



# Annual results

/ 21 August 2023





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## Acknowledgement of Country

GDI acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

# Introduction

- > Strategic turning point underway
- > Results for FY23 are underpinned by an improving Perth market and this trend is continuing
- > GDI is positioned to capture improved property income through additional leasing
- > Whilst some cap rate weakening is expected, increased rents and values per \$m<sup>2</sup> are likely to prevent sharp declines for well located office properties
- > GDI is comfortable with its debt funding and is diversifying funding sources and recycling assets to increase capacity to execute on strategy
- > Objective of maintaining 5.0 cents distribution per security, through cycle

# 01

**Strategic turning point**  
INTRODUCTION



# Operational highlights

## WS2



- > Practical completion of WS2, Perth's first steel and timber building
- > 9,500 sqm of NLA over 11 levels, with 7 levels already subject to leases or Heads of Agreement
- > Completion of WS2 and associated precinct works has transformed the Westralia Square complex, with it now presenting as premium grade as its location deserves
- > Delivered with a cost of \$63.5m versus a budget of \$63.0m (2019), valued at \$90m today

## LEASING

# 30%

- > Leased, renewed or signed Heads of Agreement for nearly 30,000 sqm of office space in Perth representing approximately 30% of our Perth office portfolio<sup>1</sup>
- > Majority of this occurred in the last eight months of the financial year
- > High levels of enquiry on much of the vacant space

1. Excludes 1 Mill Street, but includes 1 Adelaide Terrace (GDI No. 36 Perth CBD Office Trust)

## CO-LIVING JOINT VENTURE



- > Executed Joint Venture arrangements with Tulla Group in March/April 2023
- > Currently operating two villages/complexes in Norseman and South Hedland with over 500 rooms, duplexes and houses under operational control
- > South Hedland properties now fully integrated with solid levels of forward bookings
- > Considering a number of potential acquisition opportunities

# 01



## Financial snapshot

NTA

\$1.25

- > No change from 31 December 2022, but down \$0.02 from 30 June 2022
- > All wholly owned assets revalued during FY23
- > Devaluation of 197 St Georges Terrace and Westralia Square (from December valuation) partly offset by profit on WS2
- > Weighted average capitalisation rate of 6.55%
- > Average rate/sqm of NLA of \$8,031<sup>1</sup>

Gearing

31%

- > LVR on the Principal Facility of 35% (covenant of 50%) and ICR on Principal Facility for year ended 30 June 2023 of 3X (covenant 2X)
- > Locked away most of CY23 and CY24 interest rate risk through acquisition of interest rate caps

FFO per security

5.28 cents

- > FFO per security similar to FY22, with increased revenues offset by the impact of higher interest rates
- > AFFO per security impacted by significantly higher leasing fees and incentives due to leasing successes

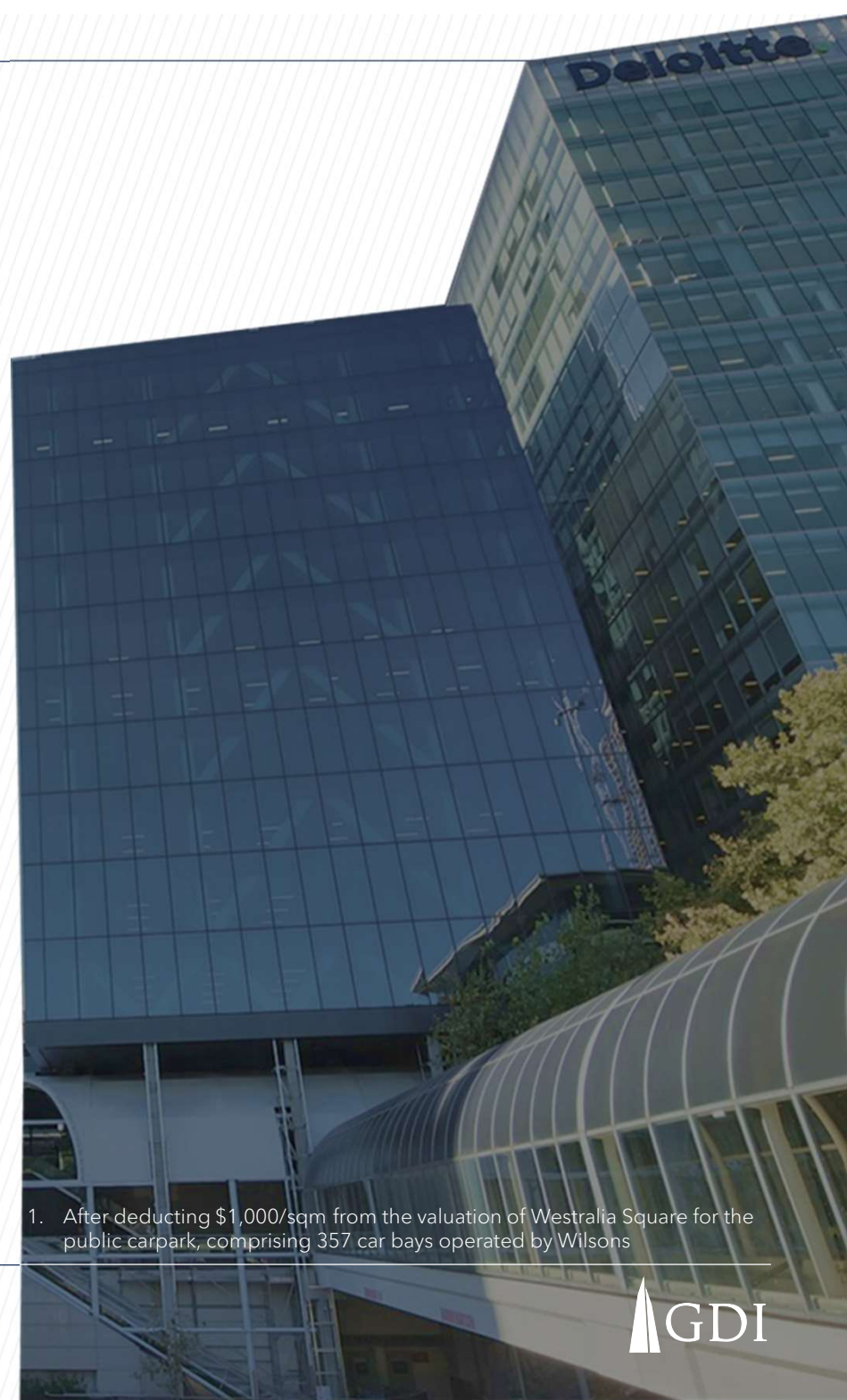
Distribution

- > FY23 distribution of 5.0 cents per security
- > Objective of holding 5.0 cents through cycle

# 02

**Financial snapshot**  
FINANCIAL SNAPSHOT

1. After deducting \$1,000/sqm from the valuation of Westralia Square for the public carpark, comprising 357 car bays operated by Wilsons



# Contributors to FFO

## PROPERTY DIVISION FFO HIGHER THAN PREVIOUS CORRESPONDING PERIOD:

- > FFO from Westralia Square of \$18.1 million, up from \$12.7 million from the prior year
- > FFO from Westralia Square is anticipated to continue to increase with occupancy, although there is some lag time in lease commencements
- > At Mill Green, FFO was significantly lower at \$15.4 million (vs \$19.0 million in the prior year), largely due to the lower occupancy at 197 St Georges Terrace
- > Full year contribution from the car parks of \$4.2 million, well in excess of the FY22 contribution of \$1.3 million (although only owned for six-months)
- > FFO from the Co-living JV of \$1.1 million as acquisitions and integration bedded down



Funds Management FFO of \$6.8 million (Prior corresponding period: \$6.8 million) includes:

- > Distributions from GDI No. 42 Office Trust (\$0.2 million)
- > Distributions from GDI No. 46 Property Trust (\$1.5 million)

Net interest expense significantly higher at \$9.2 million

- > Interest on the debt drawn to fund the construction of WS2 is capitalised until occupiable

Corporate and administration expenses decreased due to some one-off items

- > Significant increases in incentives and leasing fees paid are a direct result of the leasing successes
- > Maintenance capital expenditure relates predominantly to works at 197 St Georges Terrace now that it has become a releasing story

	Jun-23	Jun-22
	\$'000	\$'000
Property Division FFO	38,273	33,880
Funds Management FFO	6,810	6,792
Other	98	38
<b>Total</b>	<b>45,180</b>	<b>40,710</b>
Less:		
Net interest expense	(9,184)	(3,679)
Corporate and administration expenses	(7,618)	(8,678)
Other	(257)	118
<b>Total FFO</b>	<b>28,121</b>	<b>28,471</b>
Maintenance capex	(7,296)	(2,693)
Incentives and leasing fees paid	(11,643)	(6,032)
Income tax expense / (benefit)	188	(126)
<b>Total AFFO</b>	<b>9,369</b>	<b>19,621</b>

# 02



## Debt and interest rates



Principal Facility drawn to \$305.1 million with undrawn debt of \$40.8 million

Gearing of 31%, LVR on the Principal Facility of 35% (covenant 50%) and year ended ICR of 3X (covenant of 2X)

30 June 2023

Principal Facility	Secured	Maturity Date	Facility \$'000	Utilised \$'000	Unutilised \$'000
Tranche C (working capital)	Yes	July 2024	244,437	203,606	40,831
Tranche F (Carparks)	Yes	July 2024	68,500	68,500	-
Tranche G (Co-living JV)	Yes	July 2024	33,000	33,000	-
Tranche D (BGs)	Yes	June 2024	5,563	-	-
<b>Total Principal Facility</b>			<b>351,500</b>	<b>305,106</b>	<b>40,831</b>

### Consolidated unlisted funds

GDI No. 42 Office Trust	Yes	July 2024	11,500	10,000	1,500
GDI No. 46 Property Trust	Yes	February 2025	30,000	30,000	-
<b>Total consolidated unlisted funds</b>			<b>41,500</b>	<b>40,000</b>	<b>1,500</b>
<b>TOTAL DEBT</b>			<b>393,000</b>	<b>345,106</b>	<b>42,331</b>

### Interest rate caps protect from rising rates

31 December 2023	31 December 2024	30 June 2025
\$100.0m at BBSY at a 3.0% cap	\$50.0m at BBSY at a 3.0% cap	\$100.0m at BBSY at a 4.25% cap
\$200.0m at BBSY at a 4.25% cap	\$150.0m at BBSY at a 4.25% cap	
<b>\$300.0m total</b>	<b>\$200.0m total</b>	<b>\$100.0m total</b>

## Perth market overview



Economy is projected to be **25%** larger by 2031



Total population to increase by **13.0%** to **3.1 million** people through 2031



Exports from WA represent over half of all Australian merchandise exports



Infrastructure spending of **\$186 billion** or **70%** of GDP over the next 4 years

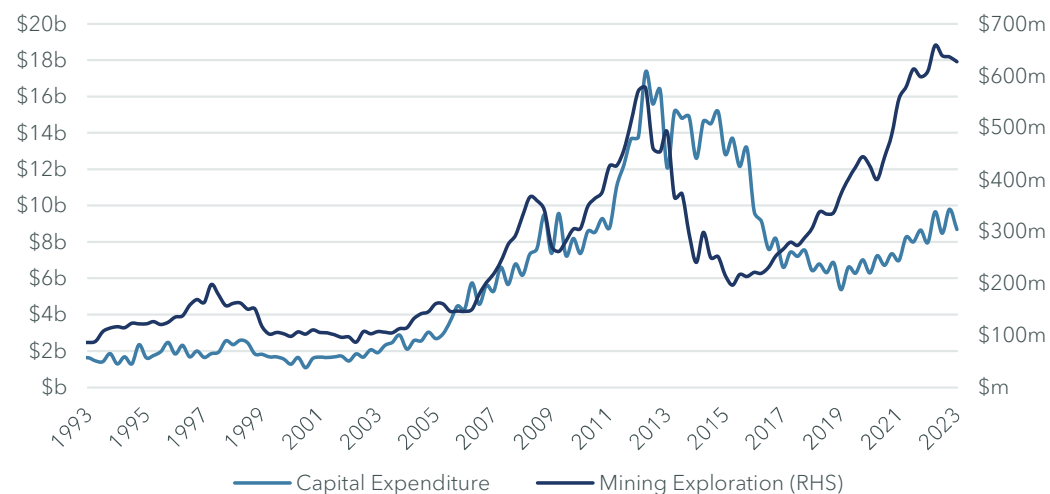


The number of people in paid employment will increase by **270,000** people



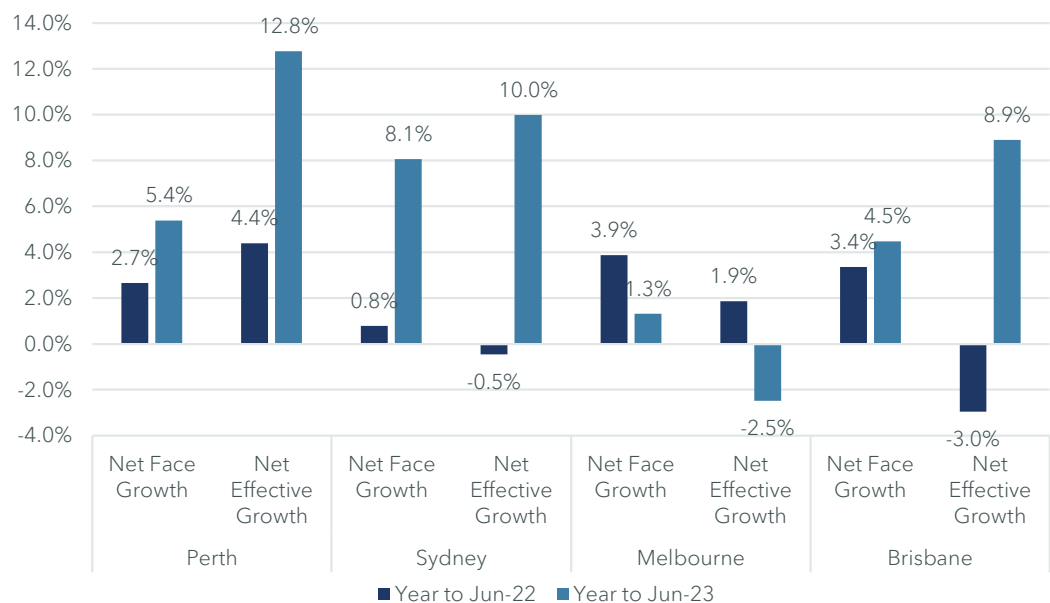
WA has the strongest state budget surplus nationally while global ratings agency cited WA as having the best economy globally

## WA Mineral Exploration Spend v New Capital Expenditure



Source: CBRE Research

## Australian Prime CBD Net Face v Net Effective Rental Growth



Source: CBRE Research

# 04

The Perth market

PERTH MARKET OVERVIEW



## Perth market key trends

- > Seven quarters of positive absorption
- > Leasing levels higher than seen for many years
- > Positive macro dynamics
- > Strong lead indicators such as job ads
- > High c.80% levels of back to work office usage
- > Minimal supply
- > Resources and government are the large drivers of demand
- > Seeing strong interest for smaller space users / part floors
  - > Spec fitouts leasing quickly
  - > Better terms
- > High levels of foyer activation
  - > Reflects desire for meetings / calls over a coffee
  - > Trend for smaller or dense space users to utilise foyer amenity
- > The new End of Trip now focuses on conference facilities
- > Premium vacancy down to c.6%
  - > Vacancy pushed into next tier
- > A grade space is competitive with multiple building choice
  - > Tighter for better located space
  - > Differentiated by spend / capex levels
- > Perth has virtually no sublease vacancy in contrast to major East Coast markets

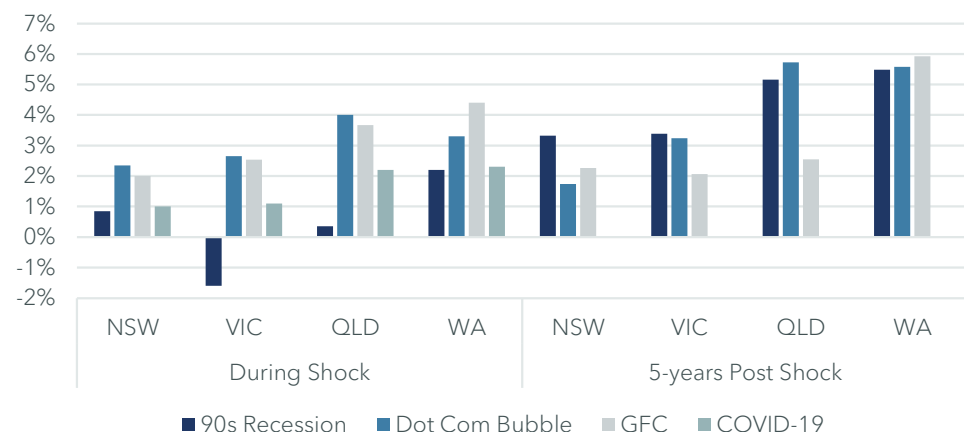
# 04

**The Perth market**

PERTH MARKET KEY TRENDS

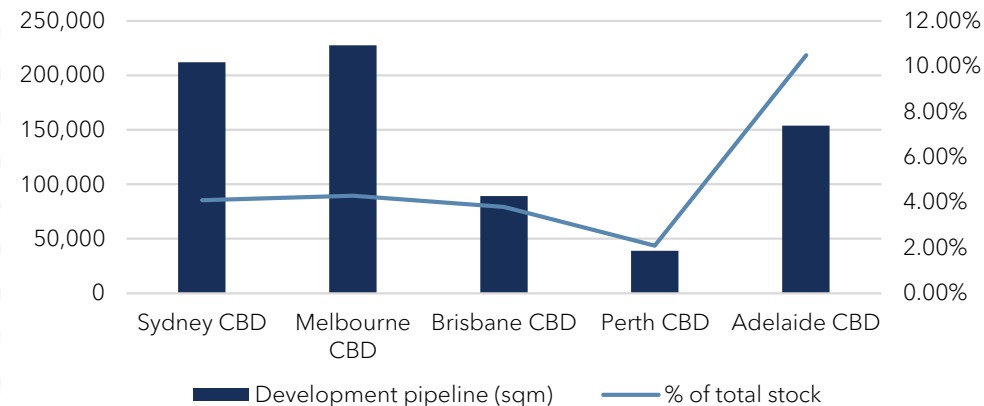
# Perth market overview

## Gross State Product Growth



Source: CBRE Research

## CBD Office Markets Development Pipeline<sup>1</sup>



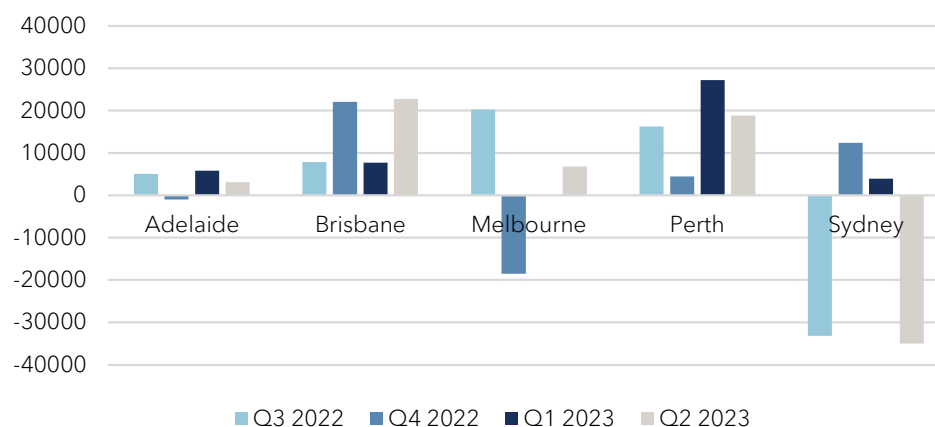
1. Only includes projects under construction with forecast completion dates between 2023 and 2025 Source: JLL Research

# 04

## The Perth market

PERTH MARKET OVERVIEW

## Capital City Net Absorption Q3 2022 - Q2 2023



Source: JLL Research

## Transactional evidence

108 St Georges Terrace		
	Sale date	Aug 22
	NLA	37,979 sqm
	WALE	3.25 years
	Sale price	\$339.75m
	Cap rate	6.79%
	\$/sqm	\$8,946
77 St Georges Terrace		
	Sale date	Aug 22
	NLA	28,873 sqm
	WALE	5.61 years
	Sale price	\$233.00m
	Cap rate	7.15%
	\$/sqm	\$6,996

Source: Savills



## Focus on agility

### Lease Under-writing Market Perth

- > Tenants taking expansion space
- > Resources and Government are the big space takers
- > Very limited 10,000m<sup>2</sup> NLA + opportunities (even fewer 20,000m<sup>2</sup>)
- > GDI can spec small developments like WS2 but prefers specific tenant pre-commitments that allow for larger buildings
- > Tenants moving from outer regions into core CBD to gain better amenity and access for employees

**"The big tenant drivers of the Perth market  
(Government & Resources) are making big moves"**

04

The Perth market  
FOCUS ON AGILITY



## ESG trends

### Primary ESG Themes – Perth

- > Resources industry overtly focussing (offset dirty industry perception)
- > Majors leading change through supply chain (a “must demonstrate” criteria)
- > Carbon conservation is priority metric (embodied and operational)
- > Offsetting/greenwashing disingenuity
- > Growing curiosity around embodied carbon (industry has few answers)

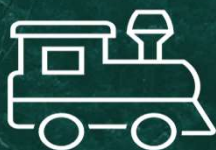
# BHP

**Emissions Commitment**  
Net Zero by 2050

# RioTinto

**Emissions Commitment**  
50% reduction by 2030

“The environmental train has left the station”



**Emissions Commitment**  
Net Zero by 2050



**NEWCREST**  
MINING LIMITED

**Emissions Commitment**  
Net Zero by 2050

# 05

ESG focus  
TRENDS



## Property portfolio

Details	Independent valuation		Cap rate %	30/6/23 \$m	30/6/22 \$m	
	Date	Fair value \$m				
141 St Georges Terrace, Perth (WS1)	30/6/23	371.0	6.25	371.0	376.9	↓
143 St Georges Terrace, Perth (WS2)	30/6/23	90.0	6.50	90.0 <sup>1</sup>	41.6	↑
197 St Georges Terrace, Perth	31/12/22	207.5	7.00	212.8	218.0	↓
5 Mill Street, Perth	31/12/22	58.0	7.00	58.1	58.0	↑
1 Mill Street, Perth	31/12/22	36.0	8.00	36.0	36.0	↔
235 Stanley Street, Townsville	31/12/22	51.0	7.75	51.4	51.8	↓
180 Hay Street, East Perth	31/12/22	20.5	8.00	20.5	20.8	↓
<b>Total office properties</b>		<b>834.0</b>		<b>839.0</b>	<b>761.5</b>	↓
Autoleague Portfolio, Perth	30/6/22	136.5	<sup>2</sup>	136.6	136.5	↔
419-431 Murray Street, Perth	31/12/22	42.5	5.20%	42.6	38.5	↑
301-311 Wellington Street, Perth	31/12/22	32.0	5.30%	32.2	30.3	↑
<b>Total car parks and car yards</b>		<b>211.0</b>		<b>211.4</b>	<b>205.3</b>	↑
Properties under construction	-	-	-	- <sup>1</sup>	41.6	
<b>Total carrying value</b>				<b>1,051.2</b>	<b>1,008.4</b>	↑

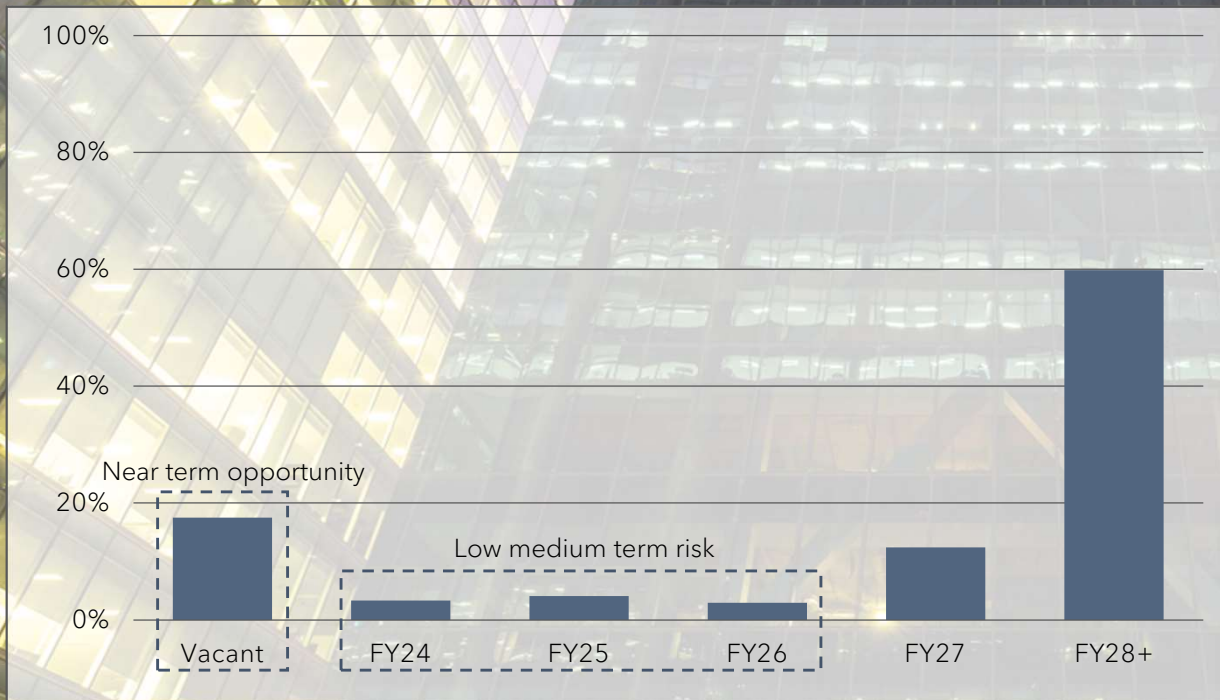
1. Construction of Westralia Square 2 was completed on 13 June 2023 for total costs of \$67.5m prior to fair value uplift.

2. Relates to 17 car yards within Perth with a market yield range of 5.2% - 6.6% and an IRR range of 6.9% - 7.3%.



# The portfolio

## WEIGHTED AVERAGE LEASE EXPIRY<sup>1</sup>



- 1. Excludes 1 Mill Street and the two Perth CBD car parks, but includes the showrooms in the Autoleague portfolio
- 2. Includes 1 Mill Street
- 3. After deducting \$1,000/sqm from the valuation of Westralia Square for the public car park, comprising 357 car bays operated by Wilsons

## KEY STATISTICS

Occupancy <sup>1</sup>	82.5%
WALE <sup>1</sup>	5.2 years
Weighted average capitalisation rate <sup>2</sup>	6.6%
Average value psm <sup>3</sup>	\$8,031
Total NLA (sqm) <sup>2</sup>	125,650



## The portfolio



WESTRALIA SQUARE,  
PERTH



WS2,  
PERTH



197 ST GEORGES TERRACE,  
PERTH



5 MILL STREET,  
PERTH

### Valuation date

30 June 2023

### Valuation

\$371.0 million

### Carrying value

\$371.0 million

### NLA (sqm)

32,596

### Value/sqm

\$10,382<sup>3</sup>

### Discount rate

6.50%

### Capitalisation rate

6.25%

### Occupancy<sup>1</sup> (of NLA)

91.5%

### WALE<sup>2</sup> (years)

5.7 / 5.2

### Major tenants (sqm/expiry)

WAPOL  
14,514 / FY29

30 June 2023

\$90.0 million

\$90.0 million

9,529

\$9,445

6.75%

6.50%

63.6%

8.6 / 5.5

Arup  
2,598 / FY32

31 December 2022

\$207.5 million

\$212.8 million

26,126

\$7,942

7.25%

7.00%

70.8%

4.1 / 2.9

Albemarle  
2,381 / FY28

31 December 2022

\$58.0 million

\$58.1 million

7,148

\$8,115

7.00%

7.00%

92%

2.3 / 2.1

Knightcorp  
741 / FY25

06

## The portfolio

1. Including signed Heads of Agreement to 31 July 2023

2. By occupied area / total NLA

3. After deducting \$1,000/sqm for the public carpark, comprising 357 car bays operating by Wilsons, in addition to the 179 tenant bays

# The portfolio



Architectural drawings

1 MILL STREET,  
PERTH



180 HAY STREET,  
PERTH



MURRAY STREET,  
PERTH



Architectural drawings

WELLINGTON STREET,  
PERTH

**Valuation date**

31 December 2022

**Valuation**

\$36.0 million

**Carrying value**

\$36.0 million

**NLA (sqm)**

6,648

**Value/sqm**

\$5,415

**Discount rate**

9.25%

**Capitalisation rate**

8.00%

**Occupancy<sup>1</sup> (of NLA)**

-

**WALE<sup>2</sup> (years)**

-

**Major tenants  
(sqm/expiry)**

-

-

31 December 2022

\$20.5 million

\$20.5 million

4,925

\$4,162

9.25%

8.00%

-

-

-

31 December 2022

\$42.5 million

\$42.6 million

-

-

6.25%

5.25%

n/a

n/a

Wilsons (under  
management agreement)

31 December 2022

\$32.0 million

\$32.0 million

-

-

6.25%

5.25%

n/a

n/a

Wilsons (under  
management agreement)

06

The portfolio

1. Including signed Heads of Agreement to 31 July 2023
2. By occupied area / total NLA



## The portfolio



AUTOLEAGUE,  
WA



STANLEY PLACE,  
TOWNSVILLE

### Valuation date

30 June 2022

31 December 2022

### Valuation

\$136.5 million

\$51.0 million

### Carrying value

\$136.6 million

\$51.4 million

### NLA (sqm)

n/a

12,820

### Value/sqm

-

\$3,978

### Discount rate

7.00%<sup>3</sup>

8.00%

### Capitalisation rate

6.01%<sup>3</sup>

7.75%

### Occupancy<sup>1</sup> (of NLA)

100%

89%

### WALE<sup>2</sup> (years)

7.4 / 7.4

2.8 / 2.5

### Major tenants (sqm/expiry)

Autoleague  
FY31

Dept. of Human Resources  
4,644 / FY27

06

## The portfolio

1. Including signed Heads of Agreement to 31 July 2023
2. By occupied area / total NLA
3. Portfolio weighted average

## Funds business highlights

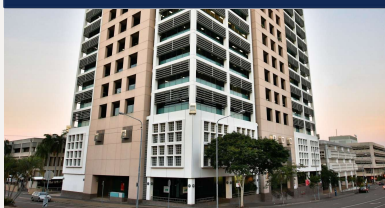
### IKEA



#### GDI No. 43 Property Trust

- > Ikea exercised the first of its three 5-year options. Renewing its lease to February 2028

### Stanley Place, Townsville



#### GDI No. 42 Office Trust

- > Commonwealth Government (GBRMPA) leased 3,021 sqm at Stanley Place, Townsville taking occupancy to 89%

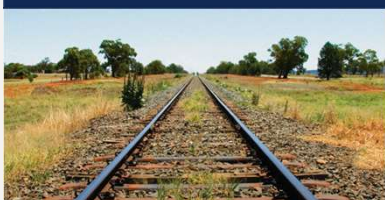
### Autoleague Portfolio



#### GDI No. 46 Property Trust

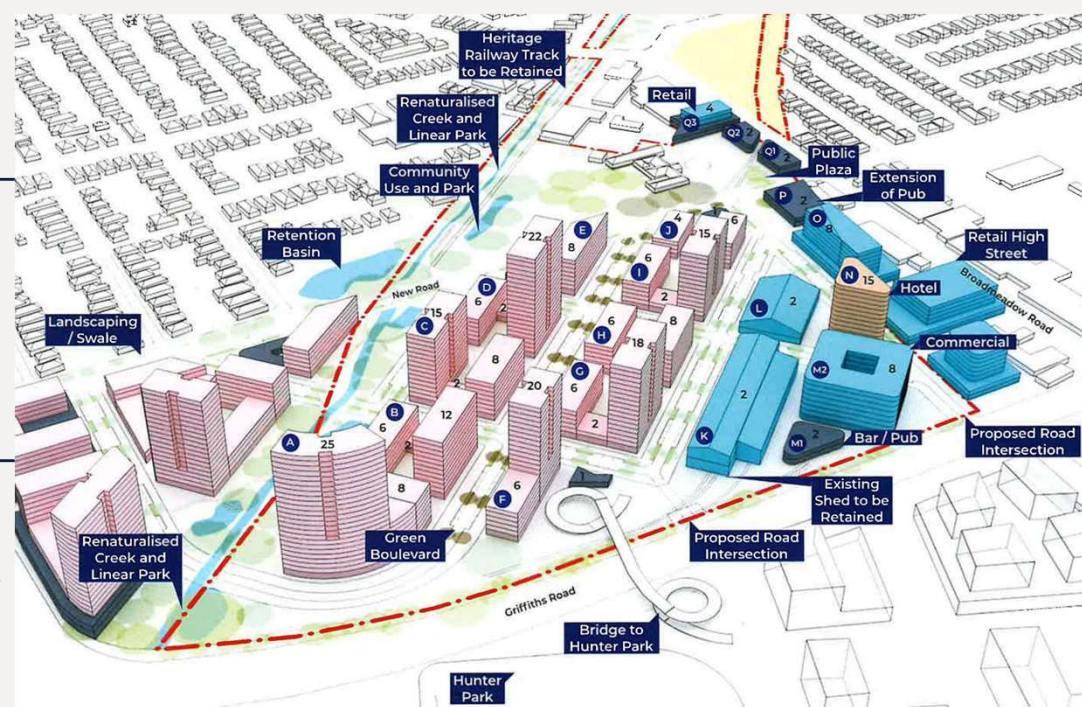
- > Rent reviewed in November 2022 on Autoleague portfolio at CPI +1%, resulting in a 7% increase

### UGL Portfolio



#### GDI No. 38 Diversified Property Trust

- > Planning work for change of use at Broadmeadow continues with the Broadmeadow Precinct identified by the State Government as one of seven council areas that could unlock 70,000 new dwellings through a fast-tracked planning process



Broadmeadow re-zoning scheme





# 07 Strategy

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# GDI - What we looked like

## FROM A CRITICAL PERSPECTIVE

- > Overweight Perth (basically two large assets in Perth)
- > Holding properties for multiple capex cycles
- > Too much vacancy
- > Narrow funding source
- > Culturally tired and needed a clear and executable strategy to embrace
- > Slow moving syndicates
- > Current market value does not reflect our true value and our point of difference

## STRATEGIC INITIATIVE

- > Recycle / JV / take advantage of East Coast market dislocation (transformational)
- > Lease-up / renew / sell / JV
- > Very targeted and relentless approach is delivering
- > Diversify / funding sources / through cycle
- > Management and Board renewal is well underway / accountability
- > Speed up the velocity of existing and new funds
- > Deliver on strategy with clear communication
- > Asset optimisation plans and execution are underway
- > Take advantage of our timber and reuse expertise

# 07

Strategy

GDI - WHAT WE LOOKED LIKE



## Evidence that we are executing on strategy

- > We were able to lease c. 30% of the Perth portfolio
  - ✓ WS1 and WS2 are on track to be fully let (in 2024)
  - ✓ 5 Mill Street is full bar movement on a few suites
  - ✓ Targeted leasing plan on 197 St Georges Terrace is a key goal for 2024
- > Implementing management changes
- > Consummated the Co-Living JV with over 500 rooms and a future pipeline
- > Diversified and extended funding sources
- > Commenced recycling initiatives
- > Built Perth's first timber and reuse office tower
  - ✓ Partnering with some of the "best in class" operators
  - ✓ Huge point of difference in the types of space we can create for tenants
  - ✓ The ESG train has left the station (Tenant RFP's)
- > Have a pipeline of future development and leasing opportunities

# Business model

## THE GDI VALUE PROPOSITION

### DRIVEN BY

#### Proposition

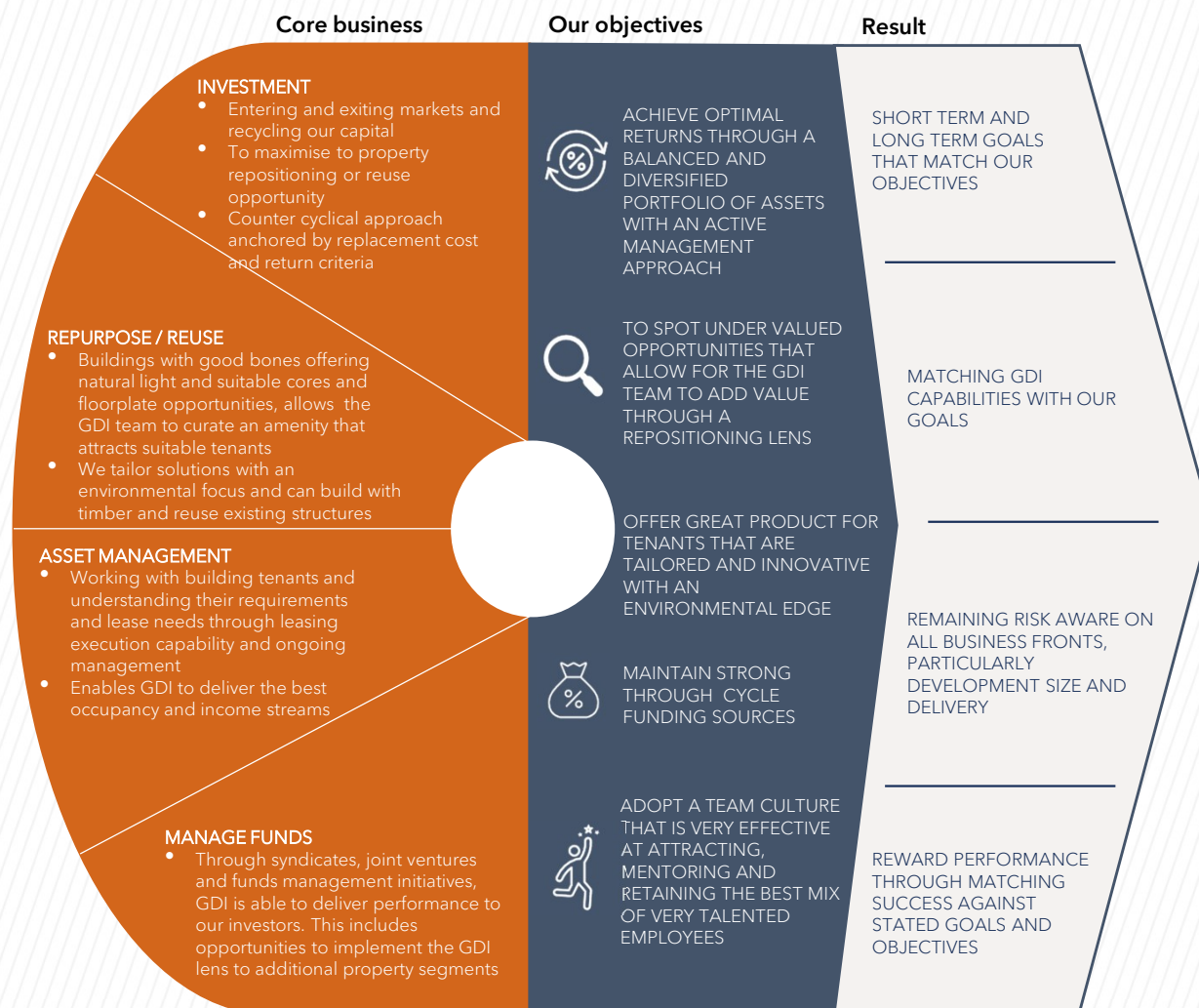
To be the best office building total return specialist, with a value driven approach to entering and exiting markets with agility and flexibility

#### Vision

We identify, acquire and repurpose or reuse buildings by curating tailored spaces for tenants that desire the best environmental low carbon offices

#### Point of difference

- Off market discovery / (stealthy)
- Below replacement cost and total return focus (value screens)
- Building, adapting, reusing (break-even rent advantage)
- Implementation of an integrated carbon reduction strategy (ESG lens)
- Integrating appropriate technology for tenants, property performance / management (management tools)
- Enticing and securing best tenants / whole of building criteria (optimisation)
- Selling when values are ripe and leasing strategies have been executed (timing)
- Avoid holding property for multiple capex and re-leasing cycles (returns)
- Agility, flexibility, quick decision capability (speed)



## STRATEGY TO CREATE VALUE

Ensure the GDI skills and capability matches our ability to execute on our strategy. GDI must have an elite team to execute our goals and attract the best stakeholders.

Achieve a through cycle diversified funding structure, by managing appropriate debt levels and access to perpetual equity on the GDI balance sheet and partnering and managing capital.

Selectively recycle the portfolio to achieve a balanced and diversified grouping of chosen office assets with fundamentals that allow GDI to extract strong and growing income and capital value.

Execute on leasing across all parts of the GDI business.

Boutique mindset to funds management to make investors money across the spectrum. We need to speed up the velocity of our syndicates by returning capital and earning the right to issue new product.

Communicate clearly and regularly with all stakeholders and report on the execution of our stated strategy.

Selectively add to the Board and management proposition. Culturally as a whole, GDI must ensure it is enhancing the GDI point of difference and act with flexibility and agility and all the integrity and rigour of a leading company.

# 07



# The GDI difference

WESTRALIA SQUARE

"Understanding the brown to green dynamics will lead to a competitive advantage"

## Learnings from WS2

- > Defining the real ESG/Carbon benefits (including embodied)
- > Proving of timber technology (delivery/cost/design/risk/product)
- > Recognising timber only works in an adaptable re-use scenario
- > Opportunity to de-risk via speculation (leasing, programme)
- > Emerging office occupation trend post COVID (flexibility and connected vertical village)
- > Perception of product/market exclusivity



### Timber

Perth CBD's first timber building with sustainably sourced CLT provides both environmental and occupant wellbeing benefits.



### Embodied Carbon

Enhance the sustainability of your workplace with a low carbon footprint. WS2 is designed to reduce embodied carbon by 80%.



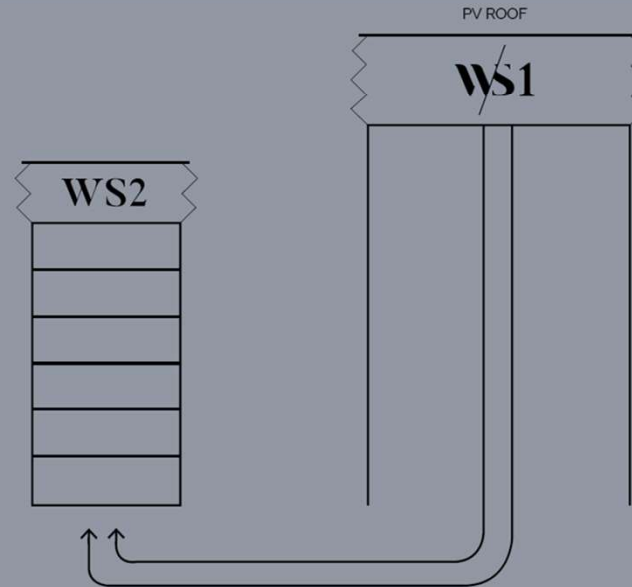
### Operational Carbon

Optimising energy usage with solar and renewable energy sources. Water efficient fixtures and fittings are specified throughout.



### Circular Economy

Precinct approach to the reuse of existing building services with a high rate of construction material recycling and office waste management processes.



## An integrated Carbon Reduction Strategy

# 07

Strategy

THE GDI DIFFERENCE





# GDI opportunities

## CONSTRUCTION READY PROJECTS

Wellington Street

- > DA submitted for 28,000m<sup>2</sup> NLA commercial and 51 residential unit development
- > Setup for government tenant (whole of building)
- > Multiple government tenant EOI's expected in 2023



07

Strategy  
GDI OPPORTUNITIES





## GDI opportunities

### CONSTRUCTION READY PROJECTS

#### 1 Mill Street

- > Existing Building 6,000m<sup>2</sup>
- > Approved DA 35,000m<sup>2</sup> NLA (circa 1,800m<sup>2</sup> NLA floor plates)
- > Opportunity to stage in smaller sub-buildings (and speculate)
- > Whole of building tenant opportunity for sub-buildings (circa 10,000m<sup>2</sup> NLA stages)



# 07

## Opportunity to increase FFO

Existing Portfolio levers for FFO growth	Fully let net income (FFO) <sup>1</sup>	"As is" net income (FFO 2024)	Historical FFO 2023	FFO 2022	Capex FY2023	FY2024	Comments
Properties	\$m	\$m	\$m	\$m	\$m	\$m	
1 Mill St, Perth	4.5	-0.6					Vacant with potential short-term letting / development
5 Mill St, Perth	4.6	3.8					Easily leased and captures reducing incentives
197 St Georges Tce	17.2	9.8					Backfilling AMEC tenancy (departed July / December 2022)
<b>Total Mill Green, Perth</b>	<b>26.3</b>	<b>13.0</b>	<b>15.4</b>				Considerable upside potential from lease up
Westralia Square 1, Perth	26.0	21.0	18.1				Experiencing competing tenant demand for balance of space
Westralia Square 2, Perth	7.5	1.4	0				Rental income skews to \$4.5m FY2025 "as is basis"
<b>Total Westralia Square, Perth</b>	<b>33.5</b>	<b>22.4</b>	<b>18.1</b>				Rental pick up from WS2 lease up and balance of WS1
180 Hay St, Perth	2.3	-0.5	-0.4				
Perth CBD carparks	3.9	4.1	4.2				
<b>Totals</b>	<b>66.0</b>	<b>39.0</b>	<b>37.3</b>		<b>9.6</b>	<b>10.0</b>	Variable capex of \$10m-\$25m spread over 2-3 years
<b>Other levers for FFO growth</b>	<b>FY23 \$m</b>	<b>FY24 \$m</b>					
Distributions from consolidated funds	3.5						Fund 42 & 46 (Townsville & Car Yards)
Co-living JV	1.1						Only a stub in FY2023 and full year in FY2024
Funds Management	3.3						Additional funds, performance fees
Cost reductions	c.1.5						
Development	c.25.0						WS2. Pipeline includes Mill Street and Wellington Street
Recycling (minor)							Specific to the asset or interest in fund
Recycling (transformational)							Long term repositioning benefit / alter returns short term

1. Based on assumed net market rent in last valuation
2. "As is" FFO based on contracted rents and heads of agreement only and does not assume any new leasing or lease renewals
3. Capex excludes WS2 building costs
4. Maintenance capex spent FY2023 \$6.8m and incentive and lease costs \$11.3m
5. Focus is on optimising return on capex for long term returns (mindful of maintenance spend/ timing with return on leasing)

# 07

## Strategy

OPPORTUNITY TO INCREASE FFO



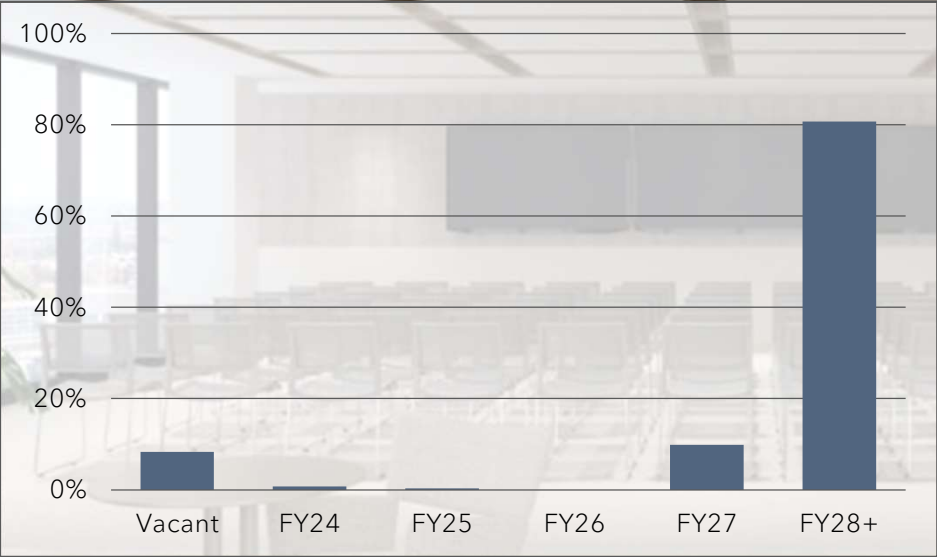


# 08 Appendix

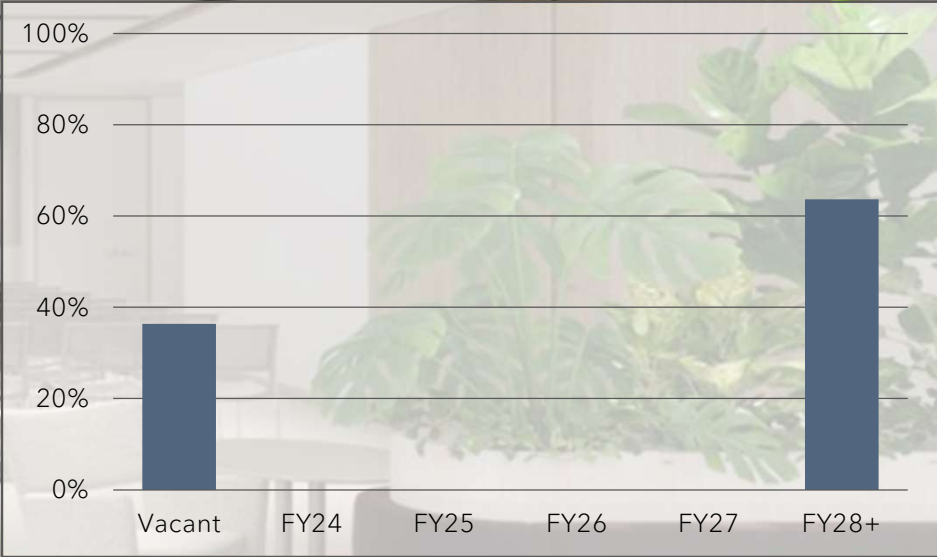


# The portfolio - Weighted average lease expiry

WESTRALIA SQUARE



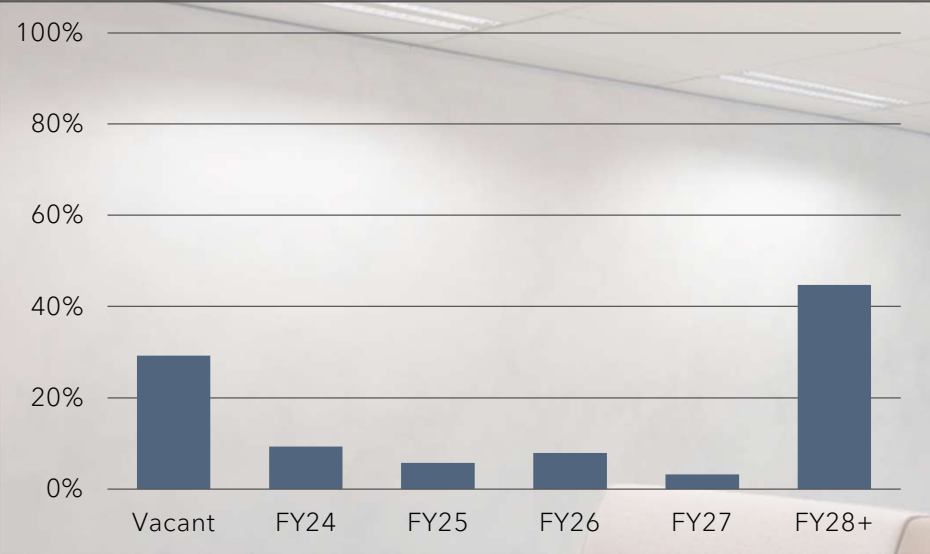
WESTRALIA SQUARE 2



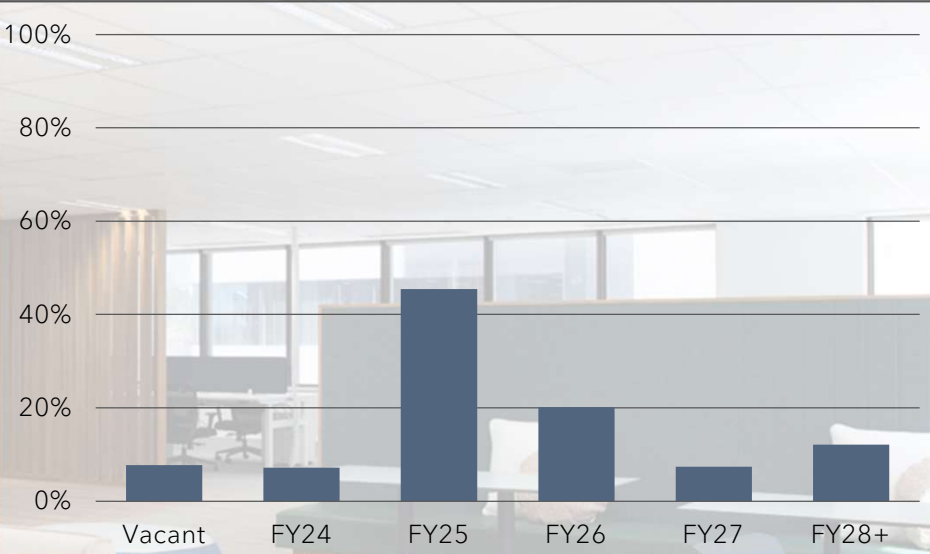


# The portfolio - Weighted average lease expiry

197 ST GEORGES TERRACE

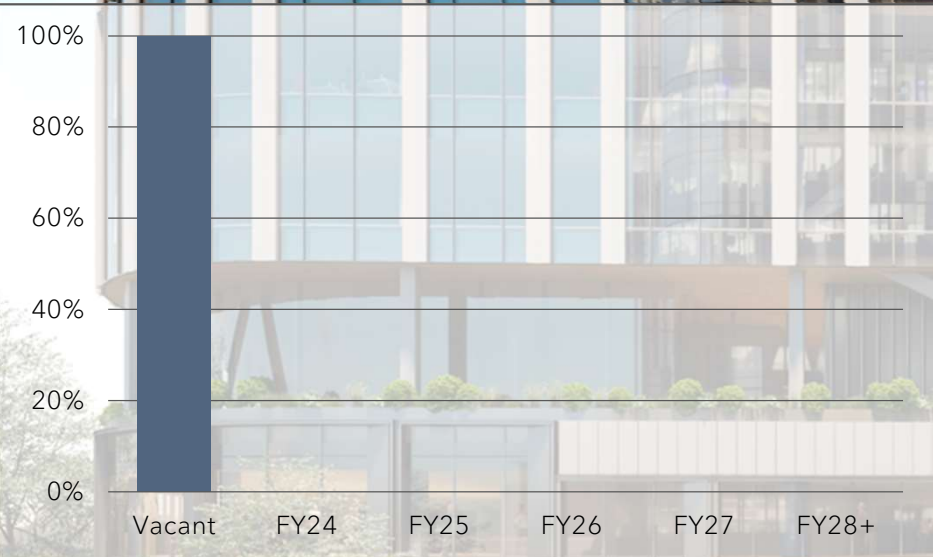


5 MILL STREET

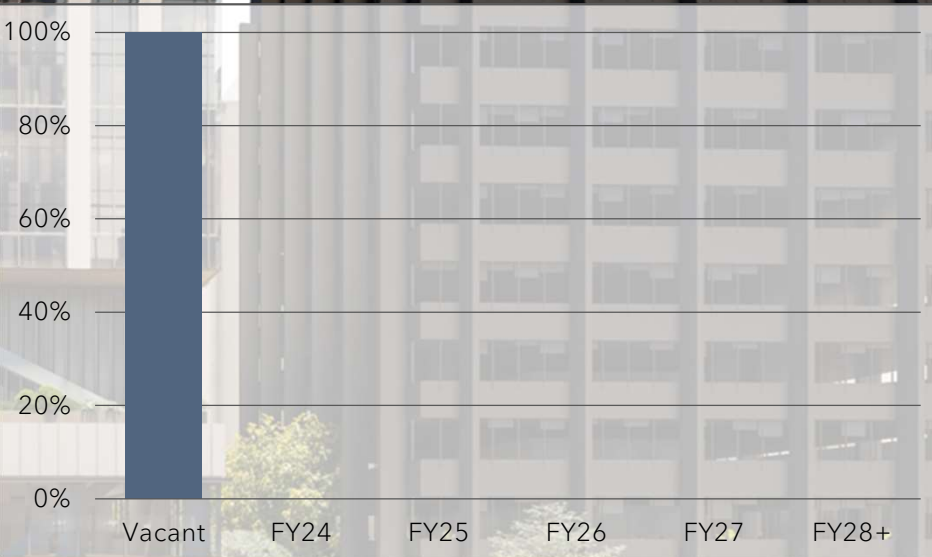


# The portfolio - Weighted average lease expiry

1 MILL STREET



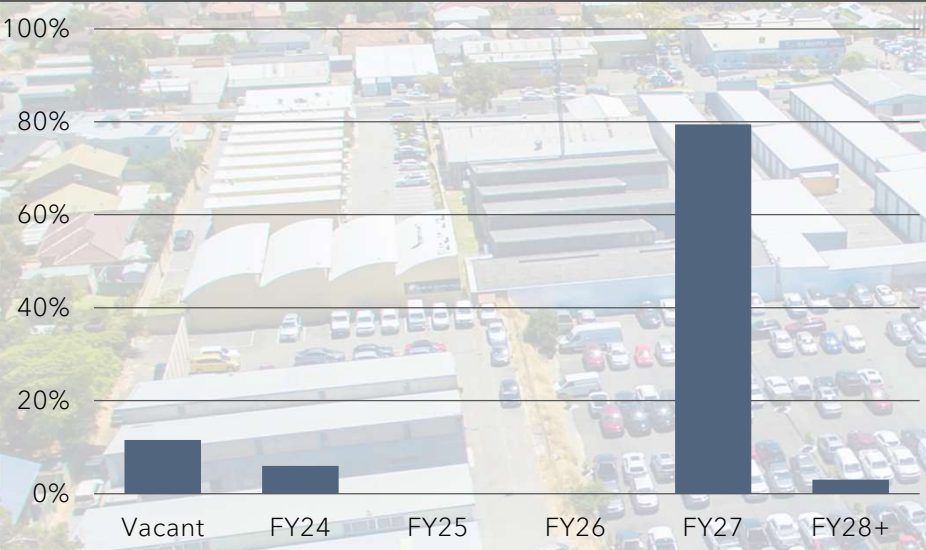
180 HAY STREET





# The portfolio - Weighted average lease expiry

235 STANLEY STREET



AUTOLEAGUE





## Balance sheet

Pro forma for post balance sheet events	Jun-23 \$'000	Jun-22 \$'000
<b>Current assets</b>		
Cash and cash equivalents	8,228	12,570
Non-current assets held for sale	30	1,240
Derivative financial instruments	730	528
Other assets	10,689	11,115
<b>Total current assets</b>	<b>19,687</b>	<b>25,452</b>
<b>Non-current assets</b>		
Investment properties	1,051,157	1,008,376
Derivative financial instruments	1,139	1,943
Equity accounted investments – Joint Venture	34,149	-
Other non-current assets	4,770	5,502
Intangible assets	18,110	18,110
<b>Total non-current assets</b>	<b>1,109,326</b>	<b>1,033,932</b>
<b>Total assets</b>	<b>1,129,013</b>	<b>1,059,384</b>
<b>Current liabilities</b>		
Borrowings	-	29,965
Trade and other payables	18,344	34,147
Other current liabilities	842	906
<b>Total current liabilities</b>	<b>19,186</b>	<b>65,018</b>
<b>Non-current liabilities</b>		
Borrowings	344,741	216,245
Other non-current liabilities	126	621
<b>Total non-current liabilities</b>	<b>344,867</b>	<b>216,764</b>
<b>Total liabilities</b>	<b>364,053</b>	<b>281,782</b>
<b>Net assets</b>	<b>764,960</b>	<b>777,603</b>
<b>Equity</b>		
Equity attributed to holders of stapled securities	685,068	697,264
Equity attributable to external non-controlling interest	79,892	80,339
<b>Total equity</b>	<b>764,960</b>	<b>777,603</b>

> **GDI No. 42 Office Trust (Stanley Place) \$51.40 million**

> **GDI No. 46 Property Trust (IDOM Portfolio) \$136.63 million**

> **GDI No. 42 Office Trust \$10.00 million**

> **GDI No. 46 Office Trust \$30.00 million**

> **GDI No. 42 Office Trust and GDI No. 46 Property Trust external investors**



## Profit or loss

	GDI		Trust	
	Jun-23	Jun-22	Jun-23	Jun-22
	\$'000	\$'000	\$'000	\$'000
<b>Revenue from ordinary activities</b>				
Property income	60,037	41,584	57,831	41,123
Funds management income	2,495	2,618	-	-
Interest revenue	437	126	806	123
<b>Total revenue from ordinary activities</b>	<b>62,969</b>	<b>44,328</b>	<b>58,636</b>	<b>41,245</b>
Share of net profits from joint ventures	1,149	-	276	-
Net fair value gain/(loss) on interest rate swaps	(725)	2,473	(725)	2,473
Net fair value gain/(loss) on investment property	(1,097)	51,408	(1,097)	51,408
Profit on sale of non-current asset held for sale	(122)	7,800	(122)	7,800
<b>Total income</b>	<b>62,174</b>	<b>106,009</b>	<b>56,969</b>	<b>102,927</b>
<b>Expenses</b>				
Property expenses	21,833	20,227	20,291	19,720
Finance costs	11,981	5,266	11,973	5,292
Corporate and administration expenses	7,618	8,678	4,933	5,528
Acquisition expenses	257	3,654	10	3,654
Other	7	(1)	7	(1)
<b>Total expenses</b>	<b>41,696</b>	<b>37,826</b>	<b>37,844</b>	<b>34,194</b>
<b>Profit before tax</b>	<b>20,478</b>	<b>68,184</b>	<b>19,125</b>	<b>68,732</b>
Income tax benefit/(expense)	(188)	126	-	-
<b>Net profit from continuing operations</b>	<b>20,290</b>	<b>68,309</b>	<b>19,125</b>	<b>68,732</b>
Other comprehensive income	(62)	(8)	(62)	(8)
<b>Total comprehensive income for the year</b>	<b>20,228</b>	<b>68,301</b>	<b>19,063</b>	<b>68,724</b>
<b>Profit and total comprehensive income attributable to:</b>				
Company shareholders	1,165	(423)	-	-
Trust unitholders	15,481	48,544	15,481	48,544
<b>Profit and total comprehensive income attributable to stapled securityholders</b>	<b>16,647</b>	<b>48,121</b>	<b>15,481</b>	<b>48,544</b>
External non-controlling interests	3,582	20,180	3,582	20,180
<b>Profit after tax from continuing operations</b>	<b>20,228</b>	<b>68,301</b>	<b>19,063</b>	<b>68,724</b>

## Net profit after tax to FFO

	GDI	
	Jun-23	Jun -22
	\$'000	\$'000
Total comprehensive income for the period	20,228	68,301
Acquisition expenses	257	3,654
Contribution resulting from consolidated trusts	(9,103)	(9,724)
Distributions / funds management fees received from consolidated trusts	4,315	4,174
Straight lining adjustments	984	1,554
Amortisation and depreciation	9,497	22,193
Net fair value (gain) / loss on investment property	1,097	(51,408)
Net fair value (gain) / loss on interest rate swaps	725	(2,473)
(Profit) / loss on sale of non-current asset held for sale	122	(7,800)
<b>Funds From Operations</b>	<b>28,121</b>	<b>28,471</b>



## Property information

Property	Fully let net income <sup>1</sup>	'As is' FFO FY24 <sup>2</sup>	June 2023		June 2022		June 2023		
			FFO	IFRS NPI <sup>3</sup>	FFO	IFRS NPI <sup>1</sup>	Capex Spent	Maintenance capex spent	Incentives & lease costs
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
1 Mill Street	4.5	(0.6)					-	-	-
5 Mill Street	4.6	3.8					-	0.4	1.5
197 St Georges Terrace	17.2	9.8					-	6.3	5.6
Mill Green, Perth	26.3	13.0	15.4	10.0	19.0	13.2	-	6.7	7.1
Westralia Square, Perth	26.0	21.0	18.1	13.4	12.7	(4.3)	8.4	0.1	4.2
WS2	7.5	1.4					22.5		
50 Cavill Avenue, Surfers Paradise	-	-	0.1	0.1	1.2	0.9	-	-	-
180 Hay Street, Perth	2.3	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	0.9	-	-
Perth CBD carparks	3.9	4.1	4.2	4.2	1.3	1.3	0.3	-	-
Distributions from consolidated funds			3.5	-	3.5	-	-	-	-
Funds Management fees			3.3	2.5	3.3	2.6	-	-	-

1. Based on assumed net market rent in last valuation

2. 'As is' FFO is based on contracted rents and Heads of Agreement only and does not assume any new leasing or lease renewals

3. IFRS NPI is the net property income of each asset prior to any revaluation adjustments

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