

10 May 2023

March 2023 Quarter Operational Update

The GPT Group ('GPT' or 'Group') released its operational update for the quarter ended 31 March 2023.

GPT's Chief Executive Officer, Bob Johnston, said: "The Group has made solid progress during the period with occupancy across the diversified portfolio maintained at 97.6% and strong cash collections. The Group remains on track to deliver on its earnings and distribution guidance for 2023.

"We continue to see good momentum across our Retail portfolio, with high occupancy and sales productivity driving performance. While elevated interest rates and inflationary pressures are expected to moderate retail sales growth over the course of 2023, GPT's portfolio is well placed given positive leasing demand and structured rental increases.

"The office market remains challenging, with elevated vacancy and relatively subdued leasing demand, however we continue to see the flight to quality as a driver of new leasing activity and Office portfolio occupancy has been maintained at 88% during the period.

"Our Logistics portfolio continues to deliver strong results with the portfolio benefiting from substantial occupier demand, low vacancy rates and limited new supply. Two new developments have also been completed year to date and an additional three projects are currently underway. Rents are continuing to escalate in the sector and we expect that we will benefit from this through both our existing portfolio and the development pipeline.

"The Group's balance sheet remains in a healthy position, with the proceeds from the sale of the Camellia and Citiport assets received in the period. The Group will also have 100% of its investment portfolio independently revalued at 30 June 2023. GPT recently commenced a marketing campaign for the potential sale of its 50% interest in Australia Square. The proposed divestment is consistent with the Group's longer term capital allocation objectives and will provide further balance sheet flexibility for the future."

Retail

The retail trading environment remains resilient, with ABS retail sales growth for the three months to 31 March 2023 up 6.4% year on year.

The Group recorded strong sales performance across the portfolio during the period, with Total Centre sales up 16.5% and Total Specialty sales up 15.4%, against the same period in 2022. Strong results were seen from supermarkets and travel which continues to benefit from the ongoing normalisation of tourism spend. Specialty Moving Annual Turnover (MAT) improved to \$12,599 per square metre (sqm) at 31 March 2023 (December 2022: \$12,259 per sqm).

During the quarter, leasing activity totalled 39,400sqm with 215 deals completed. Total Specialty leasing spreads of positive 4.0% (December 2022: -2.8%) were achieved with fixed base rents, annual average increases of 4.7% and an average lease term of 4.9 years. Retail portfolio occupancy remains strong at 99.4% as at 31 March 2023 (December 2022: 99.4%).

The return of students and office workers to Melbourne's CBD continues to drive sales momentum at Melbourne Central, delivering Total Centre sales for the quarter up 35.4% on the prior corresponding period (pcp) and MAT of \$554.7 million. Total Specialty MAT is now \$14,628 per sqm (December 2022: \$13,836 per sqm).

Highpoint Shopping Centre's Total Centre sales for the quarter are up 15.2% on pcp, with MAT now at \$1.21 billion. Total Specialty sales productivity remains high with MAT of \$13,684 per sqm at 31 March 2023 (December 2022: \$13,685 per sqm).

Office

Despite ongoing challenging conditions in the office market, the flight to quality thematic remains a key feature of tenant enquiry, with prime quality buildings offering leading sustainability credentials and superior amenity the most keenly sought.

Total leasing¹ of 33,400sqm including Heads of Agreement (HoA) has been achieved as at 30 April 2023. Office portfolio occupancy has been maintained at 88.0% as at 31 March 2023 (December 2022: 87.9%), with the weighted average lease expiry (WALE) at 4.7 years. Including HoA, portfolio occupancy is 88.6%. With leasing achieved to date, the Group remains on track to achieve its target of greater than 90% Office portfolio occupancy by the end of the year.

While the office leasing market remains competitive, GPT's differentiated space offering continues to appeal to a broad range of tenants. Since the beginning of the year, leasing of 6,200sqm has been achieved across the Group's turn-key product, DesignSuites by GPT, including signed leases and HoA². In addition, GPT continues to expand its space-on-demand product offering Space&Co., with a new 3,000sqm facility opening at 550 Bourke Street, Melbourne in February.

Logistics

The Logistics market continues to display positive fundamentals, with very low levels of vacancy and pent-up tenant demand driving strong market rental growth. The Group is seeing high levels of leasing enquiry, particularly in Melbourne and Sydney, with occupiers competing to secure the limited uncommitted supply being delivered in 2023.

In the year to date, leasing activity totalled 57,500sqm including HoA. The portfolio remains under-rented, with positive leasing spreads averaging 32% (December 2022: 15%) achieved during the period. Logistics portfolio occupancy was 99.5% at 31 March 2023 (December 2022: 99.2%) with a portfolio WALE of 5.9 years.

¹ Based on GPT and GPT Wholesale Office Fund (GWOF) ownership Net Lettable Area (NLA).

² Based on 100% NLA.

The Group is making good progress on the delivery of the development pipeline. The 22,800sqm facility held within the GPT QuadReal Logistics Trust (GQLT) in Keysborough, Melbourne reached completion in February and is fully leased to three occupiers. In Brisbane, the GQLT's 17,500sqm development at Wacol will reach completion in May, with a HoA in place for a five year lease across 100% of the facility. Two further projects are underway, with the GQLT's 11,600sqm development at Bundamba, Brisbane due to reach completion in mid-2023, and GPT's 31,600sqm development at Truganina, Melbourne expected to complete in Q4 2023.

Capital Management

GPT continues to maintain a strong balance sheet position with \$1.2 billion of liquidity, which fully funds commitments and debt maturities until mid-2025. The Group has interest rate hedging in place of 78% for the remainder of 2023. Following the reduction in market swap rates in March, the Group extended its hedge profile to 3.2 years (December 2022: 2.8 years).

2023 Guidance

GPT continues to expect to deliver 2023 Funds From Operations of approximately 31.3 cents per security and a distribution of 25.0 cents per security.

-ENDS-

Authorised for release by The GPT Group Board.

For more information, please contact:

INVESTORS

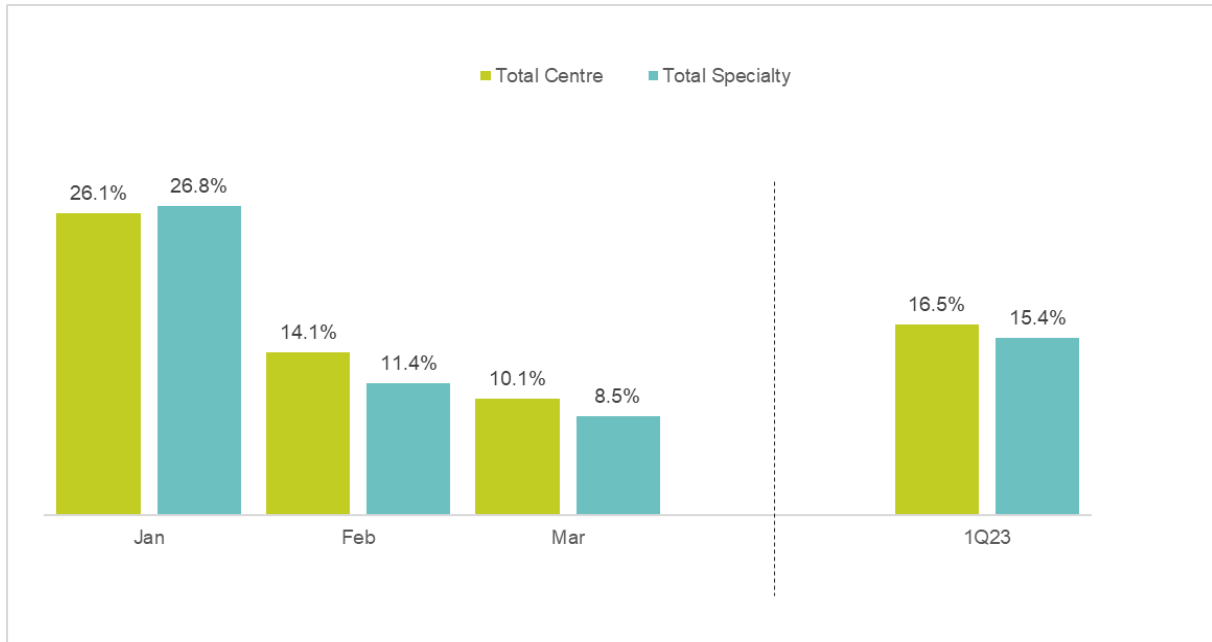
Penny Berger
Head of Investor Relations
& Corporate Affairs
+61 402 079 955

MEDIA

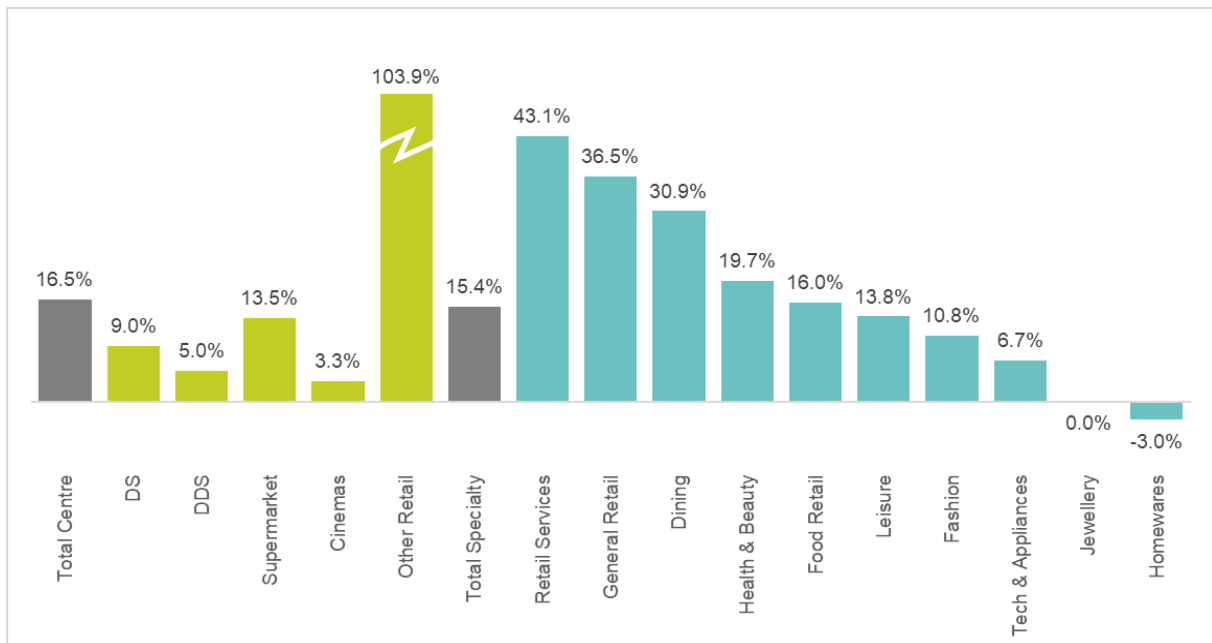
Grant Taylor
Group External Communications
Manager
+61 403 772 123

APPENDIX 1 – RETAIL SALES

Total Centre Sales Growth – March 2023 vs March 2022 (Monthly, Quarter)



Total Centre Sales Growth – March 2023 Quarter v March 2022 Quarter (By Category)



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

APPENDIX 1 – RETAIL SALES (CONTINUED)

Sales Performance By Centre for the 12 months to 31 March 2023

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%	\$579.8m	20.8%	31.0%	\$12,605	14.5%
Highpoint Shopping Centre	16.7%	\$1,205.2m	47.1%	46.2%	\$12,947	16.6%
Melbourne Central Retail	100%	\$554.7m	73.1%	79.7%	\$13,599	18.7%
Rouse Hill Town Centre	100%	\$606.2m	29.0%	38.1%	\$12,779	12.6%
Sunshine Plaza ²	50%	\$789.6m	16.5%	15.6%	\$11,272	15.5%
Westfield Penrith ²	50%	\$691.9m	37.2%	43.3%	\$12,946	16.9%
GWSCF PORTFOLIO						
Chirnside Park	100%	\$339.1m	16.0%	13.9%	\$12,939	15.4%
Highpoint Shopping Centre	83.3%	\$1,205.2m	47.1%	46.2%	\$12,947	16.6%
Macarthur Square ²	50%	\$712.9m	29.8%	40.8%	\$10,139	14.4%
Northland Shopping Centre ²	50%	\$628.5m	30.4%	38.0%	\$10,549	14.3%
Parkmore Shopping Centre	100%	\$293.8m	24.8%	43.7%	\$11,925	13.2%
GPT Weighted Total		\$3,339.6m	34.2%	41.9%	\$12,599	15.7%

1. Represents Specialty tenancies less than 400sqm.

2. Analysis provided by External Manager.