MEDIA RELEASE FROM GROWTHPOINT PROPERTIES LIMITED

12 November 2020

***Growthpoint raises R4.3 billion equity capital through oversubscribed placement***

Growthpoint Properties this morning announced that it successfully closed its sizeable R4.3bn equity raise, which opened yesterday afternoon. The placement was 2.74 times oversubscribed.

The company initially sought to raise R4bn which it increased in response to the strong demand for new Growthpoint shares.

Norbert Sasse, Group CEO of Growthpoint Properties, says, “We’re extremely pleased with the success of our accelerated bookbuild, which enjoyed robust demand particularly from offshore. Local support totalled 57% of the capital raise, with the balance coming from noteworthy international interest. It is encouraging to receive strong support from so many local and global investment institutions.”

With the capital raised in this bookbuild Growthpoint will reduce leverage and maintain balance sheet strength to support operating flexibility and undertake certain development and investment activities. This balance sheet strength will position the company well for growth opportunities that may arise in the future.

Proceeds raised from the bookbuild will in part be used to repay the debt from Growthpoint’s subscription and partial cash offer for shares in Capital & Regional in December 2019.

The capital raise is part of Growthpoint’s larger capital plan which includes cost and capital expenditure savings, partial retention of earnings through the Dividend Reinvestment Plan (DRIP) and dividend pay-out ratio of at least 75% of distributable income, which is compliant with SA REIT legislation. It also includes a non-core asset disposal programme of R1bn to R1.5bn in the current financial year.

As a result of the R4.3bn placement, Growthpoint’s loan to value (LTV) ratio, which was 43.9% at 30 June 2020, will decrease to approximately 41.5% on a pro-forma basis. Growthpoint continues to enjoy comfortable debt covenant headroom, with its strictest LTV covenant being 55%. At end-October, Growthpoint had R5.4bn of liquidity available in committed undrawn facilities and cash prior to this capital raise.

The 358,333,333 new Growthpoint shares were priced at R12.00 per share, which represents a 6.3% premium to the pre-launch 30 business day volume weighted average share price, adjusted for any cum dividend portion, of ZAR11.29 per share as at market close on 11 November 2020.

Growthpoint creates space to thrive with innovative and sustainable property solutions. It is South Africa’s largest primary JSE-listed REIT and is invested in real estate and communities across Africa, Australia, the UK and Eastern Europe.

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Released by:

Growthpoint Properties Limited

Nadine Briers, Head, Marketing & Communication

Tel: +27 (0) 11 944 6251

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For more information, or to book an interview, please contact Mahlatse Bojanyane on 083 453 6668 or email Mahlatse@marketingconcepts.co.za.