



GDI PROPERTY GROUP

Annual results presentation

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Executing on strategy

WS2, Perth



Architectural drawings only

- DA approved
- Construction commenced
- Completion in late 2022

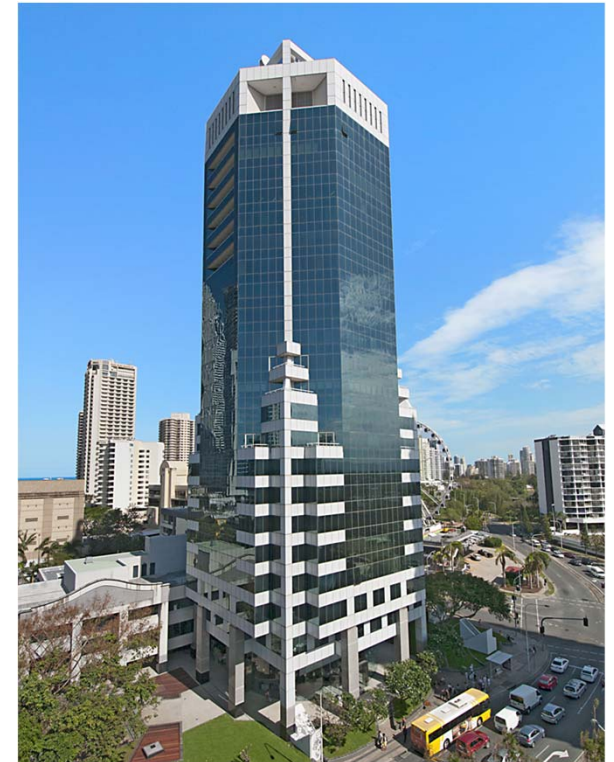
1 Mill Street, Perth



Architectural drawing only

- DA approved
- Seeking tenant precommitment(s) and/or project partners

50 Cavill Avenue, Surfers Paradise



- Exchanged contracts, settlement to occur on or about 31 August 2021
- \$8.0 million above last independent valuation

Executing on strategy

Westralia Square



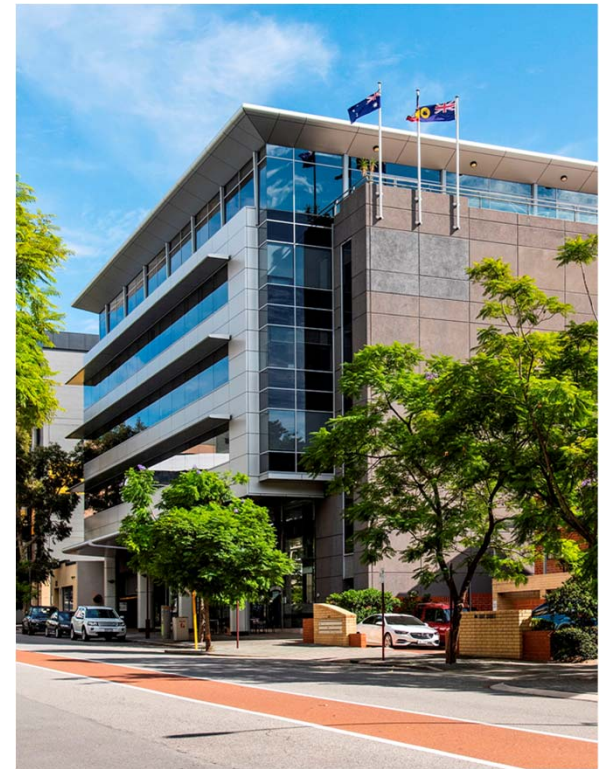
- Levels 1 – 12 leased
- Capex programme all but complete

5 Mill Street, Perth



- Strong leasing momentum, with occupancy back to 86% of NLA from a low of approximately 60% during FY21

180 Hay Street, Perth



- Settled July 2020, with an immediate uplift in value from the purchase price (+\$2.2 million)
- Capex programme well underway
- Numerous inspections to potential all of property and multi-floor tenants

50 Cavill Avenue – case study

Before refurbishment



Foyer - Before



Lift lobby - Before



Outdoor area - Before

After refurbishment



Foyer - After



Lift lobby - After



Outdoor area - After

- Purchased in February 2016 for \$48.75 million, or \$49.2 million inclusive of costs after settlement adjustments
 - Four sides of natural light, water views from every floor, easily divisible floors plates in desperate need of capital expenditure
 - Acquisition price well below replacement cost, particularly considering the near 450 underground car bays
 - No NABERS Energy rating, 54% occupied, by NLA
 - Passing net income of approximately \$2.6 million
- Developed a capex programme to reinstate 50 Cavill Avenue as the preeminent business address on the Gold Coast and believed the occupier market would follow
 - New state of the art destination control lifts and HVAC system
 - Refurbishment of majority of floors including lift lobby upgrades
 - Installation of new end of trip facility, major upgrade to the precinct and ground floor external tenancies
 - Upgraded security systems
 - Total cost of approximately \$18.4 million (including incentives)
- At 30 June 2021, 50 Cavill Avenue was / had achieved
 - 97% occupied by NLA, 4.5 Star NABERS Energy rating, with an expectation of 5 stars if it had been held to the next assessment
 - Passing net income of approximately \$7.9 million
- Exchanged contracts on 2 August 2021 for \$113.5 million, a net sale price of approximately \$109.0 million
 - Settlement expected to occur on or around 31 August 2021

Why GDI?

Total return focused

- Delivered an annualised total return since listing of 13.3% p.a.
- This return has been largely crystallised
- Demonstrated restraint

Exposure to Perth

- Perth rebound story taking shape – positive absorption, decreasing vacancy, increased enquiry
- Very confident in the short and medium term outlook for Perth

Assets with upside

- Significant upside in Westralia Square (leasing), WS2 (development), Mill Green (leasing and development), Hay Street (leasing)
- Delivery of this upside is the focus

Ability to capitalise on any weakness

- On settlement of 50 Cavill Avenue, Principal Facility LVR of approximately 10% provides GDI with the financial firepower to secure assets, or buy back its own stock, should opportunities arise
- Ability to raise large amounts of capital through the existing unlisted platform

FY22 distribution

- Forecast cash distribution of 7.75 cents per security¹

Committed team

- Aligned management
- Small team

1. Subject to no material change in circumstances. A proportion of the distribution is likely to be paid out of capital



FINANCIAL RESULTS



Summary



NTA – \$1.25 per security

- Small (\$2.3 million) valuation gains during the year
 - Does not include \$8.0 million gain from sale of 50 Cavill Avenue, Surfers Paradise
- Maintenance of distribution resulted in NTA decreasing \$0.02 per security from 31 December 2020



FFO of 5.37 cents per security

- Significantly higher than internal forecasts due to leasing successes



Distribution of 7.75 cents per security

- Maintained distribution at prior year levels
- Intend to pay a cash distribution of 7.75 cents per security for FY22¹

1. Subject to no material change in circumstances and noting that we expect a proportion of any cash distribution will be paid out of capital.

Contributors to FFO and AFFO

	Jun-21 \$'000	Jun-20 \$'000
Property Division FFO	34,267	49,146
Funds Management FFO	6,844	5,955
Other	170	358
Total	41,281	55,460
Less:		
Net interest expense	(3,716)	(2,137)
Corporate and administration expenses	(8,142)	(7,824)
Other	(353)	(983)
Total FFO	29,069	44,516
Maintenance capex	(1,510)	(1,409)
Incentives and leasing fees paid	(11,324)	(21,627)
Income tax expense / (benefit)	(435)	520
Total AFFO	15,801	21,999

- Property Division FFO lower than previous corresponding period:
 - Minimal impact from COVID-19, with \$296,000 of rent written off (FY20 \$518,000)
 - At Westralia Square, departure of UGL, transition of WAPOL from upper to lower levels and departure of Dept. of Justice meant FFO at Westralia Square was \$14.2 million lower than the previous corresponding period and \$18.8 million from FY19
 - Releasing successes to date means that FY21 should be the low point in Westralia Square's FFO contribution
 - At Mill Green, FFO was slightly lower at \$19.3 million (vs FY20 of \$19.5 million), largely due to the lower occupancy at 5 Mill Street
 - FFO at 50 Cavill Avenue unchanged on the previously corresponding period
- Funds Management FFO of \$6.8 million (FY20: \$6.0 million) includes:
 - Distributions from GDI No. 42 Office Trust (\$0.7 million)
 - Distribution from GDI No. 46 Property Trust (\$2.9 million)
- Net interest expense higher due to higher amount of drawn debt
- Corporate and administration expenses increased slightly
 - Includes a \$2.1 million expense for performance rights issued in FY18, FY19, and FY20, and to be issued for the year ended 30 June 2021
- Incentives and leasing fees incurred across the portfolio
 - \$4.5 million at Mill Green
 - \$5.7 million at Westralia Square
 - \$1.0 million at 50 Cavill Avenue

Balance sheet remains in a strong position

Pro forma for post balance sheet events	Jun-21 \$'000	Jun-20 \$'000
Current assets		
Cash and cash equivalents	11,188	10,100
Non-current assets held for sale	102,491	102,240
Other assets	10,586	14,500
Total current assets	124,265	126,841
Non-current assets		
Investment properties	852,087	822,500
Other non-current assets	1,974	724
Intangible assets	18,110	18,110
Total non-current assets	872,171	841,685
Total assets	996,435	968,525
Current liabilities		
Trade and other payables	25,628	25,520
Other current liabilities	714	405
Total current liabilities	26,342	25,926
Non-current liabilities		
Borrowings	208,557	159,423
Derivative financial instruments	2	326
Other non-current liabilities	831	206
Total non-current liabilities	209,390	159,954
Total liabilities	235,732	185,880
Net assets	760,703	782,645
Equity		
Equity attributed to holders of stapled securities	696,556	721,403
Equity attributable to external non-controlling interest	64,147	61,242
Total equity	760,703	782,645

GDI No. 42 Office Trust (Stanley Place) \$51.50 million
GDI No. 46 Property Trust (IDOM Portfolio) \$105.85 million

GDI No. 42 Office Trust \$10.00 million
GDI No. 46 Property Trust \$30.00 million

GDI No. 42 Office Trust and GDI No. 46 Property Trust
External Investors

Debt profile and interest rate hedging

- As at 30 June 2021, drawn debt on the Principal Facility of \$168.8 million and undrawn debt of \$36.2 million
- Post balance date, refinanced the Principal Facility
 - Extended maturity to August 2024
 - Tranche E introduced to fund the development of WS2
 - On settlement of 50 Cavill Avenue, Surfers Paradise, Tranche's B, C and D will reduce by \$50.0 million in total and undrawn debt on these tranches increases to \$84.6 million
- Board hedging policy gives management more flexibility around hedging, particularly when drawn debt is <\$100.0 million
- Entered in to two swaps during the period:
 - \$25.0 million 5-year swap expiring May 2025 (0.60%)
 - \$25.0 million 3-year swap expiring May 2023 (0.38%)
- Drawn debt of GDI No. 42 Office Trust and GDI No. 46 Property Trust remains unhedged

Principal Facility	30 June 2021				31 August 2021 pro forma ¹			
	Maturity	Facility \$'000	Utilised \$'000	Unutilised \$'000	Maturity	Facility \$'000	Utilised \$'000	Unutilised \$'000
Facility Tranche B / C	Jul-22	205,000	168,833	36,168	Aug-24	159,400	74,833	84,568
Facility Tranche D ²	Jul-22	5,000	-	-	Aug-24	5,600	-	-
Facility Tranche E					Aug-24	85,000	-	85,000
Total		210,000	168,833	36,168		250,000	74,833	169,568
Consolidated unlisted funds								
GDI No. 42 Office Trust	Jul-22	11,500	10,000	1,500	Jul-22	11,500	10,000	1,500
GDI No. 46 Property Trust	Feb-23	30,000	30,000	-	Feb-23	30,000	30,000	-
Total		41,500	40,000	1,500		41,500	40,000	1,500
Total debt		251,500	208,833	37,668		291,500	114,833	171,068

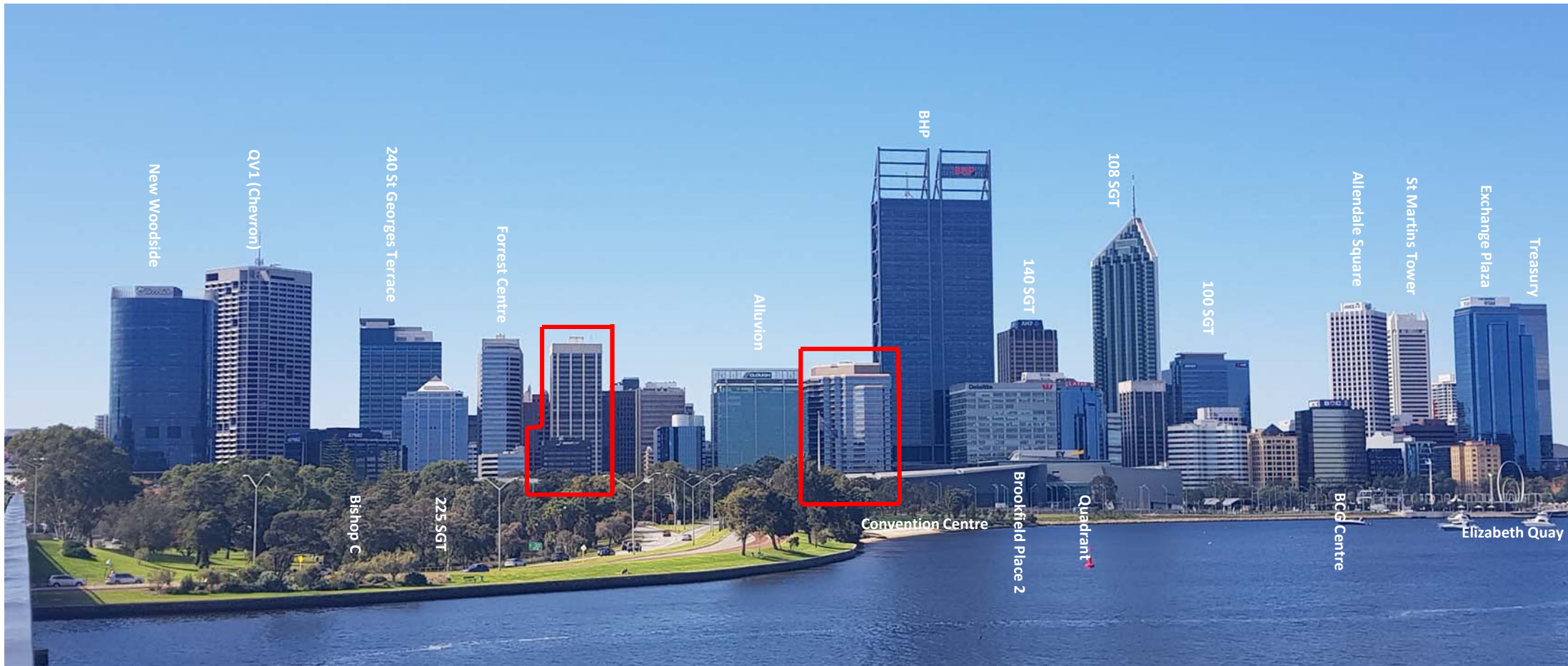
1. Assumes settlement of 50 Cavill Avenue on 31 August 2021 and \$15.0 million being drawn to part fund the August 2021 distribution payment

2. GDI has a \$5.0 million bank guarantee supporting the financial requirements of GDI Funds Management Limited's AFSL. This is undrawn and can not be used for general working capital purposes. GDI also has two guarantees totalling \$600,000 in favour of the City of Perth in relation to some of the proposed demolition works at 1 Mill Street, Perth.



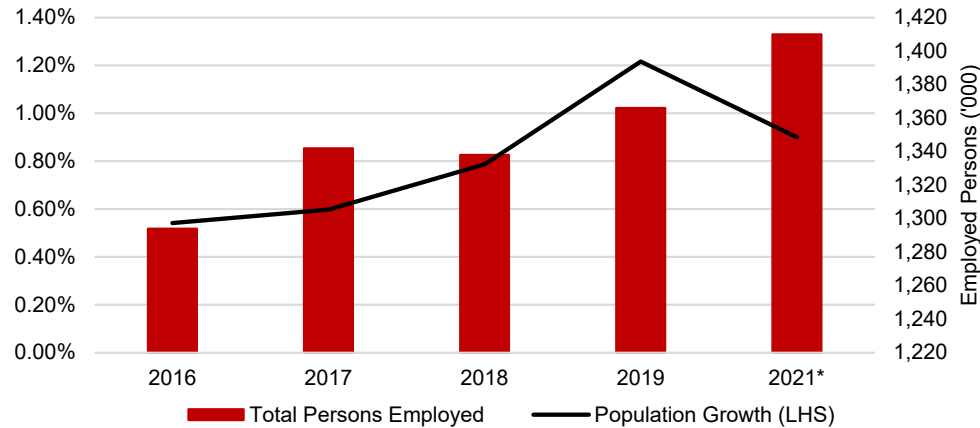
PROPERTY PORTFOLIO

Perth market

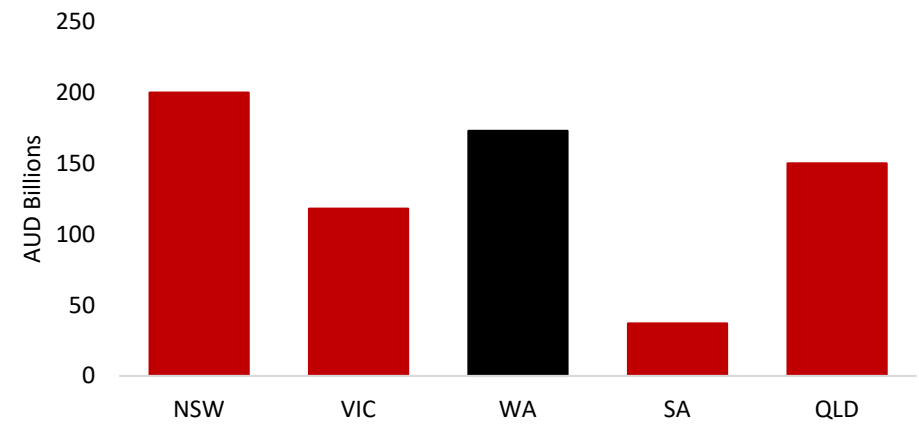


Portfolio strategically weighted towards Perth

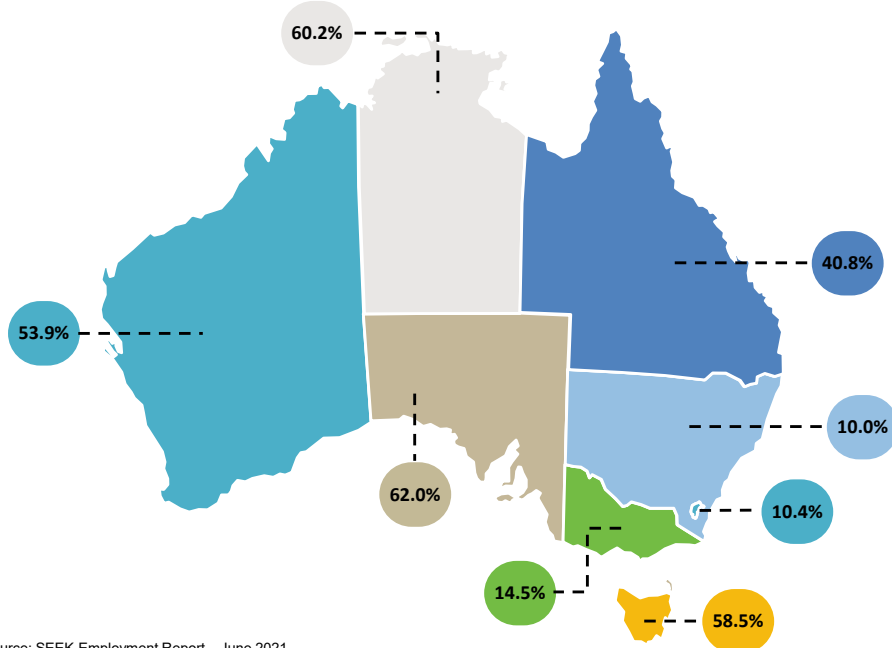
WA Labour Force and Population Growth



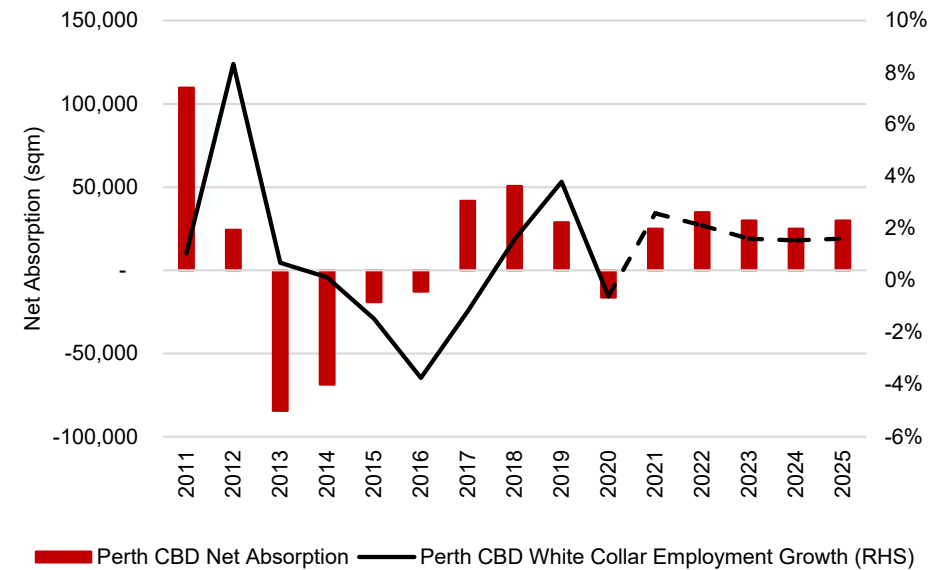
Private infrastructure projects pipeline by state



National, state & territory job ad growth/decline comparing Jun 21 vs Jun 19



Perth CBD Net Absorption vs White Collar Employment Growth



Portfolio overview



	Westralia Square, Perth	197 St Georges Terrace, Perth	5 Mill Street, Perth	1 Mill Street, Perth
Valuation date	31 December 2020	31 December 2020	31 December 2020	31 December 2020
Valuation	\$345.00 million	\$230.00 million	\$56.00 million	\$40.00 million
Carrying value	\$347.64 million	\$229.40 million	\$55.99 million	\$40.00 million
Capitalisation rate	6.00%	6.75%	7.00%	7.75%
Discount rate	6.75%	7.00%	7.25%	7.50%
NLA (sqm)	32,598	26,216	7,148	6,649
Occupancy ¹ (% of NLA)	61%	89%	86%	-
WALE ¹ (years)	5.5 / 3.3	2.3 / 2.0	3.0 / 2.6	-
Major tenants (sqm / expiry)	WAPOL (12,289sqm, FY26)	AMEC (7,341sqm, FY23)	Knightcorp (1,044sqm, FY25)	N/A
	BDM (1,833sqm, FY27)	Jacobs (3,442, FY22)		N/A

1. As at 30 June 2021 including signed heads of agreement. WALE is shown firstly on occupied space and secondly on total NLA

Portfolio overview



	50 Cavill Ave, Surfers Paradise	180 Hay Street, Perth	IDOM Portfolio, Perth	235 Stanley Place, Townsville
Valuation Date	30 June 2020	31 July 2020	31 December 2020	31 December 2020
Valuation	\$101.00 million	\$15.00 million	\$105.85 million	\$51.5 million
Carrying Value	\$101.25 million	\$16.08 million	\$105.85 million	\$51.7 million
Capitalisation Rate	7.00%	8.00%	7.24% ²	8.00%
Discount Rate	7.25%	8.25%	7.50% ²	8.00%
NLA (sqm)	16,625	4,925		13,786
Occupancy ¹ (% of NLA)	97%	-	100%	59%
WALE ¹ (years)	3.2 / 3.1	-	9.4 / 9.4	4.4 / 2.6
Major Tenants	Mantra (2,771sqm, FY24)	N/A	Buick Holdings Pty Limited ³	DHS (5,460sqm, FY27, FY24)
	Ray White (1,129sqm, FY22)			NDIS (1,161sqm, FY26)

1. As at 30 June 2021 including signed heads of agreement. WALE is shown firstly on occupied space and secondly on total NLA

2. Weighted average.

3. The tenant is either Buick Holdings Pty Limited (Buick), or wholly owned subsidiaries of Buick. Buick is owned 67% by IDOM Automotive Group Pty Limited, a wholly owned subsidiary of IDOM Inc, an entity listed on the Tokyo Stock Exchange and 33% by entities associated with the DiVirgilio family.

Development Pipeline - Perth



Architectural drawings – 1 Mill Street

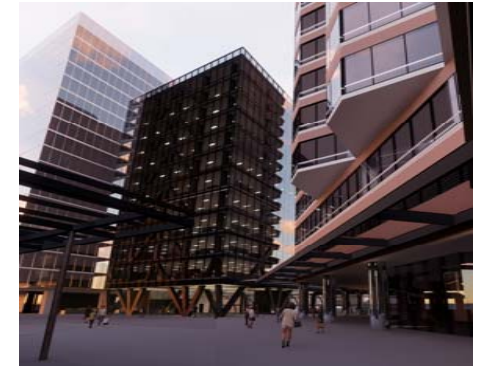
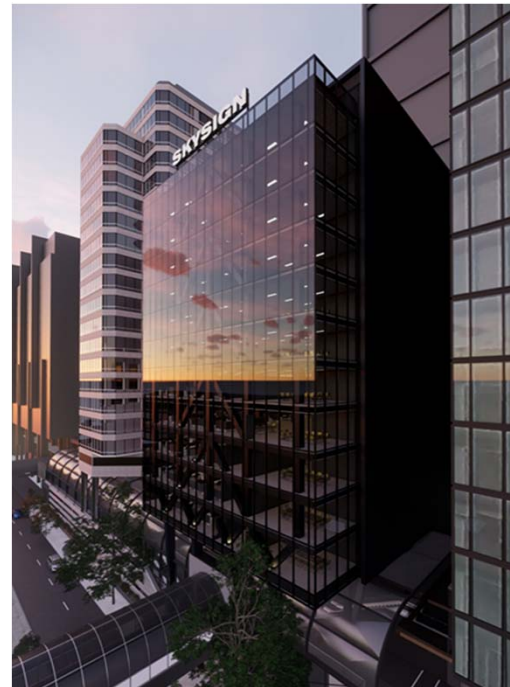


1 Mill Street

- Development approval for the construction of a 45,000sqm NLA office building, including precinct upgrades to 5 Mill Street and 197 St Georges Terrace
- Demolition plans to commence Q4 CY21
- Continued engagement with prospective major tenants

Westralia Square 2 (WS2)

- Built engaged as D&C Contractor and on site works have commenced
- Contract scope includes new circa 9,300sqm NLA timber/steel hybrid office building (WS2) and full precinct public realm upgrade to existing office building (WS1)
- Completion Date Q4 CY22
- Total forecast costs of \$63 million, including precinct works but excluding incentives and finance costs



Architectural drawings – WS2



FUNDS MANAGEMENT

Funds Management business



GDI No. 29 Office Trust

- Originally a two-asset fund, now only holding 10 strata suites in 251 Adelaide Terrace
- 100 of the 112 strata suites sold with investors receiving \$1.30 in capital back in addition to income distributions
- Looking for short term leasing of the remaining 10 suites as the Perth strata market reawakens



GDI No. 42 Office Trust

- Originally a two-asset fund with similar asset management plans
- Now only holding 235 Stanley Street, Townsville
- Opportunity to add significant value on releasing the vacancy created by the departure of the ATO in August 2020
- GDI holds an ownership interest of 43.68%



GDI No. 33 Brisbane CBD Office Trust

- Bought 10 Market Street, Brisbane in 2010 and decided to strata it in 2012
- Approximately 50% of NLA sold or in process of being sold
- Signs of improvement in the Brisbane strata market after several years of price pressure
- Anticipate an acceleration of sales at improved pricing levels



GDI No. 43 Property Trust

- Owns 6 Sunray Drive, Innaloo, home to Perth's only IKEA store
- IKEA's lease expires in February 2023, with IKEA having 3 x 5-year options
- Annual CPI rent reviews, with market reviews at expiry and at each option date
- Strategically located site between Sterling Station and Westfield Innaloo
- Potentially significant upside on an alternate use basis



GDI No. 36 Perth CBD Office Trust

- Owns the iconic 1 Adelaide Terrace, Perth
- Investors had been receiving +10% distribution yield on their initial investment with units valued at \$1.11
- Levels 6 and 7 vacancy creates an opportunity to add value by releasing and extending the WALE



GDI No. 46 Property Trust

- Owns 17 Perth metropolitan properties occupied by high profile car dealerships and service centres
- Long WALE of over 10 years, with the opportunity to add value through land amalgamations, capex and alternate uses (STCA)
- GDI holds an ownership interest of 47.19%



GDI No. 38 Diversified Property Trust

- Originally a seven-asset portfolio purchased from UGL on a sale and leaseback basis with four of those assets now sold
- Investors have/are
 - received \$0.63 of their initial capital
 - receiving +15% distribution yield on their remaining \$0.37 of initial capital
 - a current unit value of \$0.79
- Significant upside in Broadmeadow site on an alternative use basis

The background of the slide features three photographs of modern glass skyscrapers. On the left, a close-up of a building facade with diagonal glass panels. In the center, a tall building with a glass curtain wall and a green rooftop garden. On the right, a building with a stepped glass facade.

APPENDIX

Profit or Loss

	GDI		Trust	
	Jun-21	Jun-20	Jun-21	Jun-20
	\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities				
Property income	52,043	67,663	52,427	67,759
Funds management income	2,599	2,206	-	-
Interest revenue	111	163	104	152
Other income	56	263	18	200
Total revenue from ordinary activities	54,809	70,294	52,370	68,111
Net fair value gain/(loss) on interest rate swaps	324	(326)	324	(326)
Net fair value gain/(loss) on investment property	2,318	32,862	2,318	32,862
Total income	57,451	102,831	55,012	100,647
Expenses				
Property expenses	19,895	18,659	19,895	18,659
Finance costs	5,270	3,176	5,290	3,191
Corporate and administration expenses	8,142	7,824	4,338	5,352
Provision for impairment of debts	789	463	296	536
Acquisition expenses	830	5,448	801	7,408
Total expenses	34,927	35,571	30,620	35,146
Profit before tax	22,525	67,260	24,392	65,501
Income tax benefit/(expense)	435	(520)	-	-
Net profit from continuing operations	22,960	66,740	24,392	65,501
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	22,960	66,740	24,392	65,501
Profit and total comprehensive income attributable to:				
Company shareholders	(1,432)	1,239	-	-
Trust unitholders	17,417	65,864	17,417	65,501
Profit and total comprehensive income attributable to stapled securityholders	15,985	67,104	17,417	65,862
External non-controlling interests	6,975	(363)	6,975	(363)
Profit after tax from continuing operations	22,960	66,740	24,392	65,501

NPAT to AFFO

	GDI	
	Jun-21	Jun-20
	\$'000	\$'000
Total comprehensive income for the period	22,960	66,740
Acquisition expenses and discontinued acquisition	830	5,448
Contribution resulting from consolidated trusts	(9,220)	(7,253)
Distributions / funds management fees received from consolidated trusts	4,245	3,749
Straight lining adjustments	757	1,032
Amortisation and depreciation	12,139	7,335
Net fair value gain on investment property	(2,318)	(32,862)
Net fair value (gain) / loss on interest rate swaps	(324)	326
Funds From Operations	29,069	44,516

Property by property information

	FY22	Jun-21		Jun-20		Jun-21		
	\$m	\$m		\$m		\$m		
	FFO	IFRS NPI ²	FFO	IFRS NPI ²	FFO	Capex spent	Maintenance capex spent	Incentives and lease costs
1 Mill Street	(0.5)							-
5 Mill Street	3.2					-	-	1.0
197 St Georges Terrace	16.3					-	1.0	3.6
Mill Green, Perth	19.0	13.7	19.3	14.7	19.5	0.8	1.0	4.5
Westralia Square, Perth	10.6	3.3	8.3	21.0	22.5	6.5	0.1	5.7
50 Cavill Avenue, Surfers Paradise	1.2	5.3	7.1	5.5	7.1	0.8	0.1	1.0
180 Hay Street, Perth	(0.7)	(0.4)	(0.4)	-	-	1.3	-	
Distributions from consolidated funds	3.7	-	3.6	-	2.4			
Funds Management fees	3.3	2.6	3.3	2.2	3.6			

1. "As is" is defined as contracted revenues only, or budgeted estimates of none contracted revenues (for example, casual car parking) and does not include any new leasing or lease renewals and is subject to no material change in circumstances or unforeseen events.
2. IFRS NPI is the net property income of each asset prior to any revaluation adjustments.

