group's external auditors, PwC is also in attendance along with Sue Horlin, the outgoing Lead Partner. They are available to answer any specific questions you may have on the audited financial statements.

I am pleased to report that despite the challenges we faced in 2022, transitioning from COVID-19 impacts to an environment of rapidly rising interest rates and economic uncertainty, GPT delivered growth in Funds From Operations (FFO) of approximately 12 per cent to \$620.6 million and growth in distributions of approximately 8 per cent to 25.0 cents per security.

A highlight for 2022 was the growth in funds under management. GPT was selected by UniSuper to manage a \$2.8 billion direct real estate portfolio comprising six high quality assets including Karrinyup Shopping Centre in Perth. In addition, we were appointed as the manager of the \$2.7 billion Australian Core Retail Trust by Cbus Property and UniSuper which holds major investments in Pacific Fair Shopping Centre in Queensland and Macquarie Centre in Sydney. These mandates increased GPT's funds under management to approximately \$19 billion and increased assets under management to \$32.4 billion. These appointments are testament to the quality of our retail platform, our governance processes and the culture we have at GPT.

Overall portfolio occupancy was maintained at 97.5 per cent.

The Group continued to expand into the logistics sector which now represents 28 per cent of our investment portfolio. We have seen strong demand and rental growth, and we will further expand our position in this sector through development.

The retail sector has seen a strong recovery, including Melbourne Central which was our most impacted asset during COVID. While we expect rising interest rates to have an impact on retail spend, we believe our Retail portfolio is well positioned with high occupancy and quality tenants.

The office sector has been more challenging as businesses remain cautious about space requirements due to hybrid working arrangements and slower economic conditions. Bob will speak further on how we are addressing this in a few moments.

Given the macro-economic uncertainties, the Board and management continued to exercise a prudent approach to capital management during the year. Gearing at year end was 28.5 per cent, well within our target range of 25 to 35 per cent. Our debt maturity profile has been conservatively managed with a weighted average term to maturity of 6.2 years at 31 December 2022. Hedging of interest rates was also materially increased during the year to increase protection against interest rate uncertainty.

A fundamental part of GPT's strategy is to be a leader in ESG, and I am pleased to report that GPT was ranked first among more than 800 listed real estate companies in the 2022 S&P Global Corporate Sustainability Assessment.

We also retained the highest rating by GRESB of 5-Star Green Star and we are targeting to achieve Climate Active Carbon Neutral certifications for all assets that we operationally control and in which we have an ownership interest, by the end of next year. Furthermore, in August we completed Australia's first development that has been certified by Climate Active as being upfront embodied carbon neutral. We are pleased with the progress we are making with environmental sustainability and this will remain a focus for the Group.

An inclusive and respectful culture and environment where people feel that it is safe to speak up are also important priorities for the Group and our 2022 engagement survey results pleasingly supported our desired culture.

We continued our progress towards our diversity, inclusion and equity targets during 2022, and in recognition of our efforts we were awarded our fourth consecutive Employer of Choice for Gender Equality citation from the Workplace Gender Equality Agency (WGEA) in 2021-2023.

Additionally, GPT was ranked within the top 10 global organisations by Equileap in its global report on gender equality.

Corporate governance and effective risk management are central to the way we operate at GPT. Tracey Horton AO, Chairman of the Human Resources & Remuneration Committee, and I met with a number of Securityholders over recent weeks to discuss Group performance, our approach to remuneration and general governance matters.

In terms of executive remuneration, the FFO growth target for 2022 was achieved along with other strategic objectives including growth in funds under management. This resulted in STI (short term incentive) awards in the range of 64 per cent to 72 per cent of maximum for KMP (Key Management Personnel). There were no Long Term Incentive plans that vested in 2022, as the 2020 plan was withdrawn given restraints we adopted with the impact of COVID-19. Further details of our remuneration are set out in the Group's remuneration report which can be found in our 2022 Annual Report on our website.

Each year the Board completes a review of its performance. This year the review was externally facilitated and while there is always room for improvement, I am pleased to report the review was very positive.

Shane Gannon was appointed to the Board earlier this month as part of our ongoing Board renewal process and is standing for election at today's meeting. Shane is an experienced senior financial and property executive and brings to GPT extensive and complementary experience to our Board and we look forward to his valuable contribution to the Group. Shane stands for election today with the full support of the Board.

Michelle Somerville is retiring from the Board at the conclusion of today's AGM. Michelle has been a Director of GPT since 2015 and has made a significant contribution to the Board and in particular as the Chairman of the Audit Committee during her tenure. We would like to thank Michelle for her valuable contribution to GPT and wish her the very best with her future endeavours.

On 10 February, the Group announced that Bob Johnston, our CEO, intends to retire by the end of this year. A formal CEO search process has commenced to select a suitably qualified successor with the right leadership skills and experience to succeed Bob. We are very grateful to Bob for agreeing to continue as CEO until the commencement of his successor and to work closely with the Board to ensure a smooth transition.

While we do not know the exact date when Bob will retire, this will be Bob's last AGM as CEO and Managing Director of GPT. I would like to say a few words today about Bob's outstanding stewardship of the Group during his tenure as CEO. Bob brings to GPT a wealth of experience in the Australian property landscape with inclusive and considered leadership. Bob captures the essence of our GPT purpose of caring for our people, place and planet. On behalf of the directors and management and all stakeholders of GPT, I wish to express our sincere appreciation and gratitude for your committed leadership of GPT and your contribution to the successful organisation that The GPT Group is today.

There is no doubt there is a good deal of uncertainty given the current macro-economic backdrop. However GPT has an experienced Board and management team, a prudent approach to capital management and a high quality portfolio to continue to deliver results for Securityholders.

In closing I would like to acknowledge the dedication of the management team, our employees, and my Board colleagues and thank them for their hard work and commitment.

Finally, I thank our Securityholders for their continued support of GPT.

I now invite our CEO and Managing Director, Bob Johnston, to address the meeting.

## CEO and Managing Director's Address

Thank you Chairman and good morning everyone.

I would also like to acknowledge the Gadigal People of the Eora nation, and pay my respect to elders, past, present, and emerging. GPT's inaugural reconciliation action plan was launched in 2015 and we are now on our third reconciliation plan which will guide our work for ongoing recognition and engagement with First Nations people across our business activities.

As the Chairman touched on, 2022 was certainly a year defined by the rapid change in the macro-economic settings including a sharp rise in interest rates. This has created uncertainty for asset valuations and a material increase in interest costs for the Group. Despite these headwinds, the Group delivered on the FFO and distribution guidance we provided at the start of 2022. FFO was up 12.4 per cent per security and distributions were up 7.8 per cent per security.

In December we had all our investment assets revalued which resulted in a \$159 million decline in the value of our investment property portfolio, and a Net Profit after Tax for the 2022 full year of \$469 million.

Asset valuations continue to be a focus for the Board and management, particularly given the level of discount that the listed market is applying to AREITs including GPT. Transaction activity is expected to increase over the coming six months and this should provide greater market evidence particularly for office valuations. We intend to have all our investment property assets independently revalued again as at 30 June.

The Group has a high quality diversified portfolio and we continued to execute on our strategic priorities during the year. Our priorities include; Optimising our Investment Portfolio, Growth in Funds Management, Exceeding Customer Expectation and Leadership in ESG.

We continued to allocate capital to the logistics sector through activating our Logistics development pipeline and advanced plans for the proposed expansion of the Rouse Hill Town Centre. We completed lobby and building upgrades for a number of Office assets and we have continued to have a strong focus on the customer experience with GPT.

A key highlight for 2022 was the increase in funds under management with the addition of the UniSuper direct real estate mandate and the Australian Core Retail Trust. We are delighted to have been awarded these opportunities and this is testament to the quality of the management platform, our culture and our best-in-class governance. These new mandates increase our total funds under management to \$19.1 billion and total assets under management to \$32.4 billion. Further growth in Funds Management is a key part of the Group's long-term strategy.

GPT's Retail assets under management now total \$13.0 billion and our Retail portfolio delivered comparable income growth of 4.5 per cent in 2022.

Our Retail team worked exceptionally hard over the last two years in challenging conditions to ensure our assets were well positioned for the post-COVID recovery.

Occupancy in our Retail portfolio is above 99 per cent and Total Centre sales growth for the March quarter was up 16.5 per cent on the March quarter last year, which is a great outcome and demonstrates the resilience and quality of our assets. Rent collection for the first quarter was 100 per cent of billings.

Retail leasing activity remains strong, resulting in 215 lease deals being achieved during first quarter of this year. Specialty leasing spreads for the quarter are up 4.0 per cent, and new deals have rental increases which average 4.7 per cent per annum and an average term of 4.9 years.

The performance of Melbourne Central continues to improve, benefiting from the progressive return of office workers, students and tourists to the Melbourne CBD. The asset remains one of the country's leading retail destinations and continues to attract strong demand from retailers.

While higher interest rates and inflationary pressures are expected to moderate sales growth over the course of this year, our high quality Retail portfolio is well positioned with high occupancy and strong sales productivity.

GPT's Office assets under management now total \$14.7 billion and our Office portfolio delivered comparable income growth of 3.4 per cent in 2022.

The occupancy of our Office portfolio declined to 88 per cent at the end of last year due to a number of tenant expiries in the December quarter. This level of occupancy has been maintained year-to-date despite a number of further expiries in the first quarter.

We expect that the office leasing market will remain challenging for some time, with tenant demand being impacted by the adoption of hybrid work arrangements and the expectation of softer economic conditions. We are however seeing customers seek out high quality workplaces to attract their people back to the office. Increasingly customers are seeking to be in assets with strong sustainability credentials and GPT's Office portfolio has a very high average NABERS Energy rating of 5.1 stars, with all assets operating on a carbon neutral basis and powered by 100 per cent renewable electricity.

Smaller tenants remain the most active in the leasing market and during 2022, we delivered over 33,000 square metres of fitted suites. This has been a successful strategy for GPT with suites being leased at higher rents and downtime being minimised. Additional fitted suites are being delivered this year to drive further positive leasing results for the portfolio.

We are also expanding our flexible workspace offering Space&Co.. This is seen as an attractive proposition for tenants particularly as they work through their space requirements for the future.

While we have further leases expiring during the course of this year, we are targeting occupancy for the Office portfolio to be greater than 90 per cent by the end of the year.

Growing our Logistics portfolio has been a priority for the Group over the last five years and Logistics assets under management now total \$4.7 billion. Our Logistics portfolio continues to deliver strong results for the Group. Occupancy of the portfolio is currently 99.5 per cent and we have limited expiry in the near term.

Six developments were completed last year, with all assets being leased on completion at rents well in excess of underwriting.

Australia's logistics markets continue to have unprecedented low vacancy rates and limited uncommitted supply. Demand is being driven by occupiers investing in their supply chains and growth in the retail sector. Population growth will further underpin demand.

While we have limited expiry this year, over the next three years we will have the ability to access market rent growth across 25 per cent of our Logistics portfolio as leases expire.

Our Logistics development pipeline will continue to provide high quality product for both GPT, and our partnership with QuadReal. Two new developments have been completed year-to-date and an additional three projects are currently underway.

The GPT QuadReal Logistics Trust has so far committed \$1 billion of the \$2 billion target.

Logistics now represents 28 per cent of our diversified portfolio and we expect to increase capital allocation to this sector given the structural tailwinds we see for the asset class. We have a \$1.9 billion development pipeline across the three core markets of Sydney, Melbourne and Brisbane providing access to high quality assets.

During 2022, our employees found ways to give back to the community through the various programs run by the GPT Foundation. Nearly 97 per cent of employees participated in the Foundation programs during the year.

Our people live our values and are central to GPT successfully delivering on its purpose and strategy. I would like to acknowledge and thank GPT employees for their commitment and dedication, and for delivering the outcomes they have for Securityholders.

GPT has an engaged and empowered team, a strong balance sheet, a high quality portfolio and we are focussed on driving reliable and sustainable results for Securityholders.

While economic uncertainty remains in our trading environment, GPT expects to deliver FFO of approximately 31.3 cents per security and a distribution of 25.0 cents per security for 2023, in line with guidance provided to the market in February.

In closing I would like to thank the Chairman and the Board, for their guidance and support.

As the Chairman noted this is my last AGM as CEO of GPT. I have been privileged to have been the leader of this great organisation for the last 7.5 years and I remain committed to GPT and assisting the Board with a smooth transition to my successor when that is determined. The Leadership Team is also very focussed on delivering results for our investors and have not wavered from this commitment.

I would also like to thank you, our Securityholders, for your ongoing support of GPT. I will now hand back to the Chairman.





GPT acknowledges the Traditional Custodians of the lands on which our business operates. We pay our respects to Elders past, present and emerging; and to their knowledge, leadership and connections. We honour our responsibility for Country, culture and community in the places we create and how we do business.

**GPT**  
The GPT Group  
**AGM 2023**



# Chairman's Address - Vicki McFadden

# The GPT Group Board of Directors



**Vicki  
McFadden**  
Chairman



**Bob  
Johnston**  
Chief Executive  
Officer



**Anne  
Brennan**  
Non-Executive  
Director



**Shane  
Gannon**  
Non-Executive  
Director



**Tracey  
Horton AO**  
Non-Executive  
Director



**Mark  
Menhinnitt**  
Non-Executive  
Director



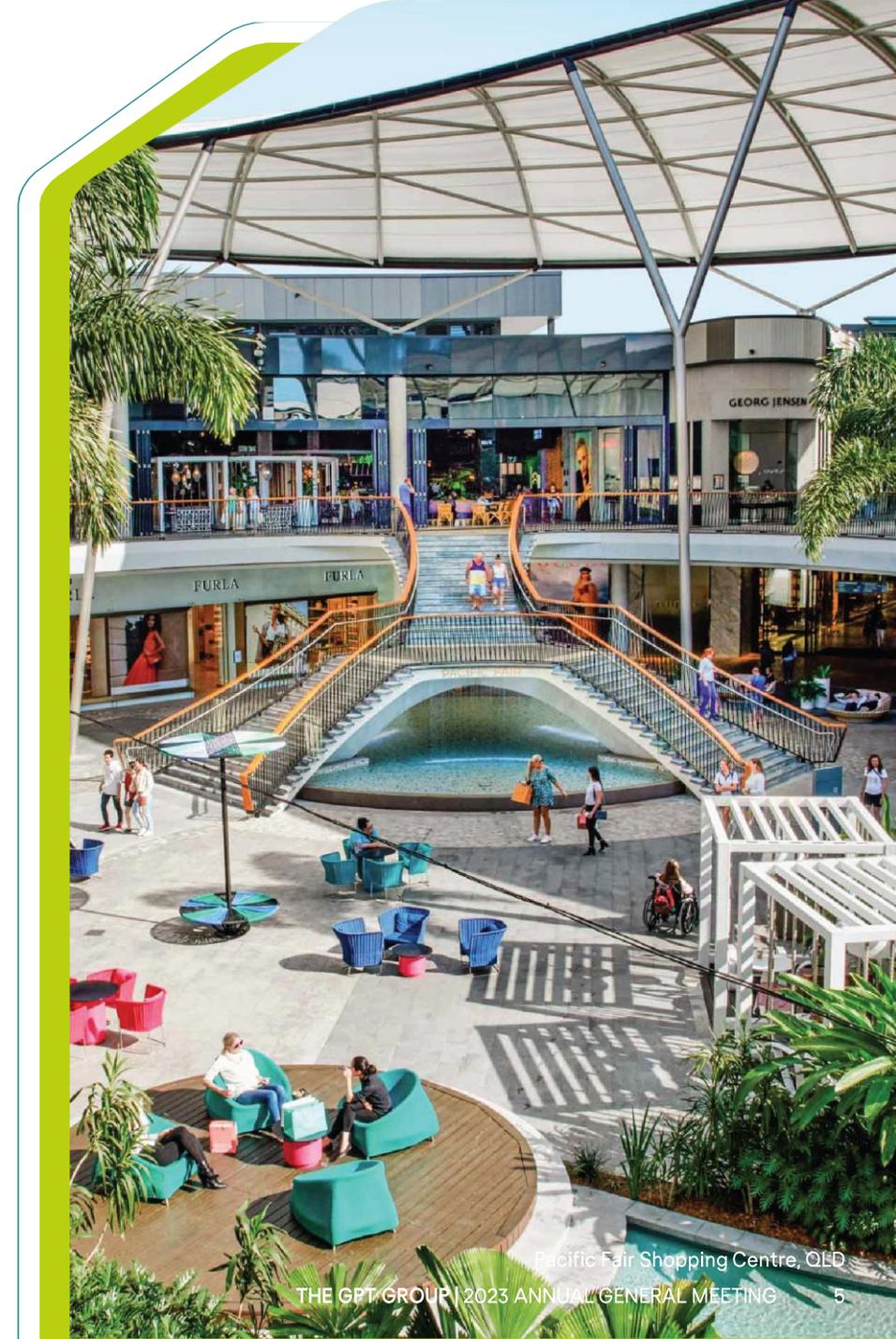
**Michelle  
Somerville**  
Non-Executive  
Director



**Robert  
Whitfield AM**  
Non-Executive  
Director

# 2022 Year in review

- » Funds From Operations (FFO) up 11.9% to \$620.6m
- » Distributions per security up 7.8% to 25.0 cents
- » Funds under management increased 44% to \$19.1b
  - \$2.8b UniSuper direct real estate mandate
  - \$2.7b Australian Core Retail Trust
- » Portfolio occupancy of 97.5%
- » Ongoing prudent approach to capital management



# Leadership in ESG

- » Ranked #1 real estate company in S&P Global Corporate Sustainability Assessment
- » Rated 5-Star Green Star by GRESB
- » On track to achieve Carbon Neutral certifications for all assets that GPT operationally controls and has an ownership interest in by the end of 2024
- » Awarded our fourth consecutive Employer of Choice for Gender Equality citation from the Workplace Gender Equality Agency (WGEA) in 2021-2023
- » Ranked within top 10 organisations globally by Equileap in its global report on gender equality

First  
placed  

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**S&P Global**



G R E S B  
★ ★ ★ ★ ★ 2022



# Board Renewal



**Shane  
Gannon**  
Non-Executive Director



**Michelle  
Somerville**  
Non-Executive Director



Liberty Place, Sydney



# CEO and Managing Director's Address – Bob Johnston

# Executing on strategic priorities

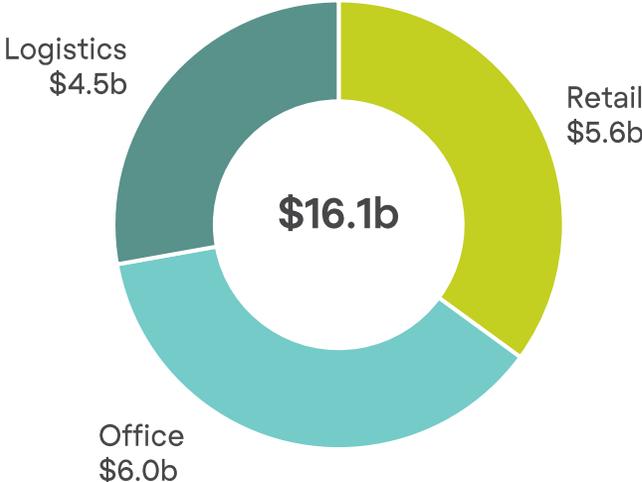
 Optimise the portfolio

 Funds Management growth

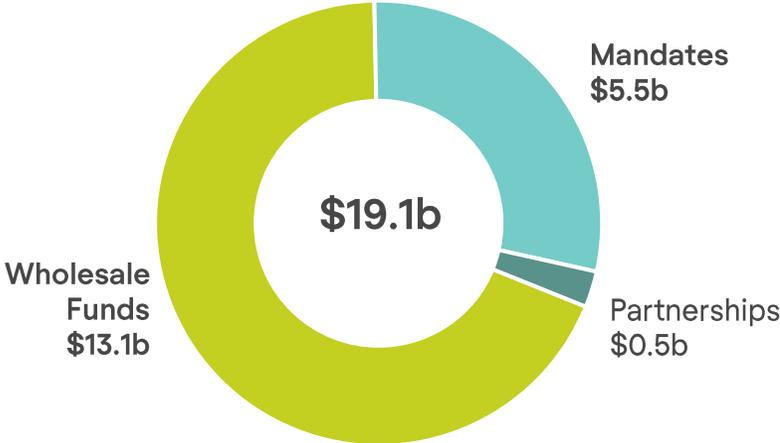
 Exceed customer expectations

 Leadership in ESG

GPT Portfolio<sup>1</sup>



Funds under management



**\$32.4b**  
Assets under management

1. Includes co-investments in wholesale funds

# Retail portfolio performing strongly

**\$13.0b**

Assets under management  
at 31 December 2022

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**4.5%**

Comparable income growth  
at 31 December 2022

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**99.4%**

Occupancy  
at 31 March 2023

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**16.5%**

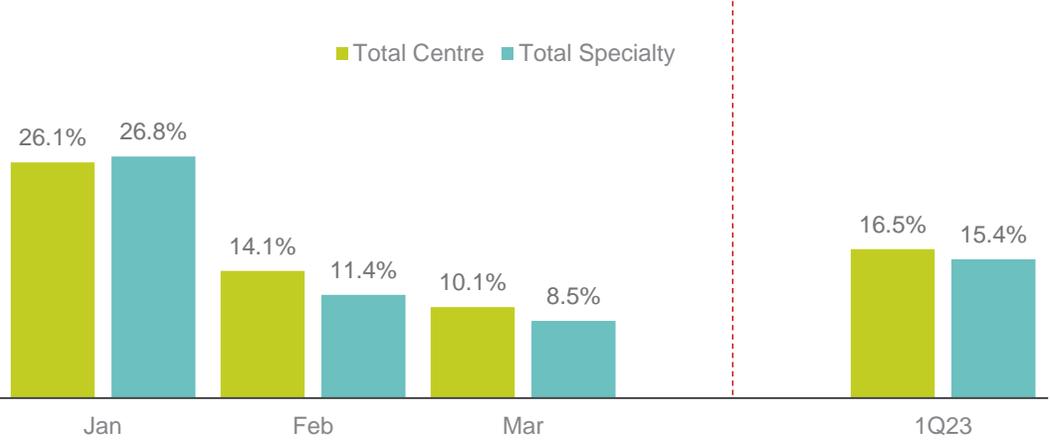
Total Centre sales growth  
March 2023 Quarter

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# Retail sales and portfolio metrics March 2023 quarter

**Total Centre Sales Growth**  
 March 2023 Quarter v March 2022 Quarter (Monthly)



	March 2023 Quarter
Deals Completed	215
Average Annual Fixed Increase	4.7%
Average Lease Term	4.9 years



# Office market remains challenging

**\$14.7b**

Assets under management  
at 31 December 2022

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**3.4%**

Comparable income growth  
at 31 December 2022

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**88.0%**

Occupancy  
at 31 March 2023

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**4.7years**

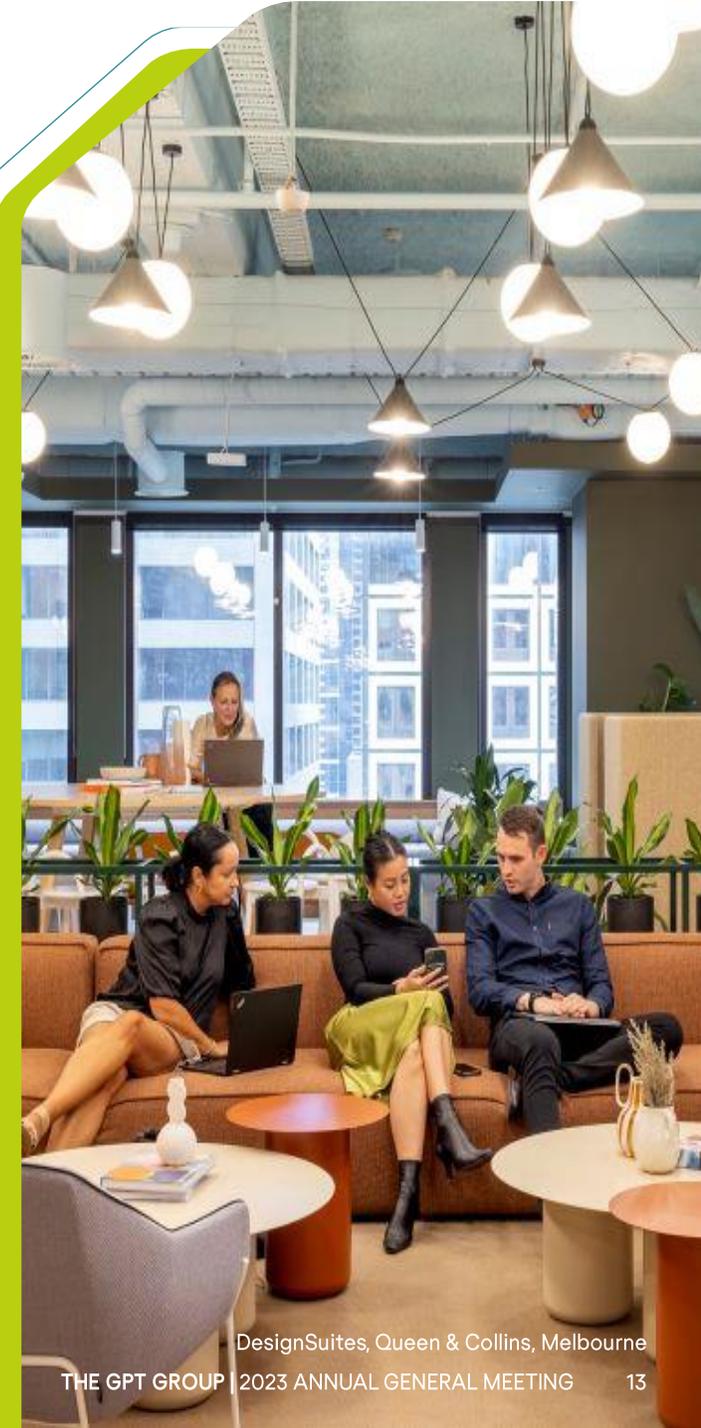
WALE (by income)  
at 31 March 2023

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# Innovative workplace products supporting focused leasing strategy

- » Vacancy rates remain elevated with occupier demand favouring prime office space
- » Our differentiated workplace products are designed to fulfil the changing needs of our customers
  - Offer speed to market, reduced downtime and rental premium while diversifying our customer base
- » Smaller occupiers under 1,000sqm most active
- » Focused leasing strategy targeting occupancy >90% by December 2023
- » Increased demand for assets with high sustainability credentials



# Logistics portfolio continuing to deliver strong results

**\$4.7b**

Assets under management  
at 31 December 2022

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**3.0%**

Comparable income growth  
at 31 December 2022

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**99.5%**

Occupancy  
at 31 March 2023

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**5.9years**

WALE (by income)  
at 31 March 2023

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# Occupier demand and low vacancy driving market rental growth in logistics

- » Demand driven by occupiers investing in the supply chain and a growing retail sector, underpinned by population growth
- » 25% of portfolio to capture market rent growth in next 3 years
- » Two new developments have been completed year to date and an additional three projects are currently underway
- » GPT QuadReal Logistics Trust well progressed with assets under management of \$0.5b and half of the \$2b target committed including pipeline projects
- » Strong market demand and low vacancy in core markets expected to continue in 2023



25 Niton Drive, Truganina, VIC

# Engaged employees giving back to communities



GPT'S RESTORING COUNTRY FOR CLIMATE PROJECT, NOOSA



GPT EMPLOYEES VOLUNTEERING WITH MISSION AUSTRALIA AND THEIR TENANTS, WESTERN SYDNEY



TOUR DE PIF



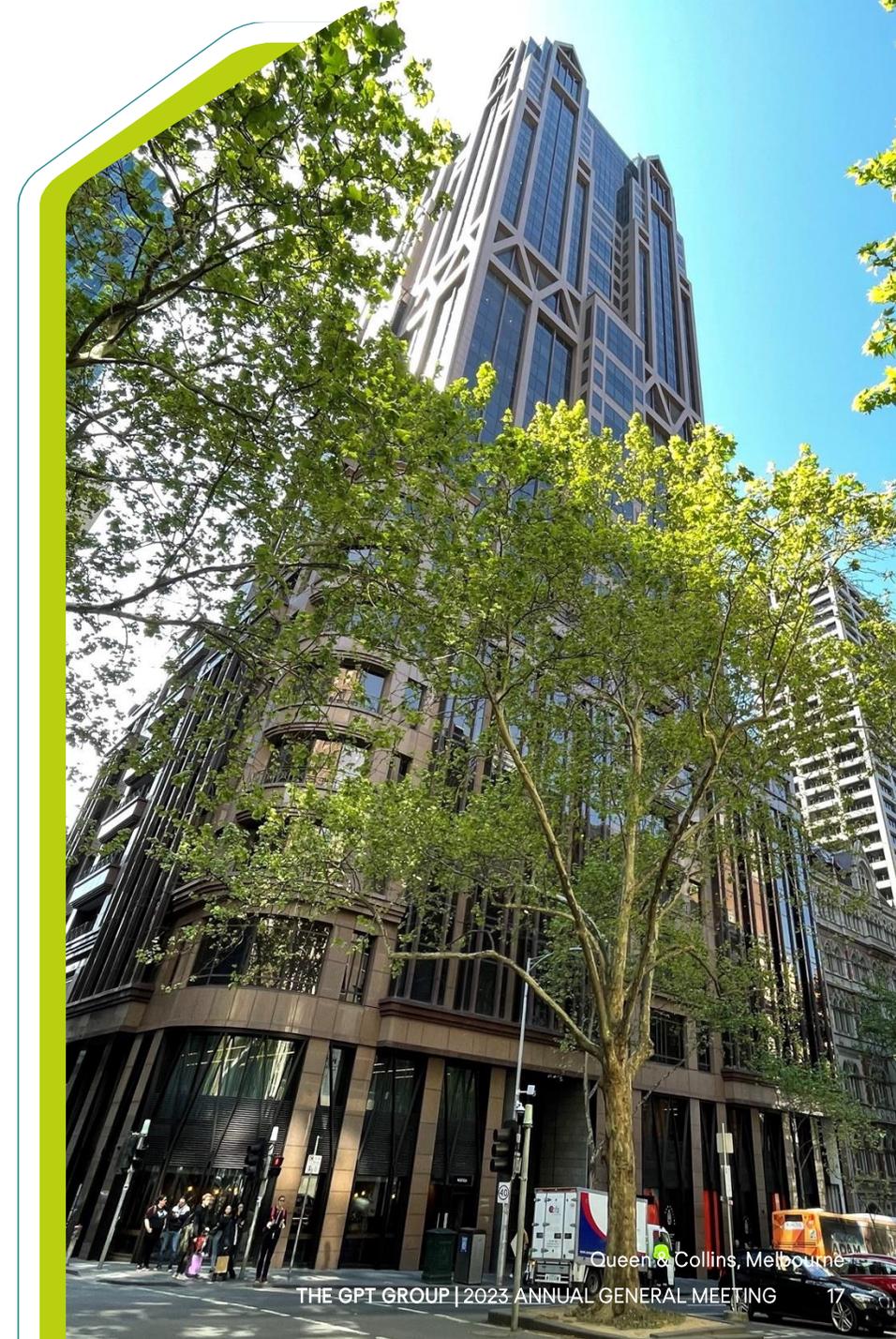
PCA PRIDE IN PROPERTY LUNCH



WORAWA'S 2022 PRESENTATION NIGHT IN BULMAN, NT

# Summary and 2023 guidance

- » High quality diversified portfolio with occupancy of 97.6% at 31 March 2023
- » Retail portfolio well positioned with high occupancy, ongoing tenant demand and fixed rental increases
- » Office portfolio occupancy maintained in Q1 and targeting to achieve at least 90% by end of year
- » Logistics portfolio to continue to benefit from strong tenant demand and new developments
- » Strong balance sheet maintained with liquidity of \$1.2b at 31 March 2023
- » 2023 FFO and distribution guidance
  - FFO of approximately of 31.3 cents per security
  - Distribution of 25.0 cents per security



# Disclaimer

This Presentation (**Presentation**) has been prepared by The GPT Group comprising GPT RE Limited (ACN 107 426 504; AFSL 286511), as responsible entity of the General Property Trust, and GPT Management Holdings Limited (ACN 113 510 188) (together, **GPT**).

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Information is stated as at 31 December 2022 unless otherwise indicated. Except as required by applicable laws or regulations, GPT does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events or circumstances.

All values are expressed in Australian currency unless otherwise indicated.

Funds from Operations (FFO) is reported in the Segment Note disclosures which are included in the financial report of The GPT Group for the 12 months ended 31 December 2022. FFO is a financial measure that represents The GPT Group's underlying and recurring earnings from its operations. This is determined by adjusting statutory net profit after tax under Australian Accounting Standards for certain items which are non-cash, unrealised or capital in nature. FFO has been determined based on guidelines established by the Property Council of Australia. A reconciliation of FFO to Statutory Profit is included in The GPT Group 2022 Annual Report.

Key statistics for the Retail, Office and Logistics divisions include The GPT Group's weighted interest in the GPT Wholesale Shopping Centre Fund (GWSCF), the GPT Wholesale Office Fund (GWOFF) and the GPT QuadReal Logistics Trust (GQLT) respectively.