ASX ANNOUNCEMENT

10 November 2022

CHAIRMAN'S AND MANAGING DIRECTOR'S ADDRESSES

Following is the Chairman's address and the Managing Director's presentation to be delivered at today's Annual General Meeting of GDI Property Group[1].

Media Enquiries:

Steve Gillard
Managing Director
+61 2 9223 4222

steve@gdi.com.au

David Williams
Chief Financial Officer
+61 2 9223 4222

david@gdi.com.au

Authorised for release by David Williams, Company Secretary

1. GDI Property Group comprises the stapled entities GDI Property Group Limited (ACN 166 479 189) and GDI Property Trust (ARSN 166 598 161).

CHAIRMAN'S ADDRESS

It feels like the world changes very quickly these days. Many of us have virtually forgotten (or tried to forget) COVID and its impacts and the fact that much of Australia was locked down for a big chunk of the last financial year. Even so, we continue to face an uncertain environment with a myriad of challenges, not the least of which include rising interest rates, rising inflation, rising geopolitical tensions, and China's slowing economy.

As such I am very pleased that 95% of our assets are in Perth - a commodities-based economy meeting the worlds current needs. We deliberately positioned our business to Perth anticipating this economic scenario. We avoided buying assets that aren't able to capture inflation through higher rents and always considered replacement costs when making acquisitions.

As building costs rise, we find ourselves with fantastic assets at values that are now significantly below replacement cost, with that value gap to be bridged through leasing. As commodities have historically performed well during times of inflation, and the fact that the greening of the world's economy will be good for WA and Perth, we expect we will achieve the necessary leasing successes to create the extra value in our assets.

Our Managing Director will provide an update on the progress of our leasing and developments in his address.

For most of last financial year, Western Australia's borders were shut to the rest of the country. This had a two-edged sword for Perth and its economy. On the one hand, for much of the year, Perth managed to avoid the worst of COVID-19. With only a small number of days where Perth was locked down, most of our tenants were able to operate as normal in FY22. Office usage in the Perth CBD consistently ranked amongst the highest of all Australian cities.

However, once borders reopened, Western Australia suffered from an inevitable COVID wave, and some of our assets, like the two Perth CBD carparks we purchased in December 2021, underperformed during April and May. Pleasingly, occupancy and revenues at both the carparks are now back at levels that indicate that Western Australian's are getting on with business.

The hard border closures made it difficult for domestic and international migration, which meant many Perth based businesses struggled to hire the people they needed to deliver on new work. With this labour shortage now appearing to be a global problem, there does not appear to be an immediate solution. Partly because of this lack of labour, but also due to the uncertainty COVID and border closures created, we did not make the re-leasing progress we had anticipated. However, we continue to believe that Perth will outperform the eastern state CBD office markets and are beginning to see evidence of increased levels of leasing activity in Perth, while at the same time we have anecdotal evidence of some leasing softness in the eastern state CBDs.

While workforce practices may become more flexible, I believe the office will continue to play an important role for any organisation. The office provides an organisation with the ability to foster its own identity and culture; promote innovation and productivity improvements through staff collaboration; on-the-job and tacit learnings for junior employees from their more experienced colleagues; marks the boundary between work and home; and enhances the social aspect of work. Importantly, through redevelopment and refurbishment making greater use of technology and new products, our offices today are increasingly environmentally sustainable and healthier work places for everyone.

Although we are somewhat exposed to the broader market dynamics, I believe that our assets have a competitive advantage to attract tenants. Our assets are well located, with four sides of natural light and easily divisible floor plates. We also invest into our assets to improve their efficiencies and reduce tenant outgoings which allows us to not only attract tenants, but to also substantiate more net rent. Overall efficiency gains are made by simple things like replacing lighting with LED lights, upgrading air-conditioning systems that reduce the environmental impact of refrigerants and upgrading lift systems such that they operate more efficiently. This makes both economic sense and reduces the environmental impact of the property.

We are very proud of the strides we have made with our environmental footprint. Most environmental standards used by the property sector measure the operational phase of a property's life. Existing properties have embodied carbon – the carbon created during their construction phase. This carbon can be up to 30% of a typical office property's carbon emissions over its lifecycle, and that does not include a demolition phase. By repurposing and repositioning existing buildings, we conserve the embodied carbon. As far as carbon conservation is concerned our historic asset strategy of continual improvement is demonstrably effective. During FY22 we commenced construction of a new office building, WS2, in Perth, which is now nearly complete. WS2 is an approximately 9,500sqm premium office building being constructed from a combination of steel and timber situated on the existing carpark at Westralia Square. This construction brings a step change approach to minimising embodied carbon across our portfolio, and importantly, in our built environment. The two primary areas of focus have been to firstly replace as much concrete as possible with cross laminated timber. Secondly, WS2 borrows structural support from an existing concrete carpark structure beneath it and spare thermal capacity from an adjoining office building (all owned and operated by GDI). These key factors, in combination, have driven an effective embodied carbon reduction of approximately 80% compared to the construction of an equivalent contemporary reinforced concrete building.

ESG is not just about carbon and emissions. We released our third ESG Report which also began the journey of reporting in accordance with the disclosure recommendations of the Taskforce for Climate-related Financial Disclosures and released a voluntary Modern Slavery Statement.

GDI is pleased to play our part as a member of the communities in which we have assets. For example, GDI is the major sponsor of the Salvos' Red Shield Appeal breakfast in Perth and the WA Property Council's golf day.

I am very comfortable that GDI has the team to be able to execute on our strategy. I want to thank Steve Gillard and all the GDI team for their commitment and endeavour during FY22, and we expect that the hard work over the last couple of years will now bear fruit. Also, I'd like to thank my fellow board members, Giles Woodgate, John Tuxworth and Stephen Burns, for all their tireless efforts, their wise counsel, and all their support. And finally, thank you to you our investors for your forbearance in a challenging environment.

Managing Director's Presentation

Mr Steven Gillard

Overview of FY22

NTA

$1.27 per security[1]

FFO

5.29 cents per security

FY22 distribution

7.75 cents per security

Total return since IPO[2]

13.0%p.a.

Interest rate cap[3]

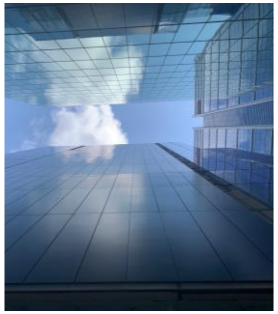
63% of drawn debt subject to an interest rate cap of BBSY of 3.00%

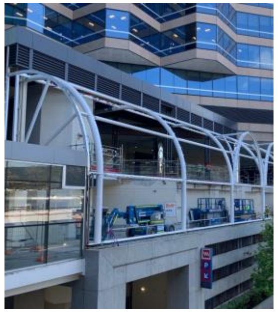
Gearing

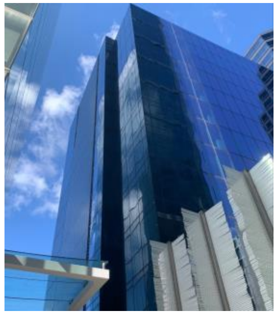
23%[1]

1. As at 30 June 2022
2. Measured as movement in NTA per security plus distribution per security, divided by opening NTA
3. On the Principal Facility only. GDI has interest rate protection on $100.0 million of debt at BBSY of no greater than 3.0% until 31 December 2023, and a further $50.0 million of debt at BBSY of no greater than 3.0% until 31 December 2024.

Operational highlights – WS2







Lightweight steel and timber development of approximately 9,500sqm of NLA on Westralia Square carpark

Utilises existing concrete structure for foundation support

80% reduction in embodied carbon

On track for CY22 visual completion:

- Technical practical completion early CY23
- Minimal variations

Interest from numerous potential occupiers, including whole of building, multi-floor and single floor tenants

Once operational, WS2 is also expected to generate significantly less emissions than a standalone building due to its high-performance thermal enclosure and sharing some of the services with the adjoining Westralia Square

Assessing strategies to achieve carbon neutral status once operational, including buying green power and high-quality offset credits

GDI

New development opportunities

Expertise gained from WS2 is now being applied to our broader portfolio, initially 1 Mill Street and the Wellington Street carpark

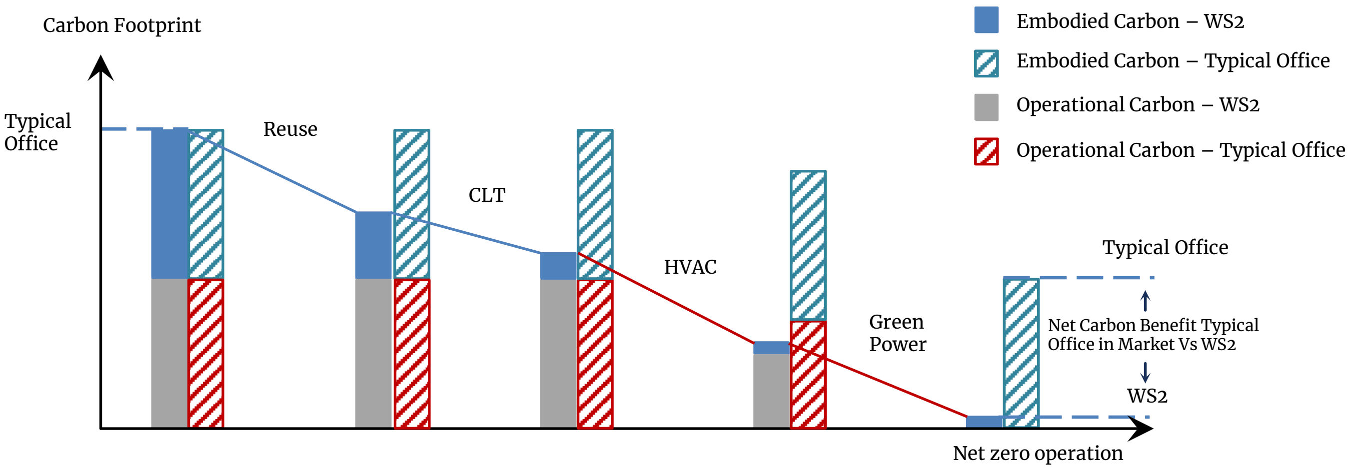
Lightweight steel and timber construction, utilising an existing concrete building for foundations:

- is quicker and cheaper to build on a total NLA basis
- conserves the existing building's embodied carbon
- produces less carbon during construction than an equivalently sized concrete building

Development application for 1 Mill Street lodged with approval expected shortly and a development application for Wellington Street carpark will be lodged imminently

- Will not commence construction without a significant level of pre-commitment

Modern building materials and plant and equipment minimise Scope 1 and Scope 2 emissions, reducing the amount of green power and carbon credits needed to buy to achieve net zero



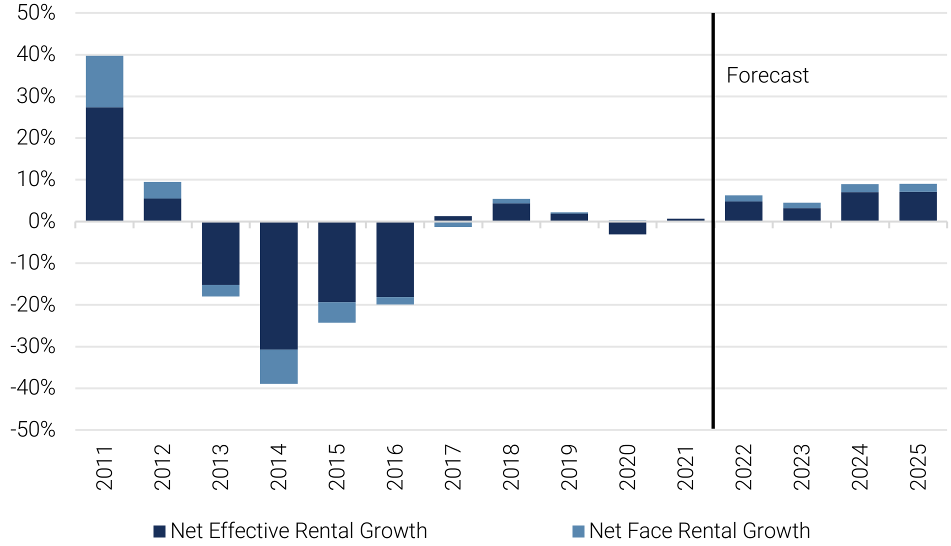

Architectural drawing – 1 Mill Street


Architectural drawing – Wellington Street

GDI

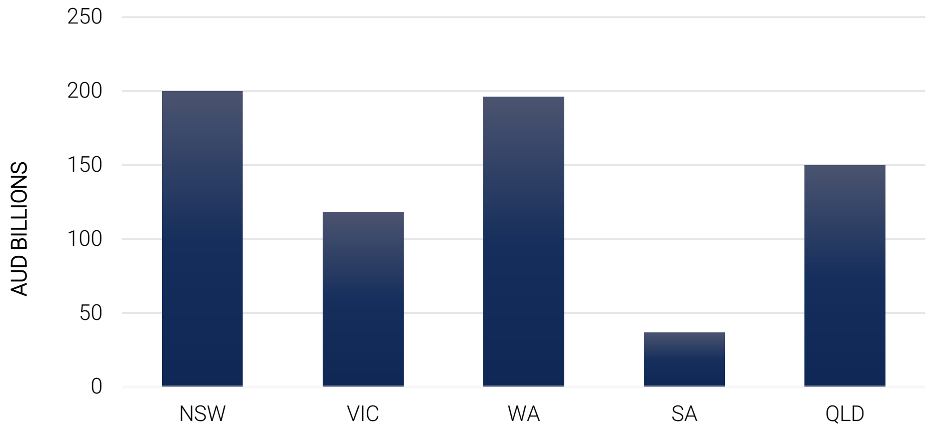
The Perth market

Perth CBD – Net face and effective rental growth



Source: JLL Research

Infrastructure projects pipeline by state



Source: JLL Research

19.3%

Vacancy:

The Perth CBD overall vacancy rate decreased by 0.9 pps over the quarter to 19.3%

16,200 sqm

Net absorption:

Net absorption totalled 16,200sqm in the Perth CBD during 3Q22, the strongest result since 4Q18

Leasing

WS2

Active negotiations with one three-floor tenant and one four-floor tenant

Proposals requested from and provided to another two tenants for four floors in total

Numerous single floor tenants expressing interest

Westralia Square

Previously announced heads of agreement now an executed lease, leaving only upper four floors

Active negotiations with a potential two-floor tenant

197 St Georges Terrace

Level 1 (2,381sqm) and the two suites on level 18 (786sqm) now subject to heads of agreement

Previously announced heads for ground and mezzanine (1,201sqm) now a signed lease

Active negotiations with one new (800sqm) and one existing (1,600sqm) tenant

Leasing

5 Mill Street

Interest on all current vacant space (1,000sqm)

1 Adelaide Terrace

Active negotiations with a potential two floor tenant (6,500sqm) taking occupancy to 100%, and two existing tenants about lease extensions

Other

Distribution

- Confirm our intent is to pay a cash distribution of at least 5.00 cents per security for FY23 regardless of our level of FFO, subject to no material change in circumstances or unforeseen events
  - First half forecast cash distribution of 2.50 cents per security
  - Reflects conservative approach in challenging interest rate environment whilst the portfolio is in a lease-up stage
  - Likely that a proportion will be paid out of capital

Potential acquisitions

- Reviewing a strategic partnership opportunity in an 'active' real estate sector
  - Best in class partner
  - Scalable through both expanding existing operations and bolt-on acquisitions
  - Intend to involve the Funds Business once critical scale is achieved

Perth operations

- Perth team now expanded to three employees and a full-time leasing consultant
- Managing Director intends to spend a majority of his time on the ground in Perth

GDI

GDI